BROCKMAN
布萊克萬礦業有限公司
BROCKMAN MINING LIMITED

Incorporated in Bermuda with limited liability
SEHK Stock Code: 159
ASX Stock Code: BCK

QUARTERLY REPORT

For the quarter ended 30 September 2020

Table of Contents

1. HIGHLIGHTS

- Polaris has largely completed the works towards the satisfaction of its Farm-In Obligations for the Marillana Project, including but not limited to a drilling and metallurgical test work program, which will assist the determination of a detailed design of the Marillana processing plant. Polaris is currently preparing a detailed report for Brockman.

2. PROJECT ACTIVITIES

Exploration Activities

Marillana

Brockman Iron Pty Ltd (Brockman Iron) and Polaris Metals Pty Ltd (Polaris) entered into a farm-in and joint venture agreement (FJV Agreement) pursuant to which subject to the terms and conditions therein, Polaris may farm-in by satisfying the farm-in obligations and earn a 50% interest in the Marillana Project. For details of the transaction please refer to the Company's announcement dated 26 July 2018.

The FJV Agreement became Unconditional on 21 January 2019, marking the commencement of the Farm-in Period. During the Farm-In Period, Polaris shall perform its Farm-in Obligations on the Marillana Project, which includes a diamond core drilling program commenced in December 2019 and metallurgical test work. The testwork has confirmed the Brockman process flow sheet but with improved yield due to additional recovery of product from the -1mm fines material that was not included in the Brockman flow sheet. Upon Polaris satisfying the Farm-in Obligations, the Joint Venture shall be established (Farm-in Date) and the Farm-in Interest will be transferred to Polaris. The Farm-in Obligations were largely completed during the quarter and Polaris is currently compiling a detailed report for Brockman outlining the results of its activities.

The Joint Venturer and a subsidiary of MRL (SPV) have also entered into the Mine to Ship Services Agreement (MSA) on 21 January 2019 for the transport of the Marillana iron ore product from the mine site to Port Hedland and loaded onto ships for export. The MSA is subject to several conditions precedent including execution of an agreement with the State of Western Australia, procuring all the necessary leases and licenses, MRL and SPV obtaining the finance to fund the construction and commissioning of the infrastructure and MRL's board making a final capital investment decision to proceed with the infrastructure project.

Ophthalmia

No significant activities were carried out during the quarter.

Regional development

There was no field work carried out on the regional exploration projects.

Mining Production and Development Activities

No mining production and development activities, including expenditure has been undertaken or recognised for the quarter.

3. CORPORATE REVIEW

The consolidated cash position of the Group as at 30 September 2020 was HK$30.5 million.

Payments to related parties of the entity and their associates

The payment as disclosed in section 6.1 of the Appendix 5B relates to:

Payment of HK$1.3 million for executive directors' salary and non-executive directors' fees.

TENEMENTS

Tenements disposed of during the Quarter						
Project	**Location**	**Tenement type**	**Tenement number**	**Commodity**	**Status**	**Interest held**

Tenements acquired during the Quarter						
Project	**Location**	**Tenement type**	**Tenement number**	**Commodity**	**Status**	**Interest held**

Tenements held at end of Quarter						
Project	**Location**	**Tenement type**	**Tenement number**	**Commodity**	**Status**	**Interest held**
Duck Creek	West Pilbara	E	47/1725	Iron Ore	Granted	100%
Duck Creek East	West Pilbara	E	47/2994	Iron Ore	Granted	100%
Ethel Creek	East Pilbara	E	47/4405	Iron Ore	Application	100%
Fig Tree	East Pilbara	E	47/3025	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3363	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3364	Iron Ore	Granted	100%
Madala Bore	West Pilbara	E	47/3285	Iron Ore	Granted	100%
Marandoo	West Pilbara	E	47/3105	Iron Ore	Granted	100%
Marillana	East Pilbara	L	45/0238	Iron Ore	Application	100%
Marillana	East Pilbara	M	47/1414	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3170	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3532	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/4293	Iron Ore	Application	100%
Mindy	West Pilbara	E	47/3585	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/1598	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/2280	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/2291	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/3549	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/4240	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0013	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0015	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0016	Iron Ore	Granted	100%
Parson George	East Pilbara	E	47/3217	Iron Ore	Granted	100%
Parson George	East Pilbara	E	47/3491	Iron Ore	Granted	100%
Punda Spring	West Pilbara	E	47/3575	Iron Ore	Granted	100%
Tom Price	West Pilbara	E	47/3565	Iron Ore	Granted	100%

4. CORPORATE PROFILE

Brockman Mining Limited
ARBN 143 211 867

Non-executive Directors:
Kwai Sze Hoi (Chairman)
Liu Zhengui (Vice Chairman)
Ross Stewart Norgard

Executive Directors:
Chan Kam Kwan Jason
(Company Secretary)
Kwai Kwun Lawrence
Colin Paterson

Independent Non-executive Directors:
Yap Fat Suan Henry
Choi Yue Chun Eugene
David Rolf Welch

Registrars

Principal Share Registrars and Transfer Office
MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Branch Share Registrars and Transfer Office - Hong Kong
Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Branch Share Registrars and Transfer Office - Australia
Computershare Investor Services Pty Limited
Reserve Bank Building
Level 11, 172 St George's Terrace
Perth, Western Australia, 6000

Securities on issue at 30 September 2020
Quoted securities
9,279,232,131 fully paid shares on issue

Unquoted securities
90,000,000 unlisted options granted

- 74,500,000 share options, expiring 31 December 2020 EX HK$0.124
- 15,500,000 share options, expiring 31 December 2020 EX HK$0.162

There were no shares and share option issued during the period.

By order of the Board of Directors of
Brockman Mining Limited
Chan Kam Kwan, Jason
Company Secretary, Hong Kong

5. GLOSSARY

"ASX"	ASX Limited ABN 98 008 624 691
"Board"	the Board of Directors of the Company
"Brockman" or "Company"	Brockman Mining Limited ARBN 143 211 867, the shares of which are listed on the SEHK and ASX
"Brockman Iron"	Brockman Iron Pty Ltd, a wholly owned subsidiary of the Company
"Farm-in Date"	the date the Farm-in Obligations are satisfied by Polaris
"Farm-in Obligations"	the obligations under which Polaris is required to satisfy in order to earn a 50% interest in the Marillana Project under the FJV Agreement
"Farm-in Period"	the period commencing on the Unconditional Date and ending on the date that is the later of the date that Polaris satisfies the Farm-in Obligations and the date that is 6 months after the Unconditional Date
"FJV Agreement"	the farm-in and joint venture agreement 26 July 2018 entered into between Brockman Iron and Polaris
"Group"	Brockman Mining Limited, its associates and subsidiaries
"Joint Venture"	the unincorporated joint venture to be established between Brockman Iron and Polaris pursuant to the terms of the FJV Agreement
"Joint Venturer"	a party which holds a JV interest, which as the date of the FJV Agreement means each Brockman Iron and Polaris
"Marillana Project"	the 100% owned iron ore project of the Company located in the Hamersley Iron Province within the Pilbara region of Western Australia
"MRL"	Mineral Resources Limited, the shares of which are listed on the ASX
"Polaris"	Polaris Metals Pty Ltd, a wholly owned subsidiary of MRL
"SEHK"	the Stock Exchange of Hong Kong Limited
"SPV"	a wholly owned subsidiary of MRL, ACN 629 927 911
"Tenements"	mining/exploration tenements with numbers M47/1414 (which is held by Brockman Iron) and E47/3170 (which is held by Brockman Exploration Pty Ltd, a wholly owned subsidiary of the Company) and any additional tenements applied for or acquired by the Joint Venturers in connection with the Marillana Project including L45/238 and E47/3532 being applied for by Brockman Iron.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BROCKMAN MINING LIMITED

ABN	Quarter ended ("current quarter")
ARBN 143 211 867	30 SEPTEMBER 2020

Consolidated statement of cash flows		Current quarter HK$'000	Year to date (3 months) HK$'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(956)	(956)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(2,944)	(2,944)
	(e) administration and corporate costs	(2,220)	(2,220)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	61	61
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	754	754
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(5,305)**	**(5,305)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter HK$'000	Year to date (3 months) HK$'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	34,919	34,919
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,305)	(5,305)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	882	882
4.6	**Cash and cash equivalents at end of period**	**30,496**	**30,496**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter HK$'000**	**Previous quarter HK$'000**
5.1	Bank balances	12,239	6,577
5.2	Call deposits	18,257	28,342
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**30,496**	**34,919**

6.	**Payments to related parties of the entity and their associates**	**Current quarter HK$'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,396
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: If any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end HK$'000**	**Amount drawn at quarter end HK$'000**
7.1	Loan facilities	(A) 11,000 (B) 22,055	(A) 11,000 (B) 22,055
7.2	Credit standby arrangements	10,000	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	33,055	33,055

7.5	**Unused financing facilities available at quarter end**	10,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

(A) Such loan was granted by a substantial shareholder (Ocean Line Holdings Limited). The loan is unsecured, bears interest of 12% per annum and is repayable on 31 October 2021.

(B) Loan from Polaris Metals Pty Ltd pursuant to the terms of the Farm-In Joint Venture Agreement with Polaris Metals Pty Ltd over the Marillana Iron Ore Project. Interest is not payable and unsecured.

7.2 On 18 September 2018, a substantial shareholder (Ocean Line Holdings Limited) has undertaken to grant a loan facility of up to HK$10,000,000 to the Company to satisfy its future working capital requirements. The loan is available for draw down from 18 September 2018. Such loan is unsecured, bears interest at 12% per annum and once drawn down, is repayable on 31 October 2021. As at the date hereof, such loan facility has not been drawn down.

8.	**Estimated cash available for future operating activities**	**HK$'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(5,305)
8.2	Payments for exploration & evaluation classified as investing activities (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(5,305)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	30,496
8.5	Unused finance facilities available at quarter end (Item 7.5)	10,000
8.6	Total available funding (Item 8.4 + Item 8.5)	40,496
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**7.63**

Note: If the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "NA". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A
	8.8.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/A
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 29 October 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.