

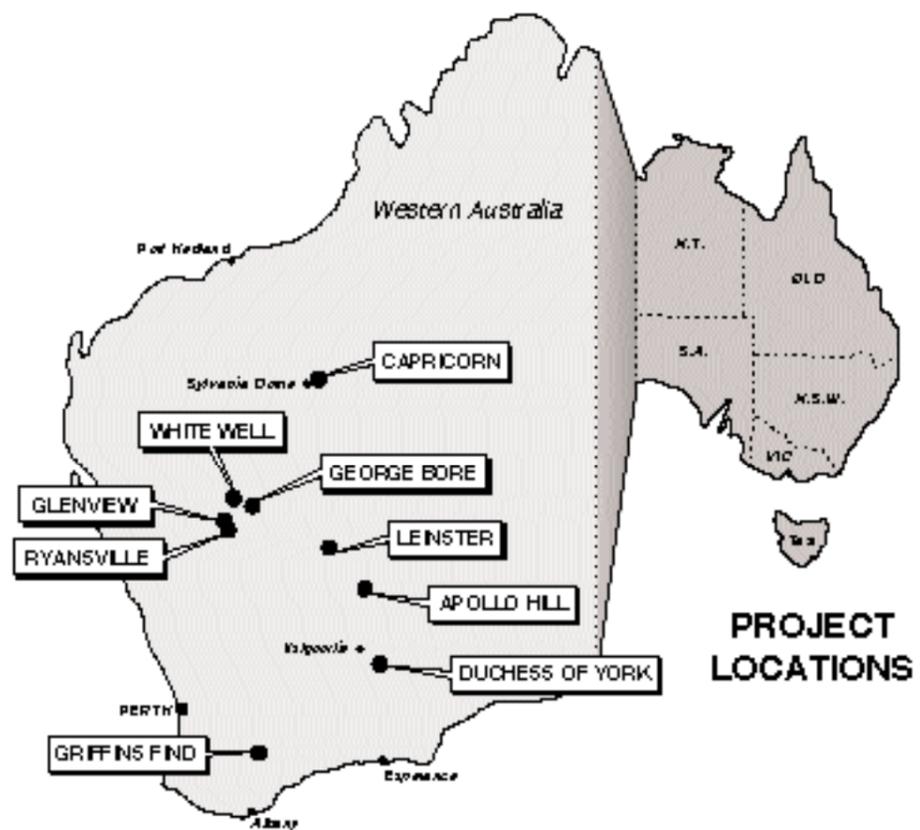
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# Hampton Hill Mining NL

ABN 60 060 628 524

*Annual Report 2004*





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**CORPORATE DIRECTORY**

**Directors**

**NEIL TOMKINSON**

Chairman

**WILSON S FORTE**

Managing Director

**JOSHUA N PITT**

Non-executive Director

**Company Secretary**

**PETER C RUTLEDGE**

**Stock Exchange Listing**

Australian Stock Exchange Limited

2 The Esplanade

Perth WA 6000

**Share Registry**

Security Transfer Registrars Pty Ltd

770 Canning Highway

Applecross WA 6153

Tel: 08 9315 0933

Fax: 08 9315 2233

Email: registrar@securitytransfer.com.au

**Auditors**

BDO

Chartered Accountants

256 St Georges Terrace

Perth WA 6000

**Registered Office**

Second Floor, 9 Havelock Street

West Perth WA 6005

Tel: 08 9481 8444

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Hampton Hill Mining NL is a public listed company incorporated and domiciled in Australia

## **OPERATIONS REVIEW**

### **OVERVIEW**

During a very busy year, Hampton Hill Mining NL (Hampton Hill or the Company) continued to explore for gold at Apollo Hill, base metals at Glenview and, in conjunction with LionOre Mining International Ltd, nickel at the Leinster project, south of the township of Leinster. In addition, at the Griffins Find gold project, following the withdrawal of Teck Cominco Limited (Teck Cominco) of Canada from the joint venture, the Company completed a data review and instigated geological mapping of the mineralisation in the old open pits, and plans to fly an airborne electromagnetic survey before year's end; further drilling based on the Induced Polarisation survey completed earlier by Teck Cominco is planned late in 2004.

In the March quarter, the Company entered into a joint venture with BHP Billiton Minerals Pty Ltd and Teck Cominco whereby Hampton Hill may earn a 50% interest in the Wheatley base metals project near Manjimup. Several holes were drilled by the participants and, as detailed below, encouraging base metal values were encountered. An airborne electromagnetic survey over the central portion of the joint venture area has recently been commissioned and will take place prior to December. Further drilling is anticipated following examination of this new data.

As reported earlier in the year, Hampton Hill farmed out a large area of the Apollo Hill tenement block to Teck Cominco and entered into a farm-out agreement with newly listed Aurora Minerals Ltd covering most of the Company's Murchison gold tenements. The Company also farmed out its part-owned Capricorn base metal project to recently listed Traka Resources Ltd and disposed of its interest in the Northlander project for a small cash consideration and a royalty payable on production of gold from the tenements.

In order to continue the funding of existing projects and to allow the examination and possible acquisition of new areas, the Company placed 8,000,000 shares at a price of \$0.26 with clients of Intersuisse Corporate Ltd. during the course of the year.

### **APOLLO HILL PROJECT**

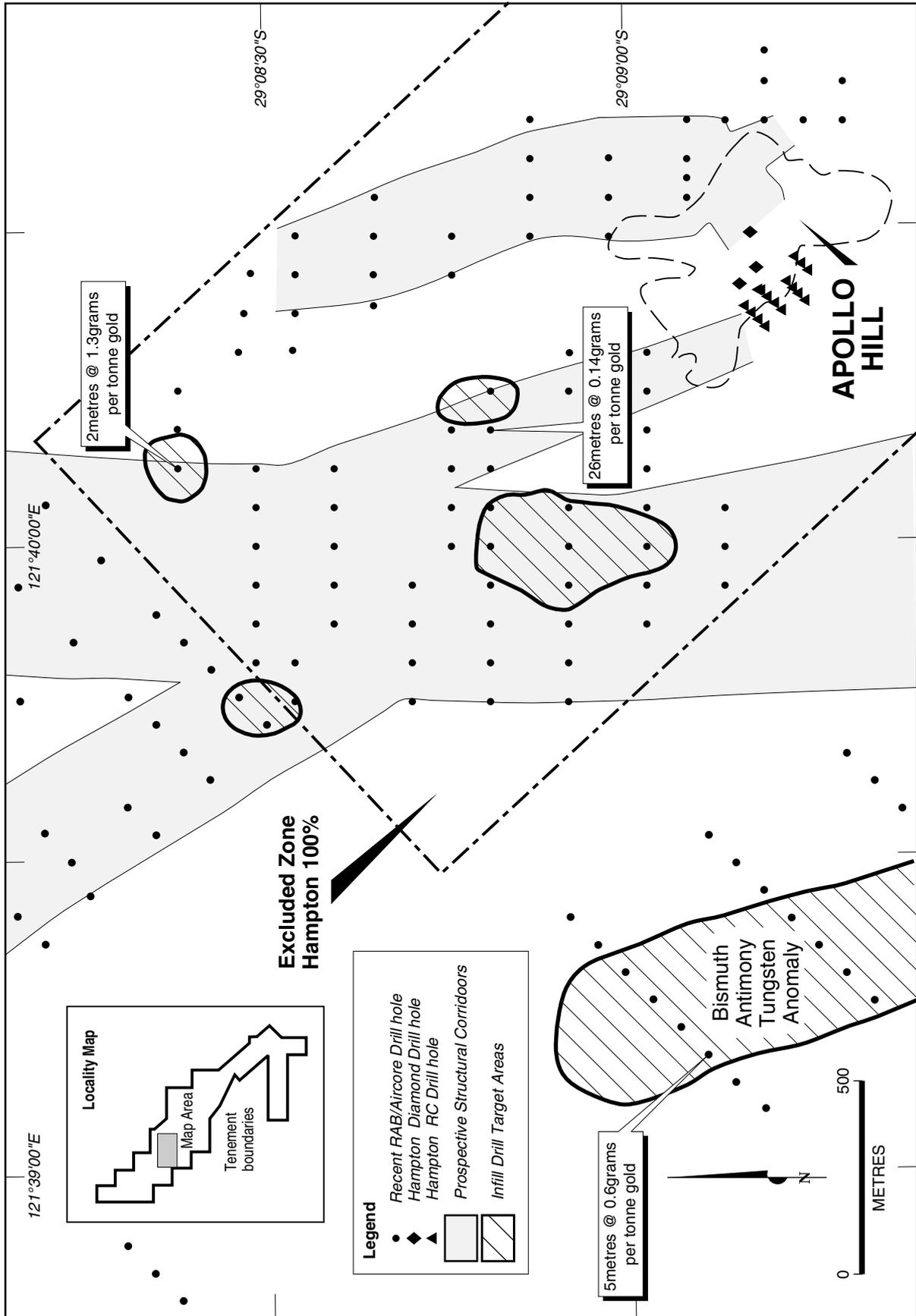
The Apollo Hill gold project straddles the Keith-Kilkenny lineament thought to be a major focus for gold mineralisation in the region and is close to the major gold mining centre of Leonora. The Apollo Hill prospective gold system was delineated by a series of drilling programs carried out by previous explorers between 1986 and 1998. Hampton is the 100% tenement holder and has full ownership of a 3.2 by 1.5 kilometre exclusion zone covering the central target zone at Apollo Hill whilst the outer areas of the project are in joint venture with Teck Cominco as manager earning a 60% interest.

A two-pronged approach to the exploration of the project area has been adopted during this, the second year of operations. Hampton Hill has continued the detailed evaluation of the central Apollo Hill target in its own right while regional exploration has commenced both in the immediate vicinity of the hill, which is wholly owned by Hampton Hill, and on the outer areas under Teck Cominco management.

At the central Apollo Hill target, three diamond drill holes totalling 691 metres were completed by Hampton Hill to better understand the controls of mineralisation down dip from the reverse circulation drill holes completed last year. They provided a valuable insight into the occurrence, style and structural setting of the gold mineralisation, which will assist in designing future drilling programs. The holes confirmed wide zones of anomalous but subeconomic gold mineralisation with sporadic visible gold observed. The results indicate that the strike and down dip extensions to this mineralisation are prospective and Hampton Hill will now review all the previous drilling data before determining the next exploration phase.

APOLLO HILL PROJECT

Figure 1



Exploration away from the central Apollo Hill target zone first involved a ground based gravity survey covering the majority of the project area. This data was used together with 3-D processing of a previous aeromagnetic survey and detailed mapping and structural analysis to define prospective structural corridors masked by surficial cover. These structural corridors were then tested by a bedrock drilling program of 183 aircore holes totalling 13,227 metres both within Hampton Hill's wholly owned exclusion zone and in the outer joint venture area. The holes were generally drilled on a 200 by 100 metre grid pattern.

The drilling within the Hampton Hill exclusion zone of 83 holes totalling 5,567 metres returned four bedrock gold anomalies. The best anomaly was outlined by a 2 metre intersection averaging 1.3 grams per tonne, as shown in figure 1.

The drilling program on the outer area managed by Teck Cominco amounting to 100 holes for 7,660 metres outlined a new zone of weakly anomalous gold mineralisation in felsic volcanoclastic sedimentary rocks 1.5 kilometres to the west of Apollo Hill and a northerly continuation of a weakly anomalous zone outlined within Hampton Hill's exclusion zone. The best result from this new zone was 5 metres averaging 0.6 grams per tonne gold within a 800 metre by 300 metre zone of elevated bismuth, antimony and tungsten values.

Hampton Hill and Teck Cominco plan to follow up these anomalous results with infill aircore drilling to better define bedrock targets prior to any reverse circulation (RC) drill follow up.

## **WHEATLEY PROJECT**

During the year the Company entered the Wheatley joint venture with Teck Cominco acting as manager with the object of exploring a major recently recognized base metal and gold province situated between the townships of Manjimup and Greenbushes in the south west of Western Australia. Hampton Hill has completed its earn in expenditure which consisted of \$250,000 of sole contribution to the joint venture and now has a 50% contributing interest with Teck Cominco.

The Wheatley joint venture project area is comprised of four groups of tenements as depicted in Figure 2 in which various parties hold different interests as follows:

The Central Area consisting of tenements which are owned by BHP Billiton Minerals Pty Ltd (BHP-B) from which company the Wheatley joint venture is currently earning a 50% interest;

The Haddington Area in which the Wheatley joint venture is earning a 37.5% interest, BHP-B a 37.5% interest, and in which Australian Tantalum Ltd (a wholly owned subsidiary of Haddington Resources Ltd) shall retain a 25% interest;

The Askins/Stewart Area in which the Wheatley joint venture has a right to earn a 50% interest and BHP-B a 50% interest, with the vendors retaining a 1% Net Smelter Return Royalty;

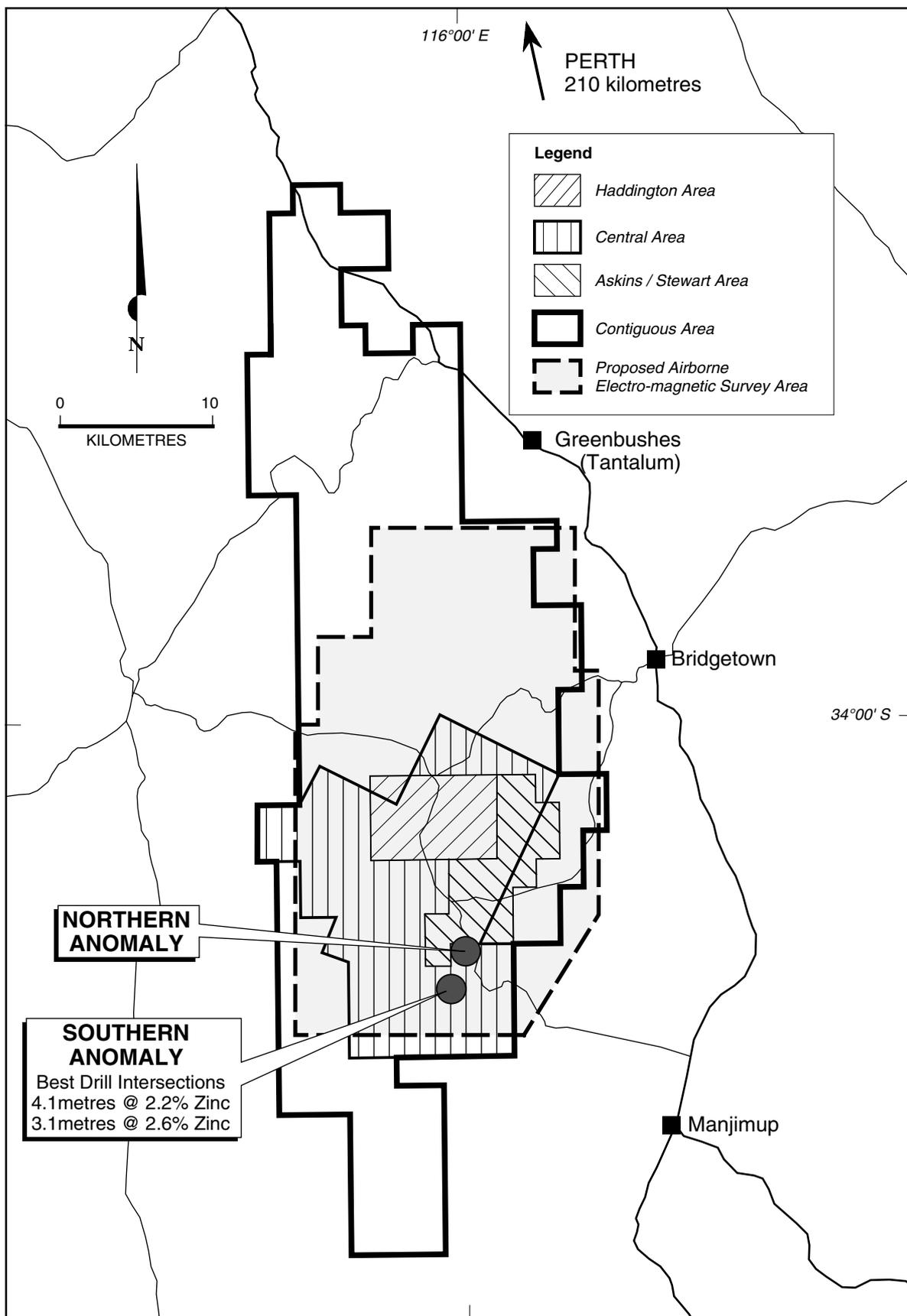
The Contiguous Area in which the Wheatley joint venture operates with no third party involvement.

A more detailed summary of the details of the arrangements governing the various ground holdings in the Wheatley joint venture was detailed in the Company's report to the ASX for the quarter ending 31 March 2004.

Since early in the year, the Wheatley joint venture has carried out ground electromagnetic (EM) surveys and orientation geochemical surveys and has drilled four diamond holes totalling 840 metres in the Central Area of the project. This work was focussed on two of several aerial EM targets defined prior to Hampton Hill entering the joint venture, one in the south of the area and one in the north. Exploration results suggest that the southern target is associated with one continuous magnetic anomaly about 3 kilometres long while the extent of the northern target is as yet ill defined.

### WHEATLEY PROJECT AREA

Figure 2



Three of the four holes were drilled into the southern target over a strike of 1.4 kilometres. Each of the three holes intersected semi massive sulphides overlaying strongly altered footwall rocks. In one hole a second band of semi massive sulphide of similar composition to the upper horizon was intersected over a width of 1.55 metres. These sulphide zones are dominated by pyrrhotite-pyrite with some sphalerite, galena and chalcopyrite. The best result from this drilling was 4.1 metres of 0.2% copper, 0.5% lead and 2.2% zinc. In another of these holes, a zone of disseminated sulphides returned 0.35 metres of 2.2 grams per tonne gold 42 metres downhole from the semi massive sulphide. This zone of disseminated sulphides is also underlain by strongly altered footwall rocks.

The fourth diamond drill hole was aimed to test the northern target but only intersected minor disseminated pyrrhotite within stock work veining. However, downhole EM suggests that this hole may have overshot the target. One diamond hole previously drilled near this target returned 0.7 metres of 1.3% copper associated with semi massive sulphides.

These intersections with attendant strongly altered footwall rocks are encouraging as they reaffirm the potential of the project for copper zinc ore bodies of a broadly similar style to that found at the Golden Grove base metal mine, situated in the Murchison Goldfield of Western Australia. The project area has had only cursory examination in the past and the initial exploration by the joint venture has highlighted it's potential.

Orientation soil and stream sediment sampling completed over the area of the diamond drilling and where several other airborne EM anomalies had previously been defined showed that soil sampling in particular will be effective in more closely locating these anomalies on the ground for more effective positioning of drill holes.

The Wheatley joint venture will now commission an extensive airborne EM survey over the most prospective portion of the four tenement blocks. Any conductors delineated by this survey will be followed up with soil sampling and any targets, which emerge, will be tested by diamond drilling.

## **GRIFFINS FIND GOLD PROJECT**

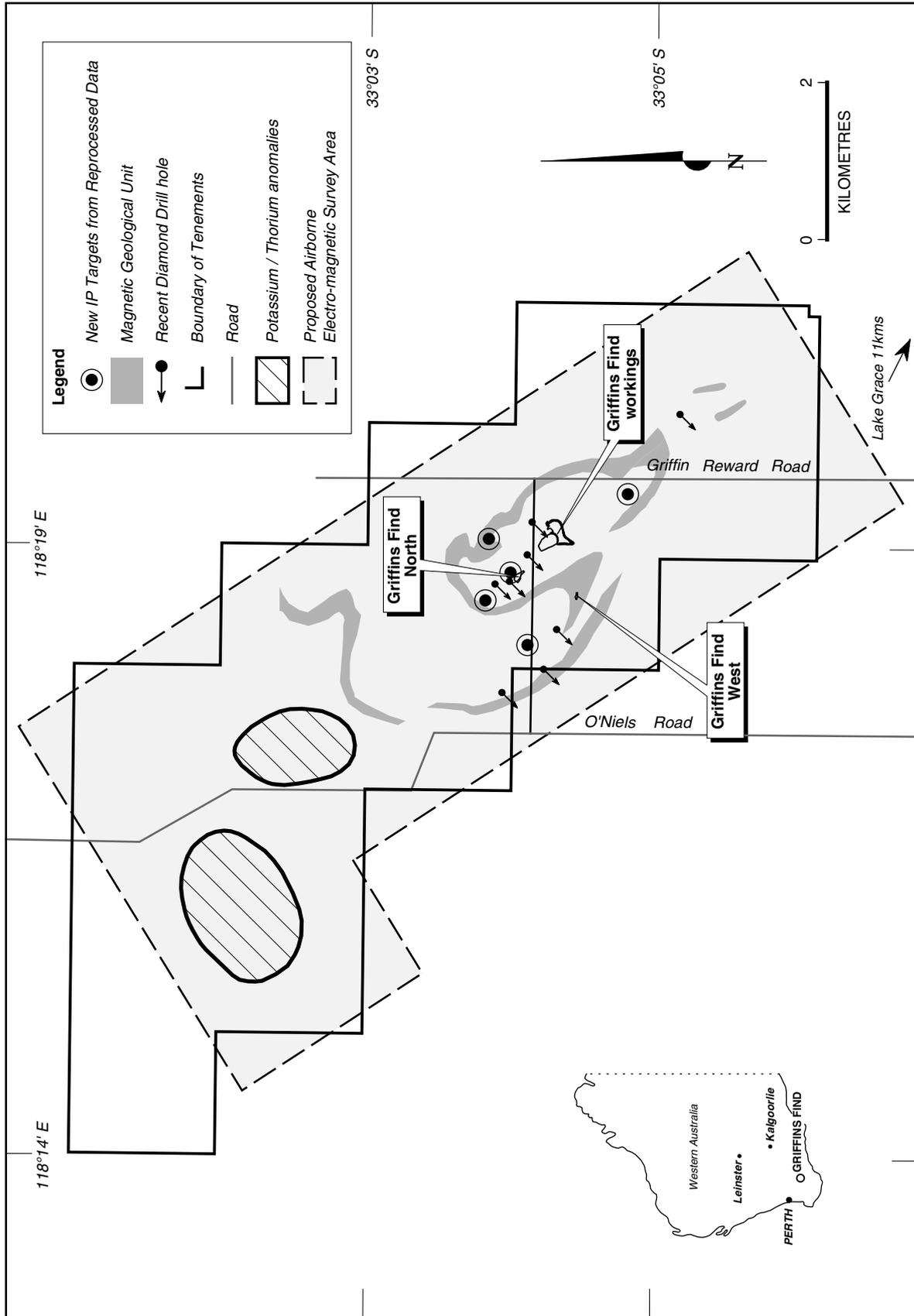
Following the withdrawal of Teck Cominco from the Griffins Find joint venture, the option to purchase the project from private interests has reverted to Hampton Hill. The project comprises two Exploration Licences totalling 83.4 square kilometres near the township of Lake Grace some 250 kilometres south east of Perth. The option involves annual payments of \$10,000 increasing to \$20,000 and a purchase price of \$750,000 less all option payments. The vendor will retain a net smelter return royalty (NSR) of 1.8% for the first 100,000 ounces of gold produced reducing in steps to a 0.55% NSR for any production over 1 million ounces.

Hampton Hill has reviewed all the past exploration data and reprocessed data from the induced polarization (IP) survey carried out last year. This has revealed new and promising targets based on the recognition of the differing geophysical responses to be expected between any gold bearing massive sulphide lode ores, which are the focus of the exploration efforts, and the host graphitic rocks. The graphite in the host rocks gives a broad IP effect and led to target selection, which the Company now believes may have been erroneous. The new targets shown in Figure 3 focus on the more polarisable hot spots in the data. The reevaluation was based on bench scale IP testing of specimens of lode ore from the Griffins Find open pit, which demonstrated that this material was much more highly polarisable than the graphitic host rocks.

Hampton Hill is currently planning a RC drilling program to test these targets together with any targets generated from a review of past bedrock drilling. It may elect to augment target selection by carrying out an airborne EM survey over the entire project area. Drilling will await the completion of wheat harvesting expected by December.

## GRIFFINS FIND PROJECT GEOLOGY

Figure 3



## **THE GLENVIEW PROJECT**

The Glenview project is located on the northern flank of the Weld Range, 60 kilometres northwest of the township of Cue in the Murchison Goldfield of Western Australia. Volcanogenic massive sulphide base metal deposits are being targeted. The presence in the drill core of base metals in veins and disseminations accompanied by strong alteration of the host felsic volcanoclastic rocks is characteristic of many volcanic hosted massive sulphide deposits. The mineralisation at Glenview is similar in type and age to that of the Golden Grove copper-zinc deposits located some 200 kilometres to the southwest.

During the year, the Company commissioned a review of all past geophysical surveys and completed a 16.4 line kilometre ground based transient EM survey. The review identified weak but distinct geophysical anomalies suggesting the possibility that significant base metal mineralisation may occur down dip or lateral to a previous drill hole intersection, which returned 3.5 metres of 8.7% copper.

Hampton Hill then completed four diamond drill holes and four RC drill holes involving 1,214 metres of diamond drilling and 1,179 metres of RC drilling to test for volcanogenic massive sulphide base metal deposits and to examine the volcanic stratigraphy beyond the existing drill hole coverage.

Wide spaced, thin, semi massive copper sulphide intersections associated with siliceous volcanic mudstones were intersected in the drilling. Analysis of the drill core returned scattered zones assaying up to one third of a metre of 3% copper. Several separate broad zones of anomalous zinc and lead mineralisation were intersected with a maximum assay of one metre of 2.5% zinc and one metre of 1.3% lead in different intervals. The Company was also encouraged by the presence of several horizons of exhalative chert that indicate an ideal setting for base metal accumulation.

Assaying of a hole at the extreme west end of the target area returned a peak assay of 1.8% zinc and 0.9% lead over 8 metres which is considered highly anomalous as it occurred from a depth of only 2 metres downhole in very weathered rocks where base metal content could be expected to be heavily leached and depleted.

Following this drilling, the Company completed downhole EM surveys of two of the diamond holes but was unable to lower the sensor down the remaining two holes. No obvious off hole anomalies were indicated in the two holes surveyed but the data now requires detailed evaluation. It also carried out a follow up orientation soil and rock chip sampling program that indicated the possibility of western extensions to the base metal mineralisation as outlined in Figure 4.

Hampton Hill plans to carry out a bedrock geochemical drill program over this new zone to the west of the drilled target area and to try and unblock the two remaining diamond holes so that the downhole EM surveys can be completed.

## **THE LEINSTER PROJECT**

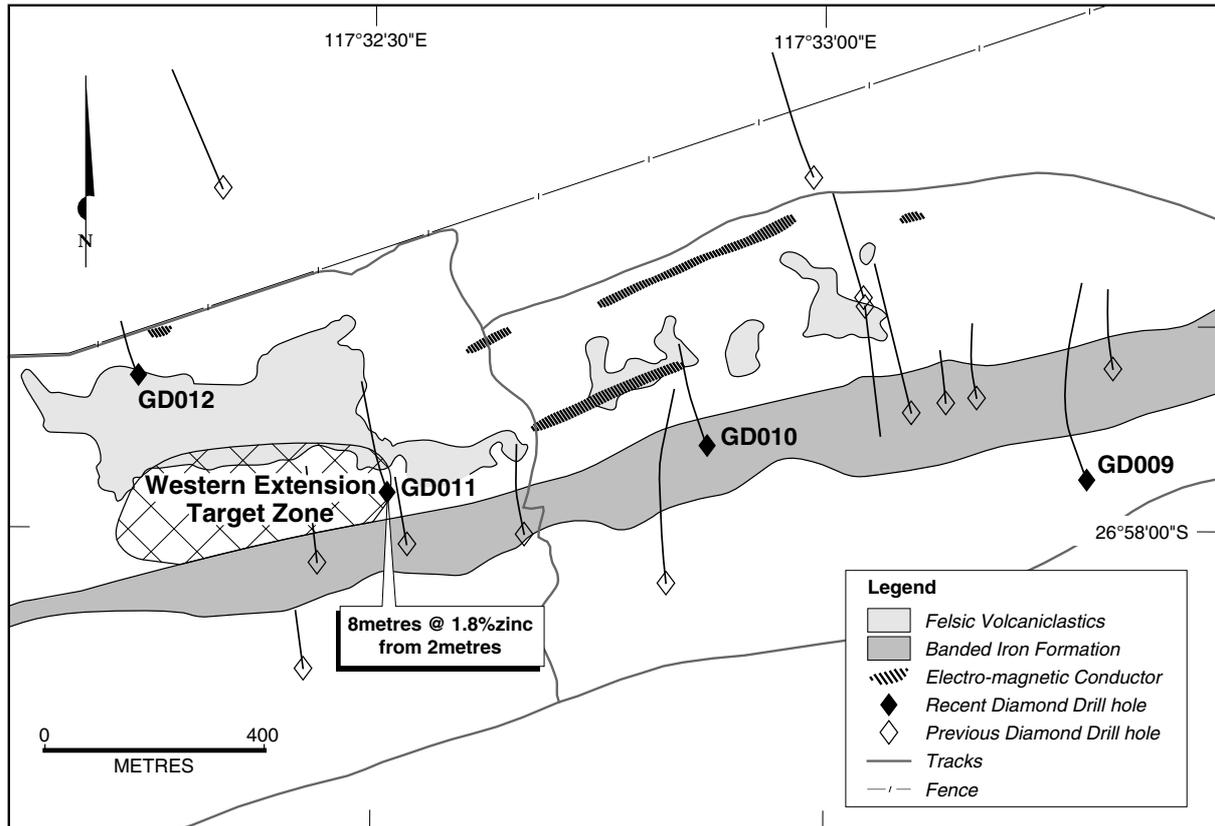
LionOre Mining International Ltd of Canada (LionOre) manages this project in which Hampton has a 20% contributing interest. The project is located near Leinster, Western Australia, directly south of the WMC Ltd's Weebo nickel sulphide deposit of 12.6 million tonnes of 0.67% nickel and adjacent to the tenements covering the high grade Waterloo nickel sulphide deposit discovered by LionOre in 2002. The project covers a portion of the southeast continuation of the corridor hosting the major nickel sulphide deposits being mined at Mt Keith, Leinster and Cosmos.

During the year there was an acceleration of exploration on the Leinster project involving geological mapping and gossan search, both surface and downhole EM surveys, and RAB, Aircore, RC and diamond drilling. Total expenditure exceeded \$700,000. RAB and Aircore drilling totalling 5,213 metres and mainly targeting aeromagnetic anomalies delineated the prospective ultramafic contacts and was followed by a 20.5 line kilometre ground based EM survey aimed at locating bedrock conductors. Seven diamond drill holes totalling 2,469 metres were then completed to test the targets defined by this program. Barren sulphides were intersected in some of these holes but no nickel sulphides were encountered.

This intensive exploration has led to the downgrading of the project although some off hole conductors defined by downhole EM surveying are presently being evaluated and geological appraisal of the project will continue.

**GLENVIEW PROJECT  
GEOLOGY**

Figure 4



**THE CAPRICORN PROJECT**

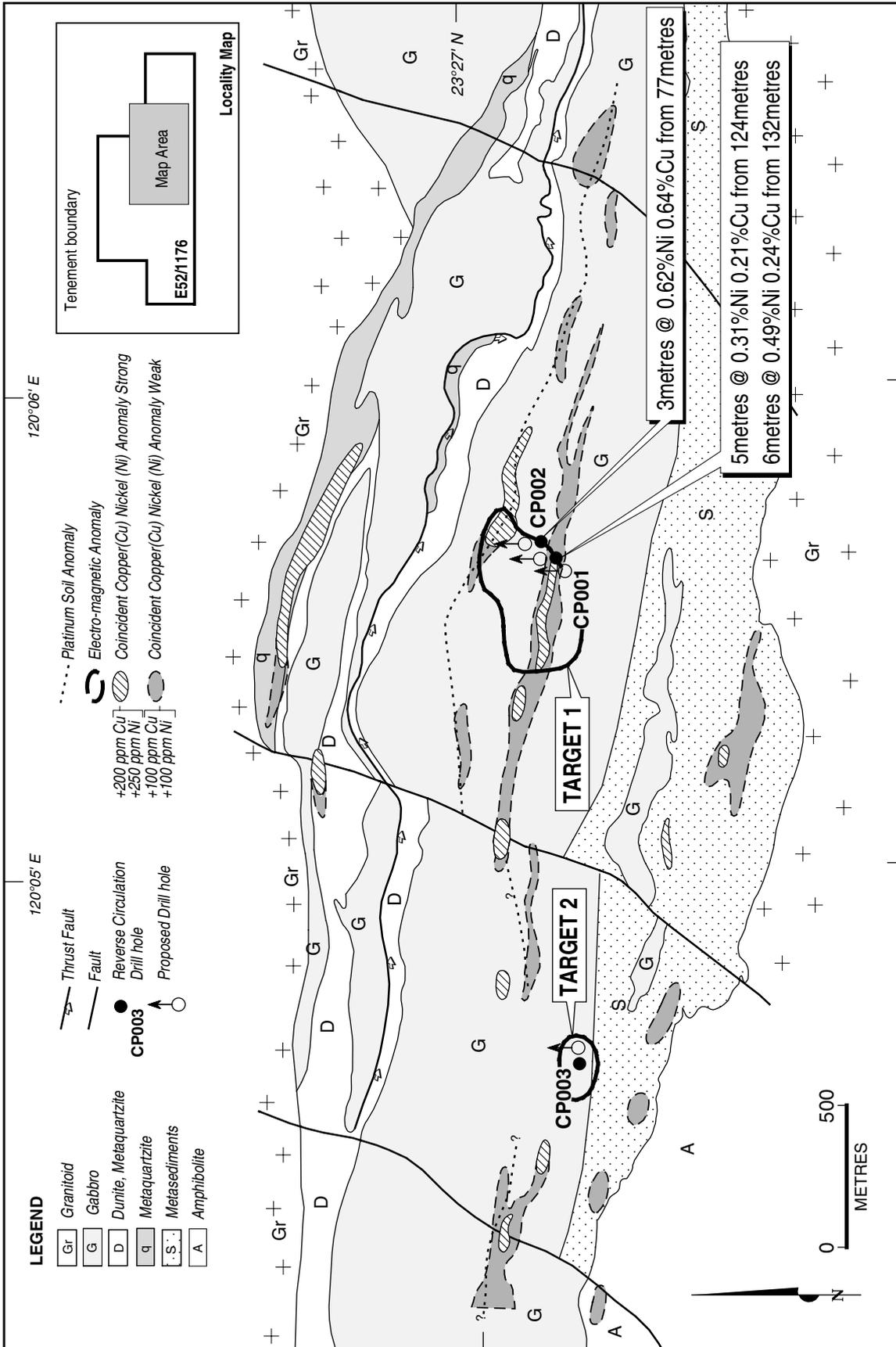
The Capricorn project is situated 50 kilometres southeast of the township of Newman in the East Pilbara region of Western Australia. It covers a gabbroic complex prospective for nickel sulphide mineralisation situated along the northern margin of the Sylvania Dome. The project is in joint venture with Traka Resources Limited whereby that company has the right to earn a 60% interest by providing a free carry of \$1 million of exploration expenditure with a first year commitment of \$50,000. Hampton Hill retains a 30% free carried interest and an unlisted private company has a 10% interest.

Hampton Hill previously carried out substantial drilling programs for stratiform zinc mineralisation on the project but also recognized the prospectivity of the gabbroic complex in which nickel and platinoid anomalism had been defined by soil sampling and reconnaissance RC percussion drilling. During 2003, an EM survey was completed which highlighted two targets 1.8 kilometres apart which are coincident with soil and/or shallow drill hole geochemical anomalies and these have been the focus for exploration this year.

The drill holes returned strongly anomalous nickel, copper and PGE mineralisation associated with broad zones of minor disseminated pyrite, pyrrhotite and chalcopyrite. Within these zones there were intersections of stronger though subeconomic grades. At the first target, the best intersections were 5 metres grading 0.3% nickel and 0.2% copper from 124 metres downhole and 6 metres grading 0.5% nickel and 0.2% copper from 132 metres shown on Figure 5. A second hole in this target, collared 60 metres north east of the first hole, returned a best intersection of 3 metres grading 0.6% nickel and 0.6% copper from 77 metres downhole. The results confirm the prospectivity of the gabbroic complex for nickel-copper-PGE style deposits and upgrade the first target.

CAPRICORN PROJECT - GEOLOGY

Figure 5



A downhole EM survey identified two conductors at the first target and one at the second target. Both these targets lie well within the body of the gabbroic complex and there are no known sedimentary pyritic rocks or other units in the vicinity that could be responsible for these downhole EM conductors. There is therefore some confidence that these anomalies may relate to higher concentrations of nickel, copper and PGE bearing sulphides occurring off hole from the sub economic intersections made to date. A further program of RC drilling will be carried out as soon as a drilling rig can be secured.

### THE MURCHISON GOLD PROJECTS

During the year Hampton Hill entered into a joint venture with recently floated Aurora Minerals Limited (Aurora) for the further exploration of the White Well, George Bore, Ryansville and Weebacarry Bore gold projects in the Murchison Goldfields of Western Australia as shown in Figure 6. Aurora is required to expend at least \$100,000 within the first year of the joint venture and will need to expend \$1 million within 4 years to earn a 51% interest.

The **George Bore** project is situated 22 kilometres south of Meekatharra and about 7 kilometres south of St Barbara Mines Limited's (St Barbara) Bluebird gold treatment plant. During the year, Hampton Hill exercised the option to purchase the George Bore tenement for a total consideration of 800,000 fully paid shares in the Company.

The project covers the southern extrapolation of the Gibraltar-Bluebird shear zone that bounds the western margin of the Norie Pluton. Strike parallel shear zones control much of the gold mineralisation in the Meekatharra region and their juxtaposition with a granitoid pluton provides an excellent structural gold target. The recently discovered Mulla Mulla gold prospect owned by St Barbara lies near the north eastern margin of the pluton and is hosted by a major shear zone. The prospectivity of the western margin of the pluton has been highlighted by some encouraging gold results from exploration by St Barbara at the Petra prospect situated near the George Bore project boundary.

Aurora recently completed a 20 hole Aircore drill program totalling 1,650 metres to test targets generated from the interpretation of aeromagnetic data commissioned by Hampton Hill. The assay results of this program are awaited.

The **White Well** project is located within the Mingah Ranges, about 80 kilometres west northwest of the township of Meekatharra. Aurora completed 31 RAB holes totalling 2,088 metres and further delineated several prospective gold corridors. This preliminary work has been followed up by a 12 hole RAB program totalling 513 metres. The assay results of this drill program are awaited.

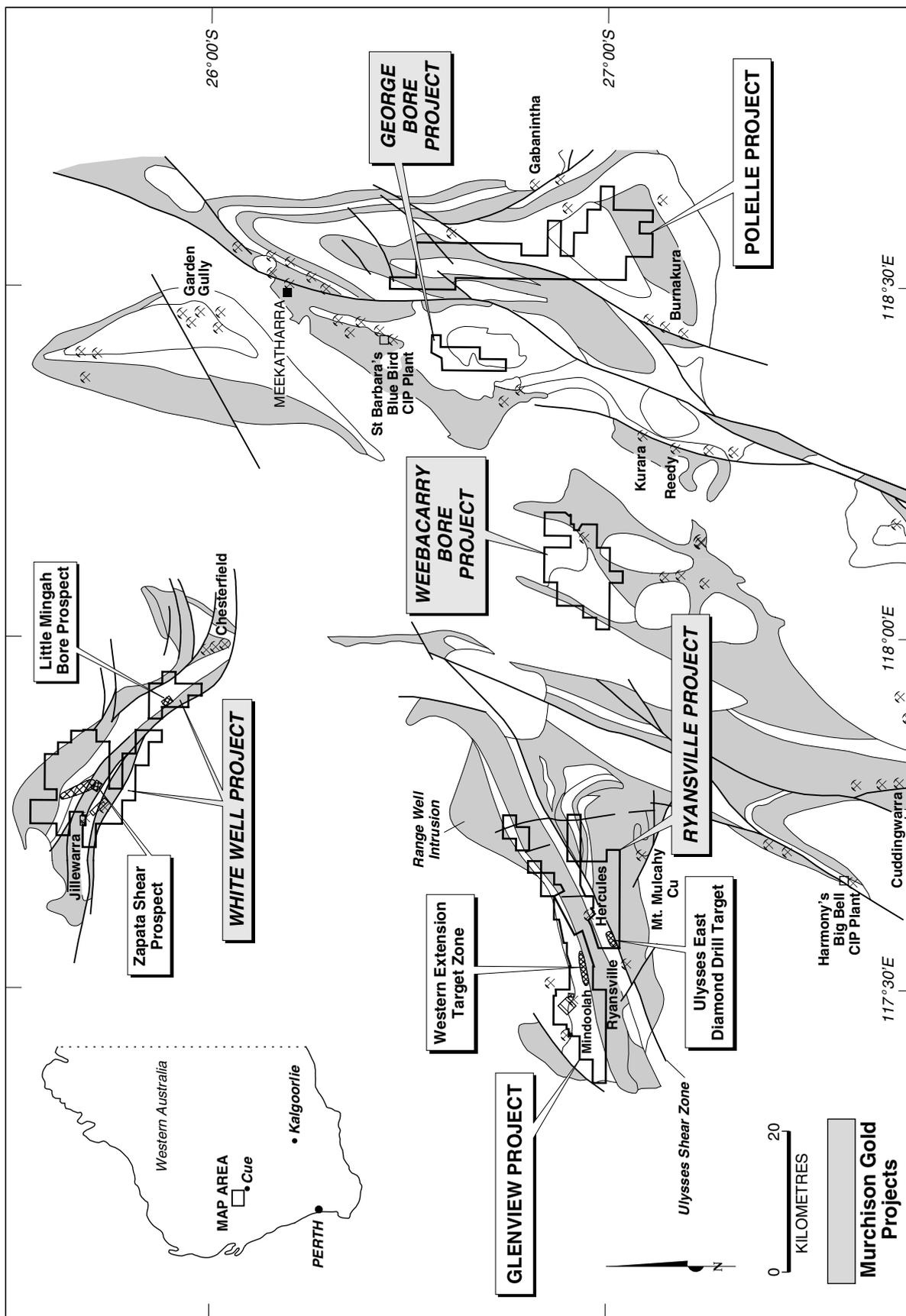
The **Ryansville** project is located along the southern flank of the Weld Range, 60 kilometres northwest of the township of Cue. Reverse circulation and diamond drilling has intersected gold and arsenic mineralisation in bedrock over a strike of 4 kilometres.

During the year, Aurora drilled a 270 metre deep diamond hole to test for gold mineralisation in banded iron formation (BIF). The hole was collared 200 metres along strike to the west of a previous diamond drill hole which had returned a wide zone of strong alteration associated with anomalous gold values. The Aurora hole was sited near where the BIF is cut by prominent north west trending faults. The hole intersected a similar geological sequence to the previous diamond drill holes but unfortunately the target BIF horizon appears to have been locally displaced by a gabbroic intrusion and no significant gold mineralisation was intersected. Aurora plans additional drill holes to continue the evaluation of this large-scale gold bearing alteration system.

The **Weebacarry Bore** project is held under an Exploration Licence application and is situated 55 kilometres south west of Meekatharra. There are two north east trending shear systems to be targeted for gold exploration on this project once the tenement is granted. These are the Jungar bore fault zones and the Munarra Gully shear. These systems are interpreted to relate to the controls of mineralisation at the Big Bell gold mine, some 60 kilometres to the south west.

## MURCHISON PROJECTS

Figure 6



## OTHER PROJECTS

Placer Dome and Hampton Hill have sold their interests in the **Northlander** joint venture tenements to Cazaly Resources Ltd. Hampton Hill has received \$21,070 in cash and will retain the once off right to claw back a 34.3% interest if a 500,000 or more ounce resource is established, and is entitled to a 0.98% Net Smelter Return Royalty on all gold from a mine within the Northlander project except where Hampton Hill is a participant in that mine. Hampton Hill also has the right to explore for conceptual targets within the tenement area.

Hampton Hill's 100% owned **Duchess of York** project comprises three Prospecting Licences that abut the eastern margin of the Mt Monger gold mining centre, some 65 kilometres south of Kalgoorlie. Hampton is seeking a joint venture partner to fund exploration of this gold project.

The Company made applications for two Exploration Licences at the Polelle project some 30 kilometres south south east of the township of Meekatharra to secure areas with potential for volcanogenic-hosted massive sulphide deposits on possible extensions of known felsic volcanic packages with indications of mineralisation. The Company plans to commence reconnaissance exploration on these tenements when they are granted.



**WILSON S FORTE**  
Managing Director

Wilson Forte, who is a corporate member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has a minimum of five years experience in the field of activity in which he is reporting, has compiled this report.

## **DIRECTORS' REPORT**

Hampton Hill Mining NL ("the Company") is an Australian company listed on the Australian Stock Exchange. The registered office of the Company is located at Level 2, 9 Havelock Street, West Perth, Western Australia.

The Directors of the Company present their report on the Company and the consolidated entity for the year ended 30 June 2004.

### **DIRECTORS**

The names of the Directors of Hampton Hill Mining NL during the whole of the financial year and up to the date of this report are:

#### **Neil Tomkinson LLB (Hons), Chairman - non-executive**

Mr Tomkinson has extensive experience in the administration of and investment in exploration and mining companies. He was a director of Dalrymple Resources NL until that company merged with LionOre Mining International Limited and is currently the Chairman of Traka Resources Limited. Mr Tomkinson is an investor in private mineral exploration and in resources in general in Australia.

#### **Wilson Stanley Forte Bsc Hons (UWA), MAusIMM, MAIG, Managing Director**

Mr Forte is a Western Australian geologist with more than thirty years experience in mineral exploration in Australia, Southern Africa and Iran. For the past 20 years he has mainly worked on the evaluation of gold and base metal projects in Western Australia.

#### **Joshua Norman Pitt Bsc, MAusIMM, Director - non-executive**

Mr Pitt is a geologist with substantial exploration experience who has for more than thirty years been a director of exploration and mining companies in Australia. He was a director of Dalrymple Resources NL until that company merged with LionOre Mining International Limited and is currently a director of that Company, Traka Resources Limited and Red Metal Limited. Mr Pitt is involved in substantial private mineral exploration and also in resource investment.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company during the financial year consisted of base metal and gold exploration. There has been no significant change in these activities during the year.

### **RESULTS**

The operating loss after tax for the financial year was \$1,645,055 (2003: \$61,056), of which \$1,418,567 (2003: \$140) related to exploration expenditure written off.

### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD AND LIKELY DEVELOPMENTS**

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected the operations of the Company or the results of those operations or the state of affairs of the Company, nor are there any such matters or circumstances or likely developments which may significantly affect the future operations or the results of those operations or the state of affairs of the Company.

**DIRECTORS' REPORT (continued)****SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Other than the operating results and the issue of 300,000 shares at 30 cents each by way of consideration for the acquisition of the George Bore project in February 2004, and the issue of 8,000,000 shares at 26 cents each by way of a placement in March 2004, there were no significant changes in the state of affairs of the Company during the year.

**REVIEW OF OPERATIONS**

During the last twelve months the Company continued its exploration activities at Apollo Hill, Glenview and, in conjunction with LionOre Mining International Ltd, the search for nickel at the Leinster project, south of the township of Leinster. At Griffins Find, after drilling several diamond holes, Teck Cominco of Canada withdrew from the joint venture leaving the Company with the right to earn a 100% interest from the tenement holder. Further drilling is planned late in 2004.

The Company also acquired a 50% interest in the Wheatley base metals project near Manjimup, in joint venture with BHP Billiton Minerals Pty Ltd and Teck Cominco in the second half of the year.

In addition, Hampton farmed out a large area of the Apollo Hill tenement block to Teck Cominco and entered into a farm-out agreement with newly listed Aurora Minerals Ltd covering Hampton Hill's Murchison gold tenements at George Bore, White Well, Ryansville and Weebacarry Bore. It also farmed out its part-owned Capricorn base metal project to recently listed Traka Resources Ltd and disposed of its interest in the Northlander project for a small cash consideration and a royalty payable on production of gold from the tenements.

To augment its ability to continue an active exploration programme during the next two years, in March 2004 Hampton placed 8,000,000 ordinary fully paid shares at an issue price of 26 cents to clients of Intersuisse Corporate Pty Ltd.

**MEETINGS OF DIRECTORS**

The following table sets out the number of meetings of directors held during the year ended 30 June 2004 and the number of meetings attended by each director:

	Full Meetings of Directors while a Director	Number of Meetings Attended
W S Forte	5	5
N Tomkinson	5	5
J N Pitt	5	5

**DIRECTORS' AND EXECUTIVES' EMOLUMENTS**

Until 30 September 2003 Mr Forte was engaged on a part time basis through a contract with an entity related to Mr Forte. Details of this arrangement are set out in Note 16 to the financial statements.

Subsequent to 30 September 2003 Mr Forte has been employed on a full time basis by the Company on a total remuneration package of \$160,000 per annum including superannuation and the use of a company 4-wheel drive vehicle used primarily for accessing the Company's exploration properties. Details of the remuneration are set out in Note 16 to the financial statements.

## **DIRECTORS' REPORT (continued)**

The two non-executive directors received no emoluments during the year.

There are no executives other than the Managing Director.

The Company's remuneration policy is set out in Note 16 to the financial statements.

## **DIRECTORS' BENEFITS**

Other than as outlined in Note 20 to the financial statements, since 30 June 2003 no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by a Director shown in Note 16 to the financial statements), by reason of a contract that the Director, a firm of which he is a member, or an entity in which he has a substantial financial interest, has made (during the year ended 30 June, 2004 or at any other time) with:

- (a) the Company, or
- (b) an entity that the Company controlled or a body corporate that was related to the Company when the contract was made or when the Director received, or became entitled to receive, the benefit.

## **PARTICULARS OF DIRECTORS' INTERESTS IN SHARES IN THE COMPANY**

	<b>Ordinary Shares Fully Paid</b>	<b>Ordinary Shares Partly Paid to \$0.001 cent</b>	<b>Options</b>
J N Pitt	36,489,400	-	-
N Tomkinson	36,489,400	-	-
W S Forte	2,957,199	400,000	500,000

## **AUDIT COMMITTEE**

The Company is not of a size nor are its financial affairs of such complexity to justify a separate audit committee of the Board of Directors. All matters that might properly be dealt with by such a committee are the subject of scrutiny at full board meetings.

## **SHARE OPTIONS**

Options to take up ordinary fully paid shares in the Company at the date of this report are as follows:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
600,000	\$0.20	26/11/2004

600,000 options to take up ordinary fully paid shares expiring 27 November 2003 were exercised during the year at 20 cents per option.

The names of all persons who currently hold options are entered in the register kept by the Company pursuant to section 170 of the Corporations Act (2001). Inspection of the register and of the documents kept pursuant to subsection 170 (3) may be made free of charge.

## **DIRECTORS' REPORT (continued)**

Options do not entitle their holders to participate in entitlement offers of new shares in the Company unless the holders first exercise their options.

No person entitled to exercise any option detailed above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

## **ENVIRONMENTAL REGULATIONS**

The mining leases, exploration licences and prospecting licences granted to the Company pursuant to the Mining Act (1978) (WA) are granted subject to various conditions which include standard environmental requirements. The Company adheres to these conditions and the Directors are not aware of any contraventions of these requirements.

## **DIRECTORS' INDEMNITIES**

During or since the end of the financial year the Company has not given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums.

The Company has not paid premiums to ensure any of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Signed in accordance with a resolution of Directors:



**J N PITT  
DIRECTOR**

Perth, 29 September 2004

## **CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2004**

Hampton Hill Mining NL ("Hampton Hill" or "the Company") is a small listed company with an uncomplicated corporate structure. It adheres to the ten "Essential Corporate Governance Principles" published by the ASX Corporate Governance Council and has adopted those of the "Best Practice Recommendations" which its board of Directors "the Board" considers to be appropriate to safeguard shareholder assets and efficiently manage the business, taking into account the inherent and well understood high risk nature of the exploration industry.

The following is a summary of the Corporate Governance measures adopted by Hampton Hill: -

### **MANAGEMENT AND OVERSIGHT**

#### **Objectives of the Board**

The Board's key objective is the increase of shareholder value by successful exploration. At all times shareholders' rights and interests are safeguarded by the provision of an appropriate overview of management. The Board meets regularly in the discharge of its responsibilities.

#### **Board Responsibility**

The Board focuses the Company's activities on pursuing exploration opportunities in the mineral resource business which are judged to have the potential for success without exposing the Company to undue risk. The Board has put in place adequate management control and monitoring systems which include:

- (a) continually reviewing the performance of the Company and its executive, including management and financial performance, overseeing strategy implementation and where necessary ensuring appropriate resources are available. The board retains the right to replace the Company's Managing Director;
- (b) at regular Board meetings, reviewing, approving and amending where necessary the Managing Director's annual programmes and budgets the Company's then current exploration activities and its overall corporate objectives;
- (c) putting in place systems of risk management and legal control mechanisms and ensuring their effectiveness;
- (d) approving and monitoring the progress of major capital expenditure, the management of capital and acquisitions and divestitures;
- (e) maintaining responsibility for the overall financial management of the Company with the ability to approve the appointment (if necessary) of a Financial Officer and to replace the Company Secretary;
- (f) monitoring and approving financial and other reporting;
- (g) supervising the overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities to ensure division of functions remain appropriate to corporate needs;
- (h) liaising with the Company's external auditors;
- (i) monitoring, and ensuring compliance with all of the Company's legal obligations, in particular those relating to the maintenance of the Company's mineral tenements, the environment, native title, cultural heritage and occupational health and safety requirements.

Within the above framework the Board retains the ability to delegate some of its responsibilities; however the size of the Company and the nature of its operations has resulted in delegation being kept to a minimum.

**CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2004  
(continued)**

**Materiality**

The Board has agreed on the following guidelines, which are deemed appropriate for a company of the maturity and size of Hampton Hill for assessing the materiality of matters.

(a) Quantitative materiality

All balance sheet and profit and loss items in excess of \$5,000 are material.

(b) Qualitative materiality

(i) any matters which impact on the reputation of the Company and/or its Board;

(ii) any activities of the Company, its joint venturers, employees or contractors which may involve a breach of legislation or are in the Board's view outside the ordinary course of its business;

(iii) any matter which might negatively affect the Company's rights to its assets;

(iv) any activity of the Company its joint venturers, employees or contractors which has the capacity to involve a contingent liability that would in the Board's view have a potential material effect on the Company's balance sheet or a similar effect on one or more profit and loss items.

(c) Materiality in contracts

Hampton Hill is a relatively small company and its Directors consider most contracts entered into by the Company to be material. With the exception of day to day agreements the responsibility for which fall upon the Managing Director, all Contracts are subjected to review by the Board.

**BOARD OF DIRECTORS**

The name, expertise, experience and term of the office of each director is set out in the Directors' Report. The Board is comprised of two non-executive directors, including the Chairman, and one executive director being the Managing Director.

**Independent Directors**

There are no independent directors on the Board within the strict meaning of the term as set down in the ASX Principles of Good Corporate Governance because the managing Director is an employee and the two other directors are associated as substantial shareholders, as defined in the Corporations Act, and hence are deemed to lack independence. However the make up of the Board is such that although each of the Company's directors is not deemed to be independent, the Board is satisfied that there is sufficient independence of view and variety of intellectual input between directors to mollify any reservations which shareholders might have in this regard.

**The Chairman**

The Chairman is a non-executive director and is responsible for leadership of the Board and for the efficient organisation and conduct of the Board. He also retains overall responsibility, subject to management input, for communication with shareholders.

## **CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2004 (continued)**

### **The Managing Director**

The Managing Director runs the Company on a day to day basis pursuant to authority delegated by the Board and is responsible for the implementation of Board and corporate policy and planning in accordance with approved programmes and budgets. The Managing Director reports to the Board regularly and is under an obligation to make sure that all reports which he presents give a true and fair view of the Company's exploration and other activities and its then current financial status.

### **Nomination for board positions**

The full Board will decide on the choice of any new director(s) upon the creation of any new board position and/or if any casual vacancy arises. Any decisions taken to appoint new directors will be minuted. The small size of the Company and of the Board does not warrant the appointment of a nomination committee.

### **Independent professional advice**

Each director has the right to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required and will not be unreasonably withheld.

## **ETHICAL AND RESPONSIBLE DECISION MAKING**

### **Code of Conduct**

The Board adheres to and is responsible for enforcing the Corporate Code of Conduct set out in this Corporate Governance Statement.

### **Policy on share trading**

Hampton Hill Board policy is that directors, officers and employees are prohibited from dealing in the Company's shares when they possess inside information. The Board is to be notified when trading of shares in Hampton Hill by any Director or officer of the Company occurs.

## **INTEGRITY IN FINANCIAL REPORTING**

### **Financial Reports**

The Managing Director and Company Secretary are required to confirm in writing to the Board that the Company's half year and full year financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

### **Audit Committee**

Hampton Hill's Directors do not consider that the Company's affairs are of such a size and complexity as to merit the establishment of a separate audit committee. Until this situation changes, the Board of Hampton Hill will carry out any necessary audit committee functions.

The Board monitors the form and content of the Company's financial statements; it also maintains an overview of the Company's internal financial control and audit system and risk management systems.

## **CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2004 (continued)**

Additionally, on an annual basis the Board, in line with its overall responsibility to shareholders, reviews the performance of the external auditor and the continuation of that appointment. The Board also approves the remuneration and terms of engagement of the external auditor. Any appointment of a new external auditor is submitted for ratification by shareholders at the next annual general meeting of the Company.

### **TIMELY & BALANCED DISCLOSURE**

Detailed compliance procedures, to ensure timely and balanced disclosure of information in line with ASX Listing Rule disclosure requirements and Continuous Disclosure Guidelines, have been noted and adopted by the Company. The Company Secretary is charged with ensuring that any necessary steps which need to be taken by the Company are brought before the Board for discussion and, subject to amendment, approval.

### **COMMUNICATION WITH AND PARTICIPATION OF SHAREHOLDERS**

Hampton Hill maintains a website at [www.hamptonhill.com.au](http://www.hamptonhill.com.au)

Hampton Hill shareholders may find all recent information on the Company under various headings on the Company's website, including its recent ASX releases, details of its projects and its Corporate profile. Shareholders may also request a copy of the Company's ASX recent releases.

Hampton Hill invites the external auditor to attend its annual general meeting and to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

### **RISK MANAGEMENT**

Consistent with the compliance systems detailed elsewhere in this statement the Board takes responsibility for the risk management of the Company.

The Board routinely reviews corporate risk and supervises internal compliance and control systems.

The Managing Director is responsible to the board for ensuring the systems are complied with and is required annually to make a statement to the board in writing to this effect.

Whilst high priority is given to the management of risk in the Company current and potential investors are reminded that they are investors in a company engaged in exploration activities which by their very nature are high risk and where successful may give rise to high rewards.

### **PERFORMANCE EVALUATION OF THE BOARD, INDIVIDUAL EXECUTIVE AND NON-EXECUTIVE DIRECTORS**

The Board conducts regular informal reviews of executive performance including that of the Company Secretary on at least an annual basis.

### **REMUNERATION OF DIRECTORS & EXECUTIVES**

The Company currently has one full time employee, the Managing Director. The full Board excluding the Managing Director carries out an annual review of the adequacy of his remuneration, and participation in share incentive arrangements.

The non-executive directors currently receive no remuneration and consequently no independent review of this aspect is carried out. Details of directors' and executives' remuneration are set out in the annual Financial Report in accordance with accounting standards.

**CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2004  
(continued)**

**CORPORATE CODE OF CONDUCT AND OBJECTIVES**

Hampton Hill is committed to:

- (a) applying the Company's funds in an efficient manner in the search for mineral resources whose quality will increase shareholder value
- (b) applying high standards of professional excellence;
- (c) adopting high standards of occupational health and safety, environmental management and ethics;
- (d) fostering and maintaining a culture of ownership, care and professional excellence from the Company's employees; and
- (e) ensuring that all of its business affairs are conducted legally, ethically and with integrity.

**Corporate Responsibility**

The Company complies with all legislative and common law requirements which affect its business, particularly environmental regulations, native title and cultural heritage laws.

**Employment**

Hampton Hill's policy is to employ the best available staff; at this stage in the Company's development all potential employees are subject to full Board scrutiny.

**Third Parties**

The Company treats third parties in a fair and reasonable manner and does not engage in deceptive practices.

**Conflict of Interest**

The Board and the executive is obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of the Company. If a situation where a conflict of interest arises the Chairman is to be notified, the matter will then be considered and the appropriate steps taken to avoid a repetition.

**Breach of Corporate Governance**

Any breach of Corporate Governance is to be reported directly to the Chairman.

**Review of Rules of Corporate Governance**

The Board through the Chairman monitors the Company's compliance with the Rules periodically.

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004**

		Consolidated		Parent Entity	
	Note	2004	2003	2004	2003
		\$	\$	\$	\$
Revenue from ordinary activities	2	80,632	90,521	80,632	90,521
Depreciation expense		(1,010)	(871)	(1,010)	(871)
Exploration expenditure written off		(1,418,567)	(140)	(1,418,567)	(140)
Other expenses from ordinary activities		<u>(306,110)</u>	<u>(150,566)</u>	<u>(304,176)</u>	<u>(150,190)</u>
<b>Loss from ordinary activities before income tax expense</b>	3	(1,645,055)	(61,056)	(1,643,121)	(60,680)
Income tax expense attributable to ordinary activities	4	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net loss after income tax attributable to members of the parent entity</b>	14	<u>(1,645,055)</u>	<u>(61,056)</u>	<u>(1,643,121)</u>	<u>(60,680)</u>
<b>Total changes in the value of equity other than those arising transactions with owners as owners</b>		<u>(1,645,055)</u>	<u>(61,056)</u>	<u>(1,643,121)</u>	<u>(60,680)</u>
Basic loss per share	24	1.88 cents	0.07 cents		
Diluted loss per share	24	1.88 cents	0.07 cents		

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004**

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash assets	5	1,866,415	1,577,556	1,866,415	1,577,556
Receivables	6	54,566	37,051	54,566	22,891
Total current assets		1,920,981	1,614,607	1,920,981	1,600,447
<b>Non-Current Assets</b>					
Receivables	6	-	-	536,200	169,271
Plant & equipment	7	16,844	1,207	16,844	1,207
Exploration and evaluation	8	6,375,231	6,324,487	5,167,740	5,501,172
Other financial assets	9	-	-	673,601	669,500
Intangible assets	10	-	920	-	-
Total non-current assets		6,392,075	6,326,614	6,394,385	6,341,150
Total assets		8,313,056	7,941,221	8,315,366	7,941,597
<b>Current Liabilities</b>					
Payables	11	78,941	253,086	78,941	253,086
Provisions	12	9,170	-	9,170	-
Total current liabilities		88,111	253,086	88,111	253,086
<b>Non-current liabilities</b>					
Provisions	12	150	-	150	-
Total non-current liabilities		150	-	150	-
Total liabilities		88,261	253,086	88,261	253,086
<b>Net Assets</b>		8,224,795	7,688,135	8,227,105	7,688,511
<b>Equity</b>					
Contributed equity	13	13,026,188	10,844,473	13,026,188	10,844,473
Accumulated losses	14	(4,801,393)	(3,156,338)	(4,799,083)	(3,155,962)
<b>Total Equity</b>		8,224,795	7,688,135	8,227,105	7,688,511

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004**

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Payments to suppliers and employees		(301,044)	(131,580)	(300,030)	(130,285)
Payments for exploration expenditure		(1,671,860)	(531,233)	(1,287,683)	(363,257)
GST received		116,101	57,045	101,941	57,045
Interest received		71,913	85,474	71,913	85,474
Other receipts		9,547	22,749	9,547	22,749
Net cash outflow from operating activities	23	<u>(1,775,343)</u>	<u>(497,545)</u>	<u>(1,404,312)</u>	<u>(328,274)</u>
<b>Cash flows from investing activities</b>					
Loan to controlled entity		-	-	(366,929)	(169,271)
Payments for purchases of assets		(16,647)	-	(16,647)	-
Payments for purchase of tenements		(30,020)	-	(30,020)	-
Payment for purchase of controlled entity		-	-	(4,102)	-
Disposal of assets		19,155	-	19,155	-
Net cash outflow from investing activities		<u>(27,512)</u>	<u>-</u>	<u>(398,543)</u>	<u>(169,271)</u>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		2,200,000	200	2,200,000	200
Share issue transaction costs		(108,286)	(2,234)	(108,286)	(2,234)
Net cash inflow/(outflow) from financing activities		<u>2,091,714</u>	<u>(2,034)</u>	<u>2,091,714</u>	<u>(2,034)</u>
<b>Net increase/(decrease) in cash held</b>					
Cash at the beginning of the financial year		1,577,556	2,077,135	1,577,556	2,077,135
<b>Cash at the end of the financial year</b>	5	<u>1,866,415</u>	<u>1,577,556</u>	<u>1,866,415</u>	<u>1,577,556</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general-purpose financial report has been prepared in accordance with current Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act (2001).

It is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

#### (a) Principals of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Hampton Hill Mining NL ("Company" or "Parent Entity") as at 30 June 2004 and the results of all controlled entities for the year then ended. Hampton Hill Mining NL and its controlled entities together are referred to in this financial report as the Consolidated Entity. The effects of all transactions between entities in the Consolidated Entity are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commenced. Where control of an entity ceased during a financial year its results are included for that part of the year during which the control existed.

#### (b) Income tax

The Company adopts the liability method of tax effect accounting procedures whereby the income tax expense in the profit and loss account is matched with the accounting profit (after allowing for permanent differences). The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to defer income tax and future tax benefit accounts at the rates which are expected to apply when those timing differences reverse. The current tax rates have been used for this purpose.

The Company and its wholly owned Australian subsidiary, Apollo Mining Pty Ltd, have decided to implement the tax consolidation legislation as of 1 July 2004. The Australian Taxation Office has not yet been notified of this decision. The entities also intend to enter into a tax sharing agreement, but details of this agreement are yet to be finalised.

#### (c) Revenue

Interest is brought to account as income over the term of each financial instrument on an accrual accounting basis.

Other revenue is recognised as it accrues.

#### (d) Depreciation

Depreciation is calculated on a straight line or diminishing value basis so as to write off the net cost of each fixed asset over its effective life. The depreciation rates are as follows:

Plant and Equipment including motor vehicles: 13% to 27% straight line.

#### (e) Cash

For purpose of the statement of cash flows cash includes deposits at call and bills of exchange which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

#### (f) Bills of exchange

Bills of exchange have been purchased at a discount to face value. They are carried at cost. The discount is brought to account as interest received over the remaining term of the bill.

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(g) Exploration and evaluation**

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs, and an appropriate portion of related overhead expenditure, but does not include general overheads or administration expenditure not having a specific nexus with a particular area of interest.

Exploration and evaluation expenditure for each area of interest is carried forward where rights to the tenure of the area of interest are current and costs are expected to be recouped through revenue derived from the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing. Exploration and evaluation expenditure for an area of interest which does not satisfy the above policy is not carried forward as an asset.

**(h) Valuation of non-current assets other than exploration and evaluation**

The carrying amounts of all non-current assets other than exploration and evaluation expenditure are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount the asset is written down to the lower value. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

**(i) Earnings per share****(i) Basic earnings per share**

Basic earnings per share is determined by dividing the operating profit after income tax by the weighted average number of ordinary shares outstanding during the financial year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(j) Trade and other creditors**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

**(k) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

## **NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(1) Adoption of Australian equivalents to International Financial Reporting Standards**

The Australian Accounting Standards Board ("AASB") is adopting International Financial Reporting Standards ("IFRS") for application to reporting periods beginning on or after 1 January 2005. The AASB has issued AASB equivalents to IFRS, and Urgent Issues Group Abstracts corresponding to International Financial Reporting Interpretations adopted by the International Accounting Standards Board. These Australian pronouncements will be known as Australian equivalents to IFRS. The adoption of Australian equivalents to IFRS will be first reflected in the financial statements of Hampton Hill Mining NL for the year ending 30 June 2006.

The Company is managing the transition to the new Standards by reviewing the pending standards and Urgent Issues Group Abstracts to identify key differences in accounting policies that are expected to arise on the adoption of Australian equivalents to IFRS.

Following a preliminary review of the Australian equivalents to IFRS the Company at this stage considers that there do not appear to be any significant changes in accounting policies required on adoption of Australian equivalents to IFRS, and that adoption of the standards reviewed will not materially affect the carrying value of assets and liabilities and the recording of the transactions of the Company.

#### **Impairment of assets**

The Company determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use.

The impact of the new policy on exploration and evaluation expenditure cannot be determined until the IASB finalises the relevant accounting standard.

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 2 - REVENUE</b>				
Revenue from operating activities				
Interest revenue from other persons	71,085	83,723	71,085	83,723
Rental revenue	8,739	6,698	8,739	6,698
Other income	808	100	808	100
Total Revenue from ordinary activities	<u>80,632</u>	<u>90,521</u>	<u>80,632</u>	<u>90,521</u>

**NOTE 3 - LOSS FROM ORDINARY ACTIVITIES**

Loss from ordinary activities before income tax expense includes the following specific expenses:

Depreciation	1,010	871	1,010	871
Exploration expenditure written off	1,418,567	140	1,418,567	140
Other expenses from ordinary activities:				
Borrowing costs expense				
- Interest paid to other persons	24	56	24	56
Rental expense - minimum lease payment	47,701	20,278	47,701	20,278
Salaries and wages	94,479	-	94,479	-
Audit, accounting and consulting fees	55,569	63,077	55,569	63,077
Listing expenses	14,952	11,991	14,952	11,991
Other administrative expenses	93,385	55,164	91,451	54,788
Total other expenses from ordinary activities	<u>306,110</u>	<u>150,566</u>	<u>304,176</u>	<u>150,190</u>

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	\$	\$	\$	\$
<b>NOTE 4 - INCOME TAX</b>				
<b>(a) Reconciliation of income tax to operating loss</b>				
The aggregate amount of income tax attributable to the financial year differs by more than 15% from the amount calculated on the operating loss, and is reconciled as follows:				
Operating loss before income tax	1,645,055	61,056	1,643,121	60,680
Income tax credit calculated at 30% (2003: 30%)	493,517	18,317	492,937	18,204
Tax effect of permanent differences				
Non-deductible expenditure	(456,889)	(7,178)	(456,889)	(7,178)
Tax losses not brought to account	(36,628)	(11,139)	(36,048)	(11,026)
Income tax attributable to operating profit	-	-	-	-

**(b) Future income tax benefits not brought to account**

The Directors estimate that the potential future income tax benefit in respect of income tax losses and exploration expenditure carried forward but not brought to account at year-end at a tax rate of 30% is:

Income tax losses (net of timing differences)	2,030,432	1,608,609	1,851,221	1,543,970
Capital exploration expenditure	90,292	90,292	90,292	90,292
Net future income tax benefits not brought to account	<u>2,120,724</u>	<u>1,698,901</u>	<u>1,941,513</u>	<u>1,634,262</u>

These benefits will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised,
- (ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iii) no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the losses.

The income tax rate applied to the losses as at 30 June 2004 is 30%.

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>NOTE 5 - CASH ASSETS</b>				
Cash on hand	150	-	150	-
Cash at bank	38,541	33,630	38,541	33,630
Deposits at call	135,180	198,915	135,180	198,915
Bills receivable	1,692,544	1,345,011	1,692,544	1,345,011
	<u>1,866,415</u>	<u>1,577,556</u>	<u>1,866,415</u>	<u>1,577,556</u>

**Bills of exchange** are generally subject to credit risk in the event of default by the acceptor. However the risk has been mitigated by ensuring that the bills are accepted by banks.

**Bills** on hand at balance date bear interest at a rate of between 5.36% and 5.40% (2003: 4.62% to 4.63%). They mature within 30 days of balance date and have a face value of \$1,700,000 (2003: \$1,350,000).

**Cash at bank and Deposits at call** have been subject to floating interest rates during the year of between 0.05% and 4.55% (2003: 0.05% and 4.55%).

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>NOTE 6 - RECEIVABLES</b>				
<b>CURRENT</b>				
Security Deposits	6,000	6,000	6,000	6,000
Other	48,566	31,051	48,566	16,891
	<u>54,566</u>	<u>37,051</u>	<u>54,566</u>	<u>22,891</u>
<b>NON-CURRENT</b>				
Loan to wholly owned group entity	-	-	536,200	169,271
	<u>-</u>	<u>-</u>	<u>536,200</u>	<u>169,271</u>

**Other receivables** include pro-rata interest receivable at balance date in respect of bills of exchange and other receivables that are expected to be repaid within 30 days of balance date.

**Loan to wholly owned group entity** consists of monies advanced to Apollo Mining Pty Ltd to fund exploration expenditure on the Apollo Hill project. The loan is of no fixed term and does not bear interest.

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	\$	\$	\$	\$
<b>NOTE 7 - PLANT AND EQUIPMENT</b>				
Plant and equipment - at cost	29,086	13,539	29,086	13,539
Accumulated depreciation	(13,428)	(12,559)	(13,428)	(12,559)
	<u>15,658</u>	<u>980</u>	<u>15,658</u>	<u>980</u>
Furniture and fittings - at cost	5,378	4,278	5,378	4,278
Accumulated depreciation	(4,193)	(4,052)	(4,193)	(4,052)
	<u>1,185</u>	<u>226</u>	<u>1,185</u>	<u>226</u>
Motor vehicle - at cost	49,883	49,883	49,883	49,883
Accumulated depreciation	49,882	(49,882)	(49,882)	(49,882)
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total plant and equipment	<u><u>16,844</u></u>	<u><u>1,207</u></u>	<u><u>16,844</u></u>	<u><u>1,207</u></u>

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year is set out below:

	<b>Plant &amp; Furniture \$</b>	<b>Equipment &amp; Fittings \$</b>	<b>Motor Vehicle \$</b>	<b>Total \$</b>
Carrying amount at 1 July 2003	980	226	1	1,207
Additions during the period	15,547	1,100	-	16,647
Depreciation expense	(869)	(141)	-	(1,010)
Carrying amount at 30 June 2004	<u><u>15,658</u></u>	<u><u>1,185</u></u>	<u><u>1</u></u>	<u><u>16,844</u></u>

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 8 - EXPLORATION AND EVALUATION</b>				
Costs brought forward in respect of areas of interest in exploration and evaluation phase	6,324,487	4,993,144	5,501,172	4,993,144
Expenditure incurred during the period on:				
Exploration of tenements	1,469,311	720,689	1,085,135	508,168
Acquisition of exploration property	-	610,794	-	-
Expenditure recovered	-	-	-	-
Expenditure written off during the year	(1,418,567)	(140)	(1,418,567)	(140)
	<u>6,375,231</u>	<u>6,324,487</u>	<u>5,167,740</u>	<u>5,501,172</u>

Ultimate recoupment of exploration and development expenditure carried forward is dependant on successful development and commercial exploration, or alternatively sale, of the respective areas.

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 9 - OTHER FINANCIAL ASSETS</b>				
Shares in controlled entity as cost	-	-	673,601	669,500
	<u>-</u>	<u>-</u>	<u>673,601</u>	<u>669,500</u>

Controlled entity: Apollo Mining Pty Ltd  
 Place of incorporation: Australia  
 Parent entity & Australian parent: Hampton Hill Mining NL  
 Class of shares: Ordinary  
 Interest held: 100%  
 Date acquired: March 2003

All the issued shares of Apollo Mining Pty Ltd (ACN 085 753 126) were acquired by the Company in consideration for the issue on 14 March 2003 of a total of 5,150,000 Hampton Hill Mining NL shares allotted and issued at the market price of 13 cents per share. Apollo Mining Pty Ltd is a mineral exploration company, which holds the mineral tenements known as the Apollo Hill project in the Leonora area of Western Australia.

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 10 - INTANGIBLE ASSETS</b>				
Formation expenses	-	920	-	-
	<u>-</u>	<u>920</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	\$	\$	\$	\$
<b>NOTE 11 - PAYABLES</b>				
Trade creditors and accruals	78,941	253,086	78,941	253,086
	<u>78,941</u>	<u>253,086</u>	<u>78,941</u>	<u>253,086</u>
<b>NOTE 12 - PROVISIONS</b>				
CURRENT				
Employee entitlements	9,170	-	9,170	-
	<u>9,170</u>	<u>-</u>	<u>9,170</u>	<u>-</u>
NON-CURRENT				
Employee entitlements	150	-	150	-
	<u>150</u>	<u>-</u>	<u>150</u>	<u>-</u>
<b>NOTE 13 - EQUITY</b>				
Paid up capital 93,310,529 (2003: 84,410,529) ordinary fully paid shares	13,025,788	10,844,073	13,025,788	10,844,073
Partly paid capital 400,000 (2003: 400,000) ordinary shares paid to \$0.001	400	400	400	400
	<u>13,026,188</u>	<u>10,844,473</u>	<u>13,026,188</u>	<u>10,844,473</u>

**Rights attaching to ordinary shares**

Ordinary shares entitle the holder to participate in dividends and in the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote. The ordinary fully paid shares are listed on the Australian Stock Exchange and carry no trading restrictions.

**Rights attaching to partly paid ordinary shares**

The partly paid ordinary shares are not transferable and may participate in pro-rata entitlements only to the extent of the capital paid up. They may be converted to fully paid shares at any time on payment of the amount unpaid upon which application will be made for listing of the shares on the Australian Stock Exchange. The resulting fully paid ordinary shares have the same rights as other ordinary shares. The shares are subject to calls on uncalled capital at the discretion of the Directors.

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

**NOTE 13 - EQUITY (continued)**

**(a) Movements in ordinary share capital during the past two years:**

**Fully Paid Shares**

<b>Date</b>	<b>Details</b>	<b>Number of Shares</b>	<b>Issue Price \$</b>	<b>Amount \$</b>
01/07/2002	Opening balance	78,760,529	-	10,109,307
23/09/2002	Share placement	500,000	0.135	67,500
14/03/2003	Share placement	5,000,000	0.13	650,000
14/03/2003	Share placement	150,000	0.13	19,500
18/03/2003	Cost of shares issued	-	-	(2,234)
22/08/2003	Employee options exercised	100,000	0.20	20,000
26/11/2003	Director options exercised	500,000	0.20	100,000
09/02/2004	Acquisition of tenements	300,000	0.30	90,000
03/03/2004	Share placement	8,000,000	0.26	2,080,000
17/03/2004	Cost of shares issued	-	-	(108,285)
		<u>93,310,529</u>		<u>13,025,788</u>

**Partly Paid Shares**

<b>Date</b>	<b>Details</b>	<b>Number of Shares</b>	<b>Issue Price \$</b>	<b>Amount \$</b>
01/07/2003	Opening balance	400,000	0.001	400
		<u>400,000</u>		<u>400</u>

**(b) Options**

600,000 unlisted options to take up fully paid ordinary shares in the Company were on issue at balance date as follows:

<b>Date</b>	<b>Details</b>	<b>Number of Options</b>	<b>Exercise Price Per Share \$</b>	<b>Expiry Date</b>
26/11/1999	Director and employee options	600,000	0.20	26/11/2004
		<u>600,000</u>		

Each option entitles the holder to take up one fully paid ordinary share in the Company at any time up to and including the Expiry Date. Upon exercise of an option, the resulting ordinary share has the same rights as other ordinary shares. Options do not entitle their holders to receive dividends, participate in entitlement issues or vote at general meetings of shareholders.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004

### NOTE 13 - EQUITY (continued)

#### (c) Movements in options during the past two years:

Date	Details	Number of Options	Exercise Price Per Share \$	Grant Date	Expiry Date
01/07/2003	Opening balance	1,200,000			
22/08/2003	Exercise of employee options	(100,000)	0.20	14/12/1998	27/11/2003
26/11/2003	Exercise of directors options	(500,000)	0.20	14/12/1998	27/11/2003
		600,000			

The options exercised during the year resulted in 600,000 additional ordinary shares being issued raising \$120,000 of share capital.

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>NOTE 14 - ACCUMULATED LOSSES</b>				
Accumulated losses at the beginning of financial year	(3,156,338)	(3,095,282)	(3,155,962)	(3,095,282)
Loss for the year	(1,645,055)	(61,056)	(1,643,121)	(60,680)
Accumulated losses at the end of financial year	(4,801,393)	(3,156,338)	(4,799,083)	(3,155,962)

### NOTE 15 - FINANCIAL INSTRUMENTS

#### (a) Credit Risk Exposures

The credit risk exposure of the Company on financial assets that have been recognised on the balance sheet is generally the carrying amount of those assets.

Bills of exchange which have been purchased at a discount to face value are carried on the balance sheet at an amount less than the amount realisable at maturity. The total credit risk exposure of the Company could be considered to include the difference between the carrying amount and the realisable amount (refer also Note 5).

#### (b) Interest Rate Risk Exposures

The Company's exposure to interest rate risk is comprised of:

- (i) the floating interest rates applying to deposits at call as set out in Note 5;
- (ii) the fixed interest rate applying to bills receivable as set out in Note 5.

Other financial assets and liabilities, being trade and other creditors, and other receivables are not interest bearing.

#### (c) Net Fair Value of Financial Assets and Liabilities

The net fair value of the financial assets and financial liabilities approximates their carrying value.

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

**NOTE 16 - REMUNERATION OF DIRECTORS AND EXECUTIVES**

**(a) Names and positions held of directors and executives**

The names of persons who were Directors of Hampton Hill Mining NL at any time during the financial year and the positions they held are as follows:

W S Forte	Managing Director
N Tomkinson	Chairman
J N Pitt	Director

There were no executives other than the Managing Director

**(b) Directors' and executives' remuneration**

**Directors**

**2004**

	Fees paid to associated entity (excluding GST)	Primary Salary	Superannuation contributions	Non-cash benefits	Equity Partly paid shares	Total
	\$	\$	\$	\$	\$	\$
Mr W S Forte	28,429	93,750	26,250	3,618	-	152,047
Mr N Tomkinson	-	-	-	-	-	-
Mr J N Pitt	-	-	-	-	-	-

**2003**

	Fees paid to associated entity (excluding GST)	Primary Salary	Superannuation contributions	Non-cash benefits	Equity Partly paid shares	Total
	\$	\$	\$	\$	\$	\$
Mr W S Forte	139,012	-	-	-	8,400	147,412
Mr N Tomkinson	-	-	-	-	-	-
Mr J N Pitt	-	-	-	-	-	-

In addition expenses of \$15,169 (2003: \$51,893) were paid or payable by the Company to Lonarch, an entity associated with Mr Forte, in respect of services other than the personal services of Mr Forte provided during the first 3 months of the year in accordance with an agreement based on normal commercial terms and conditions.

**Executives**

There were no paid executives other than the Managing Director.

**(c) Remuneration shares and options**

No remuneration shares or options were issued during the year to Directors.

**(d) Shares issued on exercise of remuneration options**

	No of ordinary shares issued	Amount paid per share cents	Amount unpaid per share cents
Mr W S Forte	500,000	20	Nil

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

**NOTE 16 - REMUNERATION OF DIRECTORS AND EXECUTIVES (continued)**

**(e) Share holdings**

The number of fully paid shares held by the Directors are set out below:

	Balance 1 July 2003	Received as remuneration	Options exercised	Net changes other	Balance 30 June 2004
Mr J N Pitt	31,953,667	-	-	-	31,953,667
Mr N Tomkinson	4,535,733	-	-	-	4,535,733
Mr W S Forte	2,957,199	-	500,000	(500,000)	2,957,199

The number of partly paid shares held by the Directors are set out below:

	Balance 1 July 2003	Received as remuneration	Options exercised	Net changes other	Balance 30 June 2004
Mr W S Forte:					
Issued for 10 cents paid to 0.01c	200,000	-	-	-	200,000
Issued for 20 cents paid to 0.01c	200,000	-	-	-	200,000

**(f) Option holdings**

	Balance 1 July 2003	Received as remuneration	Options exercised	Net changes other	Balance 30 June 2004
Mr W S Forte:					
Exercisable at 20 cents 27 Nov 03	500,000	-	(500,000)	-	-
Exercisable at 20 cents 26 Nov 04	500,000	-	-	-	500,000

**(g) Remuneration practices**

The nature and amount of remuneration paid to the Managing Director has been determined by reference to the services provided, experience, length of service and prevailing market rates. The inclusion of shares and options in the remuneration package is designed to link part of the remuneration to the success of the Company.

Consolidated		Parent Entity	
2004	2003	2004	2003
\$	\$	\$	\$

**NOTE 17 - REMUNERATION OF AUDITORS**

Amounts received, or due and receivable, by auditors for:

Auditing or reviewing the accounts of Hampton Hill Mining	9,289	7,036	9,289	7,036
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**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

**NOTE 18 - INTERESTS IN JOINT VENTURES**

The Company has interests in the following mineral exploration joint ventures as at 30 June 2004:

<b>Name of Project</b>	<b>% Interest</b>	<b>Activities</b>	<b>Other Parties</b>
Leinster JV (Yillaree)	20%	Nickel/Gold exploration	{Dalrymple Resources NL {LionOre Australia (Wildara) NL
Capricorn JV	75%	Base metals	Metallica Pty Ltd (25%) Traka Resources Limited (earning 60%)
Wheatley JV	50%	Earning Interest in base metals and gold - JV with BHP	Teck Cominco Australia Pty Ltd
Apollo Hill JV	100%	Gold	Teck Cominco Australia Pty Ltd (earning 60% of part)
White Well } Ryansville } Weebacarry } George Bore JV }	100%	Gold	Aurora Minerals Ltd (earning 51%)

The above joint ventures do not constitute separate legal entities. They are contractual agreements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit.

The joint ventures are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs in proportion to their ownership of joint venture assets. The joint ventures do not hold any assets and accordingly the Company's share of exploration expenditure is accounted for in accordance with the policy set out in Note 1(g).

**NOTE 19 - COMMITMENTS FOR EXPENDITURE**

**Mineral Tenements**

In order to maintain the mineral tenements in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Industry and Resources for the next financial year are:

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Minimum estimated expenditure requirements	330,412	760,998	328,264	698,819

These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004

### NOTE 19 - COMMITMENTS FOR EXPENDITURE (continued)

#### Operating Leases

Commitment for minimum lease payments in relation to a non-cancellable operating lease are payable as follows:

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	\$	\$	\$	\$
Within one year	46,596	13,094	46,596	13,094
Longer than one year, not longer than five years	46,596	-	46,596	13,094
Aggregate	93,192	13,094	93,192	26,188

The above commitments relate to an operating lease in respect of the Company's premises.

### NOTE 20 - RELATED PARTIES

#### (a) Remuneration and retirement benefits

Information on remuneration of Directors is disclosed in Note 16.

#### (b) Other transactions of Directors and Director-related entities

The Company has a contributing interest in a joint venture with Metallica Pty Ltd, a company of which Mr Tomkinson and Mr Pitt are directors and which is controlled by entities associated with Mr Pitt. The joint venture parties are parties to a joint venture agreement with Traka Resources Limited, a listed company of which Mr Tomkinson and Mr Pitt are directors, whereby Traka has the right to earn a 60% interest in the joint venture area.

The Company has a contributing interest in a joint venture with subsidiary companies of LionOre Mining International Limited, a company of which Mr Pitt is a director.

#### (c) Transactions of Directors and Director-related entities concerning shares or share options

The aggregate number of shares and share options of the Company held directly, indirectly or beneficially by Directors or their Director-related entities at balance date were as follows:

	<b>2004</b>	<b>2003</b>
	<b>No.</b>	<b>No.</b>
Ordinary shares - fully paid	39,446,599	39,446,599
Ordinary shares - partly paid to 0.1 cent per share	400,000	400,000
Options to acquire ordinary shares	500,000	1,000,000

Shares and options acquired and disposed of by the Directors during the year are set out in Note 16.

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

**NOTE 21 - EVENTS OCCURRING AFTER BALANCE DATE**

There have been no material items, transactions or events subsequent to 30 June 2004 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in this report.

To the best of the Directors' knowledge and belief there have been no material items, transactions or events subsequent to 30 June 2004 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

**NOTE 22 - SEGMENT INFORMATION**

The Company operates predominantly in one industry. The principal activities are basemetal and gold exploration and prospecting.

The Company currently operates only in Australia which is a single geographic segment.

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	\$	\$	\$	\$
<b>NOTE 23 - RECONCILIATION OF LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss from ordinary activities after income tax	(1,645,055)	(61,056)	(1,643,121)	(60,680)
Depreciation	1,010	871	1,010	871
Exploration expenditure written off	1,418,567	140	1,418,567	140
Exploration expenditure capitalised	(1,368,447)	(594,483)	(984,272)	(440,668)
Exploration expenditure recovered				
Formation cost of controlled entity written off	918	-	-	-
Change in operating assets and liabilities				
(Increase)/Decrease in debtors	(8,867)	10,681	(8,867)	11,690
(Decrease)/Increase in creditors	(164,910)	151,117	(164,910)	151,027
(Increase)/Decrease in GST receivable	(8,559)	(4,815)	(22,719)	9,346
Net cash outflow from operating activities	<u>(1,775,343)</u>	<u>(497,545)</u>	<u>(1,404,312)</u>	<u>(328,274)</u>

**Non-cash financing and investing activities**

During the year the following non-cash financing and investing activities were undertaken by the Company:

Issue of 300,000 ordinary shares in the Company at 30 cents per share to finalise acquisition of the George Bore tenement	(90,000)	-	(90,000)	-
Issue of 500,000 ordinary shares in the Company at 13.5 cents per share to acquire the George Bore project	-	(67,500)	-	(67,500)
Issue of 5,150,000 ordinary shares in the Company at 13 cents per share to acquire all the issued shares of Apollo Mining Pty Ltd	-	(669,500)	-	(669,500)

**Credit standby arrangements**

The Company has no credit standby arrangements

**NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>Cents</b>	<b>Cents</b>
<b>NOTE 24 - EARNINGS PER SHARE</b>		
Basic loss per share	1.88	0.07
Diluted loss per share	1.88	0.07
Reconciliation of loss		
Loss used in calculating earnings per share - basic and diluted	1,645,055	61,056
Net loss for the reporting period	1,645,055	61,056
	<b>2004</b>	<b>2003</b>
	<b>No of</b>	<b>No of</b>
	<b>Shares</b>	<b>Shares</b>
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	87,498,857	81,555,883

The weighted average number of ordinary shares used in calculating basic and diluted earnings per share is derived from the fully paid and partly paid ordinary shares on issue

**NOTE 25- CONTINGENT LIABILITIES**

There are no contingent liabilities for termination benefits under service agreements with Directors or executives at 30 June 2004. The Directors are not aware of any other contingent liabilities at 30 June 2004.

**NOTE 26 - NUMBER OF EMPLOYEES**

The Company employed two employees at year end.

## **DIRECTORS' DECLARATION**

The directors declare that the financial statements and notes set out on pages 24 to 43.

- (a) comply with Accounting Standards, the Corporations Act 2001, Corporations Regulations and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2004 and of its performance as represented by the results of its operations and its cash flows for the financial year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act; and
- (b) there are reasonable grounds to believe that the Company and the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



J N PITT  
DIRECTOR

Perth, 29 September 2004



Chartered Accountants  
& Advisers

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## ***INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HAMPTON HILL MINING NL***

### **Scope**

#### *The Financial Report and Directors' Responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Hampton Hill Mining NL and the consolidated entity, for the year ended 30 June 2004. The consolidated entity comprises both the Company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit Approach*

We have conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

#### *Independence*

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HAMPTON HILL MINING NL**  
*(continued)*

**Audit Opinion**

In our opinion, the financial report of Hampton Hill Mining NL is in accordance with:

(a) *the Corporations Act 2001, including:*

giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2004 and of its performance for the year ended on that date; and

complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) *other mandatory financial reporting requirements in Australia.*

**BDO**

Chartered Accountants

A handwritten signature in cursive script, reading "G F Brayshaw".

**G F BRAYSHAW**  
**PARTNER**

Perth, 30 September 2004

## SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 11 October 2004.

### 1. Number and Distribution of Equity Securities

#### Ordinary shares

	Ordinary shares fully paid Listed	Ordinary shares paid to \$0.001 Not Listed
Shares on issue	<u>93,310,529</u>	<u>400,000</u>
Distribution by holding	Shareholders	Shareholders
1 - 1,000	7	-
1,001 - 5,000	70	-
5,001 - 10,000	123	-
10,001 - 100,000	409	-
100,001 +	<u>109</u>	<u>2</u>
	<u>718</u>	<u>2</u>

#### Options

Options on issue	Not Listed Nov 2004 <u>600,000</u>
Distribution by holding	Optionholders
10,001 - 100,000	1
100,001 and over	1
	<u>2</u>

#### Marketable parcel

There were 15 holders of less than a marketable parcel of ordinary shares.

#### Percentage holding

The percentage of the total holding of the 20 largest ordinary shareholders was 61.96%.

#### Employee incentive scheme

The partly paid shares and unlisted options were issued under an employee incentive scheme.

**SHAREHOLDER INFORMATION (Continued)**

**2. Substantial Shareholders**

The following information is extracted from the Company's register of substantial shareholders:

<b>Name</b>	<b>No. of Shares</b>	<b>%</b>
Wythenshawe Pty Ltd, Warrambo Holdings Pty Ltd, Guardian Resources Pty Ltd, J N Pitt & associates	36,489,400	39.11

**3. Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at a general meeting every shareholder or class of shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each fully paid share which that member holds or represents and, in respect of partly paid shares, voting rights pro-rata to the amount paid up or credited as paid up on each such share.

Any vendor securities which are or might be in breach of the Australian Stock Exchange Listing Rules or any escrow agreement entered into by the Company shall not be entitled to any votes for as long as the breach exists.

**4. Twenty Largest Shareholders**

	<b>No. of Shares</b>	<b>%</b>
1 Pitt Joshua N	23,722,666	25.42
2 Wythenshawe Pty Ltd	6,276,177	6.72
3 Warrambo Holdings Pty Ltd	4,474,400	4.79
4 Elizabeth Explorations Pty Ltd	3,598,563	3.86
5 Crescent Nominees Ltd	2,457,477	2.63
6 Wudina Pty Ltd	2,328,000	2.49
7 Hodgson Ian William	2,108,333	2.26
8 Guardian Resources Pty Ltd	1,938,824	2.08
9 Allarrow Pty Ltd	1,115,136	1.19
10 Bass Media Pty Ltd	1,050,000	1.13
11 Morgan Eric	1,032,144	1.11
12 Haynes Keiran	1,020,000	1.09
13 Armstrong Lawrence Alfred	1,012,666	1.09
14 Clarke Sir Rupert William John	930,000	1.00
15 Trayburn Pty Limited	883,186	0.95
16 Evergem Pty Ltd	819,733	0.88
17 Whitfield Warren	795,666	0.85
18 Goldfan Ltd	784,638	0.84
19 Strong Garry Robert	775,000	0.83
20 Dunhelen Pty Ltd	696,085	0.75
	<u>57,818,694</u>	<u>61.96</u>

## MINERAL TENEMENT INFORMATION

PROJECT	TENEMENT	PERCENT HOLDING	NOTES	Title Holder	JOINT VENTURER
<b>Ryansville</b>	E20/168	100%	(19)	Hampton Hill Mining NL	Aurora Minerals Limited
	ELA20/481-482	100%	(19)	Hampton Hill Mining NL	Aurora Minerals Limited
	MLA20/375, 376	100%	(1, 19)	Hampton Hill Mining NL	Aurora Minerals Limited
<b>White Well</b>	E51/796	100%	(19)	Hampton Hill Mining NL	Aurora Minerals Limited
	E51/877	100%	(2, 19)	Hampton Hill Mining NL	Aurora Minerals Limited
	MLA51/815-817	100%	(19)	Hampton Hill Mining NL	Aurora Minerals Limited
	ELA51/1016	100%	(19)	Hampton Hill Mining NL	Aurora Minerals Limited
	MLA51/827-829	100%	(3, 19)	Hampton Hill Mining NL	Aurora Minerals Limited
<b>Weebacarry</b>	ELA51/1021	100%	(19)	Hampton Hill Mining NL	Aurora Minerals Limited
<b>George Bore</b>	E51/884	100%	(19)	Hampton Hill Mining NL	Aurora Minerals Limited
<b>Glenview</b>	E20/208	100%		Hampton Hill Mining NL	
	M20/311	100%		Hampton Hill Mining NL	
	E20/450	100%		Hampton Hill Mining NL	
	E20/474	100%		Bacome Pty Ltd	
	ELA51/981	100%		Hampton Hill Mining NL	
	PLA20/1864-1865	100%		Hampton Hill Mining NL	
	PLA51/2413-2414	100%		Hampton Hill Mining NL	
	MLA20/472-475	100%	(4)	Hampton Hill Mining NL	
MLA20/468-469	100%		Hampton Hill Mining NL		
<b>Duchess of York</b>	P25/1228-1230	100%		Hampton Hill Mining NL	
	MLA25/232	100%	(5)	Hampton Hill Mining NL	
<b>Apollo Hill</b>	E310/116	100%		Apollo Mining Pty Ltd	
	ELA31/634	100%		Hampton Hill Mining NL	
	E39/129	100%		Apollo Mining Pty Ltd	
	E39/799	100%		Apollo Mining Pty Ltd	
	ELA39/1051	100%		Apollo Mining Pty Ltd	
	MLA39/340-341	100%	(6)	Apollo Mining Pty Ltd	
	MLA39/850 & 852	100%	(7)	Apollo Mining Pty Ltd	
<b>Mt Monger</b>	MLA26/614	Royalty	(8)	Solomon (Australia) Pty Ltd	
	P26/2324	Royalty	(8)	Solomon (Australia) Pty Ltd	
<b>Polelle</b>	ELA51/979	100%		Hampton Hill Mining NL	
	ELA51/1062	100%		Hampton Hill Mining NL	

- Note:**
- (1) MLA20/375 & 376 are mining lease applications over E20/168.
  - (2) MLA51/815-817 are mining lease applications over E51/796.
  - (3) MLA51/827-829 are mining lease applications over E51/796.
  - (4) MLA20/472-475 are mining lease applications over E20/208.
  - (5) MLA25/232 is a mining lease application over P20/1228 to 1230 inclusive.
  - (6) MLA39/340 & 341 are mining lease applications over E39/129.
  - (7) MLA39/850 & 852 are mining lease applications over E31/116.
  - (8) MLA26/0614 is a mining lease application over P26/2324

**MINERAL TENEMENT INFORMATION (Continued)**

<b>PROJECT</b>	<b>TENEMENT</b>	<b>PERCENT HOLDING</b>	<b>NOTES</b>	<b>Title Holder</b>	<b>JOINT VENTURER</b>
<b>Northlander JV</b>					
<b>Granophyre</b>	MLA15/1129	Royalty	(9, 20)	Hampton Hill Mining NL	
	MLA15/1130	Royalty	(10, 20)	Hampton Hill Mining NL	
	MLA16/348	Royalty	(11, 20)	Hampton Hill Mining NL	
	P15/3368	Royalty	(20)	Hampton Hill Mining NL	
	P15/3370-3373	Royalty	(20)	Hampton Hill Mining NL	
	P16/1615-1618	Royalty	(20)	Hampton Hill Mining NL	
	MLA16/361	Royalty	(12, 20)	Hampton Hill Mining NL	
	P15/3725	Royalty	(20)	Hampton Hill Mining NL	
	MLA15/1314	Royalty	(13, 20)	Hampton Hill Mining NL	
<b>Rayjax</b>	M15/696	Royalty	(20)	Hampton Hill Mining NL	
	M15/1063	Royalty	(20)	Hampton Hill Mining NL	
	MLA15/1300	Royalty	(14, 20)	Hampton Hill Mining NL	
	P15/3363	Royalty	(20)	Hampton Hill Mining NL	
	P15/3728	Royalty	(20)	Hampton Hill Mining NL	
	P15/3741	Royalty	(20)	Hampton Hill Mining NL	
	P15/3742	Royalty	(20)	Hampton Hill Mining NL	
	M15/4076	Royalty	(20)	Hampton Hill Mining NL	
	MLA15/1421	Royalty	(15, 20)	Hampton Hill Mining NL	
<b>Gentle Annie</b>	MLA15/818	Royalty	(16, 20)	Killoran NL	
	P15/2916	Royalty	(20)	Killoran NL	
	P15/3029	Royalty	(20)	Killoran NL	
<b>Leinster</b>	P36/1339-1341	20%		Dalrymple Resources NL	Dalrymple Resources NL / LionOre Australia (Wildara) NL
	E36/245	20%		Hampton Hill Mining NL	Dalrymple Resources NL / LionOre Australia (Wildara) NL
	E36/273	20%		Dalrymple Resources NL	Dalrymple Resources NL / LionOre Australia (Wildara) NL
	MLA36/505-507	20%	(17)	Hampton Hill Mining NL	Dalrymple Resources NL / LionOre Australia (Wildara) NL
	MLA36/511	20%	(18)	Dalrymple Resources NL	Dalrymple Resources NL / LionOre Australia (Wildara) NL
<b>Griffins Find</b>	E70/2465	0%	(21)	Brian McNab	
	E70/1958	0%	(21)	Brian McNab	
<b>Capricorn JV</b>	E52/1176	75%		Hampton Hill Mining 75% Metallica Pty Ltd 25%	Metallica Pty Ltd/ Traka Resources Ltd

- Note:** (9) MLA15/1129 is a mining lease application over P15/3368, 3370, 3372 and 3373.  
(10) MLA15/1130 is a mining lease application over P15/3371.  
(11) MLA16/348 is a mining lease application over P15/3363 and P's 16/1615 to 1618 inclusive.  
(12) MLA16/361 is a mining lease application over P16/1670 and 1671.  
(13) MLA15/1314 is a mining lease application over P15/375 and 3725.  
(14) MLA15/1300 is mining lease application over P15/3741 and 3742.  
(15) MLA15/1421 is a mining lease application over P15/4706.  
(16) MLA15/818 is a mining lease application over P15/2916 and 3029.  
(17) MLA36/505-507 are mining lease applications over E36/245.  
(18) MLA36/511 is a mining lease application over E36/273.  
(19) Aurora Minerals Ltd earning 51%.  
(20) Interests in tenements sold to Cazaly Resources Limited.  
(21) Option to acquire 100%

**NOTES**

**NOTES**