Incorporated in Bermuda with limited liability

HKEx Stock Code: 159 | ASX Stock Code: BCK

BROCKMAN

布萊克萬礦業有限公司

BROCKMAN MINING LIMITED

ANNUAL REPORT 2021

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Directors

Kwai Sze Hoi *(Chairman)*
Liu Zhengui *(Vice Chairman)*
Ross Stewart Norgard

Executive Directors

Chan Kam Kwan, Jason
Kwai Kwun, Lawrence
Colin Paterson

Independent non-executive Directors

Yap Fat Suan, Henry
Choi Yue Chun, Eugene
David Rolf Welch

COMPANY SECRETARY

Chan Kam Kwan, Jason

REGISTERED OFFICE (BERMUDA)

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2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN AUSTRALIA

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West Perth WA 6005
Australia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3903B, Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

AUDITOR

Ernst and Young
Chartered Accountants
11 Mounts Bay Road
Perth WA 6000
Australia

PRINCIPAL SHARE REGISTRAR 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 IN HONG KONG

Tricor Secretaries Limited
Level 54 Hopewell Centre
183 Queen's Road East
Hong Kong

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN AUSTRALIA

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

PRINCIPAL BANKER

Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Westpac Banking Corporation

WEBSITE

www.brockmanmining.com
www.irasia.com/listco/hk/brockmanmining

STOCK CODE

159
Main Board of The Stock Exchange of
Hong Kong Limited

BCK
Australian Securities Exchange

CHAIRMAN'S MESSAGE

Dear Shareholders,

During the year, the Company achieved a historical milestone for the Marillana Project with the formation of joint venture with Mineral Resources Limited ("MRL"). The Company and MRL also agreed that upon satisfaction of certain farm-in obligations, a joint venture for the Ophthalmia Project will also be established.

Presently the joint venture parties, through the joint venture management committee, the project manager and relevant contractors, are working diligently on all project aspects to advance the Marillana and Ophthalmia projects into production in the shortest time-frame. Initial development works at the Marillana and Ophthalmia Project sites are being advanced while awaiting the conclusion of MRL's logistics solution to transport the ore from the mines to the port stockyard at Port Hedland for further loading onto the ocean-going vessels. I am excited with the prospect of the Marillana and Ophthalmia projects, and looking forward for these projects to contribute value to the shareholders.

I would like to thank the Brockman family for their continued hard work and commitment in advancing all the projects, and fellow shareholders for their unwavering support for the Company. Such support has proven to be pivotal for the Company's advancement.

Kwai Sze Hoi
Chairman

17 September 2021

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During the year, the Group continued to focus on the development of its iron ore tenements in Western Australia which are progressing steadily towards construction and production. Loss for the year before income tax from continuing operations was HK$28.3 million, compared to the previous year HK$22.6 million. The increase in the loss before tax was largely due to HK$5.4 million in additional finance costs arising from the treatment of the loans advanced by Polaris to the Group in the previous and current year.

The Group recorded a loss after tax from continuing operations of approximately HK$14.2 million (2020: HK$21.0 million). The reduction in the loss after tax was partially due to the recognition of an income tax credit of HK$14.1 million (2020: HK$1.6 million). This income tax credit was mainly from the result of the recognition of a deferred tax asset in respect of certain of the Group's Australian tax losses.

The operating loss of HK$22.8 million (2020: HK$21.3 million) was marginally higher by 7%, due to an increase in exploration and evaluation expenditure expensed.

IRON ORE OPERATIONS – WESTERN AUSTRALIA

This segment of the business comprises the 100% owned Marillana Iron Ore Project ("Marillana"), the Ophthalmia Iron Ore Project ("Ophthalmia") and other regional exploration projects.

The loss before income tax and share of losses of the joint venture for the year for this segment attributable to the Group was HK$15.1 million (2020: HK$9.5 million). Total expenditure associated with mineral exploration for the year ended 30 June 2021 amounted to HK$5.5 million (2020: HK$4.5 million).

Total expenditure associated with mineral exploration and evaluation for each of the projects in Western Australia for the financial years is summarised as follows:

	Year ended 30 June	
	2021	2020
	HK$'000	HK$'000
Project		
Marillana	**2,582**	1,988
Ophthalmia	**1,490**	1,155
Regional Exploration	**1,422**	1,378
	5,494	4,521

No development expenditure has been recognised in the financial statements during the year ended 30 June 2021 (2020: Nil).

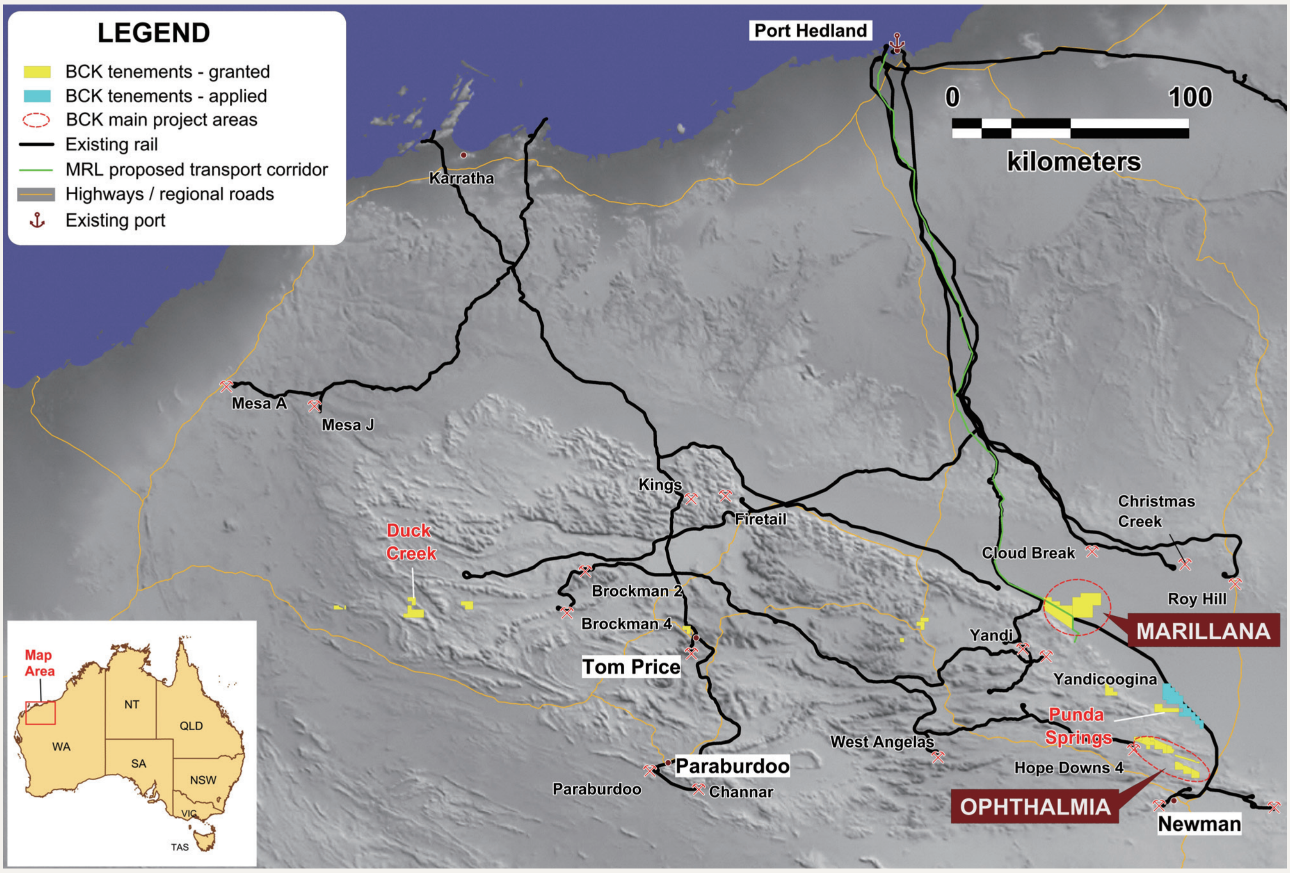
Total capital expenditure for each of the projects in Western Australia for the financial years is summarised as follows:

	Year ended 30 June			
	2021 HK$'000		2020 HK$'000	
	Additions to property, plant & equipment	**Additions to mining properties**	Additions to property, plant & equipment	Additions to mining properties
Project				
Marillana	**19**	**—**	137	—
Ophthalmia	**—**	**—**	—	—
	19	**—**	137	—

Impairment

The Group has assessed whether any indicators of impairment exist with reference to both external and internal sources of information. As at 30 June 2021, the Group assessed and concluded there were no indicators of impairment present, refer to note 17 of the consolidated financial statements.

Figure 1: Project location map – Brockman tenements

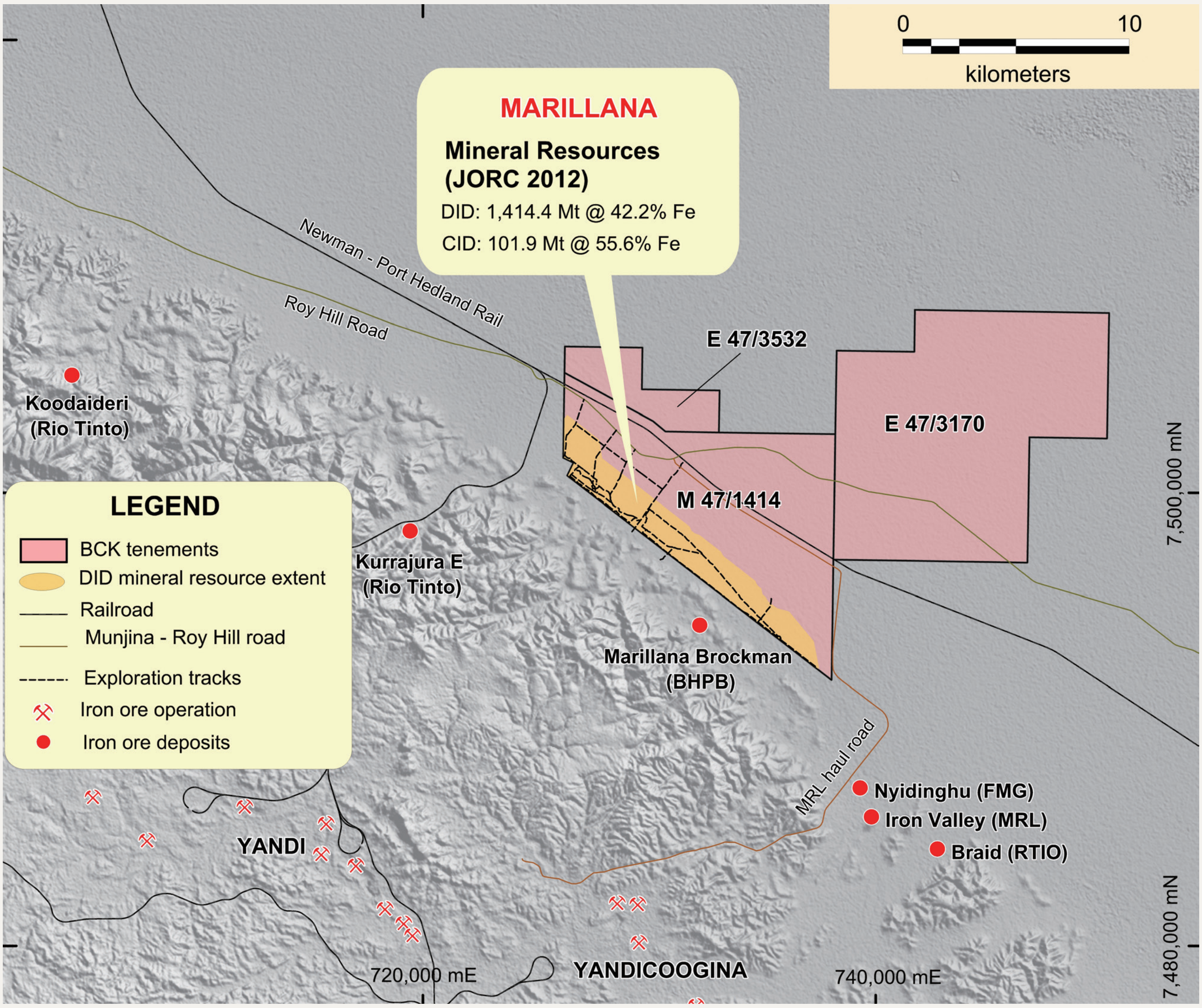


MARILLANA PROJECT OVERVIEW

The 100% owned Marillana project is Brockman's flagship project located within mining lease M47/1414 in the Hamersley Iron Province within the Pilbara region of Western Australia. It is located approximately 100 km north-west of the township of Newman (Figures 1 and 2).

The project area covers 82 square km bordering the Hamersley Range, where extensive areas of supergene iron ore mineralisation, the source of hematite detrital mineralisation at Marillana, have developed within the dissected Brockman Iron Formation that caps the Range.

Figure 2: Location of Marillana Project tenements



Marillana Development
Joint Venture
Formation and scope

On 26 July 2018 Brockman Iron Pty Ltd ("Brockman Iron") (a wholly-owned subsidiary of the Company) and Polaris Metals Pty Ltd ("Polaris") (a wholly-owned subsidiary of MRL) entered into a Farm-in Joint Venture ("FJV") Agreement (see announcements dated 27 July 2018 on the HKEX and ASX platforms) pursuant to which and subject to the terms and conditions therein, Polaris may farm-in and earn a 50% interest in Marillana by satisfying certain Farm-in obligations.

On 22 April 2021 Brockman Iron and Polaris signed an Amended and Restated FJV Agreement and Deed of Amendment and Restatement (collectively the "Agreement"). Both Brockman Iron and Polaris concluded that the Farm-in Obligations under the Agreement have been satisfied and the parties shall form the Joint Venture. As such, a 50% interest in the Marillana Project ("the Farm-in interest") will be transferred to Polaris and the Joint Venture will be established according to the terms of the FJV Agreement.

Development
MRL has submitted an Indicative Development Proposal, which includes the following:

1. Development of the Marillana and Ophthalmia projects (refer to the Ophthalmia section below) into an iron ore mining hub capable of producing a minimum of 25Mtpa of final product for export.

2. Following the establishment of the Joint Venture, MRL (or its Related Party) agrees to provide the Joint Venturers with funding by way of a project loan sufficient to allow the Joint Venturers to fund the forecast capital cost for each development.

3. A build own operate and arrangement between the Joint Venturers and MRL for certain non-processing infrastructure at Marillana.

4. A build own and operate arrangement for the crushing plant at Ophthalmia.

5. A proposed logistics system to transport the ore from the respective mines to the port stockyard at Port Hedland. This logistics system is to be constructed and operated by MRL (or a subsidiary).

6. Construction of a berth at a dedicated location in Port Hedland (subject to the approval from the State Government of Western Australia).

7. A current market based estimate for project capital and operating costs, including the logistics service cost for transporting the ore from mine to ship.

8. The Venturers have the right to dissolve the Joint Venture when the projects are not able to be progressed due to factors beyond their control.

Initial development works
Subsequent to the formation of the Joint Venture, MRL (or a subsidiary) will commence initial development works on site for the Marillana and Ophthalmia projects, as well as on the prospective transport corridor and port area. The initial development works are to be funded by MRL and the cost is estimated to be circa A$105 million.

Management committee
A management committee comprising a total of six representatives shall be established. Each of the Joint Venturers shall appoint three representatives.

The role of the management committee is to make all strategic decisions relating to the conduct of the activities undertaken by the Joint Venture including the consideration and approval of any work programme and budget in the management of the joint venture.

Development funding
The Joint Venturers will respectively fund their capital cost commitments for the development of Marillana with loans from MRL. The initial loan to the Joint Venture is expected to amount to A$790 million (up to a maximum of A$676 million for the development of the Marillana Iron Ore Project and up to a maximum of A$114 million for the development of the Ophthalmia Iron Ore Project). The terms and conditions under which Brockman Iron shall repay its share of the debt financing are to be determined.

The Joint Venturers' capital commitments will fund the ore processing facilities and certain parts of non-process infrastructure. Certain parts of the non-process infrastructure may not be funded by the Joint Venturers but will be provided by MRL under build own operate life of mine services agreements.

Manager
Pursuant to the terms of the FJV Agreement, Polaris has agreed to act as the first manager of the Joint Venture.

Loan Agreement

As part of the FJV Agreement, Polaris has provided an interest-free, secured loan (in accordance with Deed of Cross Security signed by the Joint Venturers) of A$10 million (the "Loan") to Brockman Iron for working capital purposes. The loan will be repaid from the net revenue received by Brockman Iron from the sale of its share of Marillana ore sold and transported under the Mine to Ship Services Agreement.

MINERAL RESOURCES AND ORE RESERVES

Brockman reports its Mineral Resources and Ore Reserves on an annual basis, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the "JORC Code 2012"), unless otherwise noted. Mineral Resources are quoted inclusive of Ore Reserves.

During 2018, Brockman updated its Marillana Mineral Resources and Ore Reserves to the JORC 2012 Code (refer to announcement dated 25 May 2018). Mineral Resources and Ore Reserves were previously reported under the JORC 2004 Code and released to the market on 9 February 2010 and 9 September 2010 respectively by Brockman Resources Limited, now a wholly owned subsidiary of Brockman Mining Limited.

Marillana has a very significant Mineral Resource estimate of 1.51 billion tonnes (Bt) of Hematite Detrital Iron (DID) and Channel Iron (CID) mineralisation, comprising 169.5 million tonnes (Mt) of Measured Mineral Resources (DID), 1,046 Mt of Indicated Mineral Resources (DID and CID) and 291 Mt of Inferred Mineral Resources (DID and CID) (see Tables 1 and 2).

Table 1: Detrital (beneficiation feed) Mineral Resource Summary (cut-off grade: 38% Fe)

Mineralisation type	Resource classification	Tonnes (Mt)	Grade (% Fe)
	Measured	169.5	41.6
	Indicated	961.9	42.3
	Inferred	273	42.0
GRAND TOTAL		**1,404.4**	**42.2**

Total tonnes may not add up, due to rounding

Table 2: CID Mineral Resource Summary (cut-off grade: 52% Fe)

Resource classification	Tonnes (Mt)	Fe (%)	Al_2O_3 (%)	SiO_2 (%)	P (%)	LOI (%)
Indicated	84.2	55.8	3.58	5.0	0.097	9.76
Inferred	17.7	54.4	4.34	6.6	0.080	9.30
TOTAL	**101.9**	**55.6**	**3.71**	**5.3**	**0.094**	**9.68**

The JORC 2012 Ore Reserve estimate is based on the revised JORC 2012 Mineral Resource model, and incorporates a number of factors and assumptions as outlined in the announcement of 25 May 2018.

The base case optimisation was determined with cut-off grades of 38% Fe for DID and 52% Fe for CIDs within the final pit and tenement boundary limits.

Metallurgical testwork results were used to estimate the recoverable fraction from the DID ore component. Recoveries of final product and grades (of iron, silica, alumina and LOI) were estimated in the block model.

Based upon dense media separation (DMS) testwork, it is expected that the final product has an average grade of at least 60% Fe and 37.3% in mass recovery.

Table 3: Marillana Project - Ore Reserves *

Reserve classification	Ore type	Tonnes (Mt)
Probable	DID#	967
Probable	CID##	46
TOTAL		**1,013**

* *Reserves are included within Resources*

\# *cut-off grade 52% Fe*

\## *cut-off grade 38% Fe*

The Marillana project has total estimated Probable Ore Reserves of 967 Mt of DID plus 46 Mt of direct ship CID (Table 3). The total saleable product from the processed iron ore feed is estimated at 404 Mt averaging 59.8% Fe, 6.1% SiO_2, and 3.1% Al_2O_3 (Table 4). Life of mine strip ratio is 1.0:1 (tonnes of Waste of tonnes of Ore).

Table 4: Marillana Project – Ore Reserves final product

Reserves Class	Ore Sale Type	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	LOI (%)
Probable	CID Product	46	55.5	5.3	3.7	9.7
Probable	DID Product	358	60.3	6.2	3.0	2.5
Probable	**Total Ore**	**404**	**59.8**	**6.1**	**3.1**	**3.3**

The Marillana Ore Reserves are based solely on the Measured and Indicated Mineral Resources. The Mineral Resources also include some 273 Mt of Inferred Mineral Resources (DID), comprising 201 Mt based on wide -spaced drilling to the north of the Indicated Mineral Resource boundary and 72 Mt of previously Indicated Mineral Resources that was downgraded to Inferred classification during the Projection Pursuit Multi-variate Transform (PPMT) process. Based on historical conversion of Inferred to Indicated Mineral Resources, it is anticipated that additional drilling may enable some of the Inferred material to be upgraded to Indicated classification.

Marillana represents one of the largest published hematite Ore Reserve positions in the Pilbara, outside the three major producers (BHP, Rio and FMG). The Detrital Ore is upgraded to a high-quality, sinter feed product via simple beneficiation, which is supported by low-cost mining, low waste ratios and large continuous ore zones.

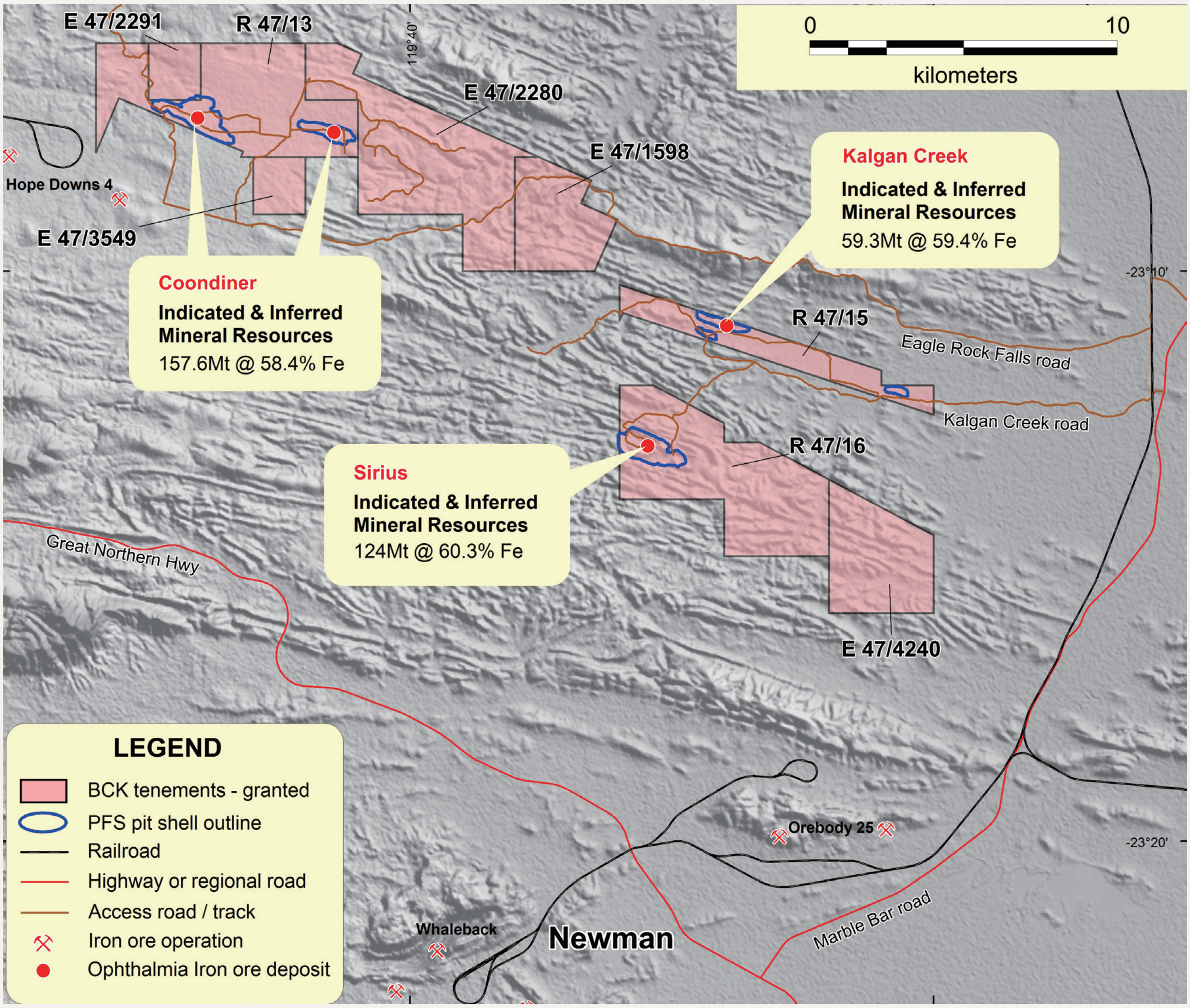
The Mineral Resource and Reserve estimation (see Tables 1 to 4) was prepared by Golder Associates Pty Ltd and has been classified in accordance with the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

OPHTHALMIA PROJECT OVERVIEW

The 100% owned Ophthalmia iron ore project, located north of Newman in the East Pilbara region of Western Australia (see figures 1 and 3), is the most significant iron ore project for the Company outside of its flagship Marillana project. Since the discovery of significant occurrences of bedded hematite mineralisation by field reconnaissance mapping and surface sampling in August 2011, major exploration drilling programmes have been completed and JORC compliant Mineral Resources have been estimated and reported for the Sirius, Coondiner, and Kalgan Creek deposits. The total Mineral Resource at Ophthalmia is 341 Mt grading 59.3% Fe (Table 5).

MANAGEMENT DISCUSSION AND ANALYSIS

Figure 3: Location of Ophthalmia Prospects and Resources



Development

As part of the Agreement with MRL (refer to the Marillana section above), Brockman Iron and Polaris have agreed to include the Ophthalmia project in the farm-in interest, such that a 50% interest in the Ophthalmia project will be transferred to Polaris upon completion of its farm-in obligations.

Polaris has commenced a programme of works including mine planning studies, transport corridors, environmental surveys and approvals, for development of the project.

Approvals

The Native Title Agreement with the Nyiyaparli people that was executed in May 2015 covers all tenements comprising the Ophthalmia project and was based on the existing agreement with the Nyiyaparli people covering Marillana (signed in 2009). It takes into consideration the Nyiyaparli people's interests with regard to the management of Cultural Heritage and Protection of the land and environment at the Ophthalmia project, as well as providing education and training opportunities for the local Nyiyaparli people.

The signing of this agreement paves the way for the granting of mining leases over the project area once Brockman has established an infrastructure solution to facilitate development of the project.

Mineral Resources

Ophthalmia has a Mineral Resource estimate of 340.9 million tonnes of hematite mineralisation, comprising 280 million tonnes of Indicated Resources and 61 million tonnes classified as Inferred Resources (see Table 5).

The resource estimate was classified in accordance with guidelines provided in the JORC Code 2012. Refer to ASX Announcement dated 1 December 2014.

Table 5: Ophthalmia DSO Mineral Resource Summary

30 June 2021									
Deposit	**Class**	**Tonnes (Mt)**	**Fe (%)**	**CaFe* (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**	**S (%)**	**P (%)**	**LOI (%)**
Kalgan Creek	Indicated	34.9	59.3	62.7	4.08	4.57	0.009	0.183	5.49
	Inferred	24.4	59.5	63.2	4.38	3.90	0.007	0.157	5.81
	Sub Total	**59.3**	**59.4**	**62.9**	**4.21**	**4.29**	**0.009**	**0.173**	**5.63**
Coondiner (Pallas and Castor)	Indicated	140.5	58.5	62.0	5.18	4.46	0.007	0.176	5.71
	Inferred	17.1	58.1	61.5	6.06	4.45	0.008	0.155	5.47
	Sub Total	**157.6**	**58.4**	**62.0**	**5.27**	**4.46**	**0.007**	**0.174**	**5.68**
Sirius	Indicated	105.0	60.4	63.7	3.54	3.97	0.007	0.18	5.22
	Inferred	19.0	60.2	63.4	4.09	3.83	0.009	0.17	5.14
	Sub Total	**124.0**	**60.3**	**63.6**	**3.62**	**3.95**	**0.007**	**0.18**	**5.20**
Ophthalmia Project	Indicated	280.4	59.3	62.7	4.43	4.29	0.007	0.178	5.50
	Inferred	60.5	59.3	62.8	4.73	4.03	0.008	0.160	5.50
	Total	**340.9**	**59.3**	**62.7**	**4.49**	**4.24**	**0.007**	**0.175**	**5.50**

* CaFe represents calcined Fe and is calculated by Brockman using the formula caFe = Fe%/((100-LOI)/100). Total tonnes may not add due to rounding.

WEST PILBARA PROJECT

Overview

The West Pilbara project comprises four tenements centred around Duck Creek, located about 100 -130 km WNW of Paraburdoo in the West Pilbara region. (Refer to Figure 1).

At Duck Creek, mineralisation comprises discrete mesas of channel iron deposits ("CID") 15-30 m above the surrounding plains with stripping ratios expected to be very low for the targets identified. Seven mesas containing ore grade CID mineralisation have been identified from surface sampling, but only six have been drilled due to access limitations.

Brockman has completed an Inferred Mineral Resource estimate of 21.6 Mt grading 55.9% Fe, for the channel iron deposit ("CID") mineralisation at Duck Creek (E47/1725), as detailed in Table 6 below. The Mineral Resource estimate has been classified in accordance with guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Mineral Resource estimate is based on the results of 45 vertical RC holes drilled on sections varying from approximately 200 to 400 m apart along the long axis of each mesa, supported by surface sampling to confirm the lateral extent of mineralisation.

Table 6: Duck Creek Mineral Resource estimate – (at a lower cut-off grade of 52% Fe)

Mesa	Classification	Tonnes (Mt)	Fe (%)	Al_2O_3 (%)	SiO_2 (%)	S (%)	P (%)	LOI (%)
1	Inferred	4.5	55.5	2.86	4.75	0.025	0.033	11.71
2	Inferred	7.9	55.56	2.97	4.19	0.058	0.037	11.79
3	Inferred	2.6	55.84	4.41	6.02	0.021	0.065	8.85
4	Inferred	1.5	55.31	3.58	7.42	0.015	0.076	9.12
5	Inferred	3.0	56.08	4.16	6.54	0.020	0.068	8.35
6	Inferred	2.2	58.17	3.22	4.92	0.016	0.106	7.62
All	**Inferred**	**21.6**	**55.91**	**3.35**	**5.15**	**0.034**	**0.053**	**10.35**

Total tonnes may not add due to rounding.

Mineral Resources and Ore Reserves

The information in this report that relates to the Mineral Reserve and Mineral Resource estimates of the Marillana project was declared as part of a market announcement issued on 25 May 2018.

The information in this report that relates to the Mineral Resource of Ophthalmia project was declared as part of a market announcement issued on 1 December 2014.

The information in this report that relates to the Inferred Mineral Resource of West Pilbara Project was declared as part of a market announcement issued on 31 August 2020.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements referred to above. All material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Mineral Resources and Ore Reserves Governance of Internal Controls

Brockman ensures that the Mineral Resources and Ore Reserve estimates quoted are subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external review of Marillana Resources and Ore Reserves estimation procedures and results are carried out through a technical review team which is comprised of highly competent and qualified professionals. These reviews have not identified any material issues.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its short-term funding requirements with equity funding and borrowings. The Group's ability to advance its iron ore project developments is reliant, among other things, on access to appropriate and timely funding.

The current ratio as at 30 June 2021 is 13.69 (30 June 2020: 16.05). The gearing ratio of the Group (long-term debt over equity and long-term debt) is measured at 0.08 (30 June 2020: 0.05).

During the period, the Group did not engage in the use of any financial instruments for hedging purposes, and there was no hedging instrument outstanding as at 30 June 2021.

CAPITAL STRUCTURE

At the end of the reporting period, the Company had 9,279,232,000 (2020: 9,279,232,000) shares on issue.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2021 the Group has a Deed of Cross Security for the loans advanced by Polaris to Brockman Iron pursuant to the terms of the Marillana Farm-in Joint Venture Agreement, (refer to Note 23).

As at 30 June 2021, the Company did not have any material contingent liabilities or financial guarantees. (30 June 2020: Nil)

RISK DISCLOSURE

MARKET RISK

The Group is exposed to various types of market risks, including fluctuations in iron ore price and exchange rates.

(a) *Commodities price risk*

Iron ore price:

The fair value of the Group's mining exploration properties in Australia is exposed to fluctuations in expected future iron ore price.

We have not used any commodity derivative instruments or futures for speculation or hedging purposes. Management will review market conditions from time to time and determine the best strategy to deal with the fluctuations of iron ore price as required.

(b) *Funding risk*

The commencement of exploration and potential development of the iron ore projects will depend on whether the Group can secure the necessary funding.

(c) *Risk that the project will not be materialised*

This risk is largely driven by various factors such as commodity prices, government regulations, regulation related to prices, taxes, royalties, land tenure, viable infrastructure solutions, capital raising ability etc. The Board will therefore closely monitor the development of the project.

(d) *Exchange rate risk*

The Group is exposed to exchange rate risk primarily in relation to our mineral tenements that are denominated in Australian dollars. Depreciation in the Australian dollar may adversely affect our net asset value and earnings when the value of such assets is converted to Hong Kong dollars. During the year, no financial instrument was used for hedging purposes.

As at 30 June 2021 and 2020, the Group was not exposed to any significant exchange rate risk.

STAFF AND REMUNERATION

As at 30 June 2021, the Group employed 15 full time employees (30 June 2020: 15), of which 5 were in Australia (includes 2 non-executive directors) (30 June 2020: 5) and 10 in Hong Kong (includes 4 non-executive directors) (30 June 2020: 10).

The remuneration policy and packages, including share options for the Group's employees, senior management and directors are maintained at market levels and are reviewed periodically by the management and the remuneration committee.

ENVIRONMENTAL POLICY AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Environmental Protection

As a responsible entity, the Group has endeavoured to comply with local laws and regulations in relation to waste disposal and environmental protection. At corporate level, the Group also encourages staff to save energy, minimise the use of natural resources and paper products.

We operate effective and sustainable iron ore business work actively through all areas of the business to minimise the actual and potential environmental impact of the Company's activities, in respect to the rights of the traditional owners. Furthermore, with no mining operations carried out, disturbance to the environment is expected to be minimal. We will continue to ensure that in the future, we are accountable for our environmental footprint.

Compliance with Laws and Regulations

During the year, the Group has complied with the relevant standards, laws and regulations that have a significant impact on our businesses. At the same time, the Group always maintains a safe working environment for staff in accordance with relevant safety policies.

Relationship with Employees, Customers and Suppliers

The Group believes that human resources are the most important asset for the Group's sustainable development. We offer competitive remuneration packages and a high quality working environment for our employees. It is our custom to respect each other and ensure that fairness is applied to everyone. From time to time, we provide relevant on-the-job training to enhance employees' professional knowledge. The Group also organises different leisure events and frequent group discussions for the participation of employees to enhance the working relationship of the employees and communications with management. We also strive to maintain good working relationships with our suppliers and customers.

Remuneration Policy

The Group's compensation strategy is to promote a pay-for-performance culture to reward employee performance that will maximise shareholder value in the long term. The Group from time to time reviews remuneration packages provided to its employees to ensure that the total compensation is internally equitable, externally competitive and supports the Group's strategy.

DIRECTORS AND MANAGEMENT

As at the date of this report, the Company has the following directors and senior management:

NON-EXECUTIVE DIRECTORS

Mr. Kwai Sze Hoi

Mr. Kwai Sze Hoi, aged 71. Mr. Kwai joined the Company in June 2012. He is the Chairman of the Group. Mr. Kwai graduated from Anhui University in 1975. Mr. Kwai has more than 40 years experience in international shipping and port operation businesses and is a successful entrepreneur. In 1990, he founded Ocean Line Holdings Ltd ("Ocean Line"). Ocean Line wholly owns, operates and manages a fleet of total deadweight tonnage of 4 million metric tonnes, with routes running worldwide. Ocean Line also has investments in infrastructure and operates other shipping related businesses including ports, terminals, warehouses, logistics, and crew manning etc. The diversified operations of Ocean Line put it in a highly competitive position globally. In addition, Ocean Line has investments in mining, real estate, financial services, securities, trading and hotel businesses. Mr. Kwai is also the chairman and an executive director of Ocean Line Port Development Limited, which is listed on the GEM of the Hong Kong Stock Exchange. Mr Kwai is the father of Mr. Kwai Kwun, Lawrence, an Executive Director of the Company.

Mr. Liu Zhengui

Mr Liu Zhengui, aged 74. Mr. Liu joined the Company in April 2012, and became the Vice Chairman of the Company in June 2012. Mr. Liu Zhengui has over 40 years of experience in corporate finance and capital management. He holds a bachelor's degree in management engineering from Hefei University of Technology. He is currently a director of Shandong School of Economics and Social Development (山東社會經濟發展研究院) and is the chairman of Shandong Dongyin Investment Management Co., Ltd (山東東銀投資管理有限公司). He is also a financial consultant of the Shandong provincial government. During the period 2004 to 2009, Mr. Liu was the chairman of Bank of China Group Investment Limited (BOCGI). Prior to that, he served as the chief executive of Bank of China's branches in three different provinces for 16 years.

Mr. Ross Stewart Norgard

Mr. Ross Stewart Norgard, aged 75. Mr. Norgard joined the Company as Non-executive Director in August 2012. He is a chartered accountant and former managing director of KMG Hungerfords and its successor firms in Perth, Western Australia. For the past 30 years he has worked extensively in the fields of raising venture capital and the financial reorganisation of businesses. He has held numerous positions on industry committees including past chairman of the West Australian Professional Standards Committee of the Institute of Chartered Accountants, a former member of the National Disciplinary Committee, a former member of Lionel Bowens National Corporations Law Reform Committee, a former chairman of the Duke of Edinburgh Award Scheme and a former member of the University of Western Australia's Graduate School of Management (MBA programme). Mr. Norgard is also a director of Nearmap Limited (formerly known as Ipernica Limited) (Chairman since 1987) and was a director of Ammtec Limited from 1994 to November 2010. Prior to his present appointment as Non-executive Director of the Company, he was the non-executive Deputy Chairman of Brockman Resources Limited, a former ASX listed entity which is now a wholly owned subsidiary of Brockman Mining Limited.

EXECUTIVE DIRECTORS

Mr. Kwai Kwun, Lawrence

Mr. Kwai Kwun, Lawrence, aged 40, joined the Company in March 2014. He is a member of the Executive Committee. He has extensive experience in investment in international shipping, port operations and ship building, mining and finance. Mr Kwai graduated from Harvard University in the United States with a Bachelor of Mathematics degree. Mr Kwai is the son of Mr. Kwai Sze Hoi, the Chairman of the Company.

Mr Chan Kam Kwan, Jason

Mr. Chan Kam Kwan, Jason, aged 48, joined the Company in January 2008. He is the Company Secretary and a member of the Executive Committee. Mr. Chan graduated from the University of British Columbia in Canada with a Bachelor of Commerce Degree and he holds a certificate as a Certified Public Accountant issued by the Washington State Board of Accountancy in the United States of America. Mr. Chan has extensive experience in corporate finance.

Mr. Colin Paterson

Chief Executive Officer of Australian Operations

Mr. Colin Paterson, aged 60, has over 30 years' experience in the resources sector covering a diverse range of geological environments throughout Australia, but principally in the Pilbara iron ore region as well as gold and nickel exploration in the Archaean of Western Australia. He has extensive experience in the technical supervision of exploration projects; resource development, project generation and project evaluations. He was principal geologist with Asarco Australia Ltd and held a similar position with Mining Project Investors Pty Ltd (subsequently MPI Mines Limited). Following which he was the founding director of Brockman Mining Australia Pty Ltd.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yap Fat Suan, Henry

Mr. Yap Fat Suan, Henry, aged 75, joined the Company in January 2014. He holds a master's degree in Business Administration from the University of Strathclyde, Glasgow, in the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in finance and accounting. Mr Yap retired as managing director of Johnson Matthey Hong Kong Limited in June 2017 and prior to that he was the general manager of Sun Hung Kai China Development Limited. He is also an independent non-executive director of Concord New Energy Group Limited (Stock Code: 182) and Frontier Services Group Limited (Stock Code: 500) , which are listed on the Main Board of the Stock Exchange of Hong Kong Limited.

Mr. Choi Yue Chun, Eugene

Mr. Choi Yue Chun, Eugene, aged 49, joined the Company in June 2014. He holds a Bachelor of Laws degree from the University of Hong Kong, and was admitted as a solicitor of the High Court of Hong Kong 1997. Currently Mr. Choi is a member of the Law Society of Hong Kong. He has over 20 years of experience in the legal field, specialising in corporate finance and compliance matters for listed companies in Hong Kong. Mr Choi is currently the senior legal counsel of Rusal Global Management B.V.

Mr. David Rolf Welch

Mr. David Rolf Welch, aged 55, joined the Company in October 2019. He holds a Bachelor of Commerce degree from the University of Western Australia. Mr Welch has held senior executive positions within ASX listed Aurizon Holdings Limited from 2007 to 2017. These positions included Vice President Iron Ore, Vice President Market Development and Executive Vice President Strategy and Business Development. He has experience in strategy, business transformation and performance, mergers and acquisitions and business development. Mr Welch was previously the managing director of The Millennium Group from 1998 to 2006 and was a marketing manager of CSBP Limited (part of the Wesfarmers conglomerate) from 1989 to 1994 in the development of mining reagent and agriculture products. Mr. Welch is also a non-executive director of VRX Silica Limited (Stock Code: VRX) which is listed on the Australian Securities Exchange (ASX).

SENIOR MANAGEMENT HONG KONG

Mr. Hendrianto Tee

Business Development Director

Mr. Hendrianto Tee joined the Company in January 2009 as the Chief Investment Officer after spending a large part of his career focusing on debt capital markets with several global financial institutions, among others Fleet Boston (now Bank of America Merrill Lynch) and UBS AG. In October 2014, Mr. Tee re-joined the Company as the Business Development Director overseeing project funding and development. Prior to re-joining, Mr. Tee spent 3 years in investment and advisory activities covering the resources sector in Australia, Canada and Indonesia. Mr. Tee graduated from Walsh University, USA, with a Bachelor of Arts Degree (Magna Cum Laude).

COMPLIANCE OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is listed on both the Australian Securities Exchange ("ASX") and the Stock Exchange of Hong Kong Limited ("SEHK"). The Company's Corporate Governance policies have been formulated to ensure that it is a responsible corporate citizen. Unless otherwise noted, the Company has compiled with all aspects of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK ("the HK Listing Rules") and the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations 4th Edition ("the CGPR") which applies for year-ends commencing on or after 1 July 2020, ("the ASX Principles") during the entire year ended 30 June 2021.

The exceptions to this are as follows:

(i) Appendix 14 Code Provision A.2.1 of the HK Listing Rules, states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The position of Chief Executive Officer at the Group level has been vacant during the period. Nonetheless, Mr. Colin Paterson, who serves as the Chief Executive Officer of Brockman Mining Australia Pty Ltd (a wholly-owned subsidiary of the Company), is responsible for the oversight of the core iron ore business operation; and

(ii) Appendix 14 Code Provision A.6.7 of the HK Listing Rules, states that non-executive Directors should attend general meetings. During the year, due to directors' other commitments and schedule conflicts, not all of the non-executive directors of the Company attended all the general meetings.

BOARD OF DIRECTORS

The Board is responsible to shareholders for the overall strategic direction of the Group, including establishing goals for management and monitoring the achievement of those goals with the objective of enhancing the Company and shareholders' value. The Board has delegated responsibility for the management of the Company's business and affairs to the Executive Committee. The responsibilities reserved for the Board of Directors are set out in the Board Charter, a copy of which is available on the website of the Company. The Board Charter is reviewed periodically and each Director is provided with a letter of appointment which outlines their key terms and conditions so each Director clearly understands their responsibilities.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chief Executive Officer and Chairman are separate and exercised by different individuals. The position of the chief executive officer at the Group level has been vacant during the period. Nonetheless, Mr. Colin Paterson, an executive director of the Company, also serves as the Chief Executive Officer of Brockman Mining Australia Pty Ltd (a wholly-owned subsidiary of the Company), and is responsible for the oversight of the core iron ore business operations.

The Chairman held interests in the shares of the Company, and is not independent as he is a substantial shareholder of the Company. The Board has determined that his commercial experience is more beneficial to shareholders at this stage of the Company's development than the independence requirement outlined in the Principles.

BOARD MEMBERSHIP

The Board has been structured for an effective composition, with a balance of skills, experience and commitment to adequately discharge its responsibilities and duties. During the year ended 30 June 2021, three of the nine Directors were independent. Whilst this is not a majority of Independent non-executive directors, it is believed to be a suitable balance between the composition of executive and non–executive directors. Each of the independent non-executive Directors has made an annual confirmation stating compliance with the independence criteria set out in Rule 3.13 of the HK Listing Rules and Principle 2.4 of the ASX Principles. The Directors consider all of the independent non-executive Directors to be independent under the independence criteria and all are capable of effectively exercising independent judgment.

DIRECTORS IN OFFICE DURING THE YEAR ARE AS FOLLOWS :

Name of Director/role	Date of appointment	Period in office as at the date of Annual Report (Years of service)	Board Meeting Attended/Eligible to attend*	General Meeting Attended/Eligible to attend*
Non-Executive Directors				
Kwai Sze Hoi, Chairman	15 June 2012	9	4/4	1/2
Liu Zhengui, Vice Chairman	27 April 2012	9	2/4	0/2
Ross Stewart Norgard	22 August 2012	9	4/4	1/2
Independent Non-Executive Directors				
David Rolf Welch	15 October 2019	2	4/4	2/2
Yap Fat Suan, Henry	8 January 2014	7	4/4	2/2
Choi Yue Chun, Eugene	12 June 2014	7	4/4	2/2
Executive Directors				
Chan Kam Kwan, Jason, Company Secretary	2 January 2008	13	4/4	2/2
Kwai Kwun Lawrence	13 March 2014	7	4/4	1/2
Colin Paterson	25 February 2015	6	4/4	2/2

* Represents total number of board and general meetings held during the period. Determination of eligibility has taken into account the respective directors' period in office. A total of 4 board meetings were held during the year ended 30 June 2021.

Biographical details of the Directors are stated under the section 'Directors and Management'.

BOARD MEETINGS

The Board conducts meetings on a regular basis as required by business needs. The Bye-Laws of the Company allow board meetings to be conducted by way of telephone or video-conference. Any resolutions can be passed by way of written resolutions circulated to and signed by all Directors from time to time when necessary except for matters in which a substantial shareholder or a Director or their respective associates has a conflict of interest. The Board held 4 meetings during the year ended 30 June 2021.

The Company normally provides a reasonable notice period for every Board meeting to all the Directors to give them an opportunity to attend. If such notice is not possible, permission to waive is obtained from the Directors.

Prior to each meeting of the Board, the Directors are provided with appropriate, complete and reliable information to ensure timely consideration before each Board meeting to enable them to make informed decisions. The Board is provided with the opportunity to meet independently from Executive Directors as and when required. Each Director also has separate and independent access to senior management whenever necessary.

THE BOARD HAS ESTABLISHED DIFFERENT SUB-COMMITTEES WITH MEMBERS AS AT 30 JUNE 2021 AS FOLLOWS :

	Nomination Committee	Audit Committee	Remuneration Committee	Health, Safety, Environment & Sustainability Committee	Risk Management Committee	Executive Committee
Non-Executive Directors						
Kwai Sze Hoi *(Chairman)*	Member		Member			
Liu Zhengui *(Vice Chairman)*	Member		Member			
Ross Stewart Norgard				Member	Member	
Executive Director						
Cham Kam Kwan Jason *(Company Secretary)*						Member
Kwai Kwun Lawrence						Member
Colin Paterson					Chairman	Member
Independent Non-Executive Directors						
Yap Fat Suan Henry	Chairman	Chairman	Chairman	Member		
Choi Yue Chun Eugene	Member	Member	Member	Chairman	Member	
David Rolf Welch	Member	Member	Member			

All Committees of the Board have access to professional advice where necessary. Minutes of Committee meetings are kept by the Secretary of the meeting.

BOARD SKILLS MATRIX

The following table summarises the combination of skills and experience of the board:

Experience, skills & attributes	Board	Nomination	Audit	Remuneration & performance	Sustainability	Risk	Executive
Total Non-Executive Directors	3	2	0	2	1	1	0
Total Executive Directors	3	0	0	0	0	1	3
Total Independent Non-Executive Directors	3	3	3	3	2	1	0
Experience							
Corporate leadership							
Successful experience in CEO and/or other senior corporate leadership	9	5	3	5	3	3	3
International experience							
Senior experience in multiple international locations	4	2	—	2	—	—	—
Resources industry experience							
Relevant industry (resources, mining, exploration) experience	5	2	1	2	1	2	2
Other Board level listed experience							
Membership of other listed entities (last 3 years)	7	4	2	4	2	2	2
Knowledge and skills							
Finance and capital management	7	4	3	4	3	2	2
Governance							
Risk and Compliance	2	1	1	1	1	1	1
Gender							
Male	9	5	3	5	3	3	3
Female	0	0	0	0	0	0	0

INDUCTION OF DIRECTORS

Following appointment, directors are supported through an induction briefing given by the corporate legal counsel, which seeks to familiarise the directors with listing rules, responsibilities and legal obligations of being appointed as Directors of the Company. Furthermore, meetings with senior management are held at times to familiarise the directors with the operations of the Company. In addition, a written directors' training material is circulated at times to keep directors abreast of the latest updates in regulations.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Bye-Laws of the Company and to comply with relevant HK and ASX Listing Rules, every Director should be subject to retirement by rotation at least once every three years. Non-Executive Directors are appointed for a fixed term of 3 years. All Directors appointed to fill a casual vacancy should be subject to re-election by shareholders at the first annual general meeting ("AGM") after their appointment and not less than one-third of the Directors should be subject to retirement and re-election every year. Upon appointment, each director and executive defined as a Key Management Personnel (KMP) has a written agreement outlining the terms of their appointment.

In accordance with our Bye-Laws 87(1), at each AGM one-third of the directors shall retire from office by rotation so that each Director shall retire at least once every three years. Messrs. Kwai Sze Hoi, Liu Zhengui and Chan Kam Kwan, Jason will be standing for re-election at the forthcoming AGM.

No Directors' service contract contains a provision requiring greater than one year's notice or requires compensation greater than one year's emoluments.

CONTINUING PROFESSIONAL DEVELOPMENT

Each of the Directors keeps abreast of his responsibilities as a Director of the Company and of the conduct, business activities and development of the Company, as well as the laws and regulations applicable to the Company. Comprehensive inductions are conducted upon appointment and the Company ensures suitable professional development is undertaken by Directors and members of senior management, with an objective to keep them abreast of the listing rules amendments and refresh their knowledge and skills on corporate governance. The Directors provide and the Company maintains, a record of all professional development undertaken during the period. Mr. Chan Kam Kwan, Jason, being an Executive Director and the Company Secretary of the Company received no less than 15 hours of relevant professional training during the financial year. All Directors reviewed written professional development materials during the year ended 30 June 2021.

NOMINATION COMMITTEE

Role and function

The Board has established a Nomination Committee which carries out its duties in accordance with the Terms of Reference and Nomination Policy, a copy of which is located on the Company's website. The Committee's primary functions are:

- To identify suitable candidates for nomination to the Board, Board Committees and senior management;
- Succession planning for the Board and senior management;
- The appointment and re-election of Directors; and
- Ensuring appropriate skills are available to the Board to discharge its duties and add value to the Company.

COMPOSITION AND ATTENDANCE

The Committee consists of a majority of independent Directors and was comprised of the following members during the year ended 30 June 2021:

Name of member	Meetings attended/ eligible to attend (*)
Independent Non-Executive Directors	
Yap Fat Suan Henry - Chairman	1/1
Choi Yue Chun, Eugene	1/1
David Rolf Welch	1/1
Non-Executive Directors	
Kwai Sze Hoi	1/1
Liu Zhengui	0/1

(*) Represents the total number of meetings held during the year ended 30 June 2021.

NOMINATION POLICY

The Company has adopted a Nomination Policy which sets out below the nomination procedures and the criteria for nomination of board or senior management members.

NOMINATION PROCEDURES

Subject to the provisions in the Company's Bye-laws, if the Board recognises the need for an additional Director or member of senior management:

(a) The Board determines the required skilled set, relevant expertise and experience, having consideration of the current Board composition and size and shareholder structure of the Company;

(b) The Committee and/or Board identifies potential candidates, possibly with assistance from external agencies and/or advisors;

(c) The Company Secretary provides the Board with the biographical details and details of the relationship between the candidate and the company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by law for any candidate for appointment to the Board;

(d) The Board develops a short list of candidates;

(e) In the case of the appointment of an additional independent non-executive Director, the Board obtains all information in relation to the proposed Director to allow the Board to adequately address the independence of the Director;

(f) The Board agrees on a preferred candidate;

(g) The Chairman of the Board approaches the preferred candidate to canvass interest, availability and terms of appointment; and

(h) The Chairman of the Committee, Chairman of the Board and the Company Secretary finalise a letter of appointment for Board approval.

In the case of the appointment of independent non-executive Directors, appointments should be for specific terms and subject to re-election, the ASX Listing Rules, the HK Listing Rules and the Companies Act 1981 of Bermuda.

CRITERIA FOR SELECTION

The selection criteria include but are not limited to the following:

- Business experience: The candidate should have significant experience from a senior role in an area of business, public affairs or academia, relevant to the Company. Awareness of the Group's focusing industry would be an advantage but not a requirement in all cases.

- Public board experience: The candidate should have relevant expertise and experience earned as a Board member of a reputable listed company or from a senior position in his or her industry, public affairs or academia.

- Diversity: The candidate should contribute to the Board being a diverse body, with diversity reflecting gender, age, cultural and educational background, ethnicity, professional experience, qualifications, skills and length of service. Given the current composition of the Board, a female candidate would be an advantage but not a requirement.

- Standing: The candidate should be of the highest ethical character and have a strong reputation and standing, both personally and professionally, in his or her fields.

- Time commitment: Each Board member must have sufficient time available for the proper performance of his or her duties. Directors should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, appraisal and other Board associated activities.

- Independence: For the candidate who is proposed as an independent non-executive director, he or she must satisfy all the independence requirements as set out in Rule 3.13 of the HK Listing Rules. He or she must always be aware of threats to his or her independency and avoid any conflict of interest with the Company. He or she must be able to represent and act in the best interest of the Company and its shareholders as a whole.

To ensure that the existing policy continues to be implemented in practice, the Company shall undertake regular reviews and reassess this policy having regard to the regulatory requirement, good corporate governance practice and the expectations of shareholders and other stakeholders of the Company.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considers that diversity of board members can be achieved through consideration of a number of aspects, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All board appointments are based on merit and contribution, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee reviews the Policy on a regular basis and discusses any revisions that may be required, and recommends any such revisions to the Board for consideration and approval.

REMUNERATION AND PERFORMANCE COMMITTEE

The Board has a Remuneration and Performance Committee to ensure that the Company is able to attract, retain, and motivate a high-calibre team which is essential to the success of the Company. The Committee carries out its duties in accordance with the Terms of Reference, a copy of which is located on the Company's website.

COMPOSITION AND ATTENDANCE

The Committee consists of a majority of independent Directors and was compromised of the following members during the year ended 30 June 2021:

Name of Director/role	Meetings attended/ eligible to attend (*)
Non-Executive Directors	
Kwai Sze Hoi	1/1
Liu Zhengui	0/1
Independent Non-Executive Directors	
Yap Fat Suan, Henry, Chairman	1/1
Choi Yue Chun, Eugene	1/1
David Rolf Welch	1/1

(*) Represents the total number of meetings held during the year ended 30 June 2021.

The principal duties of the Remuneration and Performance Committee include, inter alia, reviewing and making recommendations to the Board on the Company's remuneration policy; making recommendations to the Board on the remuneration of Executive and Non-Executive Directors, and members of the senior management; reviewing and making recommendations to the Board in respect of performance-based remuneration by reference to corporate goals and objectives resolved; and ensuring no Director or any of his or her associates is involved in deciding his own remuneration.

In addition to its remuneration duties, the Committee is also responsible for the annual performance review of the Board, Board Committees and individual Directors' performance.

REMUNERATION AND PERFORMANCE

The terms of reference in respect of the Remuneration and Performance Committee distinguishes the structure of the Non-Executive Directors' remuneration from that of Executive Directors and senior executives.

NON-EXECUTIVE DIRECTOR COMPENSATION

The Board is determined to attract and retain high calibre Non-Executive Directors to work with the Company, whilst at the same time preserving cash flow. Accordingly, the structure of the Non-Executive Directors' remuneration allows for remuneration in the form of share options, granted under the share option scheme. Whilst this represents a departure from the Code and Principles, the Committee believes it is appropriate for the size of the Company, and is satisfied by the fact that all Director participation under the share option scheme is approved by Shareholders and the grant aligns with the long term performance of the Company. The Company's Bye-laws provide that the Directors' remuneration shall be determined by the Company in general meeting. The Company has fixed a maximum sum of A$1 million in aggregate for Non-Executive Directors per annum, unless otherwise and approved by the Shareholders.

PERFORMANCE REVIEW OF THE BOARD

Board performance and individual Director performance are reviewed on an ongoing basis and evaluated annually by the Remuneration and Performance Committee. Individual Directors may meet with the Chairman of the Committee to discuss their views towards their remuneration packages.

REMUNERATION OF EXECUTIVE DIRECTORS

The Remuneration and Performance Committee of the Board of Directors of the Company is responsible for reviewing compensation arrangements for the Executive Directors, including the Chief Executive Officer (if any) and the senior management team, and making recommendations to the Board for approval. The Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

EXECUTIVE COMPENSATION FRAMEWORK

The Company aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the Company. The Remuneration and Performance Committee is assisted in the process by the use of independent salary data, if applicable.

The executive pay and reward framework has 2 components: base pay and long-term incentives through participation in the 2012 Share Option Scheme. Details of the 2012 Share Option Scheme can be found in the financial statements.

PERFORMANCE REVIEW – EXECUTIVES

Senior executives' performance is reviewed on an ongoing basis and evaluated annually by the Remuneration and Performance Committee. The evaluation is undertaken by each executive completing a questionnaire on performance issues or each executive having one-on-one interviews with the chairman of the Committee. Performance evaluations were completed during the period for senior executives.

Individual executives may meet with the chairman of the Committee to discuss their responses.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

For details of the remuneration of each Director in the financial year, refer to the notes to the financial statements. The emoluments (includes share-based compensation) of the directors and members of the senior management by band for the year ended 30 June 2021 is set out below:

	Number of members 2021 *	Number of members 2020 *
HK$0 to HK$1,000,000	**6**	7
HK$1,000,001 – HK$2,000,000	**4**	3
HK$2,000,001 – HK$3,000,000	**1**	1
	11	11

* All directors and senior management

AUDIT COMMITTEE

Role and function

The Board has established an Audit Committee to carry out its oversight of the Company's financial reporting system and internal control procedures. The Committee carries out its duties in accordance with the Terms of Reference, a copy of which is located on the Company's website.

Composition, expertise and attendance

The Committee consists of a majority of Independent Directors, none of whom have been employed as previous or current auditors of the Company.

The composition and expertise of the Committee was as follows during the year ended 30 June 2021:

Name of Director/role	Expertise	Meetings attended/eligible to attend (*)
Independent Non-Executive Directors		
Yap Fat Suan, Henry, Chairman	Fellow of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants	2/2
Choi Yue Chun, Eugene	Graduated from the University of Hong Kong with a Bachelor of Laws degree, admitted as a solicitor of the High Court of Hong Kong in 1997 and member of the Law Society of Hong Kong	2/2
David Rolf Welch	Graduated from the University of Western Australia with a Bachelor of Commence degree, he has held senior executive positions including Vice President of Strategy and Business Development for Aurizon Holdings Limited.	2/2

(*) Represents the total number of meetings held during the year ended 30 June 2021.

RESPONSIBILITIES OF THE COMMITTEE

The primary responsibilities of the Audit Committee are, inter alia,

(a) to consider and make recommendations to the Board on the appointment, reappointment and removal of the external auditor (and to approve the remuneration and terms of engagement of the external auditor) and any questions of resignation or dismissal of that auditor;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policy on the engagement of an external auditor or to supply non-audit services. For this purpose, 'external auditor' shall include any entity that is under common control, ownership or management of the audit firm, or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally. The Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;

(d) to monitor the integrity of financial statements of the Company and the Company's annual report and accounts, half-yearly report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;

(e) to evaluate the adequacy of the Company's accounting control system by reviewing written reports from the external auditors, and monitor management's responses and actions to correct any noted deficiencies;

(f) to review the adequacy and effectiveness of the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the board itself, to review the Company's internal control and risk management systems through active communication with management and the external auditors;

(g) to discuss with management the system of internal control and risk management and ensure that management has discharged its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(h) to consider any findings of major investigations of risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function;

(j) where an internal audit function exists, to assess the performance and objectivity of the internal audit function and to make recommendations for the appointment and dismissal of the Head of Internal Audit;

(k) to review the Group's financial and accounting policies and practices;

(l) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response;

(m) to ensure that the Board provides a timely response to the issues raised in the external auditor's management letter;

(n) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and

(o) to act as the key representative body for overseeing the issuer's relations with the external auditor.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 30 June 2021 have been reviewed by the Board and the Audit Committee and audited by the external auditor, Ernst and Young Australia. The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects.

The Directors ensure that the preparation of the consolidated financial statements of the Company are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the publication of the financial statements of the Company in a timely manner.

The report of the auditor of the Company about their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report.

AUDITORS' REMUNERATION

The aggregate remuneration in respect of services provided by Ernst and Young Australia for the year ended 30 June 2021 was HK$1,552,000 of which HK$1,163,000 represents annual audit fees, and HK$389,000 for non-audit services.

Ernst and Young, Australia, the auditor of the Company, is a non-Hong Kong audit firm which has obtained approval from the Financial Reporting Counsel as a recognised public interest entity ("PIE") auditor to conduct PIE engagement of the Company.

EXECUTIVE COMMITTEE

The Board has constituted the Executive Committee and delegated the responsibility of the day-to-day management and has empowered the Executive Committee to implement policies and strategies, for the business activities and operations, internal control and administration of the Group. The Executive Committee carries out all the general powers of management and control of the activities of the Group as vested in the Board, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive. The members include the Executive Directors and certain senior management appointed by the Board from time to time. The Executive Committee meets whenever it is necessary to carry out its obligations.

HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY COMMITTEE

ROLE AND FUNCTION

The Board has established a Committee to oversee the health, safety, environmental and sustainability activities of the Company. The Committee carries out its duties in accordance with the Terms of Reference, a copy of which is located on the Company's website.

COMPOSITION AND ATTENDANCE

The Committee consists of a majority of independent Directors and was comprised of the following members during the year ended 30 June 2021:

Name of Director/role	Meetings attended/ eligible to attend (*)
Independent Non-Executive Directors	
Choi Yue Chun, Eugene, Chairman	1/1
Yap Fat Suan, Henry	1/1
Non-Executive Director	
Ross Stewart Norgard	1/1

(*) Represents the total number of meetings held during the year ended 30 June 2021.

RESPONSIBILITIES OF THE COMMITTEE

The principal duties of the Committee are:

(a) reviewing and monitoring the sustainability, environmental, safety and health policies and activities of the Company;

(b) encouraging, supporting and counselling management in developing short and long term policies and standards to ensure that the principles set out in the sustainability, environmental, health and safety policies are being adhered to and achieved;

(c) regularly reviewing community, environmental, health and safety response compliance issues and incidents to determine, on behalf of the Board, whether the Company is taking all necessary action in respect of those matters and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard;

(d) ensuring that the Company monitors trends and reviews current and emerging issues in the field of sustainability, environment, health and safety, and evaluates their impact on the Company; and

(e) reviewing and making recommendations to the Board with respect to environmental aspects of expansions, acquisitions and dispositions with material environmental implications.

RISK MANAGEMENT COMMITTEE

ROLE AND FUNCTION

The Board has established a Committee to oversee risk and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions of the Company. The Committee carries out its duties in accordance with the Terms of Reference, a copy of which is located on the Company's website.

COMPOSITION AND ATTENDANCE

The Committee was comprised of the following members during the year ended 30 June 2021:

Name of Director/role	Meetings attended/ eligible to attend (*)
Executive Director	
Colin Paterson *(Chairman)*	1/1
Non-Executive Director	
Ross Stewart Norgard	1/1
Independent Non-Executive Director	
Choi Yue Chun, Eugene	1/1

(*) Represents the total number of meetings held during the year ended 30 June 2021.

Whilst the risk management committee was not chaired by an independent director and it does not comprise of a majority of independent directors, the committee was mainly composed of non-executive directors and independent non-executive directors who do not participate in the daily operation of the Group. The Company considers that objectivity can still be maintained with such arrangements.

RESPONSIBILITIES OF THE COMMITTEE

Risk management encompasses all areas of the Company's activities. Once a business risk is identified, the risk management processes and systems implemented by the Company are aimed at providing the necessary framework to enable the business risk to be managed. Management has the key role of identifying risks and enabling processes for risk management. Senior management are required to report risks identified to the Risk Management Committee or Chief Executive Officer.

The Risk Management Committee will meet periodically to review and ensure that the Company has in place processes to assess and manage specific and general business risks and appropriate mitigation procedures where applicable.

The overall results of this assessment are presented to the Board, in oral and written form, at every Board meeting by the Chairman of the Risk Management Committee, and updated as needed.

The Board reviews the Company's risk management at every Board meeting, and where required, makes improvements to its risk management and internal compliance and control systems.

INTERNAL CONTROL AND RISK MANAGEMENT

ROLE AND FUNCTION

The Board has overall responsibility for the Group's system of internal control and for the assessment and management of risk. The Board has conducted a review of and is satisfied with the effectiveness of the system of internal control of the Group.

The Executive Directors also discuss the audit plan with the Audit Committee and the external auditors. The audit plan is reassessed during the year as needed to ensure that adequate resources are deployed and the plan's objectives are met. In addition, regular consultation is undertaken with the Group's external auditors so they are aware of the significant factors which may affect their respective scope of work. Reports from the external auditors on relevant financial reporting matter are presented to the Audit Committee, and, as appropriate, to the Board.

INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function and has engaged an independent management consultancy company to assess the internal control measures of the Group on a yearly basis. The conclusion is that there was no significant weakness in the Company's internal control and risk management systems.

REVIEW PERIOD

The Board also reviews at least annually the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

REPORTING

The Executive Directors of the Company report directly to the Board and the Audit Committee, and monitor the existence and effectiveness of the controls in the Group's business operations.

For risk management, the Board, the Risk Management Committee, and management have reviewed the Group's financial, operational, compliance and strategic aspects and identified certain risk areas. Certain types of risks and internal control weaknesses have been identified and the relevant measures implemented to mitigate these risks are disclosed under the section 'Management Discussion and Analysis'.

CONFIRMATION OF COMPLIANCE

Although the Company is not required to comply with Section 295A of the Australian Corporations Act 2001 (being a company incorporated in Bermuda), the Board requires the Executive Director to state in writing to the Board that:

'The financial records of the Company have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position, and that the opinion has been based on the basis of a sound system of risk management and internal control which is operating effectively'.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Securities Trading Policy which applies, inter alia, to all Directors and Key Management Personnel. The Securities Trading Policy complies with the ASX Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the HK Listing Rules. A copy of the Company's Securities Trading Policy is available on the website of the Company.

All directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

COMPANY SECRETARY

ROLE AND FUNCTION

The Company Secretary is responsible and accountable directly to the Board and ensuring that Board procedures are followed and that the activities of the Board are carried out efficiently and effectively. The Company Secretary assists the Chairman to prepare agendas and Board papers for meetings and disseminates such documents to the Directors and Board Committees in a timely manner. The Company Secretary is responsible for ensuring that the Board is fully briefed on all legislative, regulatory and corporate governance developments when making decisions. The Company Secretary is also directly responsible for the Group's compliance with the continuing obligations of the Listing Rules and The Code on Takeovers and Mergers and Share Repurchases, including publication and dissemination of the Company's reports, financial statements and interim reports within the period as per the Listing Rules. Also, timely dissemination of announcements and information relating to the Group to the market and ensuring that appropriate notification is made when there are any dealings by Directors in the securities of the Group.

The Company Secretary also advises the Directors on their obligations in respect of disclosure of interests in securities, connected transactions and inside information and ensures that the standards and disclosures required by the Listing Rules are observed.

With respect to the secretarial function of the Group, the Company Secretary maintains formal minutes of the Board meetings and other Board committee meetings.

PROFESSIONAL DEVELOPMENT

During the year, Mr Chan Kam Kwan Jason, the Company Secretary of the Company, has undertaken no less than 15 hours of professional training to update his skills and knowledge.

LANGUAGE OF MEETINGS

All key corporate and shareholder documents are prepared in both English and Chinese. All board meetings are conducted in English and all directors are capable of communicating in English and are able to contribute to discussions and can discharge their obligations accordingly.

Shareholder meetings are conducted bi-lingually, in English and Mandarin.

CONTINUOUS DISCLOSURE

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the ASX, and the HK Listing Rules. The Directors have observed the disclosure requirements of the ASX and the HK Listing Rules, and to ensure accountability at a senior management level for that compliance. A copy of the Communications Strategy and Continuous Disclosure Policy can be found on the Company's website.

COMMUNICATION WITH SHAREHOLDERS

COMMUNICATION STRATEGY

The Board is committed in providing clear and full performance information of the Group to shareholders and have established a communications strategy, a copy of which can be found on the Company's website. The strategy is designed to promote effective communication with shareholders throughout the year and encourage effective participation at general meetings. In addition to the circulars, notices and financial reports sent to shareholders, additional information of the Group is also available to shareholders on the Company's website.

As well as ensuring timely and appropriate access to information for all investors via announcements to the ASX and SEHK, the Company will also ensure that all relevant documents are released on the website of the Company for the purpose of both stakeholders and shareholders. Copies of all corporate governance policies, charters and terms of references are available on the website of the Company.

ANNUAL GENERAL AND SPECIAL MEETINGS

Each year the Company's external auditor attends the AGM and is available to answer questions from security holders relevant to the audit.

Shareholders are encouraged to attend the AGM for which at least 20 clear business days' notice is given. The Chairman and Directors are available to answer questions on the Group's business at the meeting. In accordance with the Bye-Laws of the Company, a minimum of 14 days' notice is required for every shareholder meeting and all shareholders shall have statutory rights to call for special general meetings and put forward agenda items for consideration in the general meetings. All resolutions at the general meeting are decided by a poll which is conducted by the Group's branch share register in Hong Kong.

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

SHAREHOLDERS RIGHTS

HOW SHAREHOLDERS CAN CONVENE A SPECIAL GENERAL MEETING

Subject to Section 74 of the Companies Act 1981 of Bermuda (the "Act") and the Bye-Law 58 of the Company, the Board may whenever it thinks fit call special general meetings, and members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings for the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders enquiries can be directed to inquiry@brockmanmining.com or by writing to the Company Secretary's office, whose contact details are as follows:

Unit 3903B, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The enquiries would then be assessed and considered (if appropriate) to put to the Board. Shareholders may also make enquiries with the Board at the general meetings of the Company.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT A GENERAL MEETING

Any number of shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the procedures as set out in Section 79 of the Act for putting forward such proposals.

PROVISION OF INFORMATION IN RESPECT OF AND BY DIRECTORS

Updated information with regard to the change in other Directorships of the Directors of the Company are on our website and in the 2021 Annual Report.

CONSTITUTIONAL DOCUMENTS

There was no significant change in the memorandum and articles of association and the Bye-Laws of the Company during the year. The memorandum and articles of association and the Bye-Laws of the Company are available on the Company's website.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Directors are pleased to present the Environmental, Social and Governance ("ESG") Report for the year ended 30 June 2021 in compliance with the applicable code provision of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on the SEHK.

REPORTING SCOPE

With the delay in development of the Marillana Project and no mining activities undertaken during the year, the scope of the report covers all operations of the Group, mainly the head office in Hong Kong and its subsidiaries in Western Australia. The report presents information relevant to the ESG management approach for the financial year from 1 July 2020 to 30 June 2021 (the "Reporting Period").

The ESG Report complies with the mandatory disclosure requirements and 'comply or explain' provisions of the ESG Reporting Guide. The Group's performance is required annually and reviewed by the Risk Management Committee and Board, details of which are outlined in our 'Internal Control and Risk Management' section in the Corporate Governance Report included in the 2021 Annual Report. It is recommended that the ESG report to be read together with the 2021 Annual Report, in particular with the Corporate Governance and Directors' Reports.

This ESG report can be accessed from the 'Sustainability' section of the Company's website and on the HKEx's website.

The compilation of the report follows the principles as suggested by the ESG reporting guidelines:

Materiality	Opinions of stakeholders were gathered from internal and external stakeholders engagement and we have reviewed and determined the material ESG aspects to the Group.
Balance	To provide an unbiased assessment of the Group and report not only the progress of sustainability development, but also the future plans.
Quantitative	Quantitative key performance indicators are used to monitor the sustainability progress and results of target implementation.
Consistency	Unless otherwise stated, the ESG report adopted consistent methodology from time to time.

STAKEHOLDERS ENGAGEMENT AND MATERIALITY ASSESSMENT

Amongst various environmental and social issues based on the ESG Reporting Guide within the scope of sustainability, the following is the list of issues that are considered to be material and relevant to the Group. The priorities are set based on management's view as well as certain conclusions from our stakeholders' engagement. Aspects and KPIs relevant to this report's disclosure are set out as follows:

Stakeholders	Material and relevant issues	KPI	Engagement channels
Investors and shareholders	Business operations	General disclosure	Financial reports and announcements
Regulators	Disclosure		Shareholders meetings
	Environmental	Aspects A1-A4 and relevant KPIs	On-going communications
	Compliance with laws and regulations	General disclosure on aspects A1, B1, B2, B4, B6, B7	On-going compliance review
	Anti-Corruption	KPI B7.1-3	Training for directors and management
	Labour standards	KPI B4.1-2	Yearly review and monitoring of latest regulatory updates
	Product Responsibility	General disclosure	Framework of product quality assurance shall be developed prior to the delivery of first ore
Suppliers	Supply chain management	KPI B5.1-4	Review of suppliers Procurement procedures
Employees	Remuneration & labour standards	KPI B1.1-2	Yearly review
	Training and development	KPI B3.1-2	Trainings for directors and management
	Occupational health & safety	KPI B2.1-3	
Community	Charity work	KPI B8.1-2	Support charity organisations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Statement of the Board of Directors

The Board retains the overall responsibility for the Group's ESG management and is committed to operating in a manner that contributes to the sustainable development of mineral resources through efficient, balanced, protection of the environment while demonstrating due consideration for the wellbeing of people. The Group is focused on the need to work closely with the local communities and the importance on earning the respect and support of the communities.

The Group recognises its responsibility for minimising the impact of its activities on, and protecting the environment. The Group is committed to developing and implementing practices in environmental design and management actively operates to:

- Work within the legal frameworks
- Identify, monitor, measure, evaluate and minimise our impact on the environment
- Give environmental aspects due consideration in all phases of the Group's projects, from exploration to development, eventual operation, and final closure, and
- Act systematically to improve the planning, execution, and monitoring, of its environmental performance.

Looking forward to the future, the Board will also perform timely review the Group's strategic planning and performance. The Board also sets out ESG goals and targets based on relevant KPIs and reviews the results on a yearly basis. We strive to provide a supportive environment and incorporate ESG initiatives into our strategy to reduce the Group's carbon footprint.

A. ENVIRONMENTAL

A.1 EMISSIONS

During the year, the Group was at minimal spend and retained office space to secure an infrastructure solution for the Marillana project. Mining development is yet to commence and management considers that the emissions and waste generated by any exploration activity would have an insignificant impact on the environment due to the minimal activities undertaken. Hence, there are no relevant laws and regulations applicable to these activities.

Greenhouse Gas emissions ("GHG Emissions") for the reporting period are mainly generated from general direct electricity consumption for office use and indirect emissions resulted from business trips. During the year, due to the global pandemic, business travel was minimised. Going forward, business travel and physical management meetings will be minimised and be substituted with online meetings.

Relevant KPIs are as shown below:

i)	Purchased electricity consumption	22,527 kWh
ii)	GHG Intensity (by floor area)	132.05kg CO2-e/m²
iii)	Scope 1 GHG Emissions	Not applicable
iv)	Scope 2 GHG Emissions	18,082.29kg CO2-e
v)	Scope 3 GHG Emissions	Not applicable

Note:

Scope 1 emissions come from direct GHG emissions from combustion of fuels in stationary or mobile sources (excluding electrical equipment) to generate electricity, which is not applicable in our case as our developmental and production activities have yet to commence.

Scope 2 emissions come from indirect GHG emissions from the generation of purchased electricity.

Scope 3 emissions includes other indirect GHG emissions that occur outside the Company such as emissions from business travel of employees and paper waste disposed of at landfill.

* Emissions for Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Respirable suspended particulars (RSP) are not disclosed as the amount is insignificant.

The scope during the reporting period covered a gross floor area of 136.94m².

The Group continues to operate at minimal spend and targets a net decrease in emissions prior to the commencement of any future developmental activities. Due to the very low emissions of the Group based on current activities, actual emissions are not currently measured or quantified. Emissions will be measured once development activities have commenced.

During the reporting period, no material hazardous or non-hazardous waste was generated as our operations are office based in nature. Waste generated comprises printer toner cartridges, batteries and obsolete computer and printing equipment. These were properly disposed of and recycled. Non-hazardous waste such as general domestic refuse and printing paper from office operations were considered minimal.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company has implemented the following measures taken to reduce our emissions in relation to office activities:

- Reduction of unnecessary business trips and board meetings organised via electronic communications.
- Encouraged employees to switch off lights and air conditioning.
- Procure only electrical appliances with 'Grade1' or equivalent energy labels if needed to increase energy efficiency.

A.2 USE OF RESOURCES

The Group is committed to promoting an environmentally conscious work environment and has focused on measures to minimise waste and electricity consumption, initiate paper and cartridge recycling, and promote electronic communications and storage. We promote recycling of office equipment and reduce domestic waste as much as possible.

To reduce consumption of paper, the Group prefers using electronic means to disseminate information via electronic devices and electronic communication systems.

We encourage our office employees to switch off idle lights, air conditioners and other office equipment, and we remind our employees to print and photocopy on both sides of paper if printing is unavoidable. We also encourage our employees to bring their own lunch and reduce purchase of takeaway and beverages and hence reduce the use of plastic disposable utensils. The Group encourages its employees to choose public transportation and carpool to reduce car driving and thus the impact on the environment and transportation. The Group does not own any vehicles and we therefore do not directly produce any greenhouse and hazardous gases from cars used.

Our offices are required to maintain in-door temperature at 24 degree Celsius to ensure efficient use of air conditioning.

As stated in the above paragraph, the Group targets to maintain a net decrease in emissions for the upcoming year. Purchased electricity contributes to the majority of our emissions; hence a target of net decrease in yearly energy consumption is set.

The Group promotes initiatives to mitigate environmental impacts by choosing energy-efficient products by comparing Energy Labels issued by the Electrical and Mechanical Services Department (EMSD)/ Energy Rating Labels issued by the Australian Federal Government. As waste electrical and electronic equipment (WEEE) poses severe harm to the environment, the Group encourages all employees to use the WEEE donation or recycling programs.

All employees are responsible and accountable for operating in an environmentally responsible manner.

The total purchased electricity for the year ended 30 June 2021 was 22,527kWh and the electricity usage intensity by floor area amounted to approximately 132.05kWh/m^2.

The Group's existing business operation does not require any significant water consumption, water usage and any consumption relates to drinking water (including bottled water).

The Group's drinking water consumption for the year amounted to 1.23m^3 with a water consumption intensity amounted to approximately 0.21 m^3 per employee. We require employees to report immediately whenever damage is found on any of the water facilities.

There is no issue in sourcing water that is fit for purpose whereas the Group considers its water consumption level is reasonable at the current operation level. The Group targets to have a net decrease in water and electricity consumption next year by implementing the measures as discussed above.

Due to the nature of the business, there is no applicable data of packaging material as our operation does not involve the use of any packaging material.

A.3 THE ENVIRONMENT AND NATURAL RESOURCES

The Company is committed to the principles of being a good corporate and environmental citizen, and takes careful consideration of environmental, social responsibility and sustainability issues when choosing its vendors. The Group aims to minimise its environmental footprint and its disturbance to natural resources. We anticipate that fines residue storage and waste rock management, water use and discharge, and land management and rehabilitation would be the most important areas of concern once in production and the Group shall closely monitor these aspects, in compliance with its regulatory approvals obtained with key State and Commonwealth governments that have been received for the Marillana project. Each year, the Company undertakes an annual compliance review and provides a report to the Office of Environmental Protection Authority to declare its compliance status as required.

Brockman is proposing to clear up to 3,785 ha of vegetation to mine and transport ore to Port Hedland by a land infrastructure solution. After rehabilitation, the long-term cleared footprint will be around 60 ha which represents the final open pit void. All other disturbances will be rehabilitated to the satisfaction of the Western Australian Environmental Protection Authority (EPA), Department of Water and Environmental Regulation and Department of Mines, Industry, Resources and Safety.

Brockman has previously engaged Ecologia Environment (Ecologia) to prepare the Preliminary Documentation required to assess the project under the Environmental Protection and Biodiversity Conservation Act 1999 (Cth). Most key environmental approvals are in place and we shall adhere to our proposed plan in the event of commencement of early works. We endeavour to mitigate any environmental disturbance, and apply our monitoring schedule when the project commercialises.

Prior to the commencement of our mine development, environmental approvals for mining or exploration activities are required to be sought in accordance with the Mining Act 1978 and the following approvals are required by the Department of Mines, Industry Regulation and Safety:

1. Programme of work – submission has to include details of mechanised equipment and potential disruption to the ground during exploration or prospecting for minerals.

2. Mining proposals – details of the proposed mining operation or any changes to be incurred are required to be disclosed.

3. Mine closure plans – such plan must be included together with any submission on mining proposals, covering all aspects of mine decommissioning and rehabilitation.

The Group adheres to strict compliance of the Mining Act 1978 and other relevant environmental regulations such as the Environmental Protection Act 1986, the Environmental Protection and Biodiversity Conservation Act 1999, the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, the Rights in Water and Irrigation Act 1914, and the Native Title Act 1993.

A.4 CLIMATE CHANGE

Significant changes in the pattern of rainfall over Western Australia have occurred over the past 40 years. Most of the state, especially the northwest, has experienced a trend towards a wetter climate. This poses a certain risk for the mining industry. The southwestern part of the state has become drier, with a 15% reduction in rainfall since the mid-1970s. Waste rock and tailings that are created during the mining and ore refining process can release toxins into the environment if not stored or disposed of properly. In many cases, waste rock and tailings are left out in the open where they are exposed, and toxins can be washed into water systems by rainfall, or can leach into the soil. To mitigate such risk, a detailed mine plan with enhanced tailings and erosion control structure will serve as part of the mine's water management plan.

The most likely source of impact to the surface water environment from discharge is from unplanned flooding or spillages at the sewage treatment facility. However, safeguards are in place to minimise this risk, including:

- Alarms and flashing beacons to warn of failure of mechanical components (pump and blower);
- Alarms to warn of high water levels in the balance tank or irrigation tanks; and
- An emergency overflow between the balance tank and the waste water treatment plant.

In addition, flood protection will be implemented, to ensure floodwaters do not adversely impact waste water facilities.

B. SOCIAL

B.1 EMPLOYMENT AND LABOUR PRACTICES

EMPLOYMENT

The Group's employment policies are documented in its Code of Conduct ("Code"), which provides clear guidance on the conduct and behaviour of all employees, including the Board and senior management. The Code is designed to encourage and foster a culture of integrity and responsibility with the focus on strengthening the Group's reputation as a valued employer, joint venture partner, and good corporate citizen. Specifically, the Code provides guidance on the following aspects:

- Compliance to applicable governmental laws, rules and regulations
- Conflicts of interest
- Fair dealing
- Knowledge and information security (including handling of confidential information and disclose and securities trading)

Recruitment

The Group has an established human resources management function covering various aspects of employment. During our recruitment process, employees are hired based on consideration of their experience, qualifications and knowledge. All employees have entered into a written employment contract that outlines conditions of employment which includes job title, job duties, working hours, holidays, remuneration, termination process and benefits agreed to by both parties.

Promotion, compensation and dismissal
We motivate employees by promotion and salary increments based on results of regular performance appraisals. Staff dismissal is based on the Hong Kong Employment Ordinance or relevant local laws and regulations, as well as the requirements stipulated in the employment contracts. Apart from offering employees' competitive salary packages, the Group also provides annual bonuses and employee share options to eligible employees as incentives to retain our staff.

Working hours, rest periods and benefits
A five-day work week arrangement is adopted to facilitate work-life balance. In addition to all rest days and statutory holidays as specified in local laws and regulations, employees are entitled to paid annual, maternity, paternity, marriage and compassionate leave. Employees are also entitled to benefits such as medical benefits, MPF scheme contributions and other benefits subject to the Group's human resources management policy.

Equal opportunity, diversity and anti-discrimination
All Directors, senior management and employees of the Company are expected to conduct themselves with integrity, openness, honesty and fairness, and in the best interests of the Company. The Group invests time and resources to fulfil its obligations under the respective laws of Hong Kong and Western Australia. The Group has a Whistleblower Policy that enables an employee to raise concerns about practices and procedures in their workplace. It enables employees to report concerns of fraud, illegal, immoral, illegitimate practices, misconduct, or malpractice in a way that will not be seen as being disloyal to colleagues.

A copy of the Code of Conduct and Whistleblower Policy is available in the corporate governance section of the Company's website.

The Company's recognition of the benefits of diversity where people from different gender, age, ethnicity and cultural backgrounds can bring fresh ideas and perceptions which make the workplace more efficient is reinforced in the Diversity Policy, a copy of which is available in the corporate governance section of the Company's website. This policy outlines specific diversity initiatives designed to facilitate equal employment opportunities and requires the Company to set out specific diversity initiatives and targets with the aim of reporting the progress towards the metrics in the annual report.

These key metrics include:

- Proportion of women appointed as Non-Executive Directors of the Company;
- Proportion of women in the workplace;
- Proportion of women in senior management;
- Parental leave return rates; and
- Employee turnover.

The following metrics shows the comparison to historical data. The historical data is as follows:

	2021	2020	2019	2018	2017
Proportion of women appointed as Non-Executive Directors	**0**	0	0	0	0
Proportion of women in the workplace	**15%**	15%	15%	18%	21%
Proportion of women in senior management	**8%**	8%	8%	38%	13%
Parental leave return rates	**N/A**	N/A	100%	N/A	100%
Employee turnover	**0%**	0%	15%	53%	24%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board is continually looking to achieve diversity and will endeavour to appoint individuals who will provide a mix of experience, perspective and skills appropriate for the Company, including appropriate technical and commercial skills relevant to the mining industry.

Our human resources function ensures that the Company is free from any form of discrimination on the grounds of age, gender, religion, marital status, family status, sexual orientation, disability, race and nationality. We are committed to creating a culture of equality, respect, diversity and mutual support.

In Hong Kong, the Group's employment regulations are governed by the Employment Ordinance, the Minimum Wage Ordinance, as well as the Employees' Compensation Ordinance. In Australia, The Fair Work Act 2009 (Cth) (the "FW Act") governs the employment of the majority of Australian employees, supplemented by other federal, state and territory legislative schemes pertaining to areas such as work, health and safety and non-discrimination.

During the year, the Group was not aware of any material breaches of the relevant laws and regulations relating to the Group's compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. During the year, there were no fines or sanctions were imposed on us due to non-compliance with the relevant laws and regulations.

Performance Data Summary
Workforce demographics:

TOTAL WORKFORCE	**15**	
By nature of work	**Australia**	**Hong Kong**
Corporate directors	3	6
Corporate Services	1	3
Project Development	—	1
Exploration	1	—
By gender		
Male	4	9
Female	1	1
By employee category		
Directors (Executive)	1	2
Directors (Non-Executive)	2	4
Management	2	4
By age group		
31-50	1	5
50+	4	5

EMPLOYEE TURNOVER RATE ANALYSIS	**Australia**	**Hong Kong**
By geographical location	0%	0%
	Male	**Female**
By gender	0%	0%
	31-50	**50+**
By age group	0%	0%

B.2 HEALTH AND SAFETY

The Company is committed to the development of a sustainable iron ore business in Western Australia that benefits its employees, contractors, suppliers, partners and the community.

We will achieve this through the effective implementation and proactive management of our commitments and obligation to workplace health and safety, the environment and to the communities in which we operate.

To operate an effective and sustainable iron ore business, the Company will:

- Focus on the elimination and management of workplace hazards and risks.
- Act ethically and responsibly in all its interactions.
- Promote a culture which focuses its employees, contractors, suppliers and partners in workplace health and safety as the responsibility of all those who work in its business.
- Provide a workplace free from bullying or discrimination and offering equal opportunity to all employees.
- Work actively through all areas of its business to minimise the actual and potential environmental impact of the Company's activities.
- Respect the rights of the traditional owners and value the indigenous cultural heritage associated with its operations.

We will implement systems and ensure that resources are allocated to implement and monitor these commitments and its legal obligations. Our employees, contractors and partners will be updated on the Company's progress towards these goals.

The policy and the system that support it will be routinely measured to ensure the delivery of our commitments and system improvements made where the need arises.

The Group shall observe our Operational Health and Safety ("OHS") Policy for all our activities and our Company's health and safety objectives are summarised as follows :

- Achieve 'Zero Harm' to people, the community and the workplace environment;
- Support, encourage and promote efforts to achieve industry-leading occupational health and safety performance;
- Eliminate or manage circumstances which may lead to injury, property damage and business interruption; and
- Achieve health and safety performance consistent with the OHS Policy.

Brockman will employ the following principles:

- Everyone has a responsibility for health and safety
- Hazards should be identified and their risks eliminated or controlled
- Every task can be done safely
- Health and safety standards will not be limited to only minimum legal requirements.

These objectives will be achieved by:

- Providing employees and contractors with the necessary responsibility training and resources to assist them to perform their tasks safely and effectively;
- Establishing and enforcing accountabilities for employees and contractors regarding health and safety policy, objectives and performance;
- Complying with all applicable laws, regulations and statutory obligations;
- Demonstrating effective leadership and management of health and safety through risk assessment and the development and implementation of safe operational procedures and communication in health and safety issues.

COVID-19 Pandemic

The COVID-19 pandemic has had a significant impact on individuals, communities, and business globally, The Group's COVID-19 response protocols reinforce, and operate concurrently with, public health advice. They include:

- Social distancing protocols,
- Flexible and remote working plans for employees,

- Increased inventory of hand sanitiser and hygiene supplies,
- Increased focus on cleaning and sanitation,
- Avoid business travel unless necessary.

During the reporting period, the Group had no work-related fatality and injury resulting in lost days during the reporting period and in each of the past three years (2020: Nil).

B.3 DEVELOPMENT AND TRAINING

Employees are the most important asset of the Company. First-class professionals and management team are the guarantee of successful business, and we are, therefore eager to provide them with relevant training and encourage them to fully utilise their potential. We subsidise our employees for their continuing education, and encourage employees to participate in various workshops and seminars according to their respective areas of interest and job description.

Types of training to include:

- Compliance and regulatory;
- Job specific training;
- Comprehensive safety induction for all newly hired employees.

During the reporting period the percentage of trained employees and average hours of training received:

	Percentage of trained employees	Average hours of training received during the year
By employment type:		
Directors	60%	35
Senior management	40%	144
By gender:		
Male	87%	131
Female	13%	48

B.4 LABOUR STANDARDS

All our labour-related policies and practices comply with the Employment Ordinance, and relevant local labour laws in Hong Kong and Australia. Furthermore, the Group strictly prohibits the employment of child labour and forced labour, and complies with all relevant laws and regulations.

Prior to on-boarding of any new employees, thorough background checks are conducted to ensure the candidate is fit and proper for the role. If any candidates were found to be child labourers, their employment contract would be immediately terminated.

During the year, we did not employ child labour or forced labour and did not receive any complaints or reporting of child labour or forced labour.

B.5 SUPPLY CHAIN MANAGEMENT

The Company has established sound procurement procedures and requirement for vendors. Upon selection of new vendors, the Company will evaluate the vendors' performance, reliability and pricing, but also the environmental attributes such as impact to the environment and energy saving functionalities. As part of our internal control on procurement procedures, at least 2 quotations will be obtained for each procurement engagement. Also, consideration of previous per for mance of the vendor, in terms of creditability and compliance with local regulations are determining factors for supplier selection. Sustainable, fair-trade and environmentally friendly products are preferred and procurement decisions are not solely based on price.

During the reporting period, the number of suppliers by geographical breakdown is as follows:

By geographical region	Number of suppliers
Hong Kong	5
Australia	61
Total	66

The Group engages external parties in its day-to-day operations including environment, process consultants, laboratories services, drilling services and professional services. To assist in maintaining a transparent supply chain, the Group only procures goods and services from suppliers and contractors whose trade, employment practices and company values are aligned to the Group. Independent internal control consultants are engaged yearly to per form reviews on whether internal control processes are being observed. Sample checks on the procurement cycle are performed and findings, together with other internal control related issues are compiled into a report tabled to the Board for review.

Compliance is actively monitored by procurement that identifies and reports any issues to the senior management team via regularly meetings. Any necessary action will be actioned in a timely manner.

B.6 PRODUCT RESPONSIBILITY

The Company will ensure all required documentation will be implemented prior to shipment of iron ore. Sinter testwork conducted has provided positive results and confirmation of our product quality and the Group will strive to maintain the product's quality upon future delivery of ore.

Given that production has yet to commence, no complaints from customers nor product recalls have been received for the reporting period. Quality assurance and recall procedures will be duly implemented upon future delivery of iron ore product.

The Company upholds the confidentiality regarding customers', prospective customers' or business counterparts' information. Confidentiality agreements are put in place to protect any leakage of information and set out the Company's position on data security and privacy, including:

- Work related documents are the property of the Company unless otherwise specifically agreed,
- Destruction of documents containing confidential information must be carried out reliably.

The Company manages data protection and privacy as part of its IT processes and has several policies to manage IT related risks including off-site backup.

Given the nature of our business, our operations do not involve the use of intellectual property right owned by other parties. Nevertheless, the Group has set out the treatment of handling and protecting intellectual property in our Code of Conduct.

B.7 ANTI-CORRUPTION

The Company has established rules against bribery or corruption, which prohibit employees from accepting gifts from other people in a business relationship. To ensure effective implementation, every employee has been trained in relation to these rules. Furthermore, the Company has set up a Whistleblower policy (details of which can be found on the Company's website), and Brockman encourages stakeholders to pursue and report any misconduct, fraudulent or corrupt practices, breaches of rules, coercion or harassment. Active channels are in place for employees to report directly in the event of any potential source of bribery/corruption in any business execution.

Training and circulation of news from the Independent Commission Against Corruption (ICAC) has also been provided for employees and directors to discourage any form of corruption.

Brockman takes a zero tolerance approach to corruption and bribery and is committed to acting professionally, fairly and with integrity in all our business dealings. Our Whistleblower policy encourages employees to report on any incidences of fraud, misappropriation of funds or corruption, while the reporters' privacy is completely protected.

The Whistleblower policy is designed to support and assist the Group to promote a culture of ethical corporate behaviour, thereby providing an environment in which stakeholders (internal and external) are able to report any issue they genuinely believe breaches the Group's Code of Conduct, or any other reportable conduct.

Stakeholders may wish first to discuss the alleged violation informally with their manager in order to determine whether serious misconduct has occurred. This is an opportunity to clarify the incident, ask questions and at all times, it is expected that these discussions will remain confidential. Where a stakeholder believes that internal reporting is not appropriate, the Company encourages the stakeholder to report his or her concern to Brockman's Company Secretary and directly to the Audit Committee. The Audit Committee will assess the situation and if deemed necessary, will communicate the reports of alleged violations to the Group's legal advisors.

During the reporting period, there were no incidents or legal cases noted regarding any corrupt practices brought against the Group or its employees.

B.8 COMMUNITY INVESTMENT

The Company is transparent on the need to earn the respect and support of the communities in which it is located and also by demonstrating a tangible level of commitment to environmental sustainability.

The Group operates in two regulatory environments (Hong Kong and Australia). While compliance with these regulatory environments is the basis of the Group's environmental management, the Group is committed to the principle of developing and implementing appropriate practices and will actively work to:

- Minimise the actual and potential environmental impact of the Group's activities; and
- Give environmental aspects due consideration in all phases of our projects, from exploration and evaluation, development and final closure, and
- Respect the rights of the traditional owners and value the indigenous culture heritage.

The Group is committed to operating in a way which contributes to the sustainable development of mineral resources through efficient and long-term management, while showing due consideration for the wellbeing of people, protection of the environment and the communities in which we operate.

The Group's Sustainability Policy seeks to ensure it is a constructive partner to advance the social, economic, and institutional development of the communities in which it operates. The Group carries out its activities regarding the interests of any affected traditional owners and other stakeholders. The Group fully acknowledges the rights, cultures, customs, and values of people affected by the development and exploitation of mineral resources.

Brockman maintains its community focus on health and sports, and has sponsored charity runs/marathons for employees, for the purpose of raising employees' awareness on health while giving back to the community. Due to the impact of COVID-19, marathons and charity walks were cancelled and we will continue to sponsor our employees to take part in these meaningful activities once they resume.

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements of the Company for the year ended 30 June 2021.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The principal activities of the Company and its subsidiaries ("Group") are exploration and development of iron ore mining projects in Western Australia. An analysis of the performance of the Group for the year by operating segments is set out in Note 7 to the consolidated financial statements.

Detailed activities of each of the Company's subsidiaries are as set out in Note 34 of the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2021 are set out in the consolidated statement of comprehensive income on page 56.

RESERVES

Movements in the reserves of the Group during the year are set out in consolidated statement of changes in equity on pages 58 to 59.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are set out in Note 18 to the consolidated financial statements.

REVIEW OF OPERATIONS

It is recommended that the consolidated financial statements be read in conjunction with the 30 June 2021 annual report and any public announcements made by the Company during the period. Further detailed business review as required by Schedule 5 of the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 4 to 13 of this Annual Report. The Group's environmental policies, relationships with its key stakeholders, and compliance with relevant laws and regulations which have a significant impact on the Group are set out in the Environmental, Social and Governance Report on pages 30 to 42 of this Annual Report. This discussion forms part of this directors' report.

On March 11, 2020, the World Health Organisation declared a global pandemic related to COVID-19. The impacts on the global economy and commerce have already been significant and are expected to continue in the future. The duration of the pandemic and its impact on global financial markets, has had minimal on the Group; however, appropriate protocols are in place to minimise the associated risks to employees.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Hong Kong Laws, the bye-laws of the Company, the Bermuda Companies Act 1981 (as amended from time to time) and any other applicable laws, rules and regulations.

The recommendation of payment of any dividend is subject to the absolute discretion of the Board, and any declaration of dividend will be subject to the approval of shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia:

- The Group's actual and expected financial performance;
- Shareholders' interests;
- Retained earnings, distributable reserves and contributed surplus of the Company and each of the other members of the Group;
- The level of the Group's debt to equity ratio, return on equity and financial covenants to which the Group is subject to;
- Possible effects on the Group's credit worthiness;
- Any restrictions on payment of dividends or other covenants on the Group's financial ratios that may be imposed by the Group's financial creditors;
- The Group's expected working capital requirements and future expansion plans;
- Liquidity position and future commitments at the time of declaration of dividend;

- Taxation considerations;
- Statutory and regulatory restrictions;
- General business conditions and strategies;
- General economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- Other factors that the Board deems appropriate.

The dividend policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

DISTRIBUTABLE RESERVES

As at 30 June 2021, the Company has no reserve available for distribution to the shareholders.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws in Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FINANCIAL SUMMARY

A summary of the results and from the audited financial statements assets and liabilities of the Group for the last five financial years as extracted is set out on page 93. This summary does not form part of the audited financial statements.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

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

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

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

In accordance with Clause 87(1) of the Company's Bye-laws Messrs Kwai Sze Hoi, Liu Zhengui and Chan Kam Kwan, Jason shall retire and, being eligible, offer him for re-election at the forthcoming annual general meeting.

CONFIRMATION OF INDEPENDENCE

All the independent non-executive directors are appointed for a specific term and will be subject to retirement by rotation and re-election in accordance with the HK Listing Rules and the Bye-Laws of the Company. The Company has received from each of the Independent Non-executive Directors, an annual confirmation of their independence pursuant to Rule 3.13 of the HK Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 14 to 15.

DIRECTOR'S SERVICE CONTRACT

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions of the directors and chief executive and their respective associates in the share, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the SEHK, pursuant to the Model Code for Securities Transactions by Directors of Listed Issues were as follows:

Long positions of ordinary shares of HK$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Number of options granted	Percentage of the issued share capital of the Company
Mr Kwai Sze Hoi	Jointly *(Note)*	60,720,000	—	0.65%
	Interests of controlled corporation *(Note)*	2,426,960,137	—	26.15%
	Beneficial owner	206,072,000	—	2.22%
	Interest of spouse	24,496,000	—	0.26%
Mr Liu Zhengui	Beneficial owner	—	1,500,000	0.02%
Mr Ross Norgard	Beneficial owner	64,569,834	1,500,000	0.71%
	Interests of controlled corporation	178,484,166	—	1.92%
Mr Colin Paterson	Beneficial owner	22,073,004	15,000,000	0.40%
	Interest of spouse	13,625,442	—	0.15%
Mr Kwai Kwun Lawrence	Beneficial owner	63,408,412	—	0.68%
Mr Chan Kam Kwan Jason	Beneficial owner	—	10,000,000	0.11%
Mr Yap Fat Suan Henry	Beneficial owner	400,000	1,500,000	0.02%
Mr Choi Yue Chun Eugene	Beneficial owner	—	1,500,000	0.02%
Mr David Rolf Welch	Beneficial owner	—	1,500,000	0.02%

Note:

The 2,426,960,137 shares were held by Ocean Line Holdings Ltd., a company held 60% by Mr. Kwai Sze Hoi and 40% by Ms Cheung Wai Fung (Mr Kwai's spouse). In addition, Mr. Kwai and Ms Cheung have a joint direct interest in 60,720,000 shares of the Company.

Save as disclosed above, as at 30 June 2021, none of the Directors and Chief Executive, nor their associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

SHARE OPTIONS

The share option scheme (the "Share Option Scheme") of the Company was adopted by the Company pursuant to the resolution of the shareholders at the AGM dated 13 November 2012.

The binomial option pricing model is a generally accepted method of valuing options. The measurement dates used in the valuation calculations were the dates on which the options were granted. The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

The particulars of the Share Option Scheme are set out in Note 25 to the consolidated financial statements and details of the options outstanding as at 30 June 2021 includes the estimated the values of the share options (using the binomial option pricing model) which have been granted to Qualified Persons under the Share Option Scheme are as follows:

	Option type	Maximum entitlement of each participant	Outstanding as at 1 July 2020	Exercised	Lapsed	Granted	Outstanding as at 30 June 2021
Non-Executive Directors							
Liu Zhengui	2021A	1,500,000	—	—	—	1,500,000	1,500,000
	2018A	—	2,500,000	—	2,500,000	—	—
Ross Stewart Norgard	2021A	1,500,000	—	—	—	1,500,000	1,500,000
	2018B	—	1,500,000	—	1,500,000	—	—
Choi Yue Chun Eugene	2021A	1,500,000	—	—	—	1,500,000	1,500,000
	2018A	—	1,500,000	—	1,500,000	—	—
Yap Fat Suan Henry	2021A	1,500,000	—	—	—	1,500,000	1,500,000
	2018A	—	1,500,000	—	1,500,000	—	—
David Rolf Welch	2021A	1,500,000	—	—	—	1,500,000	1,500,000
Executive Directors							
Chan Kam Kwan Jason	2021A	10,000,000	—	—	—	10,000,000	10,000,000
	2018A	—	10,000,000	—	10,000,000	—	—
Colin Paterson	2021B	15,000,000	—	—	—	15,000,000	15,000,000
	2018B	—	12,000,000	—	12,000,000	—	—
Sub-total		**32,500,000**	**29,000,000**	**—**	**29,000,000**	**32,500,000**	**32,500,000**
Employees	2021A	71,000,000	—	—	—	71,000,000	71,000,000
	2018A	—	59,500,000	—	59,500,000	—	—
Employees	2021B	2,000,000	—	—	—	2,000,000	2,000,000
	2018B	—	1,500,000	—	1,500,000	—	—
Sub-total		**73,000,000**	**61,000,000**	**—**	**61,000,000**	**73,000,000**	**73,000,000**
GRAND TOTAL		**105,500,000**	**90,000,000**	**—**	**90,000,000**	**105,500,000**	**105,500,000**
Weighted average exercise price			**0.13**		**0.13**	**0.23**	**0.23**

Refer to note 25 for fair value of options granted during the year.

As at 30 June 2021, the Company had 105,500,000 share options outstanding under the Scheme. Should they be fully exercised, the Company will receive HK$23,865,000 (before issue expenses).

The total number of securities available for issue under the share option scheme amounts to 465,448,213 as at the date of the annual report, representing 5.02% of the issued share capital outstanding.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the section 'Directors and Chief Executives' interests', at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company and their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors has any interests in any competing business to the Group.

DIRECTORS'/CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Details of the related party transactions for the year are set out in Note 32 to the consolidated financial statements. Other than as disclosed therein, no director, a related party of a director, nor a controlling shareholder of the Company had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, the holding Company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 30 June 2021 are disclosed in Note 32 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions of 5% or more of the share capital and share option of the Company:

Long positions of ordinary shares and underlying shares of HK$0.10 each of the Company

Name of shareholder	Nature of interest	Number of shares or underlying shares	Percentage of the issued share capital of the Company
Ocean Line Holdings Ltd ("Ocean Line") *(Note 1)*	Beneficial owner	2,426,960,137	26.15%
Kwai Sze Hoi *(Note 1)*	Interest held by controlled corporations	2,426,960,137	26.15%
	Interest held jointly with another person	60,720,000	0.65%
	Beneficial owner	206,072,000	2.22%
	Interest of spouse	24,496,000	0.26%
Cheung Wai Fung *(Note 1)*	Interest held by controlled corporations	2,426,960,137	26.15%
	Interest held jointly with another person	60,720,000	0.65%
	Beneficial owner	24,496,000	0.26%
	Interest of spouse	206,072,000	2.22%
Equity Valley Investments Limited	Beneficial owner	515,574,276	5.56%
The XSS Group Limited *(Note 2)*	Interest held by controlled corporations	515,574,276	5.56%
Cheung Sze Wai, Catherine *(Note 2)*	Interest held by controlled corporations	515,574,276	5.56%
	Interest of spouse	50,000,000	0.54%
Luk Kin Peter Joseph *(Note 2)*	Interest held by controlled corporations	515,574,276	5.56%
	Beneficial owner	50,000,000	0.54%
KQ Resources Limited	Beneficial owner	1,301,270,318	14.02%

Notes:

1. Ocean Line is owned 60% by Mr Kwai Sze Hoi and 40% by Ms Cheung Wai Fung (Mr Kwai's spouse). In addition, Mr Kwai and Ms Cheung have a joint direct interest in 60,720,000 shares.

2. 515,574,276 shares were held by Equity Valley Investments Limited. Equity Valley Investments Limited is wholly-owned by The XSS Group Limited, of which 50%, 20% and 30% of its issued share capital were held by Mr Luk Kin Peter Joseph, Ms Cheung Sze Wai, Catherine (Mr Luk's spouse) and Ms Chong Yee Kwan (Mr Luk's mother) respectively. In addition, Mr Luk was granted a total of 50,000,000 options.

Save as disclosed above, as at 30 June 2021, no person, other than the directors of the Company, whose interests are set out in the section 'Directors' and Chief Executive Interests and Short Positions in Shares and Underlying Shares and Debentures' above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

SHARE CAPITAL, SHARE OPTIONS, WARRANTS AND CONVERTIBLE BONDS

Details of movements in the Company's share capital and share options during the year are set out in notes 24 and 25 to the consolidated financial statements.

Details of the other equity-linked agreements are including in the section 'Share Options'.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Laws of the Company, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company against all losses and liabilities etc which they may incur or sustain by reason of the execution of their duties, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the directors. The Company has also arranged appropriate directors and officers insurance coverage for the directors and officers of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate operating and administrative expenses attributable to the Group's five largest suppliers were less than 24% of total operating and administrative expenses (include exploration and evaluation expenses) for the year. At no time during the year did any Director, or associate of a Director, or any shareholder of the Company, which to the knowledge of the Directors owned more than 5% of the Company's share capital, have any beneficial interests in these customers or suppliers.

CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business in which the Company, any of its subsidiaries or fellow subsidiaries, or its parent company was a party to and in which a director of the Company had a material interest in, whether directly or indirectly, subsisted during or at the end of the year.

PROVISION OF INFORMATION IN RESPECT OF ANY DIRECTOR

Details of change in directorships are disclosed within "Directors and Management" on pages 14 to 15 of this annual report. Other than as disclosed therein, no other change in directorships or the Directors of the Company, during the year.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 16 to 29 of the annual report.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in note 37 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on information that is publicly available to the Company and within the knowledge of the Directors, there was sufficient public float of the Company's securities as required under the HK Listing Rules.

AUDITOR

The consolidated financial statements for the financial year ended 30 June 2021 have been audited by Ernst and Young Australia who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

Ernst and Young, Australia, the auditor of the Company, is a non-Hong Kong audit firm which has obtained approval from the Financial Reporting Council as a recognised public interest entity ("PIE") auditor to conduct PIE engagement of the Company.

By order of the Board.

Kwai Sze Hoi
Chairman

Hong Kong, 17 September 2021

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of Brockman Mining Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Brockman Mining Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 56 to 92, which comprise the consolidated balance sheet as at 30 June 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2(a) in the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, and for each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Carrying value of capitalised mining exploration properties

Why significant	How our audit addressed the key audit matter
At 30 June 2021 the Group held capitalised mining exploration properties in Australia of HK$784,933,000, representing 94% of the Group's total assets. The carrying value of mining exploration properties is assessed for impairment by the Group when facts and circumstances indicate that these properties may exceed their recoverable amount. The determination as to whether there are any facts and circumstances to require a mining exploration property to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The directors did not identify any impairment indicators. Given the significance of the capitalised mining exploration properties relative to the Group's total assets and the degree of judgement involved in assessing whether any indicators of impairment exist, we consider this a key audit matter. Refer to Note 17 in the consolidated financial statements for capitalised mining exploration property balances and related disclosures.	We considered and challenged the Group's assessment as to whether there were impairment indicators present that required the capitalised mining exploration properties to be tested for impairment as at 30 June 2021. In performing our procedures, we: • Considered whether the Group's right to explore was current, which included obtaining and assessing supporting documentation such as license agreements • Considered the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's approved cashflow forecast and enquiring of senior management and the directors as to their intentions and the strategy of the Group • Assessed whether exploration and evaluation data exists to indicate that the carrying value of mining exploration properties is unlikely to be recovered through development or sale • Assessed the adequacy of the disclosures in Note 17 of the consolidated financial statements.

2. Recognition of deferred tax asset

Why significant	How our audit addressed the key audit matter

At 30 June 2021, the Group recognised a deferred tax asset ("DTA") of HK$90,626,000 in its consolidated balance sheet for certain of its Australian carry forward tax losses. This DTA was fully offset against the deferred tax liability ("DTL") in the consolidated balance sheet.
 	
This DTA has continued to be carried forward at 30 June 2021, together with a DTA of HK$10,041,000 recorded in the income tax benefit in the consolidated statement of comprehensive income arising from further Australian tax losses incurred and offset against the DTL at that date, resulting in a net DTL at 30 June 2021 of HK$126,706,000 after accounting for the impact of exchange differences during the year.
 	
The Group's exploration activities in Australia have generated significant carry forward tax losses. Australian tax laws covering the availability and recoupment of these carry forward tax losses are complex.
 	
Under IFRS, DTAs for available carry forward tax losses are only recognised when their recovery is considered probable. This consideration of carry forward tax loss recognition is reassessed at each reporting period.
 	
Given the significant degree of judgement involved in management's assessment as to the ongoing availability and probability of recoverability of the DTA as at 30 June 2021, we consider this a key audit matter.
 	
Refer to Notes 4(c), 13 and 26 in the consolidated financial statements for deferred tax balances and related disclosures.
	We assessed the Group's decision to carry the DTA at 30 June 2021 and the methodology for determining the amount of the DTA to be carried forward for compliance with IFRS.
	
	Our audit procedures included the following:
	
	• We assessed the amount of the Group's available carry forward tax losses and the impact of any known or potential limitations on their availability for utilisation of the estimated tax benefit arising from the carry forward tax losses. This work included consultation with our tax specialists
	
	• We obtained and considered correspondence:
	    • Between the Group and the Australian tax authorities
	    • Between the Group and external tax advisors
	
	We assessed the adequacy of the related disclosures in the consolidated financial statements.

3. **Measurement of Polaris loans**

Why significant	How our audit addressed the key audit matter
At 30 June 2021 the Group has recognised the two tranches of the loan payable to Polaris Metals Pty Ltd ("Polaris") of HK$41,697,000 in the consolidated balance sheet, representing 22% of the Group's total liabilities. These loan tranches totalled A$5 million each and were advanced to the Group in November 2019 and May 2021 respectively, pursuant to the Farm-in and Joint Venture Agreement ("FJV") between Brockman Iron Pty Ltd ("Brockman Iron") and Polaris. The loan is secured and bears no interest. Under the terms of the FJV Agreement, the repayment terms of these loan vary dependent upon a number of conditions relating to the Marillana Project. The Group's expectation regarding the amount and timing of the loan repayments was revised during the current financial year. This change in the amount and timing of the loan repayments led to a remeasurement of the first loan tranche advanced in November 2019 and has impacted the measurement of the second loan tranche advanced in May 2021. Given the significant degree of judgement involved in the Group's assessment of the amount and timing of the revised loan repayments as well as the appropriate market rates of interest used in the measurement of these loan tranches, we consider this a key audit matter. Refer to Note 23 in the consolidated financial statements for the loan balances and related disclosures.	Our audit procedures included the following: • We assessed whether the funding from Polaris was appropriately recognised and measured in accordance with IFRS 9 Financial Instruments ("IFRS 9") • We considered and challenged the Group's assessment regarding the revised amount and timing of the expected loan repayments. This included review of correspondence between the Group and Polaris to assess the likely intention of both parties • We assessed the market rates of interest used in the measurement of each of these loan tranches • We obtained and reviewed management's calculation of the amortised cost and classification of each tranche of this loan in accordance with the requirements of IFRS 9, including the remeasurement for the first loan • We assessed the adequacy of the related disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pierre Dreyer.

Ernst & Young
Chartered Accountants
Perth, Western Australia
17 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	Year ended 30 June 2021 HK$'000	2020 HK$'000
Other income	10	**162**	715
Administrative expenses	11	**(17,507)**	(17,513)
Exploration and evaluation expenses	11	**(5,494)**	(4,521)
Operating loss		**(22,839)**	(21,319)
Finance income		**88**	320
Finance costs		**(5,428)**	(1,482)
Finance costs, net	12	**(5,340)**	(1,162)
Share of loss of joint ventures	30	**(139)**	(125)
Loss before income tax		**(28,318)**	(22,606)
Income tax benefit	13	**14,146**	1,590
Loss for the year		**(14,172)**	(21,016)
Other comprehensive income/(loss)			
Item that may be reclassified to profit or loss			
Exchange differences arising from translation of foreign operations		**56,632**	(17,530)
Other comprehensive income/(loss) for the year		**56,632**	(17,530)
Total comprehensive income/(loss) for the year		**42,460**	(38,546)
Loss for the period attributable to equity holders of the Company		**(14,172)**	(21,016)
Total comprehensive income/(loss) attributable to equity holders of the Company		**42,460**	(38,546)
Loss per share attributable to the equity holders of the Company during the year		**HK cents**	HK cents
Basic loss per share	15	**(0.15)**	(0.23)
Diluted loss per share	15	**(0.15)**	(0.23)

The notes on pages 61 to 92 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 30 June 2021

	Note	As at 30 June 2021 HK$'000	2020 HK$'000
Non-current assets			
Mining exploration properties	17	**784,933**	731,048
Property, plant and equipment	18	**167**	181
Right-of-use assets	18	**1,538**	1,226
Interest in joint venture	30	**703**	644
Other non-current assets		**132**	121
		787,473	733,220
Current assets			
Other receivables, deposits and prepayments	21	**1,033**	1,581
Cash and cash equivalents	20	**45,667**	34,919
		46,700	36,500
Total assets		**834,173**	769,720
Equity			
Share capital	24	**927,923**	927,923
Reserves		**3,855,804**	3,798,031
Accumulated losses		**(4,138,025)**	(4,123,861)
Total equity		**645,702**	602,093
Non-current liabilities			
Deferred income tax liability	26	**126,706**	128,850
Borrowings	23	**57,245**	35,393
Lease liabilities	19	**1,111**	1,111
		185,062	165,354
Current liabilities			
Trade and other payables	22	**1,123**	829
Lease liabilities	19	**828**	382
Provisions	27	**1,458**	1,062
		3,409	2,273
Total liabilities		**188,471**	167,627
Total equity and liabilities		**834,173**	769,720

The consolidated financial statements on pages 56 to 92 were approved by the Board of Directors on 17 September 2021 and were signed on its behalf.

Kwai Kwun, Lawrence	**Chan Kam Kwan, Jason**
Director	*Director*

The notes on page 61 to 92 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Notes	Share capital HK$'000	Share premium HK$'000	Share-based compensation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 July 2019		**922,123**	**4,463,016**	**87,700**	**(738,024)**	**(4,102,845)**	**631,970**
Loss for the year		—	—	—	—	(21,016)	(21,016)
Other comprehensive loss							
Exchange differences arising on translation of foreign operations		—	—	—	(17,530)	—	(17,530)
Total comprehensive loss for the year		—	—	—	(17,530)	(21,016)	(38,546)
Transactions with equity holders							
Issuance of shares	24	5,800	—	—	—	—	5,800
Exercise of options	25	—	5,608	(4,216)	—	—	1,392
Share based compensation	25	—	—	1,477	—	—	1,477
Total transactions with equity holders		5,800	5,608	(2,739)	—	—	8,669
Balance at 30 June 2020		**927,923**	**4,468,624**	**84,961**	**(755,554)**	**(4,123,861)**	**602,093**

	Notes	Share capital HK$'000	Share premium HK$'000	Share-based compensation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 July 2020		927,923	4,468,624	84,961	(755,562)	(4,123,853)	602,093
Loss for the year		—	—	—	—	(14,172)	(14,172)
Other comprehensive loss							
Exchange differences arising on translation of foreign operations		—	—	—	56,632	—	56,632
Total comprehensive income/(loss) for the year		—	—	—	56,632	(14,172)	42,460
Transactions with equity holders							
Share-based compensation	25	—	—	1,149	—	—	1,149
Total transactions with equity holders		—	—	1,149	—	—	1,149
Balance at 30 June 2021		927,923	4,468,624	86,110	(698,930)	(4,138,025)	645,702

The notes on pages 61 to 92 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

		Year ended 30 June	
	Note	**2021** HK$'000	2020 HK$'000
Cash flows from operating activities			
Loss before tax		**(28,318)**	(22,606)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	11	**48**	83
Depreciation of right-of-use assets	11,18	**478**	301
Share-based payment expense	25	**1,149**	1,477
Finance costs	12	**5,220**	1,518
Movements in provisions	27	**395**	263
Other non-cash income and expenses		**345**	(78)
Working capital adjustments:			
— Increase/decrease in trade receivables & prepayments		**548**	(276)
— Increase in trade and other payables		**294**	126
Net cash flows used in operating activities		**(19,841)**	(19,192)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(19)**	(137)
Investment in joint venture		**(198)**	(116)
Interest received		**106**	320
Net cash flows (used in)/from investing activities		**(111)**	67
Cash flows from financing activities			
Proceeds from borrowings		**29,142**	26,646
Proceeds from issuance of ordinary shares		**—**	7,192
Payment of principal portion of lease liabilities		**(369)**	(197)
Interest on lease payments		**(208)**	(158)
Net cash flows from financing activities		**28,565**	33,483
Net increase in cash and cash equivalents		**8,613**	14,358
Cash and cash equivalents at beginning of the year		**34,919**	20,906
Effects of foreign exchange rate changes		**2,135**	(345)
Cash and cash equivalents at end of the year	20	**45,667**	34,919
Cash used for exploration and evaluation activities included in operating activities		**(5,400)**	(4,521)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**35,172**	6,668
Non-pledged time deposits with original maturity of less than three months when acquired		**10,495**	28,251
Cash and cash equivalents as stated in the statement of cash flows	20	**45,667**	34,919

The notes on pages 61 to 92 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Brockman Mining Limited (the "Company") and its subsidiaries (collectively, the "Group") principally engage in the acquisition, exploration and development of iron ore projects in Australia.

The Company is a public company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and Australian Securities Exchange (the "ASX"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

These consolidated financial statements are presented in Hong Kong dollars (HK$), and all values are rounded to the nearest thousand (HK$'000), except where otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements of Brockman Mining Limited for the year ended 30 June 2021 have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) Going concern basis

For the year ended 30 June 2021, the Group recorded a net loss before tax of HK$28,318,000 (2020: HK$22,606,000) and had operating cash outflows of HK$19,841,000 (2020: HK$19,192,000). The Group did not record any revenue during the year and the loss before tax for the period was primarily attributable to the exploration and evaluation of the Company's iron ore exploration projects and corporate overhead costs. As at 30 June 2021, the Group's cash and cash equivalents amounted to HK$45,667,000 (2020: HK$34,919,000).

On the 22 April 2021, Brockman Iron Pty Ltd (a wholly-owned subsidiary of the Company) ("Brockman Iron") and Polaris Metals Pty Ltd ("Polaris") established a Joint Operation. Following the establishment of the Joint Operation, Polaris (or its related party) agreed to provide the Joint Operation with funding by way of a project loan (the terms and conditions of the project loan are yet to be finalised) sufficient to allow the joint operation to fund the forecast capital cost for development. The Joint Operators have agreed to initial development works that will be funded by Polaris and the cost is estimated to be circa A$41,000,000 (~HK$237,779,000).

Polaris also released the second tranche A$5,000,000 of the A$10,000,000 loan, held in escrow account pursuant to the Farm-in Joint Venture ("FJV") Agreement. Under the terms of the FJV Agreement, this loan is to be repaid from net revenue received by Brockman Iron from the sale of its share of product produced and sold from the joint operation. The repayment of the loan to Polaris must be in priority to all other payments from net revenue received by Brockman Iron from the sale of its percentage share of product sold from the Project.

The Group has taken a number of measures to improve its liquidity position, including, but not limited to, the following:

(i) Extending the repayment date of the existing loans of HK$15,471,000 from the substantial shareholder to 31 October 2022. These loans bear interest at 12% per annum.

(ii) On 18 September 2018, the Group secured a standby loan facility from its substantial shareholder amounting to HK$10,000,000. If drawn down, the loan will be unsecured, bear interest at 12% per annum and be repayable on 31 October 2022. As at 30 June 2021, the facility of HK$10,000,000 is undrawn.

The directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of approval of these consolidated financial statements. They are of the opinion that, taking into account the above-mentioned measures, the Group will have sufficient financial resources to satisfy its future working capital requirements and to meet its financial obligations as and when they fall due within the next twelve months from the date of approval of these consolidated financial statements.

The directors believe that the Group can continue to access debt and equity funding to meet medium term working capital requirements and has a history of securing such funding as required in the past to support their belief. In the event that funding of an amount necessary to meet the future budgeted operational and investing activities of the Group is unavailable, the directors would undertake steps to curtail these operating and investment activities. Accordingly, the directors of the Company consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

2. BASIS OF PREPARATION (Continued)

(a) Going concern basis (Continued)

Notwithstanding the above, there remains material uncertainty as to whether the Group can raise sufficient funding as outlined above which may cast significant doubt about the Group's ability to continue as a going concern and, therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these consolidated financial statements.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of the Group's assets or to the amounts and classification of liabilities which might be necessary should the Group not continue as a going concern.

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Changes in accounting policy and disclosures

New standards, interpretations and amendments adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the consolidated financial statements of the Group and, hence, have not been disclosed.

The nature and effect of these changes as a result of the adoption of the standards that have an immaterial impact on the consolidated financial statements are described below.

Amendments to IFRS 3: Definition of Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create input. Furthermore, it clarified that a business can exist without including all of the inputs and processes need to create outputs. These amendments had no material impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material which states that 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

The amendment clarifies that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

This amendment had no material impact on the Group's consolidated financial statements.

Amendments to IFRS 7, IFRS 9 and IAS 19: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of relief measures, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no material impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Conceptual Framework for Financial Reporting issued on 28 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Changes in accounting policy and disclosures (Continued)

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact of the amendment on its current practice.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 *Business Combinations – Reference to the Conceptual Framework*. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 *Levies*, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for Preparation and Presentation of Financial Statements. The Group is currently assessing the impact of these amendments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued *Property, Plant and Equipment – Proceeds before Intended Use*, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'direct related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The Group is currently assessing the impact of these amendments.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Changes in accounting policy and disclosures (Continued)

Standards issued but not yet effective (Continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

(b) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(i) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions with equity holders of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposal of non-controlling interests are also recorded in equity.

(ii) Disposal of subsidiaries

If the Group loses control over a subsidiary, it derecognises (i) the assets and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity or specified/permitted by applicable IFRS.

(c) Joint arrangements

The Group undertakes a number of business activities through joint arrangements. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. The Group's joint arrangements are of two types:

(i) Joint operations

A joint operation is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

In relation to its interests in joint operations, the financial statements of the Group includes:

- Assets, including its share of any liabilities incurred jointly
- Liabilities, including its share of any liabilities incurred jointly

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) Joint arrangements (Continued)

(i) *Joint operations* (Continued)

- Revenue from the sale of its share of the output arising from the joint operation

- Expenses, including its share of any expenses incurred jointly.

All such amounts are measured in accordance with the terms of each arrangement which are in proportion to the Group's interest in each asset and liability, income and expense of the relevant joint operation.

(ii) *Joint Ventures*

A joint venture is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the net assets of the arrangement. A separate vehicle (not the parties) will have the rights to the assets and obligations for the liabilities, relating to the arrangement. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in joint ventures equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Segment reporting

Operating segments are reported in a manner consistent with internal reports provided to Chief Operating Decision Makers, which comprise the executive directors of the Company who are responsible for allocating resources and assessing performance of the operating segments.

(e) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and the Group's presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss.

(iii) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

— assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

— income and expenses for each statement of comprehensive income are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and

— all resulting currency translation differences are recognised in other comprehensive income.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Foreign currency translation (Continued)

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences is re-attributed to non-controlling interests and is not recognised in profit and loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures that do not result in the Group losing joint control) the proportionate share of the accumulated exchange difference is reclassified to profit and loss.

(f) Mining exploration properties

Mining exploration properties are stated in the balance sheet at cost less subsequent accumulated amortisation and any accumulated impairment losses. Mining exploration properties are amortised using the units of production method based on the proven and probable mineral reserves and starts when commercial production commences.

Mining exploration properties acquired in a business combination are identified and recognised as intangible assets separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Impairment reviews of mining exploration properties are undertaken if events or changes in circumstances indicate a potential impairment. The carrying value of mining exploration properties is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Mining exploration properties that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant, furniture, fixtures and equipment	12.5% – 25% per annum

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement is recognised in the profit and loss in the year the asset is derecognised and determined as is the difference between the net sales proceeds and the carrying amount of the relevant asset.

(h) Impairment of non-financial assets

Assets that are subject to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Financial assets

(i) Classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at fair value through other comprehensive income and held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

At 30 June 2021, the group does not have any financial assets classified and measured at fair value through other comprehensive income (2020: Nil).

(ii) Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the profit and loss.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) Impairment of financial assets

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(j) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost and payables. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost and payables, net of directly attributable transactions costs. The Group's financial liabilities include trade and other payables, and other borrowings.

The subsequent measurement of financial liabilities depends on their classification as follows:

(ii) Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the EIR method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(j) Financial liabilities (Continued)

(ii) Financial liabilities at amortised cost (loans and borrowings) (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

(k) Other receivables

Other receivables are amounts due from transactions outside the ordinary course of business. If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

(l) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash in hand and deposits, and have a short maturity of generally within three months.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits with a maturity of three months or less.

(m) Related parties

A party is considered to be related to the Group if:

(a) The party is a person or a close member of that person's family and that person

i. Has control or joint control over the Group;

ii. Has significant influence over the Group; or

iii. Is a member of the key management personnel of the Group or of a parent of the Group;

Or

(b) The party is an entity where any of the following conditions apply:

i. The entity and the Group are members of the same group;

ii. One entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

iii. The entity and the Group are joint ventures of the same third party;

iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

v. The entity is controlled or jointly controlled by a person identified in (a);

vi. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) and

vii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

(n) Share capital

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

(o) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; and difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss over the period of the borrowing using the EIR method.

Fees paid on the settlement of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(r) Current and deferred income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

All wholly-owned Australian subsidiaries of the Company form a tax consolidated group under Australian tax law and are taxed as a single entity. Brockman Mining Holdings (Australia) Pty Ltd ("BMHA"), a wholly-owned subsidiary of the Company, is the head entity of the Australian tax consolidated group.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The initial recognition exception is not applied to deferred income tax related to assets and liabilities arising from a single transaction (i.e. leases). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(s) Employee benefits

(i) Short-term obligations

Salaries, annual bonuses, annual leave entitlement and the cost of non-monetary benefits expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(s) Employee benefits (Continued)

(ii) Other long term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of a reporting period. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of services. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Pension obligations

The Group participates in various defined contribution schemes. The schemes are generally funded through payments to insurance companies, trustee-administrated funds or the relevant government authorities. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee services in the current and prior periods.

Payments to state-managed retirement benefit and Mandatory Provident Fund retirement schemes are charged as expenses when employees have rendered services entitling them to the contributions.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(t) Share-based payments

(i) Equity-settled share-based payment transactions

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from directors, employees or consultants as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 25 to the financial statements.

The cost of equity settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The total amount to be expensed is determined by reference to the fair value of the option granted:

— including any market performance conditions (for example, an entity's share price);

— excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the entity over a specified time period); and

— including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(t) Share-based payments (Continued)

(ii) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

(u) Provisions

A provision is recognised when a present obligation (legal and constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditure expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit and loss.

(v) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(w) Interest income

Interest income is recognised on an accrual basis using the EIR method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(x) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

(y) Exploration and evaluation costs

Except for acquisition costs for mining exploration properties which are capitalised, the Group has a policy of expensing all exploration and evaluation expenditure, in the financial year in which it incurred, unless its recoupment out of revenue to be derived from the successful development of the prospect, or from sale of that prospect, is assured beyond reasonable doubt.

(z) Consumption tax (Goods and Services Tax and Value-added Tax)

Revenues, expenses and assets are recognised net of the amount of consumption tax except:

— where the consumption tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the consumption tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

— receivables and payables are stated with the amount of consumption tax included.

The net amount of consumption tax recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the balance sheet.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the consumption tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of consumption tax recoverable from, or payable to, the taxation authority.

(aa) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lease

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(aa) Leases (Continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers that payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term commercial office leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition to commercial office leases that are considered of low value (i.e., less than HK$30,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of mining exploration properties in Australia

Mining exploration properties are reviewed for impairment whenever events or changes in circumstances indicate that an impairment may exist. The Group performs an assessment of impairment indicators to determine when facts and circumstances suggest that the carrying amount of mining exploration properties may exceed its recoverable amount.

The assessment of whether there are any impairment indicators in respect of a mining exploration property involves a number of judgments. These include whether the Group has the right to explore in the specific area of interest, whether ongoing expenditure is planned or budgeted and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable.

As at 30 June 2021, the carrying amount of the mining exploration properties is HK$784,933,000 (2020: HK$731,048,000). There is no impairment loss recognised for the year ended 30 June 2021 (2020: Nil) as no facts and circumstances suggest that the mining exploration properties may be impaired. See Note 17 for further consideration of impairment indicators by the Group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Measurement of Polaris loan

Estimating the market interest rate

Judgement is required to determine the market interest rate used to account for the Polaris loans. The Polaris loans were initially recognised at fair value and subsequently measured at amortised cost using a market interest rates of 12% which the directors believe best reflects the Group's market interest rate for a borrowing of this quantum and terms.

Estimating the repayment dates and amounts

The date of repayment for the Polaris loans will depend on the date of commencement of operations and it is expected that full repayment will be made within two – three months of this date.

As at 30 June 2021, the carrying amount of these borrowings is HK$41,679,000 (2020: HK$21,242,000).

(c) Income taxes

Deferred tax assets are recognised for unused tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits, together with future tax planning strategies and changes in factors which provide confirmation of the existence and ability to utilise tax losses.

At 30 June 2021, the Group's total tax losses were HK$1,215,000,000 (2020: HK$1,123,000,000). The Group did not recognise a deferred income tax asset in respect of tax losses amounting to approximately HK$869,000,000 (2020: HK$819,000,000) as the utilisation of these tax losses is subject to the satisfaction of the loss recoupment rules in the relevant tax jurisdiction as well as other uncertainties which mean that their realisation is not considered probable.

The unrecognised tax losses relate to overseas subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable or other income elsewhere in the Group. The Group has determined that these losses are not expected to be available for utilisation when taxable temporary differences are expected to reverse. On this basis, the Group has determined that it cannot recognise deferred tax assets on these unrecognised tax losses carried forward. Further work continues in respect of assessing whether these unrecognised tax losses may become available.

(d) Lease term of contracts with renewal options

The Group has a lease contract that includes an extension option. The Group applies judgement in evaluating whether or not to exercise the extension option. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

(e) Leases – Estimating the incremental borrowing rate

If or when the lessee cannot readily determine the interest rate implicit in a lease, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group's activities expose it to a variety of financial risks and management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group does not and is prohibited from entering into derivative contracts for speculative purposes.

(i) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balances. The directors of the Company consider that the capital structure of the Group consists of long-term debt and lease liabilities, and equity attributable to equity holders of the Company comprising issued capital and reserves.

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues as well as the issue of the new debt or the repayment of existing debt. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial risk factors (Continued)

(i) Capital risk management (Continued)

The gearing ratios at 30 June 2021 and 2020 were as follows:

	2021 HK$'000	2020 HK$'000
Long-term debt and lease liabilities	**58,356**	36,504
Total equity	**645,702**	602,093
Total capital	**704,058**	638,597
Gearing ratio	**8.28%**	5.72%

The Group has recognised the second tranche of the Loan from Polaris. This resulted in an increase in the Group's net debt and hence the Group's gearing rate increased from 5.72% to 8.28% on 30 June 2021 compared with the 30 June 2020.

(ii) Liquidity risk

The Group's primary cash requirements have been for the payment for working capital and exploration and evaluation activities. The Group generally finances its short term funding requirements with equity funding and loans from shareholders.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group could be required to pay. The table includes both interest and principal cash flows.

	Within 1 year of demand HK$'000	1 to 2 years HK$'000	2 – 3 years HK$'000	Later than 3 years & no later than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at year ended date HK$'000
30 June 2021						
Non-derivative financial liabilities:						
Trade and other payables	1,123	—	—	—	1,123	1,123
Lease liabilities	828	499	314	441	2,082	1,939
Borrowings	—	15,472	55,708	—	71,259	57,245
	1,951	**15,974**	**56,022**	**441**	**74,464**	**60,307**
30 June 2020						
Non-derivative financial liabilities:						
Trade and other payables	829	—	—	—	829	829
Lease liabilities	382	392	404	661	1,839	1,493
Borrowings	—	14,152	26,646	—	40,798	35,394
	1,211	**14,544**	**27,050**	**661**	**43,466**	**37,716**

The date of repayment for the Polaris loan will depend on the date of commencement of operations and it is expected that full repayment will be made within two – three months of this date.

(iii) Fair value estimation

The fair values of the Group's financial assets, including other receivables, deposits, amounts due from related parties, and cash and cash equivalents; and the Group's financial liabilities, including trade and other payables, amounts due to related parties approximate their carrying amounts due to their short-term maturities. The fair value of non-current borrowings is disclosed in note 32.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial risk factors (Continued)

(iv) Exchange rate risk

The Group is exposed to exchange rate risk primarily in relation to our mineral tenements that are denominated in Australian dollars. Depreciation of the Australian dollar may adversely affect our net asset value and earnings when the value of such assets is converted to Hong Kong dollars. During the year, no financial instrument was used for hedging purposes.

As at 30 June 2021 and 2020, the Group was not exposed to any significant exchange rate risk.

(v) Credit risk

The Group's maximum exposure to credit risk which could cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the trade receivables, other receivables and deposits, amount due from a related party, cash and cash equivalents and restricted cash as stated in the consolidated balance sheet.

Management reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for expected credit losses. In this regard, the directors of the Company consider that the credit risk of the Group is significantly reduced.

The credit risk on cash and cash equivalents is limited for both the Group and the Company because counterparties are mainly the banks with high credit-rating of AA+ assigned by international credit-rating agencies.

The Group and the Company have no concentration of credit risk, with exposure spread over a number of counterparties.

6. REVENUE

There was no revenue during the year ended 30 June 2021 (2020: nil).

7. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reports provided to Chief Operating Decision Makers, being the executive directors of the Company who are responsible for allocating resources and assessing performance of the operating segments. The executive directors consider the performance of the Group from a business perspective.

The Group's reportable operating segment is as follows:

Mineral tenements in Australia – tenement acquisition, exploration and towards future development of iron ore projects in Western Australia

Others primarily relate to the provision of corporate services for investment holding companies. These activities are excluded from the reportable operating segments and are presented to reconcile to the totals included in the Group's consolidated statement of comprehensive income and consolidated balance sheet.

Executive directors assess and review the performance of the operating segments based on segment results which is calculated as loss before income tax less share of profit/(losses) of joint ventures.

Segment assets reported to executive directors of the Company are measured in a manner consistent with that in the consolidated balance sheet.

7. SEGMENT INFORMATION (Continued)

(a) The following is an analysis of the Group's results by business segment:

	Mineral tenements in Australia HK$'000	Others HK$'000	Total HK$'000
For the year ended 30 June 2021:			
Segments results	(14,943)	(13,236)	**(28,179)**
Share of loss of joint ventures			**(139)**
Loss before income tax			**(28,318)**
Other information:			
Depreciation of property, plant, equipment and right-of-use asset	(377)	(149)	**(526)**
Exploration and evaluation expenses	(5,494)	—	**(5,494)**
Share based payment expense	—	(1,149)	**(1,149)**
Income tax benefit	14,146	—	**14,146**
For the year ended 30 June 2020:			
Segments results	(9,376)	(13,105)	**(22,481)**
Share of loss of joint ventures			**(125)**
Loss before income tax			**(22,606)**
Other information:			
Depreciation of property, plant, equipment and right-of-use assets	(380)	(4)	**(384)**
Exploration and evaluation expenses	(4,521)	—	**(4,521)**
Income tax benefit	1,590	—	**1,590**

(b) The following is an analysis of the Group's total assets by business segment as at 30 June 2021:

	Mineral tenements in Australia HK$'000	Others HK$'000	Total HK$'000
As at 30 June 2021:			
Segment assets	**823,358**	**10,815**	**834,173**
Total segment assets include:			
Interest in joint ventures	703	—	**703**
Additions to property, plant and equipment	19	—	**19**
Right-of-use assets	1,006	532	**1,538**
As at 30 June 2020:			
Segment assets	**756,141**	**13,579**	**769,720**
Total segment assets include:			
Interests in joint ventures	644	—	**644**
Additions to property, plant & equipment	137	—	**137**
Right-of-use assets	1,226	—	**1,226**

(c) Geographical information

The mineral tenements are located in Australia, and, the following is an analysis of the carrying amounts of the Group's mining exploration properties, property plant and equipment, right-of-use assets and interests in joint ventures analysed by geographical area in which the assets are located:

	2021 HK$'000	2020 HK$'000
Hong Kong	**537**	9
Australia	**786,804**	733,090

8. EMPLOYEE BENEFIT EXPENSE

	2021 HK$'000	2020 HK$'000
Salaries and other benefits	11,917	11,094
Post-employment benefits	575	534
Share-based compensation	1,149	1,477
	13,641	13,105

9. FIVE HIGHEST PAID EMPLOYEES

Of the five individuals who received the highest emoluments in the Group for the year, three (2020: three) are the directors of the Company whose emoluments are disclosed in Note 14. The emoluments of the remaining two (2020: two) individuals are as follows:

	2021 HK$'000	2020 HK$'000
Salaries and other benefits	2,900	2,780
Post-employment benefits	176	164
Share-based compensation	244	72
	3,320	3,018

The emoluments of the remaining individuals fell within the following bands:

	Number of individuals	
	2021	2020
HK$1,000,001 – HK$2,000,000	2	2
	2	2

During the year, share options were granted to the highest paid non-director employees in respect to their services to the Group, further details of which are included in the disclosures in note 25 to the consolidated financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above highest paid non-director employees' remuneration disclosures.

10. OTHER INCOME

	2021 HK$'000	2020 HK$'000
Government grant (Note a)	162	715
	162	715

Note a: During the year there was a government grant, provided by the Hong Kong Government to retain employees due to the implications caused by COVID-19 (HK$162,000) (2020: HK$162,000 provided by the Hong Kong Government and an incentive of HK$553,000 provided by the Australian Federal Government for research and development activities).

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

11. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging:

	2021 HK$'000	2020 HK$'000
Depreciation of property, plant and equipment	**48**	84
Depreciation of right-of-use assets	**478**	301
Lease payments not included in the measurement of lease liabilities	**198**	1,279
Auditor's remuneration:		
Audit services – EY	**1,163**	940
Non-audit services – EY	**389**	187
Staff costs (including directors emoluments (note 14))	**12,492**	11,628
Equity-settled share option expense	**1,149**	1,477
Exploration and evaluation expenses (excluding staff costs and rental expenses)	**4,033**	2,766
Exchange loss	**—**	7

12. FINANCE COSTS, NET

	2021 HK$'000	2020 HK$'000
Finance income		
Interest income on bank deposits	**88**	320
Finance costs		
Interest on lease liabilities	**(208)**	(158)
Interest on borrowings	**(5,220)**	(1,324)
Finance costs, net	**(5,340)**	(1,162)

13. INCOME TAX BENEFIT

No provision for Hong Kong Profits tax or overseas income tax has been made in the consolidated financial statements as the Group has no assessable profit for the year (2020: Nil). The applicable corporate income tax rate is 30% (2020: 30%) for subsidiaries in Australia.

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the consolidated entities as follows:

	2021 HK$'000	2020 HK$'000
Loss before income tax	**(28,319)**	(22,589)
Tax calculated at the applicable domestic tax rate of respective companies (note a)	**(6,709)**	(5,010)
Expenses not deductible for tax purposes	**856**	341
Recognition of previously unrecognised tax losses	**(10,041)**	—
Tax losses for which no deferred income tax asset was recognised	**1,748**	3,079
Income tax benefit	**(14,146)**	(1,590)

Note a: The weighted average applicable tax rate was 23% (2020: 22%).

14. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information amount Benefits of Directors) Regulation.

The remuneration of every director for the year ended 30 June 2021 is set out below:

Name	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Housing allowance HK$'000	Share based payment expense HK$'000	Retirement benefit scheme HK$'000	Total HK$'000
Kwai Sze Hoi	—	—	—	—	—	—	—
Liu Zhengui	240	—	—	—	1	—	241
Ross Stewart Norgard	229	—	—	—	1	—	230
Yap Far Suan, Henry	228	—	—	—	1	—	229
Choi Yue Chun, Eugene	228	—	—	—	1	—	229
David Rolf Welch	229	—	—	—	1	—	230
Colin Paterson	—	2,395	—	—	8	124	2,527
Kwai Kwun, Lawrence	—	1,000	—	—	—	50	1,050
Chan Kam Kwan, Jason	—	40	—	960	8	50	1,058
Total	**1,154**	**3,435**	**—**	**960**	**21**	**224**	**5,794**

The remuneration of every director for the year ended 30 June 2020 is set out below:

Name	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Housing allowance HK$'000	Share based payment expense HK$'000	Retirement benefit scheme HK$'000	Total HK$'000
Kwai Sze Hoi	—	—	—	—	593	—	593
Liu Zhengui	240	—	—	—	19	—	259
Ross Stewart Norgard	226	—	—	—	9	—	235
Yap Far Suan, Henry	228	—	—	—	11	—	239
Choi Yue Chun, Eugene	228	—	—	—	11	—	239
David Rolf Welch	151	—	—	—	—	—	151
Colin Paterson	—	2,028	—	—	73	110	2,211
Kwai Kwun, Lawrence	—	1,000	—	—	259	50	1,309
Chan Kam Kwan, Jason	—	40	—	960	74	50	1,124
Uwe Henke Von Parpart	66	—	—	—	11	—	77
Total	**1,139**	**3,068**	**—**	**960**	**1,060**	**210**	**6,437**

During the year, certain directors were granted options, under the share option scheme of the Company, further details of which are set out in note 25 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executives' remuneration disclosures.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries (2020: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for early termination of their appointment during the year (2020: Nil).

(d) Consideration provided to third parties for making available directors' services

No payment was made to any former employer of directors for making available the services of them as a director of the Company (2020: Nil).

14. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 30 June 2021, there were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year (2020: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements or contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2020: Nil).

(g) Remuneration paid or receivable in respect of accepting office as director

There was no remuneration paid or receivable in respect of accepting office as director and other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year (2020: Nil).

15. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares on issue during the period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding and to assume conversion of all dilutive potential ordinary shares.

	2021	2020
Loss for the period attributable to the equity holders of the Company (HK$'000)	**(14,172)**	(21,016)
Weighted average number of ordinary shares for the purpose for calculating the loss per share (thousands)	**9,279,232**	9,241,413
Effects of dilution from:		
— share options (thousands)	**195,500**	90,000
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands)	**9,334,133 (*)**	9,346,796 (*)
Loss per share attributable to the equity holders of the Company:		
Basic (HK cents)	**(0.15)**	(0.23)
Diluted (HK cents)	**(0.15) (*)**	(0.23)(*)

Note (*): Because the diluted loss per share amount is decreased when taking share options into account, the share options had an anti-dilutive effect on the basic loss per share for the year and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the year of HK$14,172,000 (2020: HK$21,016,000), and the weighted average number of ordinary shares 9,334,133,000 (2020: 9,346,796,000) on issue during the year that are considered in the calculation of basic loss per share.

16. DIVIDEND

No dividend was paid or proposed during the year ended 30 June 2021, nor has any dividend been proposed since the balance sheet date (2020: Nil).

17. MINING EXPLORATION PROPERTIES

	Mining exploration properties in Australia HK$'000
Balance as at 1 July 2019	757,345
Recoupment of benefit	(5,404)
Exchange differences	(20,893)
Balance as at 30 June 2020	**731,048**
Recoupment of benefit	(14,763)
Exchange differences	68,648
Balance as at 30 June 2021	**784,933**

At 30 June 2021 the Group held capitalised mining exploration properties in Australia of HK$784,933,000 (2020: $731,048,000), representing 94% (2020: 95%) of the Group's total assets.

The determination as to whether there are any indicators to require a mining exploration property to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable, (refer to note 30(a)). The Group performed an assessment of the impairment indicators at 30 June 2021 in accordance with IFRS 6, taking into account the following factors:

1. The Group still had the right to explore the tenements.

2. To date there have been no adverse findings reported or identified from technical studies undertaken that would affect the advancement of Marillana.

3. Substantial further expenditure is forecast for Marillana at 30 June 2021 and beyond, to continue to advance development of the project.

4. Since 1 January 2019, the iron ore price has increased to levels not seen since 2014 and at 30 June 2021 the price was above A$293 per tonne or US$220 per dry metric tonne (at an exchange rate of US$0.75).

5. At 30 June 2021, the Group's market capitalisation was HK$2,041,000,000, well in excess of the net assets HK$645,702,000.

6. The Group's Mineral Resource estimate has not changed since September 2018.

As a result of considering these factors, the directors did not identify any impairment indicators.

18. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

	Plant, furniture, fixtures and equipment HK$'000	Right-of-use asset HK$'000	Total HK$'000
For the year ended 30 June 2021			
1 July 2020	181	1,226	1,407
Additions	19	676	695
Depreciation	(48)	(478)	(526)
Exchange differences	15	114	129
At 30 June 2021	**167**	**1,538**	**1,705**
Cost	**4,904**	**1,902**	**6,806**
Accumulated depreciation	**(4,737)**	**(364)**	**(5,101)**
Net book amount	**167**	**1,538**	**1,705**
For the year ended 30 June 2020			
1 July 2019	144	—	144
Additions	137	1,533	1,670
Disposals	(12)	—	(12)
Depreciation	(84)	(301)	(385)
Exchange differences	(4)	(6)	(10)
At 30 June 2020	**181**	**1,226**	**1,407**
Cost	**4,491**	**1,533**	**6,024**
Accumulated depreciation	**(4,310)**	**(307)**	**(4,617)**
Net book amount	**181**	**1,226**	**1,407**

There was no depreciation expense (2020: Nil) included in cost of sales and depreciation of HK$526,000 (2020: HK$385,000) was included in administration expenses.

19. LEASES

The Group as a lessee

The Group has lease contracts for commercial office space. There are several lease contracts that include extension and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	2021 HK$'000	2020 HK$'000
Opening balance	**1,226**	—
Additions	**676**	1,533
Depreciation charge	**(478)**	(301)
Exchange difference	**114**	6
	1,538	1,226

19. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2021 HK$'000	2020 HK$'000
Opening balance	1,493	—
New leases	676	1,533
Accretion of interest recognised during the year	208	158
Payments	(577)	(197)
Exchange difference	139	(1)
	1,939	1,493

	2021 HK$'000	2020 HK$'000
Analysed into:		
Current portion	828	382
Non-current portion	1,111	1,111

(c) The amounts recognised in profit or loss in relation to leases is as follows:

	2021 HK$'000	2020 HK$'000
Interest on lease liabilities	208	158
Depreciation charge of right-of-use assets	478	301
Expense relating to short-term leases (included in administrative expenses)	198	1,279
Total amount recognised in profit or loss	884	1,738

20. CASH AND CASH EQUIVALENTS

	2021 HK$'000	2020 HK$'000
Cash and cash equivalents	45,667	34,919
	45,677	34,919

The balance of cash and cash equivalents is denominated in the following currencies:

	2021 HK$'000	2020 HK$'000
HK$	9,142	12,448
A$	36,346	22,292
US$	179	179
	45,667	34,919

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks (AA+) with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 HK$'000	2020 HK$'000
Other receivables and deposits	**28**	608
Prepayments	**1,005**	973
	1,033	1,581

The financial assets included in the above balances relate to receivables for which there was no recent history of credit loss.

22. TRADE AND OTHER PAYABLES

Trade payables of the Group principally represent amounts outstanding to suppliers. The normal credit period is between 30 days and 90 days.

	2021 HK$'000	2020 HK$'000
Trade and other payables	**1,123**	829
	1,123	829

23. BORROWINGS

	2021 HK$'000	2020 HK$'000
Non-current		
Loans from Polaris	**41,774**	21,242
Loans from a substantial shareholder	**15,471**	14,151
	57,245	35,393

As at 30 June 2021, the borrowings from a substantial shareholder were unsecured, bore interest at 12% (2020: 12%) per annum and were repayable on 31 October 2022 (2020: 31 October 2021).

On 18 November 2019 and 4 May 2021, Polaris advanced the first and second tranche of the loans (total advanced of A$10,000,000) to Brockman Iron pursuant to the terms of the Farm-in Joint Venture Agreement over the Marillana Iron Ore Project. The loans are secured (per a Deed of Cross Security), carried at amortised cost and are repayable to Polaris from net revenue received by Brockman Iron from the sale of its percentage share of product sold from the joint operation.

24. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.1 each		
Authorised		
As at 30 June 2021 and 30 June 2020	20,000,000	2,000,000
Issued and fully paid		
As at 30 June 2019	9,221,232	922,123
Issue of shares (Note a)	58,000	5,800
As at 30 June 2021 and 30 June 2020	**9,279,232**	**927,923**

Note a: On 24 February 2020, 58,000,000 share options were exercised by directors and employees of the Group.

25. SHARE OPTION SCHEME

Share option scheme of the Company

The 2012 share option scheme (the "2012 Share Option Scheme") of the Company was adopted by the Company pursuant to the approval by shareholders at the Annual General Meeting on 13 November 2012. The 2012 Share Option Scheme replaced the previous share option scheme which expired in August 2012. Its primary purpose was to provide incentives or rewards to selected participants for their contribution to the Group and eligible participants of the scheme 2021A and 2021B include the Company's directors, including independent non-executive directors and other employees of the Group. The 2012 Share Option Scheme is valid and effective for a period of ten years from the date of its adoption and will expire in August 2022.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company on issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12 month period is limited to 1% of the shares of the Company on issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors.

The exercise period of the share options granted is determinable by the directors, and commences after a vesting period and ends on a date which is not later than three years from the date of offer of the share options.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense, with a corresponding adjustment to employee share-based compensation reserve, over the vesting period. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimate, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

Details of specific categories of options are as follows:

Option type	Date of grant	Number of share options granted	Fair value at the grant date (HK$'000)	Vesting period	Exercise period	Exercise price (HK$)
2021A	29 June 2021	17,500,000	1,378,000	29 June 2021 – 1 January 2022	1 January 2022 – 31 December 2024	0.213
	14 May 2021	71,000,000	5,339,000	14 May 2021 – 1 January 2022	1 January 2022 – 31 December 2024	0.213
2021B	29 June 2021	15,000,000	723,000	29 June 2021 – 1 January 2022	1 January 2022 – 12 May 2024	0.295
	14 May 2021	2,000,000	105,000	14 May 2021 – 1 January 2022	1 January 2022 – 12 May 2024	0.295
		105,500,000	**7,545,000**			

The fair values of all the share options were calculated using the Binomial model prepared by an independent valuer. The inputs into the model were as follows:

Exercise price	HK$0.213 – HK$0.295
Expected volatility	51% – 53%
Expected option life	2.9 – 3.5 years
Annual risk-free rate	0.272% – 0.416%
Expected dividend yield	0%
Weighted average share price (per share)	HK$0.207

25. SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

The volatility measured at grant date is referenced to the historical volatility of shares of the Company.

The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The value of an option varies with different variable of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

For the year ended 30 June 2021, the Company recognised the total expense of HK$1,148,000 (2020: HK$1,476,000 with regard to the share options previously granted by the Company during the year that expired on the 31 December 2020).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2021		2020	
	Average exercise price in HK$ per share option	**Number of share options (thousands)**	Average exercise price in HK$ per share option	Number of share options (thousands)
At 1 July	**0.13**	**90,000**	0.14	149,750
Granted	**0.23**	**105,500**	—	—
Exercised	**—**	**—**	0.12	58,000
Lapsed	**0.13**	**90,000**	0.12	1,750
At 30 June	**0.23**	**105,500**	0.13	90,000

As at 30 June 2021, 105,500,000 (2020: 90,000,000 share options previously granted by the company that expired on the 31 December 2020) options were outstanding with a weighted average exercise price of HK$0.23 (2020: HK$0.13), no options were vested (2020: 90,000,000) and no options were exercised (2020: 58,000,000).

As at 30 June 2021, the weighted average of the remaining contractual life of the outstanding share options was 2.9 and 3.5 years (30 June 2020: 0.5 years).

No share options were exercised during the year (2020: 58,000,000) and there were, no issues of ordinary shares of the Company (2020: 58,000,000) and new share capital (2020: HK$5,800,000 (before issue expenses) was issued, as further detailed in note 24 to the consolidated financial statements).

At the end of the reporting period, the Company had 105,500,000 (2020: 90,000,000) share options outstanding the scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 105,500,000 (2020: 58,000,000) additional ordinary shares of the Company and additional share capital of HK$10,550,000 (before issue expense) (2020: $5,800,000).

26. DEFERRED INCOME TAX LIABILITY

The following is the deferred income tax movement recognised by the Group:

	Mining exploration properties in Australia
	HK$'000
At 1 July 2019	(134,172)
Deferred tax associated with the Polaris loans	1,621
Exchange differences	3,701
At 30 June 2020	**(128,850)**
Deferred tax associated with the Polaris loans	4,429
Offset of deferred tax assets for tax losses recognised	10,041
Exchange differences	(12,326)
At 30 June 2021	**(126,706)**

All deferred tax liabilities are expected to be settled more than 12 months after the balance sheet date.

26. DEFERRED INCOME TAX LIABILITY (Continued)

At 30 June 2021, the Group's total tax losses in Australia and Hong Kong were HK$1,214,000,000 (2020: HK$1,123,000,000) and have no expiry date. The Group did not recognise a deferred income tax asset in respect of tax losses amounting to approximately HK$869,000,000 (2020: HK$819,000,000) as the utilisation of these tax losses is subject to the satisfaction of the loss recoupment rules in the relevant tax jurisdiction as well as other uncertainties which mean that their availability for utilisation or realisation is not considered probable.

27. PROVISIONS

	2021 HK$'000	2020 HK$'000
Current		
Employee benefits	**1,458**	1,062

Provisions for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The current provision includes amounts for vested long service leave for which the Group does not have an unconditional right to defer settlement, regardless of when the actual settlement is expected to occur. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had additions to right-of-use assets and lease liabilities of HK$676,000, in respect of lease arrangements for commercial office (2020: HK$1,533,000).

(b) Changes in liabilities from financing activities

	Borrowings HK$'000	Lease liabilities HK$'000
At 1 July 2020	35,393	1,493
Changes from financing activities	29,142	(577)
New leases	—	676
Accretion of the loans from Polaris	3,900	—
Recoupment of benefit on recognition of Polaris loans	(14,763)	—
Interest expense on loans from substantial shareholder	1,320	—
Interest expense on leases	—	208
Exchange difference	2,253	139
At 30 June 2021	**57,245**	**1,939**

	Borrowings HK$'000	Lease liabilities HK$'000
At 1 July 2019	12,828	—
Changes from financing activities	26,646	(197)
New leases	—	1,533
Recoupment of benefit on recognition of Polaris loans	(5,404)	—
Interest expense on loans from substantial shareholder	1,324	—
Interest expense on leases	—	158
Exchange difference	(1)	(1)
At 30 June 2020	**35,393**	**1,493**

29. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

As at 30 June 2021, the Group did not have any capital commitments (2020: Nil).

(b) Exploration expenditure commitments

As at 30 June 2021, the Group is required to meet or exceed a minimum level of exploration expenditure of A$1,237,000, equivalent to approximately HK$7,212,000 (2020: A$1,235,000 equivalent to approximately HK$6,584,000), over the next year. Obligations are subject to change upon expiry of the existing exploration leases or on application for a new lease.

(c) Joint Venture commitments

As at 30 June 2021 there were no joint venture commitments (2020: Nil).

(d) Contingent liabilities

As at 30 June 2021, the Group had no contingent liabilities (2020: Nil).

30. JOINT ARRANGEMENTS

(a) Joint operations and farm-out arrangements

The Group entered into an agreement with Polaris to share costs and risks associated with exploration activities on the Marillana and Ophthalmia tenements in the East Pilbara of Western Australia. Polaris was required to meet certain farm-in obligations including minimum expenditure of A$250,000 and A$150,000 respectively in exploration and development of the tenements in return for a 50% interest in the tenements. Polaris will contribute 50% of costs and capital expenditure going forward and Polaris has been appointed as operator of the joint operation.

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out.

Name of joint operation	Ownership interest	Principal activities
Marillana Joint Venture (Note (a))	50%	Development and operation of the Marillana iron ore project

Note a: On the 22 April 2021 an unincorporated joint arrangement was formed with Polaris Metals Pty Ltd in Australia which is seeking to develop the Marillana iron ore project.

(b) Joint ventures

	2021 HK$'000	2020 HK$'000
At 1 July 2020	**644**	653
Contributions to the joint venture	**138**	137
Share of loss of joint venture	**(139)**	(125)
Exchange differences	**60**	(21)
At 30 June 2021	**703**	644

The following illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2021 HK$'000	2020 HK$'000
Share of the joint venturers loss for the year	**(139)**	(125)
Aggregate carrying amount of the Group's investments in the joint venture	**703**	644

Details of the Group's interest in the joint ventures is as follows:

Name of joint venture	Ownership interest	Principal activities
NWIOA Ops. Pty Ltd (Note (b))	37%	Port and related infrastructure

Note b: NWIOA Ops. Pty Ltd is a joint venture incorporated in Australia which is seeking to develop port and related infrastructure on behalf of the North West Iron Ore Alliance ("NWIOA") members.

Management considers the interest in this joint arrangement is not individually material to the Group.

31. RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Scheme Ordinance for its employees in Hong Kong. The Group contributes at least 5% (2020: 5%) of the employees' basis salaries to the MPF scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund.

The employees of the Group subsidiaries in Australia are entitled to superannuation that is a defined contribution plan under which the Group contributes of 9.5% (2020: 9.5%) of base salary.

The total cost is charged to administration expense of approximately HK$575,000 (2020: HK$534,000) represents contributions to these schemes by the Group in respect of the current year.

32. RELATED PARTY DISCLOSURES

(a) Material related party transactions

Except as disclosed within these consolidated financial statements, the Group has no material related party transactions during the year (2020: Nil).

(b) Related party balances

The details of the loans from a substantial shareholder are disclosed in Note 23.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2021	2020
	HK$'000	HK$'000
Salaries and other benefits	**8,450**	7,947
Post-employment benefits	**402**	374
Share-based compensation expenses	**267**	1,134
	9,119	9,455

Further details of directors' emoluments are included in note 14(a) to the consolidated financial statements.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following liabilities of the Group are measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2021	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000
Loans from Polaris	**41,774**	21,242	**41,774**	21,242
Loans from a substantial shareholder	**15,471**	14,151	**15,471**	14,151
	57,245	35,393	**57,245**	35,393

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Management has assessed that the carrying value of cash and cash equivalents, trade receivables, payables, financial assets included in prepayments, other receivables and other current assets are reasonably approximate to their fair values.

At each reporting date, the Group analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and maturity.

34. SUBSIDIARIES

The following is a list of the principal subsidiaries as at 30 June 2021 and 30 June 2020:

Name of subsidiary	Place of incorporation	Place of operation	Particular of issued share capital	Ownership interest held by the Company		Principal activities
Subsidiaries directly held by the Company:						
Brockman Mining (Management) Limited	Hong Kong	Hong Kong	1 Ordinary share of HK$1	100	100	Investment holding
Wah Nam Iron Ore Limited	BVI	Hong Kong	1 Ordinary share of US$1	100	100	Investment holding
Subsidiaries indirectly held by the Company:						
Brockman Mining Australia Pty Ltd	Australia	Australia	145,053,151 Ordinary shares of A$1 each	100	100	Investment holding
Brockman Iron Pty Ltd	Australia	Australia	1 Ordinary share of A$1	100	100	Exploration & evaluation
Brockman Exploration Pty Ltd	Australia	Australia	1 Ordinary share of A$1	100	100	Exploration & evaluation
Brockman East Pty Ltd	Australia	Australia	1 Ordinary share of A$1	100	100	Exploration & evaluation
Yilgarn Mining (WA) Pty Ltd	Australia	Australia	841,001 Ordinary shares of A$1	100	100	Exploration & evaluation
Brockman Infrastructure Pty Ltd	Australia	Australia	1 Ordinary share of A$1	100	100	Rail infrastructure
Brockman Ports Pty Ltd	Australia	Australia	76 Ordinary shares of A$1 each	100	100	Port infrastructure
Brockman Maverick Pty Ltd	Australia	Australia	2 Ordinary shares of A$1	100	100	Exploration & evaluation
Brockman Holdings (Australia) Pty Ltd	Australia	Australia	12 Ordinary shares of A$1 each	100	100	Investment holding

35. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	Note	As at 30 June 2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment		**5**	9
Right-of-use asset		**532**	—
		537	9
Current assets			
Other receivables, deposits and prepayments		**755**	736
Amounts due from subsidiaries		**815,982**	746,080
Cash and cash equivalents		**8,931**	12,176
		825,668	758,992
Total assets		**826,205**	759,001
Equity and liabilities			
Share capital		**927,923**	927,923
Reserves	(a)	**(364,945)**	(430,324)
Total equity		**562,978**	497,599
Non-current liabilities			
Borrowings		**15,472**	14,152
		15,472	14,152
Current liabilities			
Trade and other payables		**815**	290
Amount due to subsidiaries		**246,940**	246,960
		247,755	247,250
Total liabilities		**263,227**	261,402
Total equity and liabilities		**826,205**	759,001

The balance sheet of the Company was approved by the Board of Directors on 17 September 2021 and was signed on its behalf.

Kwai Kwun, Lawrence
Director

Chan Kam Kwan, Jason
Director

35. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note (a) Reserves movement in the Company

	Share premium	Share-based compensation reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 July 2019	**4,463,016**	**87,700**	**(4,947,094)**	**(396,378)**
Comprehensive income:				
Loss for the year	—	—	(36,815)	(36,815)
Exercise of options	5,608	(4,216)	—	1,392
Share-based compensation (Note 25)	—	1,477	—	1,477
At 30 June 2020	**4,468,624**	**84,961**	**(4,983,909)**	**(430,324)**
Comprehensive income:				
Profit for the year	—	—	64,230	64,230
Share-based compensation (Note 25)	—	1,149	—	1,149
Balance at 30 June 2021	**4,468,624**	**86,110**	**(4,919,679)**	**(364,945)**

36. STATEMENT OF CASH FLOWS FOR THE COMPANY

	Year ended 30 June	
	2021	2020
	HK$'000	HK$'000
Cash flows from operating activities		
Profit/(loss) before tax	**64,230**	(36,815)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	**4**	4
Depreciation of right-of-use assets	**145**	—
Share-based payment expense	**1,149**	1,477
Finance costs	**1,381**	1,324
Finance income	**(13)**	(132)
Foreign currency translation	**(257,595)**	(52,994)
Working capital adjustments:		
— Increase/decrease in trade receivables & prepayments	**(20)**	(43)
— Increase/decrease in trade and other payables	**(49)**	44
— Increase/decrease in amounts due (from) subsidiaries	**187,675**	74,224
Net cash flows used in operating activities	**(3,093)**	(12,192)
Investing activities		
Interest received	**13**	132
Net cash flows from investing activities	**13**	132
Financing activities		
Proceeds from issuance of ordinary shares	**—**	7,192
Payment of principal portion of lease liabilities	**(104)**	—
Interest on lease payments	**(61)**	—
Net cash flows (used in)/from financing activities	**(165)**	7,192
Net (decrease) in cash and cash equivalents	**(3,245)**	(5,589)
Cash and cash equivalents at beginning of the year	**12,176**	17,765
Cash and cash equivalents at end of the year	**8,931**	12,176

37. EVENTS OCCURRING AFTER BALANCE SHEET DATE

There are no significant events which have occurred after the balance sheet date.

FINANCIAL SUMMARY

	2021 HK$'000 Note a	2020 HK$'000	2019 HK$'000	2018 HK$'000	2017 HK$'000
RESULTS					
Revenue	**—**	—	—	—	—
Loss before income tax	**(28,318)**	(22,606)	(25,785)	(49,059)	(37,057)
Income tax benefit	**14,146**	1,590	93,373	—	—
Profit/(loss) for the year from continuing operations	**(14,172)**	(21,016)	67,588	(49,059)	(37,057)
Profit/(loss) for the year from discontinued operations	**—**	—	—	157,145	(801)
Profit/(loss) for the year	**(14,172)**	(21,016)	67,588	108,086	(38,308)
Attribute to:					
Equity holders of the Company	**(14,172)**	(21,016)	67,588	108,086	(38,308)
Earnings/(loss) per share (HK cents)					
— Basic	**(0.15)**	(0.23)	0.74	1.27	(0.46)
— Diluted	**(0.15)**	(0.23)	0.73	1.27	(0.46)

	2021 HK$'000	2020 HK$'000	2019 HK$'000	2018 HK$'000	2017 HK$'000
ASSETS AND LIABILITIES					
Total assets	**834,173**	769,720	780,474	838,197	858,630
Total liabilities	**(188,471)**	(167,627)	(148,504)	(253,472)	(394,667)
	645,702	602,093	631,970	584,725	463,963
Total equity	**645,702**	602,093	631,970	584,725	463,963

Note a: The financial figures above were extracted from the consolidated financial statements.

ASX ADDITIONAL INFORMATION

A. DISTRIBUTION OF SHAREHOLDINGS AS AT 17 SEPTEMBER 2021

	Ordinary shares		Unlisted options @ HK$0.213		Unlisted options @ HK$0.295	
Category	**Holders**	**Size of holding**	**Holders**	**Size of holding**	**Holders**	**Size of holding**
1 – 1,000	796	188,629				
1,001 – 5,000	169	387,078				
5,001 – 10,000	128	1,033,446				
10,001 – 100,000	733	30,422,749				
100,001 and over	337	9,247,200,229				
TOTAL	**2,163**	**9,279,232,131**	**10**	**88,500,000**	**3**	**17,000,000**

Additional information in accordance with the listing requirements of the Australian Securities Exchange Limited are as follows:

Minimum $500.00 parcel cannot be calculated due to no price.

Unquoted Securities

As at 17 September 2021, unlisted options amounted to a total of 105,500,000 units. Among these options, 88,500,000 options have an exercise price of HK$0.213 an expiry date of 31 December 2024 and 17,000,000 options have an exercise price of HK$0.295 an expiry date of 12 May 2024.

B. TWENTY LARGEST SECURITY HOLDERS AS AT 17 SEPTEMBER 2021

		Name	Number of shares	%
*	1	OceanLine Holdings Ltd/Kwai Sze Hoi	1,937,743,902	20.88%
∆	2	China Vered Securities Ltd	764,904,972	8.24%
∆	3	The Hong Kong & Shanghai Banking Corporation Limited	682,136,342	7.35%
*	4	Equity Valley Investments Ltd	499,972,276	5.39%
*	5	KQ Resources Ltd	486,485,462	5.24%
∆	6	Sun Hung Kai Investment Services Ltd	449,675,208	4.85%
∆	7	UBS Securities Hong Kong Ltd	427,306,021	4.60%
∆	8	Yungfeng Securities Ltd	427,100,032	4.60%
∆	9	Global Mastermind Securities Ltd	370,444,592	3.99%
∆	10	Citibank N.A	270,371,567	2.91%
*	11	Cornerstone Pacific Limited	250,000,000	2.69%
*	12	Ross Norgard/Longfellow Nominees Pty Ltd	243,054,000	2.62%
∆	13	BNP Paribas Securities Services	185,701,496	2.00%
*	14	Barwick Investments Ltd	174,668,000	1.88%
∆	15	Guoyuan Securities Brokerage (HK)	137,806,800	1.49%
*	16	Zhang Li	100,000,000	1.08%
∆	17	Futu Securities International (Hong Kong) Limited	99,414,664	1.07%
∆	18	ICBC (Asia) Securities Ltd	80,172,560	0.86%
∆	19	Luk Fook Securities (HK) Ltd	80,000,000	0.86%
∆	20	DBS Bank (Hong Kong) Ltd	68,917,480	0.74%

The number of shares stated herein are extracted and sorted from the register of shareholders ("*") and the participant report from the Central Clearing and Settlement System of the Hong Kong Stock Exchange ("CCASS") ("∆"). As the Company does not have information in relation to the ultimate beneficial owners of the shares held by the participants of the CCASS, the numbers herein may not reflect the actual number of shares beneficially owned by each of the shareholders.

C. SUBSTANTIAL SHAREHOLDERS

Name of shareholder	Capacity	Number of shares or underlying shares	Percentage of the issued share capital of the Company
Ocean Line Holdings Ltd *(Note 1)*	Beneficial owner	2,426,960,137	26.15%
Kwai Sze Hoi *(Note 1)*	Interest held by controlled corporations	2,426,960,137	26.15%
	Beneficial owner	206,072,000	2.22%
	Interest held jointly with another person	60,720,000	0.65%
	Interest of spouse	24,496,000	0.26%
Cheung Wai Fung *(Note 1)*	Interest held by controlled corporations	2,426,960,137	26.15%
	Interest held jointly with another person	60,720,000	0.65%
	Interest of spouse	206,072,000	2.22%
	Beneficial owner	24,496,000	0.26%
Equity Valley Investments Limited	Beneficial owner	515,574,276	5.56%
The XSS Group Ltd *(Note 2)*	Interest held by controlled corporations	515,574,276	5.56%
Cheung Sze Wai, Catherine *(Note 2)*	Interest held by controlled corporations	515,574,276	5.56%
	Interest of spouse	50,000,000	0.54%
Luk Kin Peter Joseph *(Note 2)*	Interest held by controlled corporations	515,574,276	5.56%
	Beneficial owner	50,000,000	0.54%
KQ Resources Limited	Beneficial owner	1,301,270,316	14.02%

Notes: Please refer to Notes 1 and 2 under section headed: Substantial shareholders on page 48.

D. VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares
Each shareholder present in person or by proxy, attorney or representative in a meeting shall have one vote on a poll for each share held.

(b) Options
No voting rights

E. STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all member Exchanges of the ASX Limited.

F. TENEMENT SCHEDULE – AS AT 17 SEPTEMBER 2021

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%
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%
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	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%
Punda Spring	West Pilbara	E	47/3575	Iron Ore	Granted	100%
Tom Price	West Pilbara	E	47/3565	Iron Ore	Granted	100%