

31 January 2017

Company Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

## **ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016**

Hampton Hill Mining NL (Hampton Hill) exploration activity continued to be focused on the Millennium Zinc Project (Millennium) held in joint venture with Encounter Resources Limited (Encounter), the project manager and majority owner. The Company's other key assets are a holding of 10 million fully paid shares in Peel Mining Limited (Peel) and a 5% gross overriding royalty over all gold production in excess of 1 million ounces from the Apollo Hill Gold Project.

During the quarter, the Company began a process of seeking new resource investment opportunities and this work will continue.

Two diamond drill holes were completed at Millennium during the quarter for a total of 1,516.6 metres, at the conclusion of which Hampton Hill had almost completed the requirement to earn a 25% interest. The holes were designed to test for zinc sulphide mineralization associated with the basin margin Tabletop Fault in the southern portion of the Millennium target. Although the presence of zinc sulphides was noted in the logging of core in several intervals, no mineralization of economic significance was encountered. The joint venture is now planning a drilling program to test the northern portion of the target where previous drilling recorded a best intersection of 0.7 metres grading 36.7% zinc (*Encounter ASX release 13 December 2013*).

No work was carried out at the Apollo Hill Gold Project during the quarter.

Shareholders are referred to the most recent Peel ASX report on drilling (*PEX ASX release 24 January 2017*) for details on the progress that the company is making with its substantial exploration activities centred in the Cobar district of NSW.

### **The Millennium Zinc Project**

Hampton Hill is in the process of earning a 25% interest in this project by meeting \$2 million of the first \$3 million of joint venture expenditure (*HMM ASX release 23 April 2015 details the joint venture agreement*). Total project contributions stood at \$1,866,599 at the end of the quarter.

The Millennium Project area incorporates Exploration Licences E45/2501, E45/2561 and the four eastern sub-blocks of E45/2500 which are a portion of the Encounter Yeneena Project (Figure 1).

The joint venture manager, Encounter, has provided the following project quarterly report:

*The drill program completed in the December 2016 quarter at Millennium was primarily designed to test for high grade zinc mineralization at the base of a thickened mineralized shale package, proximal to the shale-carbonate contact.*

*The first hole, EPT2290, targeted an area down dip of RC hole EPT2264 (which ended in a weathered gossanous ironstone that assayed 1.1% zinc over 18 metres from 148 metres to end of hole (refer Encounter ASX announcement 28 January 2016)). The hole was drilled to the south through the carbonate-shale contact and into the shale unit south of the contact. The hole intersected zones of anomalous zinc mineralization in the shale that weakened towards the bottom of the hole.*

*The second hole, EPT2294, targeted the base of the shale unit approximately one kilometre north-west of the EPT2290. This hole was designed to test the base of the mineralised shale unit proximal to drill hole EPT1174 (refer Encounter ASX announcement 31 July 2012). EPT1174 intersected a broad zone of carbonate alteration and veining in a shale unit that contained visible zinc and lead sulphides. This drill hole intersected 201 metres of weak sulphide mineralization grading 0.6% zinc from 233 metres to end of hole (including 29 metres grading 1.0% zinc from 400 metres).*

*Drill hole EPT2294 intersected zones of anomalous zinc in line with, or weaker than, prior intersections in the shale. This weakening mineralization and the lack of a clear footwall to the mineralised shale indicates that the priority of the shale hosted mineralization in this area has been downgraded (Figures 2 & 3).*

*The diamond drill program completed at Millennium in late 2016 was co-funded under the WA Government Exploration Incentive Scheme (up to A\$150,000).*

### **Next Steps**

*The next phase of drilling at Millennium will target along strike of 0.7 metres intersection grading 36.7% zinc encountered from 430 metres in EPT1854, the most north-western drill hole at the project. The area directly down dip and down plunge to the north-west remains open and potential exists in this area for additional high grade zinc sulphide mineralization.*

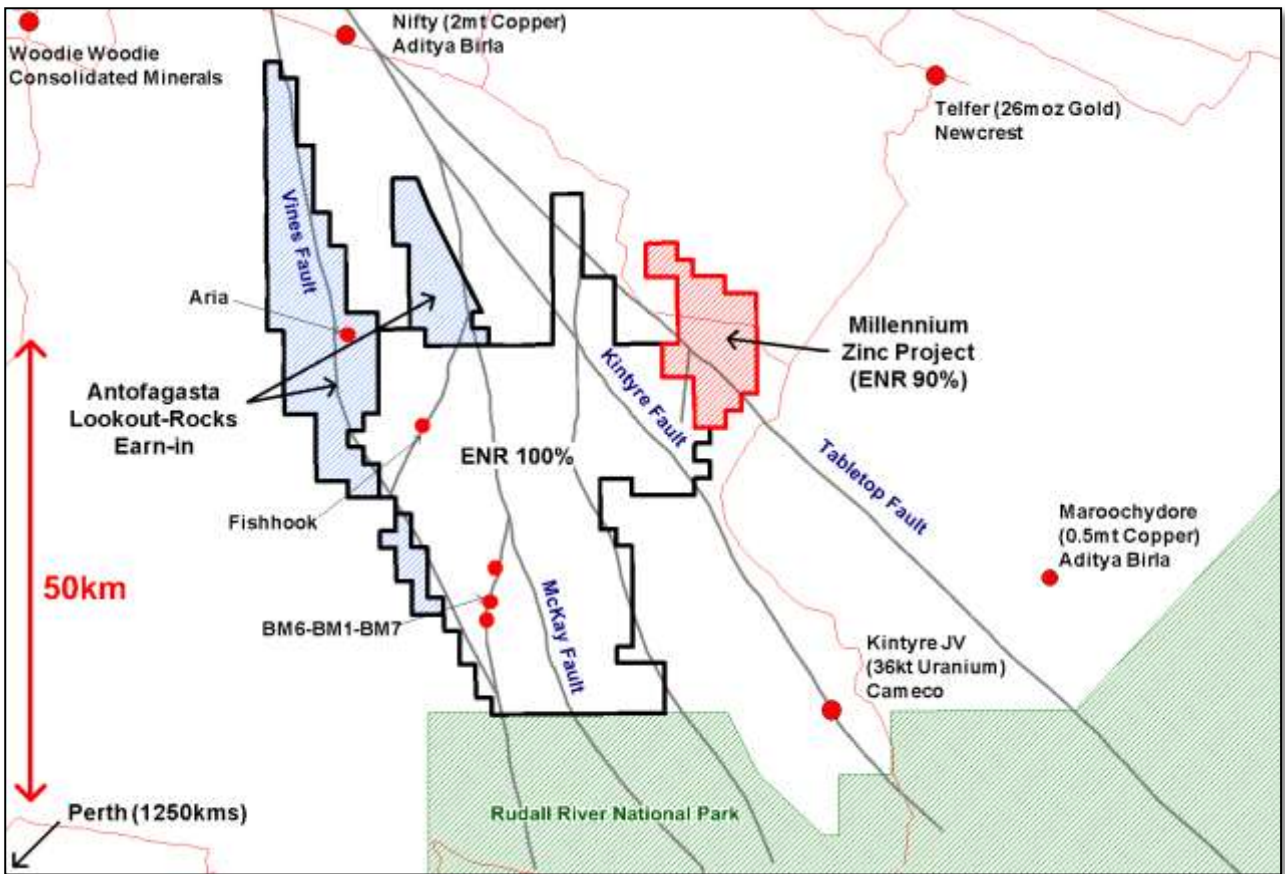


Figure 1: Encounter Resources Limited project map identifying the location of the Millennium Zinc Project

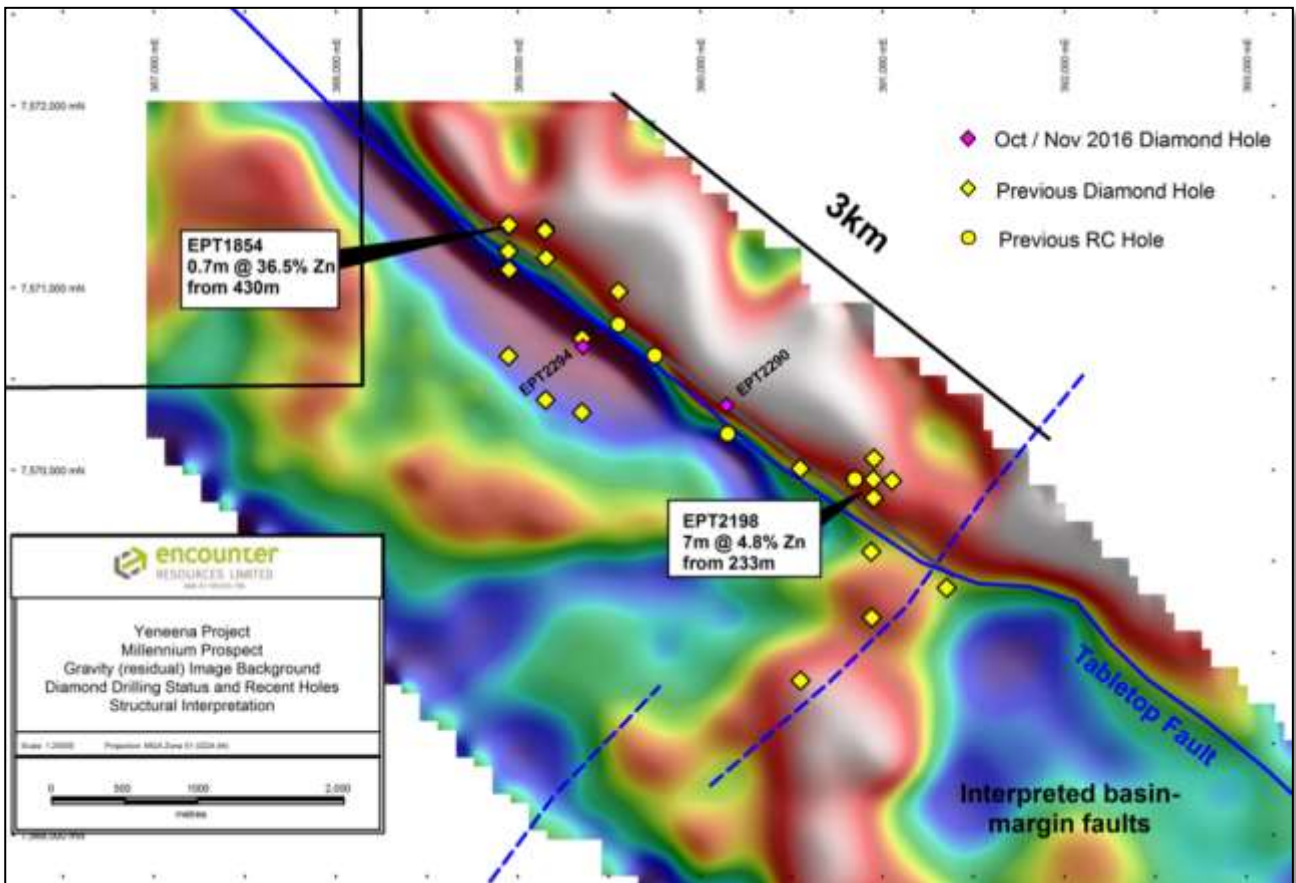


Figure 2: Drill hole collar location – Millennium

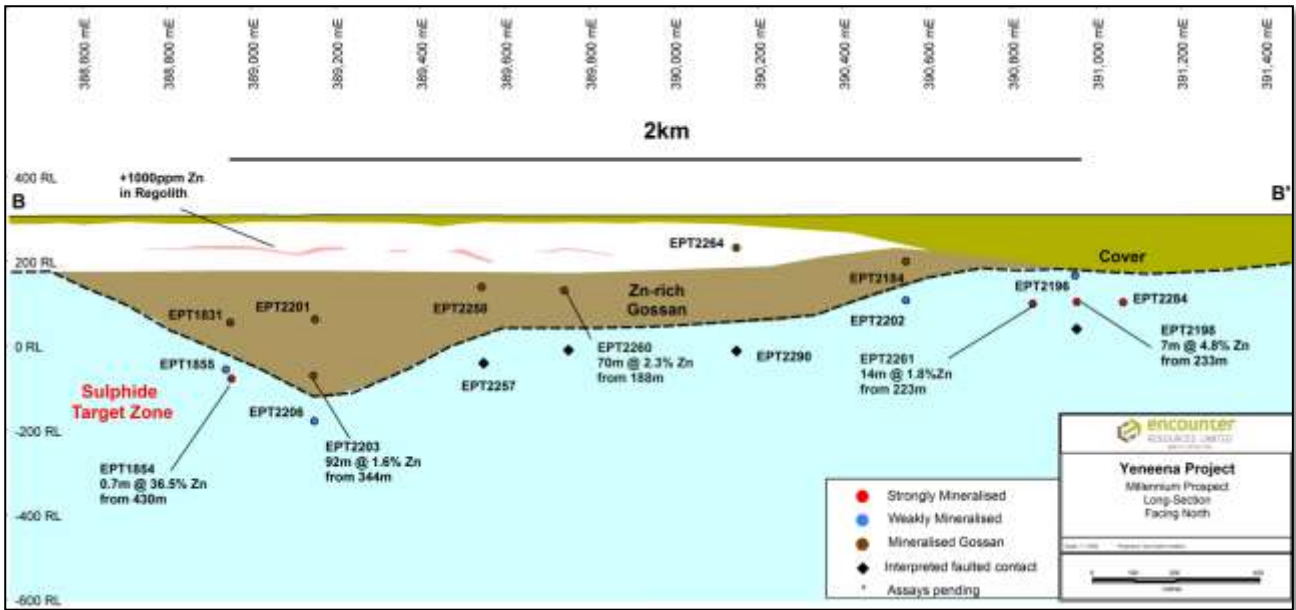


Figure 3: Drill hole long section – Millennium Shale-Carbonate contact intersection only.

**JORC Compliance**

The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick holds shares and options in and is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bewick consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Joshua Pitt

Chairman

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

HAMPTON HILL MINING NL

### ABN

60 060 628 524

### Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(152)	(292)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(54)	(202)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	7
1.5 Interest and other costs of finance paid	(14)	(14)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	368
1.8 Other (provide details if material)	32	61
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(118)</b>	<b>(72)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(4)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	168	220
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>168</b>	<b>216</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	290	126
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(188)	(72)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	168	216
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>270</b>	<b>270</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	270	290
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>270</b>	<b>290</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	5
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1 Director remuneration
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7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	650	600
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The loan facility of \$650,000 is an unsecured working capital facility provided by companies associated with two directors on normal commercial terms and conditions at an interest rate of 3.5% per annum – further details are set out in the 2016 Annual Report. \$50,000 remained undrawn at quarter end.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	96
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	53
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>149</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		None		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		None		



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Company secretary)

Date: 31 January 2017

Print name: Peter Rutledge

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

**HAMPTON HILL MINING NL**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
**For the quarter ended 31 December 2016**

**Mining Tenements and beneficial interests held at quarter end and their location:**

<b>Tenement</b>	<b>Location</b>	<b>Registered holding</b>	<b>Beneficial interest – refer Notes</b>
E45/2501	East Pilbara, WA	0%	1
E45/2561	East Pilbara, WA	0%	1
E45/2500 (part of)	East Pilbara, WA	0%	1
M20/311	Murchison, WA	0%	2
MLA20/503	Murchison, WA	0%	2
MLA20/518	Murchison, WA	0%	2
MLA51/869	Murchison, WA	0%	2
E20/625	Murchison, WA	0%	2
E20/641	Murchison, WA	0%	2
P51/2581	Murchison, WA	0%	2
P20/2016	Murchison, WA	0%	2
P20/2077	Murchison, WA	0%	2
P20/2078	Murchison, WA	0%	2
P20/2080	Murchison, WA	0%	2
E20/457	Murchison, WA	0%	3
E20/459	Murchison, WA	0%	3
E20/492	Murchison, WA	0%	3
E20/595	Murchison, WA	0%	3
E51/907	Murchison, WA	0%	3
M20/419	Murchison, WA	0%	3
P20/2082-2086	Murchison, WA	0%	3
P51/2605-2613	Murchison, WA	0%	3
E39/1198	Yilgarn, WA	0%	4
P39/4588	Yilgarn, WA	0%	4
P39/4590	Yilgarn, WA	0%	4
P39/4591	Yilgarn, WA	0%	4
P39/4592	Yilgarn, WA	0%	4
M31/486	Yilgarn, WA	0%	4
E31/1063	Yilgarn, WA	0%	4
E39/1887	Yilgarn, WA	0%	4
P39/4677	Yilgarn, WA	0%	4
P39/4678	Yilgarn, WA	0%	4
P39/4679	Yilgarn, WA	0%	4
E39/1236	Yilgarn, WA	0%	4
E31/1116	Yilgarn, WA	0%	4
E39/1984	Yilgarn, WA	0%	4
P26/3426	Yilgarn, WA	0%	5

**HAMPTON HILL MINING NL**  
**MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)**  
**For the quarter ended 31 December 2016**

P15/4891-4901	Yilgarn, WA	0%	6
P15/5022-5025	Yilgarn, WA	0%	6
P16/2415-2418	Yilgarn, WA	0%	6
P16/2815 & 2816	Yilgarn, WA	0%	6
P15/5920 & 5921	Yilgarn, WA	0%	6
M15/696	Yilgarn, WA	0%	6

**Mining tenements and beneficial interests acquired during the quarter and their location:**

None

**Mining tenements and beneficial interests disposed of during the quarter and their location:**

Tenement	Location	Registered Holding		Beneficial Interest	
		From	To	From	To
ELA45/4797	East Pilbara, WA	0%	0%	100%	0%
ELA45/4835	East Pilbara, WA	0%	0%	100%	0%

**Notes:**

- 1) Millennium Zinc Project JV - The Company has earned a 10% beneficial interest and holds the right to earn a total of 25%.
- 2) The Company has elected to convert its interest to a 2% FOB Royalty on iron ore and retains a 100% interest in non-ferrous metals.
- 3) The Company has the right to explore for and develop base metals, gold and platinum group metals on all these tenements subject to paying a net smelter return of 1.5% to the tenement holder.
- 4) The Company retains a 5% gross overriding royalty on all gold production exceeding one million ounces.
- 5) The Company retains a royalty of \$1 per tonne of ore mined up to 100,000 tonnes, and \$2 per tonne thereafter.
- 6) The Company retains a 0.98% net smelter return royalty on all ore produced from these tenements.

**Key:**

- E: Exploration licence  
 ELA: Exploration licence application  
 P: Prospecting licence  
 M: Mining lease  
 MLA: Mining lease application