

BROCKMAN

布萊克萬礦業有限公司
BROCKMAN MINING LIMITED

ANNUAL REPORT 2024



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



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Directors

Kwai Sze Hoi (*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

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Admiralty
Hong Kong

AUDITOR

Ernst and Young
Chartered Accountants
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Perth WA 6000
Australia

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
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BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
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16 Harcourt Road
Hong Kong

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN AUSTRALIA

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000

PRINCIPAL BANKER

Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Bank of Communications
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



Dear Shareholders,

During the year, the Company continued to move steadily towards the goal of achieving iron ore production at the Marillana Project ("Marillana"). The Brockman – Mineral Resources Limited ("MinRes") joint venture has now completed all site-based activities at Marillana. These activities have not only confirmed all previous findings by the Company, but also provided Marillana with better and improved process plant design and expected outcomes for the project. The current ongoing activity is updating and refreshing the environmental approvals, which is under way.

The last hurdle before achieving iron ore production at Marillana is for the joint venture between MinRes and Hancock Prospecting Pty Ltd ("Hancock") to make an investment decision, whereby the parties will jointly invest in the development and construction of the Stanley Point Berth 3 at South West Creek, Port Hedland, and the rail and port infrastructure. This will finally unlock the logistics and transportation bottleneck that has been delaying the development of Marillana and will allow the Company to move to realising the significant value. Progress on this front has not been as rapid as we had hoped with the negotiations to obtain the consent of the other land holders and native title owners in the infrastructure corridor taking longer than expected. We remain confident however that these matters will be successfully resolved and lead to the commencement of construction at Marillana.

At last, I would like to thank our Brockman family for their continued efforts and hard work, and fellow shareholders for their unwavering trust and support of the Company. Such work ethic and support have proven to be pivotal for the Company's success.

Kwai Sze Hoi
Chairman

16 September 2024

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 30 June 2024, the Group recorded a loss after income tax from continuing operations of approximately HK\$13.4 million, (2023: HK\$56.6 million). The loss after tax was partially due to the exploration and evaluation expenses incurred, including recognition of the Group's share of the Joint Operation expenditure of HK\$5.7 million (2023: HK\$47.4 million) in exploration and evaluation expense HK\$9.5 million (2023: HK\$50.2 million), and was partially offset by HK\$11.4 million (2023: Nil) of finance income arising from the adjustment to other payables and the treatment of the loans advanced by Polaris to the Group in the previous years, and HK\$1.5 million (2023: Nil) from the sale of a non-core tenement to a third party. Also, there was an income tax credit of HK\$7.3 million (2023: HK\$16.6 million), mainly as a result of the recognition of a deferred tax asset in respect of the Group's Australian tax losses for the current period.

The operating loss of HK\$24.3 million (2023: HK\$66.7 million) was lower than the previous year, due to a decrease in exploration and evaluation expenditure expensed which includes Group's share of the Joint Operation expenditure.

For the year ended 30 June 2024, the Group's basic loss per share was HK\$0.14 cents (2023: HK\$0.61 cents) and the cash outflows from operating activities were HK\$19.2 million (2023: HK\$19.2 million).

As at 30 June 2024, the Group's net asset value amounted to HK\$498.5 million (2023: HK\$511.2 million) and cash at bank was HK\$4.5 million (2023: HK\$16.5 million).

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Group comprises Brockman Mining Limited ("Brockman" or "Company"), the parent entity, and its subsidiaries (together referred to as the "Group"). Brockman Mining Limited is 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 principal activities of the Group comprise the 50% owned Marillana Iron Ore Project (**Marillana**), the 50% owned Ophthalmia Iron Ore Project (**Ophthalmia**) and 100% owned other regional exploration projects. There have been no significant changes in those activities during the year.

BUSINESS REVIEW

During the year, the Brockman — Mineral Resources Limited ("MinRes") Joint Venture has completed all on-ground technical studies at the Marillana project, which continues to demonstrate improved outcomes for the project. Ongoing activities are mainly related to refreshment of environmental approvals and hydrological modelling.

The Joint Venture between MinRes and Hancock Prospecting Pty Ltd ("Hancock") continues to progress studies and approvals for the new port development at Stanley Point 3 at the port of Port Hedland. Separately and collectively, MinRes and Hancock have also progressed the studies and approvals for the infrastructure corridor (haul road and rail spur) connecting the mine to the port.

Outside of the Marillana project, the Company received highly encouraging results from initial wide-spaced reconnaissance drilling at Punda Springs.

MANAGEMENT DISCUSSION AND ANALYSIS

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IRON ORE OPERATIONS — WESTERN AUSTRALIA

The loss before income tax and share of loss of the joint venture for the year for this segment attributable to the Group was HK\$3.6 million (2023: HK\$59.3 million). Total expenditure associated with mineral exploration for the year ended 30 June 2024 amounted to HK\$9.5 million (2023: HK\$50.2 million), and partially offset by HK\$11.4 million (2023: Nil) of finance income arising from the adjustment to other payables and the treatment of the loans advanced by Polaris to the Group in previous years.

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 | |
|---------------------------|--------------------|------------------|
| | 2024 HK\$'000 | 2023 HK\$'000 |
| Project | | |
| Marillana ⁽¹⁾ | 4,422 | 47,197 |
| Ophthalmia ⁽²⁾ | 1,800 | 1,208 |
| Regional Exploration | 3,296 | 1,802 |
| | 9,518 | 50,207 |

(1) Includes HK\$4.3 million of Joint Operation expenditure (2023: HK\$46.6 million)

(2) Includes HK\$1.4 million of Joint Operation expenditure (2023: HK\$0.8 million)

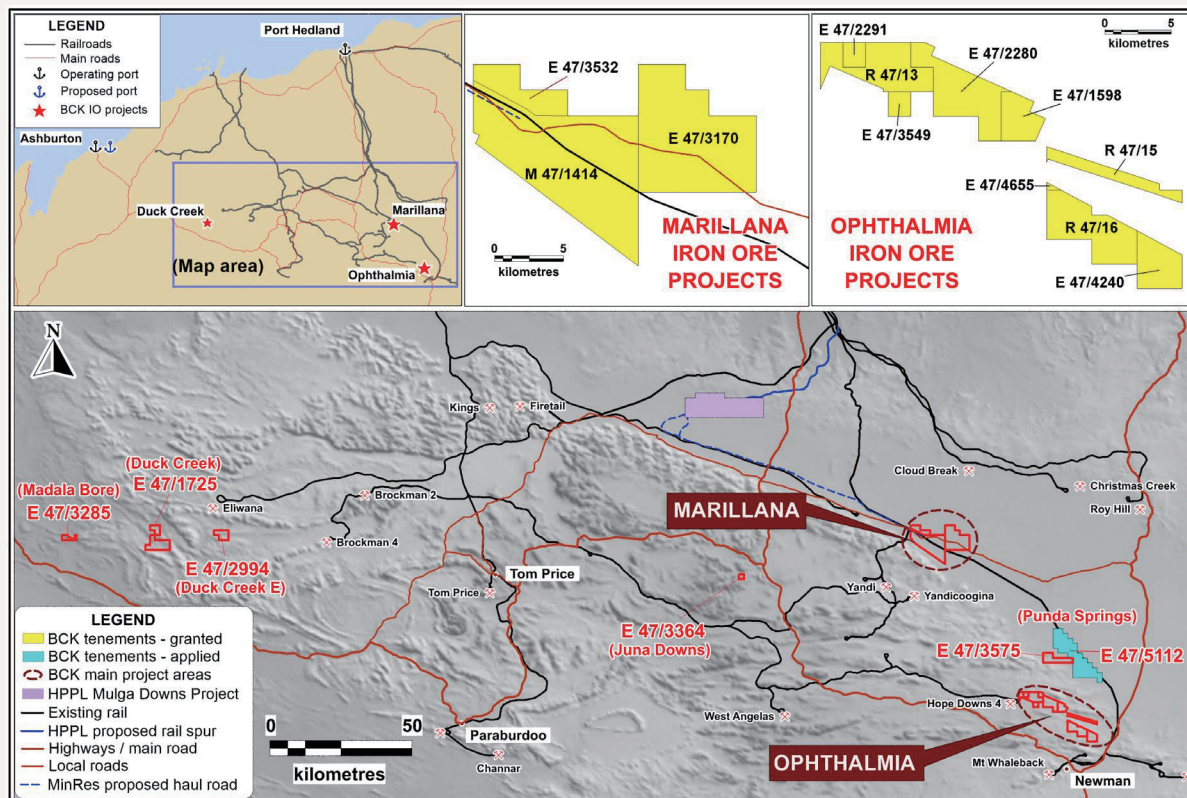
No development expenditure has been recognised in the financial statements during the year ended 30 June 2024 (2023: Nil).

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

| | Year ended 30 June | | | |
|----------------|--|--------------------------------------|--|--------------------------------------|
| | 2024 HK\$'000 | | 2023 HK\$'000 | |
| | Additions to property, plant & equipment | Additions to mining properties | Additions to property, plant & equipment | Additions to mining properties |
| Project | | | | |
| Marillana | — | — | 4 | — |
| Ophthalmia | — | — | — | — |
| | — | — | 4 | — |

MANAGEMENT DISCUSSION AND ANALYSIS

Figure 1: Project location map — Brockman tenements



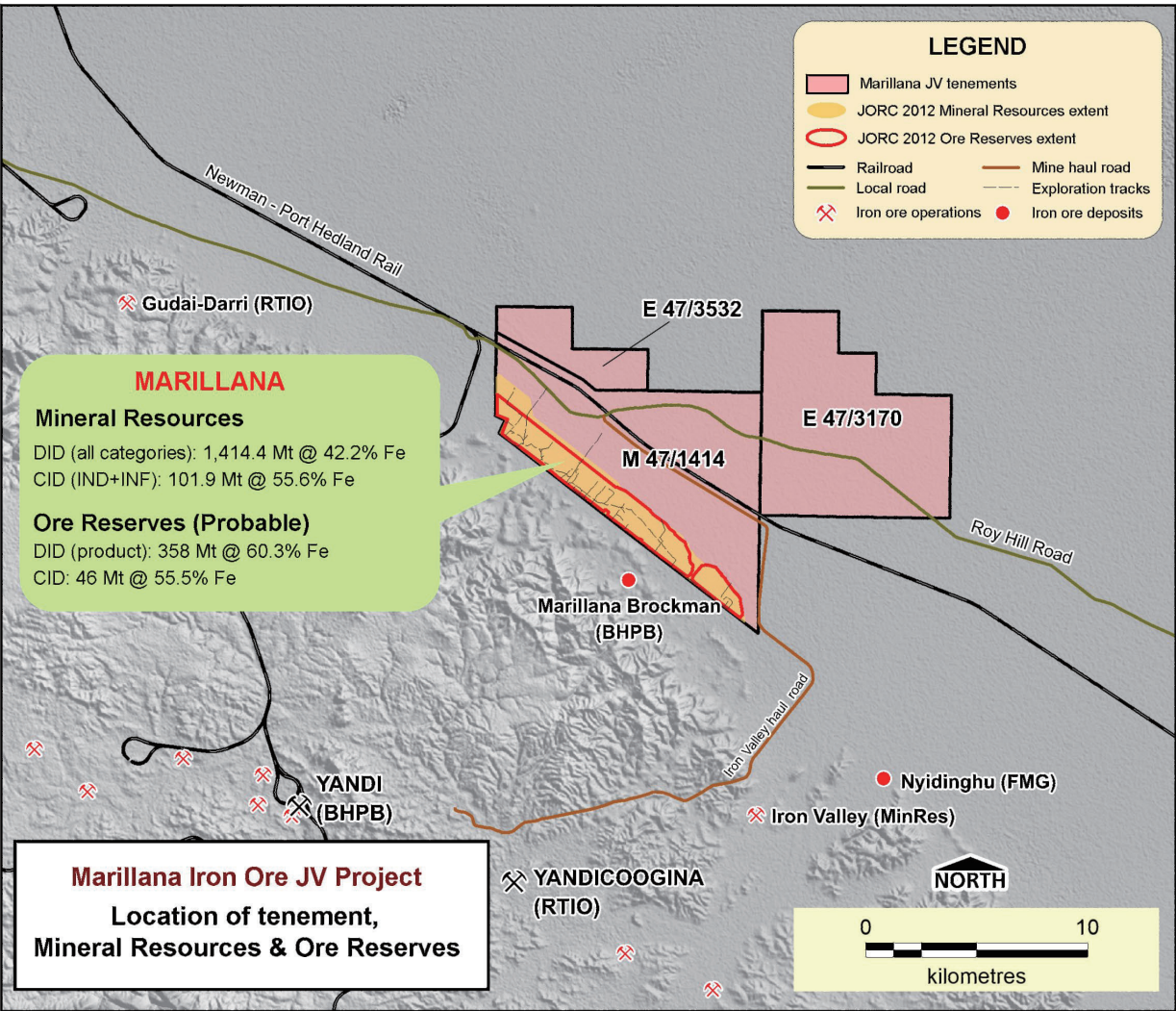
MARILLANA PROJECT OVERVIEW

The 50% owned Marillana 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



MANAGEMENT DISCUSSION AND ANALYSIS

Marillana Development

Joint Operation

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 Mineral Resources Limited ("MinRes")) 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 could 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 Operation. As such, a 50% interest in the Marillana Project (the "Farm-in Interest") will be transferred to Polaris and the Joint Operation will be established according to the terms of the FJV Agreement.

Initial development works

The initial development works per the Indicative Development Proposal from MinRes (as described in the 2021 Annual Report) have progressed well with all confirmatory and technical studies by Polaris now virtually completed. This work has shown that a modified process flow sheet could provide enhanced yields of over 45% whilst maintaining product quality above 60.5% Fe. Sinter testwork on the resulting product has shown that Marillana Fines can substitute for other Australian fines products in a typical Chinese coastal steel mill blend whilst maintaining good physical and metallurgical properties and sinter performance. Materials handling testwork for ore, product, waste, and intermediate process streams has been completed and the results indicate no materials handling issues.

Work also continued to focus on environmental surveys and development of management plans to update and refresh the baseline data and support development of the project. This work has included flora and fauna surveys, stygofauna surveys, waste rock and soil analysis, and noise and greenhouse gas modelling. Water and greenhouse gas management plans have been prepared and continued monitoring of ecological communities, weeds and regional hydrological baseline data was also carried out during the year.

A passive seismic survey to assist in mapping the basement and improve the accuracy of ground water modelling was completed. Also, during the year, work continued modelling of the results from the close spaced RC drilling, designed to inform the optimum drill spacing for future Mineral Resource infill drilling.

Infrastructure

On 29 November 2021, MinRes entered into an agreement with Hancock and Roy Hill in which MinRes and Hancock will jointly investigate the development of new iron ore export facility at the Port of Port Hedland's Stanley Point 3 in South West Creek. Roy Hill will provide services to both MinRes and Hancock for development and operation of their projects (which includes Marillana), including rail haulage.

The development of the Project will be subject to:

- (a) A grant by the Pilbara Ports Authority (PPA) of a capacity allocation for the Project, and all necessary approvals and agreements to develop and operate berth 3 in South West Creek and the other associated supporting port infrastructure; and
- (b) MinRes and Hancock each electing to take a positive final investment decision to proceed with the Project following the completion of a satisfactory feasibility study.

On 1 February 2022, the Government of Western Australia announced that it had granted a port capacity allocation to the MinRes-Hancock Joint Venture, at Stanley Point Berth 3 in South West Creek. MinRes has advised that based on this allocation, Marillana has available port capacity to meet the Joint Operation production requirements. The new iron ore export facility at SP3 remains subject to various approvals and agreements to develop and operate, along with a positive final investment decision by MinRes and Hancock. The MinRes-Hancock Joint Venture continues to advance the consents, approvals and engineering studies required to support the final investment decision.

Under the FJV Agreement, MinRes is to provide the infrastructure solution to transport the ore from the Marillana projects to a port stockyard at Port Hedland and loading on to ships for export. The MinRes-Hancock Joint Venture Agreement will facilitate this solution for Marillana.



MinRes is additionally advancing studies and pre-development work for a haul road to transport ore to the rail loading facility on the Roy Hill railway.

Management committee

A management committee comprising a total of six representatives (three from each of the Joint Operators) has been established.

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

Development funding

The Joint Operators will respectively fund their capital cost commitments for the development of Marillana with loans from MinRes (the Development Loan). Brockman Iron shall repay the Development Loan from its share of net revenue following commencement of operations at Marillana.

The Joint Operators' 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 Operators but will be provided by MinRes under build own operate life of mine service agreements.

Manager

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

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 Operators) 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 the Marillana product sold.

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.

In 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 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).

MANAGEMENT DISCUSSION AND ANALYSIS

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 ₂ O 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 CID 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.

The Marillana project has total estimated Probable Ore Reserves of 967 Mt of DID plus 46 Mt of direct shipping CID (Table 3). The total saleable product from the processed detrital iron ore feed (DID) is estimated at 404 Mt averaging 59.8% Fe, 6.1% SiO₂, and 3.1% Al₂O₃ (Table 4). Life of mine strip ratio is 1.0:1 (tonnes of Waste versus tonnes of Ore).

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 38% Fe

^{##} cut-off grade 52% Fe

Table 4: Marillana Project — Ore Reserves final product

| Reserves Class | Ore Sale Type | Tonnes (Mt) | Fe (%) | SiO ₂ (%) | Al ₂ O 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 major producers. 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.

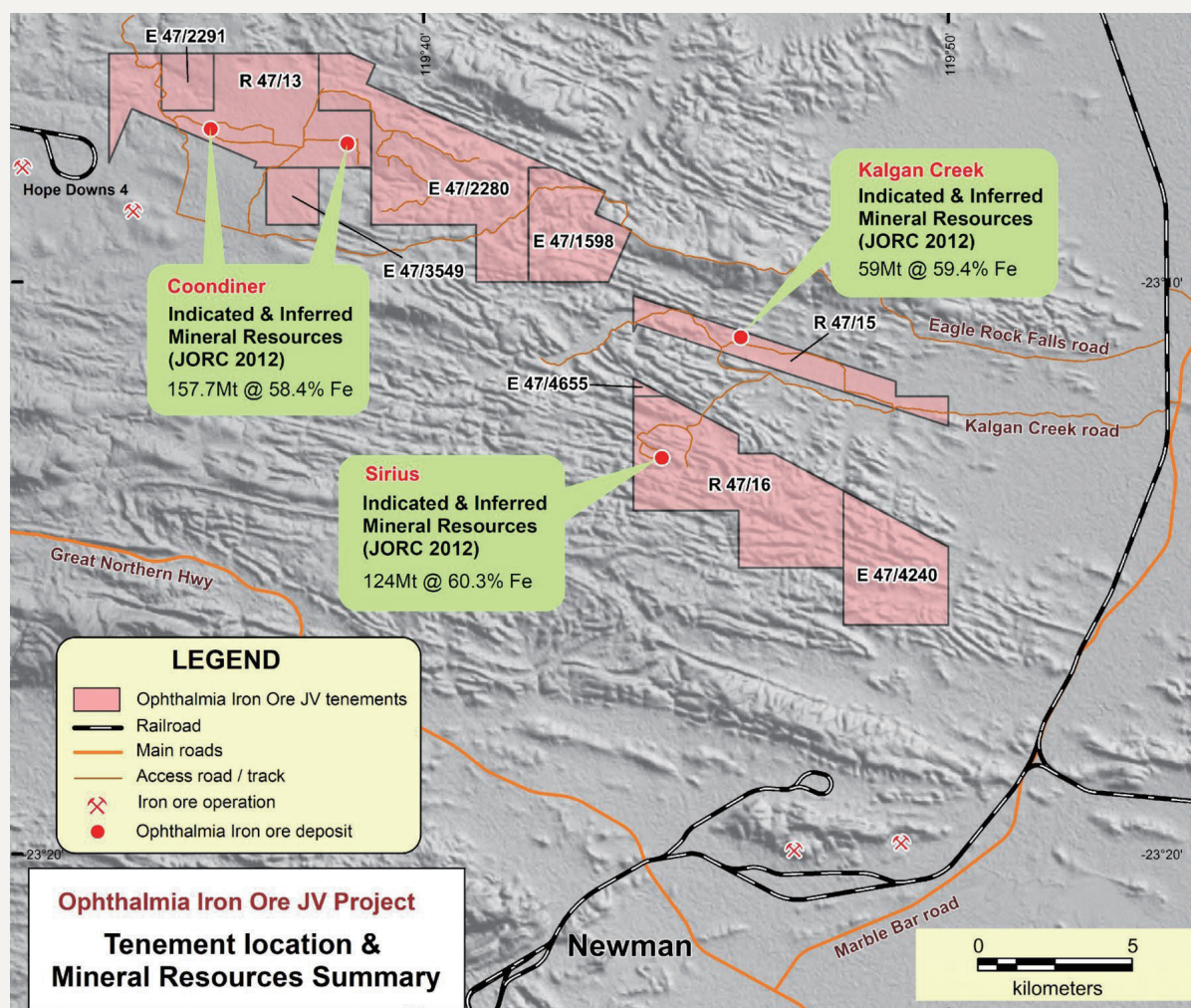
The Mineral Resource and Reserve estimation (see

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 50% 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).

Figure 3: Location of Ophthalmia Prospects and Resources



MANAGEMENT DISCUSSION AND ANALYSIS

Development

As part of the amended Agreement with MinRes (refer to the Marillana section above), Brockman and Polaris have agreed to include Ophthalmia in the farm-in interest, such that Polaris will earn a 50% interest in the Ophthalmia project upon completion of its farm-in obligations. On 8 December 2021, the Company received notification from Polaris that the farm-in obligations had been satisfied and that the Ophthalmia Joint Operation was established.

Polaris has continued a programme of works including mine planning studies, transport corridor studies, environmental surveys and approvals planning. Polaris and Brockman have subsequently agreed to reduce

the programme of works at Ophthalmia whilst MinRes finalises arrangements for the new iron ore export facility at SP3 and to allow the parties to prioritise development of Marillana.

During the year, heritage surveys, designed to facilitate future work programmes, were completed.

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 2024 | | | | | | | | | |
|-------------------------------|------------------|--------------|-------------|-------------|----------------------|------------------------------------|--------------|--------------|-------------|
| Deposit | Class | Tonnes (Mt) | Fe (%) | CaFe* (%) | SiO ₂ (%) | Al ₂ O 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.



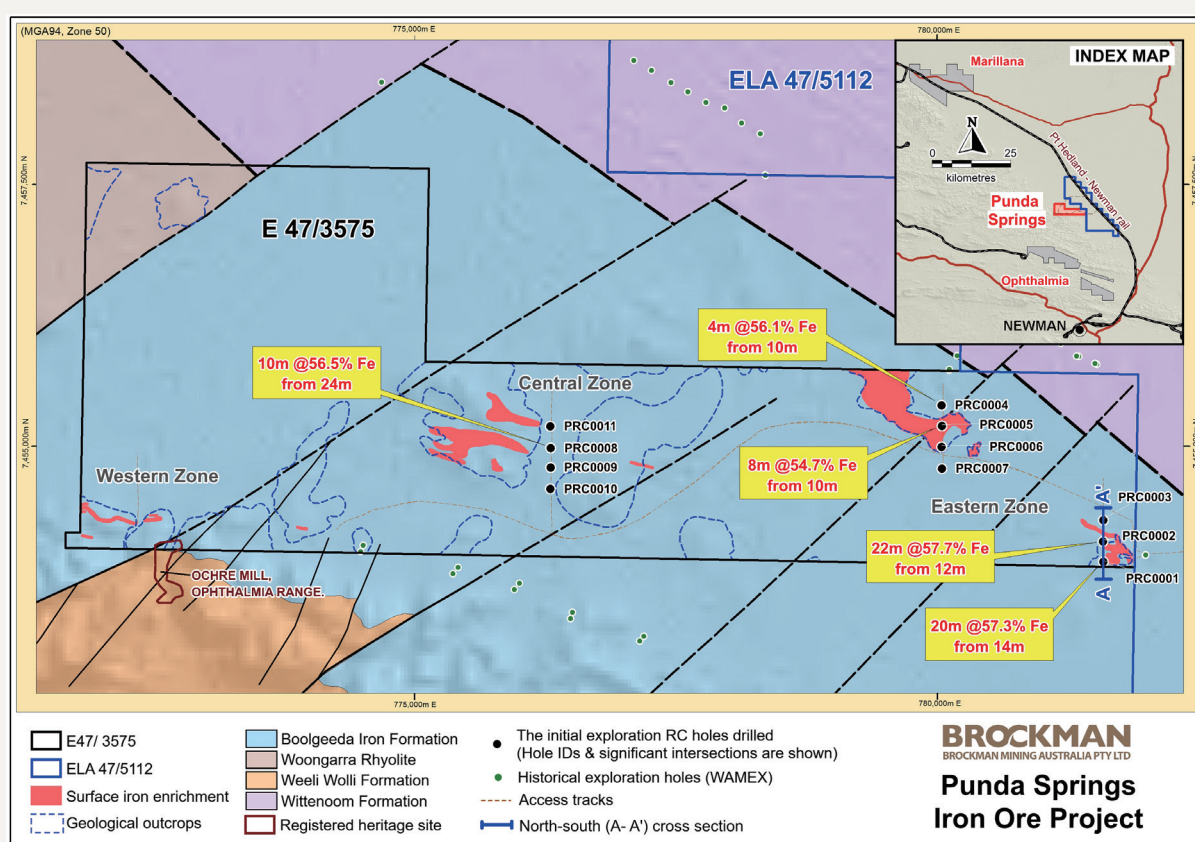
PUNDA SPRINGS IRON ORE PROJECT

The 100% owned Punda Springs Iron Ore Project is located between the Company's Marillana and Ophthalmia iron ore projects, north of Newman in the East Pilbara of Western Australia's Pilbara region.

During the year, Brockman completed a drilling programme comprising of 11 reverse circulation drill

holes for a total of 582 m, which was designed as an initial test of zones of surface iron enrichment identified by geological mapping over the predominantly soil covered tenement. Two of three zones identified were tested during this initial programme. Holes were 200 m apart on three variably spaced drill traverses (sections) covering a total extent of 5.3 km in an east-west direction. All holes were drilled vertically, and individual hole depths ranged from 36 m to 72 m (Figure 4).

Figure 4 — Punda Springs Iron Ore Project — Drilling, Geology and Location



Bedded iron ore mineralisation was intersected in a total of six holes with at least one mineralised intersection on each of the sections drilled. Significant intersections are listed in (Table 6).

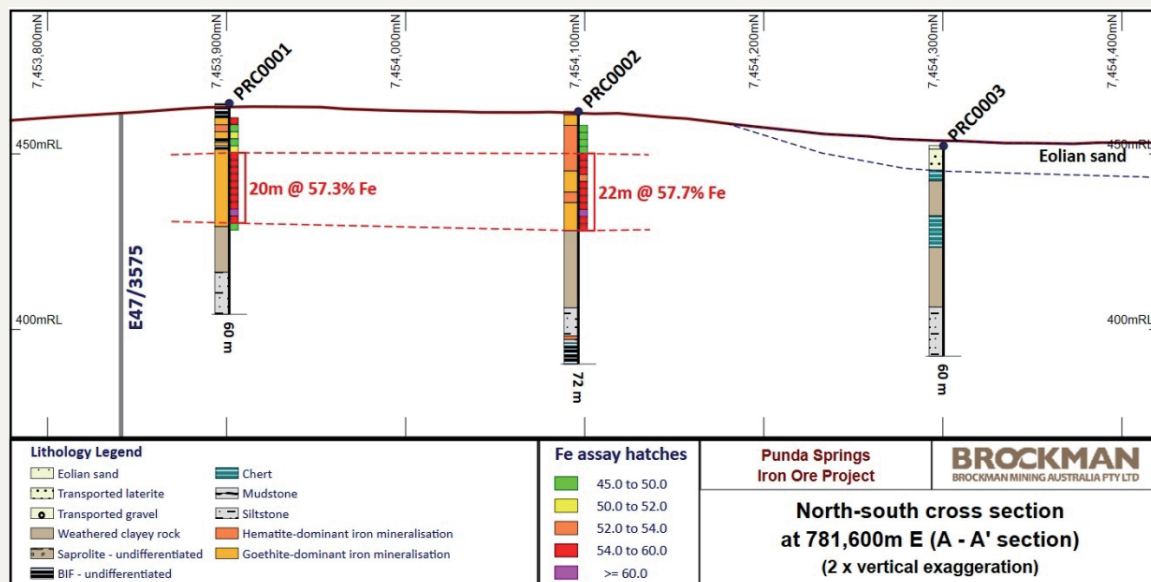
MANAGEMENT DISCUSSION AND ANALYSIS

Table 6 — Punda Springs Iron Ore Project — Significant intersections

| HoleID | From (m) | To (m) | Width (m) | Fe (%) | SiO ₂ (%) | Al ₂ O ₃ (%) | P (%) | S (%) | LOI (%) |
|---------|----------|--------|-----------|--------|----------------------|------------------------------------|-------|-------|---------|
| PRC0001 | 14 | 34 | 20 | 57.3 | 4.8 | 3.3 | 0.21 | 0.02 | 8.8 |
| PRC0002 | 12 | 34 | 22 | 57.7 | 5.5 | 3.3 | 0.09 | 0.03 | 7.7 |
| PRC0004 | 10 | 14 | 4 | 56.1 | 5.9 | 4.2 | 0.11 | 0.03 | 7.6 |
| PRC0005 | 10 | 18 | 8 | 54.7 | 7.2 | 5.7 | 0.17 | 0.01 | 7.6 |
| PRC0008 | 24 | 34 | 10 | 56.5 | 5.7 | 4.0 | 0.19 | 0.01 | 7.4 |

Mineralisation is interpreted to be hosted by shallowly dipping and gently folded Boolgeeda Iron Formation, meaning that the drill intersections are thought to approximate to true width. A cross section is provided as (Figure 5).

Figure 5 — Cross-section through A — A (see Figure 1 for location)



The results are considered highly promising given the very wide spacing of drill traverses and that only half of the tenement has been tested (the Western zone of surface enrichment remains untested). Further and deeper drilling is required, to establish continuity of the mineralisation intersected to date and to demonstrate that mineralisation extends to the west.

Competent Person's Statement — Exploration Results

The information in the report that relates to Exploration Results was previously released to the ASX and SEHK platforms on 15 January 2024 — "Encouraging Results from Initial Reconnaissance Drilling at Punda Springs". This document can be found at www.asx.com.au

(stock code: BCK) and www.hkex.com.hk (stock code: 0159). It fairly represents information and supporting documentation compiled by Mr. A Zhang. Mr. Zhang, who is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Brockman Mining Australia Pty Ltd, has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves". Mr. Zhang consents to the inclusion in this report of the matters based on this information in the form and context that the information appears.



WEST PILBARA PROJECT

Overview

The 100% owned 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 7 below. The Mineral Resource estimate has been classified in accordance with the 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 7: Duck Creek Mineral Resource estimate — (at a lower cut-off grade of 52% Fe)

| Mesa | Classification | Tonnes (Mt) | Fe (%) | Al ₂ O 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 the 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 the 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 and corporate levels. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

ENVIRONMENTAL REVIEW

The Company is very clear on the need to earn the respect and support of the community by operating in a socially responsible manner, and by demonstrating a tangible commitment to environmental sustainability. The Company's projects are subject to environmental regulations under statutory legislation in relation to its exploration and evaluation activities. The Company believes that it has adequate systems in place for the management of its requirements under those regulations and is not aware of any breach of such requirements as they apply to the Company.

LIQUIDITY, FINANCIAL RESOURCES, AND GEARING RATIOS

At 30 June 2024, the Group had net assets of HK\$498,524,000 (2023: HK\$511,212,000), and a closing market capitalisation of HK\$955,864,000 (2023: HK\$1,410,595,000). The Group assessed whether any indicators of impairment exist and concluded there were no indicators of impairment present, refer to note 17 of the consolidated financial statements.

As at 30 June 2024, the Group had HK\$4,559,000 in cash and cash equivalents (2023: HK\$16,495,000). At the date of this report, the Group has a loan facility provided by the substantial shareholder with an undrawn balance of US\$2,700,000 (approximately HK\$21,081,000).

The Group generally finances its short-term funding requirements with equity funding and borrowings (refer to note 5 of the consolidated financial statements). The Group's ability to advance its iron ore project developments are reliant, among other things, on access to appropriate and timely funding.

The current ratio as at 30 June 2024 is 2.19 (2023: 0.28). The gearing ratio of the Group (long-term debt over equity and long-term debt) is measured at 0.13 (2023: 0.11).

During the year, the Group did not engage in the use of any financial instruments for hedging, and there was no hedging instrument outstanding as at 30 June 2024 (2023: Nil).

CAPITAL STRUCTURE

At the end of the reporting period, the Company had 9,280,232,000 (2023: 9,280,232,000) shares on issue.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2024 and 2023, 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 of the consolidated financial statements) and the right-of-use assets which are subject to lease (refer to note 19 of the consolidated financial statements).

As at 30 June 2024, the Company did not have any material contingent liabilities or financial guarantees (note 29(d) of the consolidated financial statements) (2023: Nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in the consolidated financial statements, there were no other significant investments, held, nor were there material acquisitions or disposal of subsidiaries, associates or joint ventures and future plans for material investments or capital assets during the year, and there were no plans authorised by the Board for other material investments or additions of capital assets at the date of this report.

RISK DISCLOSURE

The Group is exposed to various types of risks on a continuing basis. The Group has adopted policies and procedures designed to manage and mitigate those risks wherever possible. However, it is not possible to avoid or even manage all possible risks.

(a) Commodity 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. 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) Liquidity and funding

The Group is exposed to liquidity risk through its financial liabilities and its obligations to make payment on its financial liabilities as and when they fall due. The Group maintains a balance in its approach to funding using debt and/or equity raisings.

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, and, other regulations related to prices, taxes, royalties, land tenure, viable infrastructure solutions, capital raising ability etc. The Group may encounter difficulties in obtaining all approvals necessary for its exploration and evaluation activities. It may also be subject to ongoing obligations to comply with approval requirements, which can incur additional time and costs. The Board will closely monitor the development of the project.

(d) Exchange rate

The Group is exposed to exchange rate risk primarily in relation to our mineral tenements that are denominated in Australian dollars. During the year, no financial instrument was used for hedging. As at 30 June 2024 and 2023, the Group was not exposed to any significant exchange rate risk.

(e) Social and political

The Group is exposed to other risks that include, but are not limited to, cyber-attack and natural disasters, that could have varying degrees of impact on the Group. Where available and appropriate to do so, the Board will seek to minimise exposure using insurance, while actively monitoring the Group's ongoing exposure.

(f) Interest rate

Fair value interest rate risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk that the future cash flow from a financial instrument will fluctuate because of changes in market interest rates. The Group's policy is to manage its exposure to interest rate risk by holding cash in short term, fixed and variable rate deposits with reputable high credit quality financial institutions. The Group analyses its interest rate exposure and consideration is given to potential renewals of existing positions, alternative financing and/or the mix of fixed or variable interest rates.

(g) Credit

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the consolidated balance sheet. Credit risk is managed on a group basis and predominantly arises from cash and cash equivalents deposited with banks and financial institutions.

(h) Safety

Lost time injuries, serious workplace accidents may lead to harm to the Group's employees and other persons; with material adverse impact on the business. The Group continues to work closely with all stakeholders to promote continuous improvements and occupational, health and safety ("OHS") with due consideration to evolving scientific knowledge and technology, management practices and community expectations. The Group ensures it maintains compliance with the applicable laws, regulations and standards by:

- (i) training and ensuring its employees and contractors understand their obligation and are held accountable for their responsibilities;
- (ii) communicating and openly consulting with employees, contractors, government on OHS issues; and
- (iii) developing risk management systems to appropriately identify, access, monitor and control hazards in the workplace.

MANAGEMENT DISCUSSION AND ANALYSIS

STAFF AND REMUNERATION

As at 30 June 2024, the Group has 14 employees (2023: 14), of which 5 were in Australia (2023: 5) and 9 in Hong Kong (2023: 9). Total remuneration cost including directors' emoluments amounted to HK\$11,882,000 (2023: HK\$11,688,000).

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 periodically reviews remuneration packages provided to its employees to ensure that the total compensation is internally equitable, externally competitive and supports the Group's strategy.

We provide training to our employees to improve the skills and professional knowledge they need for our activities and their personal development, including an initial training induction on work safety and environmental protection upon entering the Group, and prior to each exploration activity.

The remuneration policy and packages including share options for the employees, senior management and directors are maintained at market levels and are reviewed periodically by management and the Remuneration and Performance Committee, refer to Note 25 of the consolidated financial statements and directors report on pages 60 to 68.

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Environmental, Social and Governance

The Company has a comprehensive system of governance. The Company views this as essential to the ongoing operation of the Company, and balancing the interests of the Company's various stakeholders, including shareholders, suppliers, Governments, and the various communities in which the Company operates.

The Group's performance is reported annually and reviewed by the Board, Audit, and Risk Management Committees. Details are outlined in the Risk Management and Internal Control section in the Corporate Governance Report included in the Company's published 2024 Annual Report.

The Board retains the overall responsibility for the Group's Environmental, Social and Governance management and is committed to operating in a manner that contributes to the sustainable development through efficient, balanced, long-term management, while showing due consideration for the well-being of people; protection of the environment; and the need to work closely with the local communities and stakeholders.

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 sound practices in environmental design and management and actively operates to:

- Work within the legal approval framework and operate in accordance with our environmental management systems,
- Identify, monitor, measure, evaluate and minimise our impact on the surrounding environment,
- Give environmental aspects due consideration in all phases of the Group's projects, from exploration through to development, operation, production and final closure, and
- Act systemically to improve the planning, execution and monitoring of its environmental performance.

The Company's approach to Environmental, Social and, Governance Reporting is in accordance with Appendix 27 (revised as Appendix C2 from 31 December 2023) Environmental, Social & Governance Reporting Guide of the SEHK Listing Rules.

The Company's 2024 Environmental, Social and Governance Report is available on the Company's website at www.brockmanmining.com.

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 activities. At the same time, the Group always maintains a safe working environment for our employees in accordance with relevant safety laws and regulations.

**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 communication with management. We also strive to maintain good working relationships with our suppliers.

Health and Safety

Safety is one of the Group's main priorities, and every effort is made to safeguard the health and wellbeing of the Group's employees, together with the people in the communities in which the Group operates. The Group aims to go beyond what is expected to meet local health and safety legislation. The Group's Code of Conduct clearly communicates its commitment towards protecting employee health and safety including conflict resolution and fair dealing.

Future Developments

The Group is principally engaged in the acquisition, exploration and development of iron ore projects in the Pilbara region of Western Australia. The Group's objective is to focus on the development of its iron ore projects in Western Australia which are advancing to the construction phase. The Group operates with long-term business strategy to operate responsibly considering the interests of all stakeholders including its employees and contractors. It aims to produce positive financial outcomes through (i) The Group and MinRes continuing to advance the Marillana and Ophthalmia projects (ii) Attention to the Company's Corporate Governance and Social responsibilities, including a focus on ongoing safety and environmental compliance, and ongoing positive interaction with the communities within which it operates.

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 74, joined 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 more than 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 (Stock code: 8502), which is listed on the GEM of the Hong Kong Stock Exchange Limited (the "SEHK"). Mr. Kwai is substantial shareholder of the Company with shares held partially with Ocean Line. Mr. Kwai is the father of Mr. Kwai Kwun, Lawrence, an Executive Director of the Company.

Mr. Ross Stewart Norgard

Mr. Ross Stewart Norgard, aged 78, joined in August 2012. He is a chartered accountant and former managing partner of KMG Hungerfords and its successor firms in Perth, Western Australia. For the past 30 years he has worked extensively in raising venture capital and financial management. 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 was a director of Nearmap Limited (formerly known as Ipernica Limited) (Chairman since 1987 to 2022) 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 Australian Securities Exchange ("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 43, joined 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 of America 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 51, joined 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. Chan is an executive director of Concord New Energy Group Limited (Stock Code: 0182) and an independent non-executive director of Canvest Environmental Protection Group Company Limited (Stock Code: 1381) which are both listed on the Main Board of SEHK.

Mr. Colin Paterson

Chief Executive Officer of Australian Operations

Mr. Colin Paterson, aged 63. He is a member of the Executive Committee. He 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 Resources Limited a former ASX listed entity which is now a wholly-owned subsidiary of Brockman Mining Limited.



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yap Fat Suan, Henry

Mr. Yap Fat Suan, Henry, aged 78, joined 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 Frontier Services Group Limited (Stock code: 500), which is listed on the Main Board of the SEHK.

Mr. Choi Yue Chun, Eugene

Mr. Choi Yue Chun, Eugene, aged 52, joined 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 58, joined 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. Currently, Mr. Welch is a non-executive director of VRX Silica Limited (Stock code: VRX) which is listed on the ASX and a director of Southern Ports, a Western Australian Government Trading Enterprise.

SENIOR MANAGEMENT

Mr. Hendrianto Tee

Business Development Director

Mr. Hendrianto Tee, aged 57, joined 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 Brockman Mining Limited 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).

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining a high standard of Corporate Governance within a framework with an emphasis on the principles of transparency, accountability and independence. The Board of Directors of the Company (the "Board") believe that good corporate governance is essential to the success of the Company and to the enhancement of shareholder value.

CORPORATE GOVERNANCE CODE

The Company is listed on both the Australian Securities Exchange ("ASX") and the Stock Exchange of Hong Kong Limited ("SEHK"). Unless otherwise noted, the Company has complied with all aspects of the Corporate Governance Code ("Code") (including the section headed "Part 2 – Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices") as set out in Appendix 14 (revised to Appendix C1 from 31 December 2023) of the Rules Governing the Listing of Securities on the SEHK ("the SEHK Listing Rules") and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ("the CGPR 4th Edition"), ("the ASX Principles" "the ASX Listing Rules") during the entire year ended 30 June 2024. The Board will review the current practices at least annually and make appropriate changes if considered necessary.

The exception to this is as follows:

- (i) Appendix C1 Code Provision C.2.1 of the SEHK 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 year. 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.

THE BOARD

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, approval of directors' appointment or re-appointment (based on the recommendations made by the Nomination Committee), material contracts and transactions, corporate governance, and other significant policy and financial matters. The Board has delegated the day-to-day management responsibility 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 and updated periodically to ensure it is consistent with the existing rules and regulations.

BOARD PROCESS

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 2024, three of the eight 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 with a wide range of expertise and experience. Their active participation in the Board and Committee meetings brought independent judgement on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders of the Company. 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 SEHK Listing Rules and Principle 2.4 of the ASX Principles. At least one of the independent non-executive directors has the appropriate professional qualification or accounting or related financial management expertise under Rule 3.10 of the HK Listing Rules and Principle 2.3 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.



Board meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and review and approve the Group's annual and interim results and other ad-hoc matters. 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 resolution 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 2024.

Regular board meetings each year are scheduled in advance to facilitate maximum attendance of directors. The Company normally provides a reasonable notice period (at least 14 days' notice) for every Board meeting to all directors to give them an opportunity to include matters for discussion in the agenda. The Company Secretary of the Company assists the Chairman of the Board in preparing the agenda for meetings and ensure that all the applicable rules and regulations are complied. The agenda and the board papers are normally sent to all directors at least 3 days before the intended date of the board meeting. Draft minutes of each board meeting are circulated to all directors for their comment and then approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any director.

Every director is entitled to have access to adequate, in a timely manner board papers and related materials that are complete and reliable. Also, these papers and related materials are of form and quality sufficient to enable the board to make informed decisions. The Board and each director also have separate and independent access to the Company's management and to the advice and services of the Company Secretary. Directors will continuously be updated on major developments in the Listing Rules of SEHK and ASX and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, as part of the mechanism to encourage independent views and input from directors, a written procedure has been established and reviewed annually to enable directors, in discharge of their duties, to seek external independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

According to current board practice, if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board and the Board has determined the matter to be material, the matter will be dealt with by the Board at the duly convened Board meeting and Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at the Board meeting. The Bye-Laws of the Company also stipulate that save for the exceptions as provided therein, a director shall abstain from voting on any Board resolution and not be counted in the quorum at meetings for approving any contract or arrangement in which such director or any of his close associates has a material interest.

CORPORATE GOVERNANCE REPORT

The Board has established different sub-committees with members as at 30 June 2024 as follows:

| | Nomination Committee | Audit Committee | Remuneration & Performance Committee | Health, Safety, Environment & Sustainability Committee | Risk Management Committee | Executive Committee |
|--|-------------------------|--------------------|--|---|---------------------------------|------------------------|
| Non-Executive Directors | | | | | | |
| Kwai Sze Hoi (<i>Chairman</i>) | Member | | Member | | | |
| Ross Stewart Norgard | | | | Member | Member | |
| Executive Directors | | | | | | |
| Cham Kam Kwan, Jason (<i>Company Secretary</i>) | | | | | | 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 | | | |



Directors in office during the year and up to the date of this report, unless otherwise indicated, were as follows:

| | Name of Director/role | Date of appointment | Period in office as at the date of Annual Report (Years of service) | Board Meetings attended/Eligible to attend* | General Meetings attended/Eligible to attend* |
|--|---|---------------------|---|---|---|
| Non-Executive Directors | Kwai Sze Hoi, <i>Chairman</i> | 15 June 2012 | 12 | 4/4 | 1/1 |
| | Ross Stewart Norgard | 22 August 2012 | 12 | 4/4 | 1/1 |
| Independent Non-Executive Directors | David Rolf Welch | 15 October 2019 | 5 | 4/4 | 1/1 |
| | Yap Fat Suan, Henry | 8 January 2014 | 10 | 4/4 | 1/1 |
| | Choi Yue Chun, Eugene | 12 June 2014 | 10 | 4/4 | 1/1 |
| Executive Directors | Chan Kam Kwan, Jason, <i>Company Secretary</i> | 2 January 2008 | 16 | 4/4 | 1/1 |
| | Kwai Kwun, Lawrence | 13 March 2014 | 10 | 4/4 | 1/1 |
| | Colin Paterson | 25 February 2015 | 9 | 4/4 | 1/1 |

* Represents total number of Board and general meetings held during the year. Determination of eligibility has taken into account the respective Directors' period in office. A total of 4 meetings were held during the year ended 30 June 2024.

The brief biographical details of the Directors are stated under the section "Directors and Management". The Chairman, Mr. Kwai Sze Hoi, is the father of Mr. Kwai Kwan, Lawrence, an executive director of the Company. Also, the Chairman, is a substantial shareholder of the Company, with shares held partially with Ocean Line Holdings Ltd., a company held 60% by Mr. Kwai Sze Hoi and 40% Ms. Cheung Wai Fung (Mr. Kwai's spouse). Save as disclosed above, there are no other financial, business, family or other material or relevant relationships among members of the Board.

CORPORATE GOVERNANCE REPORT

BOARD SKILLS MATRIX

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

| Experience, skills & attributes | Board | Nomination | Audit | Remuneration & performance | Health, Safety, Environment & Sustainability | Risk Management | Executive |
|---|-------|------------|-------|----------------------------|--|-----------------|-----------|
| Total Non-Executive Directors | 2 | 1 | — | 1 | 1 | 1 | — |
| Total Executive Directors | 3 | — | — | — | — | 1 | 3 |
| Total Independent Non-Executive Directors | 3 | 3 | 3 | 3 | 2 | 1 | — |
| Experience | | | | | | | |
| Corporate leadership | | | | | | | |
| Successful experience in CEO and/or other senior corporate leadership | 8 | 4 | 3 | 4 | 3 | 3 | 3 |
| International experience | | | | | | | |
| Senior experience in multiple international locations | 3 | 1 | — | 1 | — | — | — |
| 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 yrs) | 6 | 3 | 2 | 3 | 2 | 2 | 2 |
| Knowledge and skills | | | | | | | |
| Finance and capital management | 6 | 3 | 3 | 3 | 3 | 2 | 2 |
| Governance | | | | | | | |
| Risk and Compliance | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gender | | | | | | | |
| Male | 8 | 4 | 3 | 4 | 3 | 3 | 3 |
| Female | — | — | — | — | — | — | — |



CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of the 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 year. 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.

Mr. Kwai Sze Hoi, the Chairman of the Board is primary responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner, (ii) all directors are properly briefed on issues arising at Board meetings; and (iii) the directors receive in a timely manner, adequate information, which must be accurate, clear, complete and reliable.

The Chairman has 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 ASX Principles and the SEHK Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Every newly appointed director will receive an induction package from the Company Secretary on their appointment. The induction package is a comprehensive, formal and tailored induction on the responsibility and on-going obligations to be observed by a director pursuant to the Australian Corporations Act 2001, Hong Kong Companies Ordinance, the Listing Rules and Securities and Futures Ordinance. In addition, this induction package includes materials briefly describing the business of the Company, the latest published financial reports of the Company and documentation for the corporate governance practices adopted by the Board. Directors will be continuously updated on any major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeeping of good corporate governance.

In accordance with the Bye-Laws of the Company and to comply with relevant SEHK 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 has a written agreement outlining the terms of their appointment. No directors' service contract contains a provision requiring greater than one year's notice or requires compensation greater than one year's emoluments.

In considering the appointment or re-appointment of directors, in addition to the diversity criteria set out in the paragraphs "Board Diversity", the Board, with the assistance and recommendation from the Nomination Committee, will also take into account a number of factors, including, but not limited to, the structure, size and composition of the Board, the candidate's qualifications and their ability to devote sufficient time as and when required to discharge their responsibilities as a director and to make a positive contribution to the development of the Company's strategy, policies and performance. The terms of reference of the Nomination Committee include the nomination procedure specifying the process and criteria for the selection and recommendation of candidates as directors of the Company is available on the Company's website.

CORPORATE GOVERNANCE REPORT

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

For continuous professional development, in addition to directors' attendance at meetings and review of papers and circulars sent by the management of the Company, during the year ended 30 June 2024, directors participated in the following activities:

Participation in Continuous Professional Development Activities

| | Reading relevant material relating to the latest development of the Listing Rules, other applicable regulatory requirements and directors duties and responsibilities |
|---|---|
| Non-Executive Directors | |
| Kwai Sze Hoi (<i>Chairman</i>) | ✓ |
| Ross Stewart Norgard | ✓ |
| Executive Directors | |
| Cham Kam Kwan, Jason (<i>Company Secretary</i>) | ✓ |
| Kwai Kwun, Lawrence | ✓ |
| Colin Paterson | ✓ |
| Independent Non-Executive Directors | |
| Yap Fat Suan, Henry | ✓ |
| Choi Yue Chun, Eugene | ✓ |
| David Rolf Welch | ✓ |

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted the written terms of reference on its corporate governance functions. The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

- (iv) developing, reviewing and monitoring the Code of Conduct applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the Code, CGPR 4th Edition and disclosure in the Corporate Governance Report.

During the year ended 30 June 2024 and up to the date of this report, the Board has performed these Corporate Governance duties in accordance with its terms of reference of the Board Charter.



COMPANY SECRETARY

During the year, Mr. Chan Kam Kwan, Jason, is the Company Secretary of the Company. The Company Secretary is responsible and accountable directly to the Chairman of the Board and all directors have access to the advice and services of the Company Secretary. The Company Secretary is also directly responsible for ensuring that board procedures are followed and for facilitating communications among directors as well as with the shareholders and management and compliance with the continuing obligations of the Listing Rules, The Code on Takeovers and Mergers and Share Repurchases, and publication and dissemination of Company information.

Mr. Chan, has undertaken no less than 15 hours of professional training to update his skills and knowledge and hence has complied with the relevant training requirement under Rule 3.29 of the SEHK Listing Rules and 2.6 of the ASX Principles during the year ended 30 June 2024. The biographical details of Mr. Chan Kam Kwan, Jason is set out in the biographies of Directors and Senior Management on page 20.

Language of meetings

All key corporate and shareholder documents are prepared in both English and Mandarin. 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 in English, and upon request, in Mandarin/Cantonese.

BOARD COMMITTEES

The Board has established various committees, including a Nomination Committee, Remuneration and Performance Committee, Audit Committee, Risk Management Committee and a Health, Safety, Environment and Sustainability Committee in accordance with the Listing Rules and ASX Principles, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and committees are required to report back to the Board on their decisions and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section 'Board Meetings' of this report, have been adopted for the committee meetings as far as practicable.

NOMINATION COMMITTEE

The Board has 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 Nomination Committee's primary roles and 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.

CORPORATE GOVERNANCE REPORT

The Nomination Committee consists of a majority of independent Directors and was comprised of the following members during the year ended 30 June 2024:

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

(*) Represents the total number of meetings held during the year ended 30 June 2024.

The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice at the cost of the Company according to the Company's policy if considered necessary.

NOMINATION POLICY

The Nomination Committee has formulated and set out the Nomination Policy in its terms of reference. The objectives of the nomination policy are to ensure that the board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and the directors can devote sufficient time and make contributions to the Company that are commensurate with their role and board responsibilities. A balanced composition of executive and non-executive directors (including independent non-executive directors) shall be included in the Board so that there is a strong independent element on the Board, which can effectively exercise independent judgement. The candidate who is proposed as an independent non-executive director, must satisfy all the independence requirements as set out in Rule 3.13 of the SEHK Listing Rules. The candidate must always be aware of threats to independence and avoid any conflict of interest with the Company and act in the best interests of the Company and its shareholders.

To ensure changes to the Board composition can be managed without undue disruption, a formal, considered and transparent procedure is in place for the selection, appointment and reappointment of directors, as well as plans are in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new director (to be an additional director or fill a casual vacancy as and when it arises) or any re-appointment of directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

NOMINATION PROCEDURES

The procedures for the nomination of a candidate as a new director is subject to the provisions in the Company's Bye-Laws. The procedure for nomination are as follows:

- The Board determines the required skilled set, relevant expertise & experience, having regard to the current Board composition and size and shareholder structure of the Company;
- The Board and/or Committee are provided with a list of the proposed candidate(s) with the biographical details including details of the relationship between the candidate(s) and the company and/or directors, directorships held, skills and experience, other positions which involve a significant time commitment and any other particulars required by law for any candidate appointment to the Board;



- (c) In 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; and
- (d) The chairman of the committee, chairman of the Board and Company Secretary agree on the preferred candidate and the letter of appointment is approved by the Board.

MEASURES FOR SELECTION

The criteria applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board (including gender diversity) as well as the effectively carrying out the responsibilities of the Board and have significant experience, and be of the highest ethical character and have a strong reputation and standing, both professionally and personally and have relevant expertise and experience that can contribute to the Company's strategic objectives. By adopting such criteria, it facilitates the Company to develop a pipeline of candidates to the Board to achieve gender diversity.

The nomination committee will meet as and when necessary, in accordance with its terms of reference and may also deal with matters by way of circulation.

In the case of the appointment of independent non-executive directors, appointments should be for specific terms. All terms of appointment of non-executive directors and including independent non-executive directors of the Company are subject to the relevant provisions of the Bye-Laws or any other applicable laws.

Further details of the measures, selection and the procedures are set out in the terms of reference of the Nomination Committee which are available on the Company's website.

During the year ended 30 June 2024 and up to date of this report, the Nomination Committee performed the work as summarised below:

- (i) Reviewed and recommended for the Board's approval the proposed resolution for re-election of each retiring Director at the 2023 AGM;

- (ii) Reviewed the structure, size, composition and diversity of the Board and assessed the independence of each independent non-executive director; and

- (iii) Reviewed the Diversity Policy.

DIVERSITY

Board diversity

The Board has adopted a Diversity Policy which sets out the objectives and principles regarding board diversity for the purpose of achieving the Company's strategic objectives of balanced diversity at the Board as far as practicable. 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. The ultimate decision will be based on merit and the contribution that the selected candidates may bring to the board, and taking into account the Company's business needs.

The proportion of female Board representation is a measurable objective of the Company. The Board recognises the importance and benefits of gender diversity and is committed to improving gender diversity. The Nomination Committee will use best endeavours to identify and recommend suitable female candidates to the Board. The Company will endeavour to appoint at least one female director by 31 December 2024. The current eight directors are from diverse and complementary backgrounds, including management, exploration, legal, mergers and acquisitions, accounting and finance management. The valuable experience and expertise they bring to our business is critical for the long term growth of the Group.

During the year, the Board conducted an annual review of the implementation and effectiveness of the Diversity Policy and is satisfied that the Diversity Policy has been properly implemented and is effective.

CORPORATE GOVERNANCE REPORT

Workplace diversity

The Company and its subsidiaries are committed to workplace diversity and recognise the benefits arising from employee diversity, including having a broader pool of quality and talented employees, improving employee retention, and being able to access different perspectives. Diversity includes, without limitation, different gender, age, ethnicity and cultural background.

As of 30 June 2024, the ratio of the number of male to female employees is approximately 86% to 14% (2023: 86% to 14%). The Group recognises, and endeavours to protect the rights of its employees and is committed to providing equal opportunities. The Group engages in transparent and fair recruitment

practices, and fair remuneration and disciplinary decisions without regard to gender, age, family position or ethnic background. Further information about the composition of the Group's workforce can be found in the 2024 Environmental, Social and Governance Report separately released on the Company website www.brockmanmining.com.

REMUNERATION AND PERFORMANCE COMMITTEE

The Board has a Remuneration and Performance Committee to enable the Company 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.

The Committee consists of a majority of independent Directors and was compromised of the following members during the year ended 30 June 2024:

| Name of Director/role | Meetings attended/ eligible to attend (*) |
|--|--|
| Non-Executive Directors | |
| Kwai Sze Hoi | 1/1 |
| Independent Non-Executive Directors | |
| Yap Fat Suan, Henry, <i>Chairman</i> | 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 2024.



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 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 or her 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. The Remuneration and Performance Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice at the cost of the Company according to the Company's policy if considered necessary.

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 management.

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 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 that all director participation in the share 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 a 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 is responsible for reviewing compensation arrangements for the executive directors, including the chief executive officer (if any). The Company has adopted model (ii) as set out in code provision E1.2.(c) of the Corporate Governance Code, under which the Remuneration and Performance Committee makes recommendations to the Board on the remuneration packages of individual executive directors. The Committee assesses the appropriateness of the nature and amount of remuneration of directors 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.

Senior management compensation framework

The Company aims to reward senior management 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 remuneration and reward framework has 2 components: base pay and long-term incentives through participation in the 2023 Share Scheme. Details of the 2023 Share Scheme is set in note 25 of the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

Performance Review – Senior Management

Senior managements' performance is reviewed on an ongoing basis and evaluated annually by the Remuneration and Performance Committee. This evaluation is undertaken by completing a questionnaire on their performance or having a one-to-one interview with the Chairman of the Committee.

During the year ended 30 June 2024 and up to the date of this report, the Remuneration and Performance Committee performed the work summarised below:

- (i) Reviewed and made recommendations to the Board on existing policy and structure for the remuneration of all directors and senior management,
- (ii) Reviewed the existing remuneration packages of the non-executive directors (including the independent non-executive directors),
- (iii) Reviewed and recommended for the board's approval the renewal of the proposed re-appointment of executive directors and non-executive directors (including the independent non-executive directors), and

- (iv) Reviewed the terms of the 2023 Share Scheme, specifically:

- a. Reviewed the Eligible Participants and eligibility criteria for selection of Eligible Participants, including criteria such as general working performance, time commitment, length of service, working experience, responsibilities, current market practices and industry standards,
- b. Reviewed the Scheme Mandate Limit,
- c. Reviewed the clawback mechanism including circumstances in which the clawback mechanism will apply,

On the 18 December 2023, the Share Scheme was approved by the shareholders at the AGM and implemented thereafter. Since then, no share options or share awards have been granted.

Remuneration of Directors and senior management

The remuneration payable to directors will depend on their respective contractual terms under their employment contracts or appointment letters as approved by the Board on the recommendation of the Remuneration and Performance Committee. Details of the directors and key management personnel remuneration are set out in Note 14 and 32 to the consolidated financial statements and details of the remuneration policy in the directors report on page 62. The emoluments of the directors and senior management by band for the year ended 30 June 2024 is set out below:

| | Number of members 2024 * | Number of members 2023 * |
|-------------------------------|--------------------------------|--------------------------------|
| HK\$0 to HK\$1,000,000 | 5 | 5 |
| HK\$1,000,001 — HK\$2,000,000 | 4 | 3 |
| HK\$2,000,001 — HK\$3,000,000 | — | 1 |
| HK\$3,000,001 — HK\$4,000,000 | — | — |
| | 9 | 9 |

* All Directors and senior management



AUDIT COMMITTEE

The Board has 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.

The composition and expertise of the Committee was as follows during the year ended 30 June 2024:

| | Name of Director/role | Expertise | Meetings attended/ eligible to attend (*) |
|--|---|---|--|
| Independent Non-Executive Directors | Yap Fat Suan, Henry, <i>Chairman</i> | 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 Commerce 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 2024.

The Committee consists of a majority of Independent directors and is provided with sufficient resources to discharge its duties and has access to independent professional advice at the cost borne by the Company according to the Company's policy if considered necessary. Draft and final versions of minutes of the audit committee meetings are sent to all committee members for their comment, within a reasonable time after the meeting. Full minutes of the audit committee meetings are kept by the Company Secretary.

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;

CORPORATE GOVERNANCE REPORT

- (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. In reviewing these reports before submission to the board the committee will focus particularly on:
 - 1. any changes in accounting policies and practices,
 - 2. major judgemental areas,
 - 3. significant adjustments resulting from audit,
 - 4. the going concern assumptions and any qualification,
 - 5. Compliance with accounting standards, and
 - 6. Compliance with the SEHK and ASX Listing Rules and legal requirements in relation to financial reporting.
- (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 Management 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;
- (o) to act as the key representative body for overseeing the issuer's relations with the external auditor;
- (p) Report to the Board on the matters in the Corporate Governance Code and ASX Principles; and
- (q) To consider other topics, as defined by the Board.

In addition to the Audit Committee meetings, the Audit Committee also dealt with matters by way of circulation during the year ended 30 June 2024.



During the year ended 30 June 2024 and up to the date of this report, the Committee performed the work as summarised below:

- (i) Reviewed and approved the scope and fees proposed by the external auditor,
- (ii) Reviewed the reports of findings/independent review report from the external auditor and management's response in relation to the final audit for the year ended 30 June 2023, interim results review for the six months ended 31 December 2023,
- (iii) Reviewed and recommended for the Board's approval the Quarterly Activities Reports of the Group for the year ended 30 June 2024,
- (iv) Reviewed and recommended for the Board's approval the financial report of the Group for the year ended 30 June 2023, for the six months ended 31 December 2023 together with the relevant management representation letters and announcements,
- (v) Reviewed the Group Internal Audit Report, and
- (vi) Reviewed the updated Whistleblower Policy.
- (vii) Reviewed management updates including budgets and other internal financial statements including management accounts.

Accountability and Audit

Financial Reporting

The directors acknowledge their responsibility for preparing, with the support of management, the consolidated financial statements of the Group. The directors of the Company consider it appropriate to prepare the consolidated financial statements on a going concern basis. However, there remains material uncertainty as to whether the Group can raise sufficient funds (refer to Note 2(a) of the consolidated financial statements), which may cast significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements for the year ended 30 June 2024 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The directors believe that they have selected suitable accounting policies and applied them consistently and made judgments and estimates that are prudent and reasonable and have ensured that the consolidated financial statements are prepared on a going concern basis. The reporting responsibilities of the Company's external auditor, Ernst and Young, are set out in the Independent Auditor's report on pages 69 to 74.

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 an 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 performance, and that the opinion has been based on a sound system of risk management and internal control which is operating effectively".

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

The remuneration paid to the Group's external auditors during the year ended 30 June 2024 is set out in the Directors' Report on pages 60 to 68 and note 36 of the consolidated financial statements.

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

EXECUTIVE COMMITTEE

The Board has constituted the Executive Committee and delegated the responsibility of the day-to-day management and empowered the Executive Committee to implement policies and strategies, for the activities 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 by the Board, save for those matters which are reserved for the Board's decision and approval. The members include the executive directors and senior management appointed by the Board and meets whenever it is necessary to carry out its obligations.

HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY COMMITTEE

The Board has established a Committee to oversee the health, safety, environmental and sustainability activities of the Company. The major roles and function of the Health, Safety, Environment and Sustainability Committee are included in the Terms of Reference, which is available on the website of the Company.

The Committee consists of a majority of independent directors and was comprised of the following members during the year ended 30 June 2024:

| | Name of Director/role | Meetings attended/ eligible to attend (*) |
|-------------------------------------|--|--|
| Independent Non-Executive Directors | Choi Yue Chun, Eugene, <i>Chairman</i> | 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 2024.

The principal duties of the Committee are:

- (a) Reviewing and monitoring the sustainability, environmental, safety, 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 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.



During the year ended 30 June 2024 and up to the date of this report, the Health, Safety, Environment and Sustainability Committee performed the work as summarised below:

- i) Reviewed and recommended to the Board issues that have emerged that may materially impact the Company,
- ii) Reviewed incident outcomes and compliance issues,

- iii) Reviewed and recommended to the Board the approval of the 2024 Environmental, Social and Governance Report, and

- iv) Reviewed and recommended to the Board approval the Sustainability Policy.

RISK MANAGEMENT COMMITTEE

The Board has established a Committee to oversee risk management and internal control of the processes by which risk is considered for both ongoing activities 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.

The Committee was comprised of the following members during the year ended 30 June 2024:

| | Name of Director/role | Meetings attended/ eligible to attend (*) |
|---|------------------------------------|--|
| Executive Director | Colin Paterson (<i>Chairman</i>) | 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 2024.

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 an independent non-executive director who do not participate in the daily operations of the Group. The Company considers that objectivity can still be maintained with such arrangements.

Risk management and internal control

The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems and has the responsibility to review annually the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, compliance and Environmental, Social and Governance related controls.

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals. They have a key role in the management of risks that are significant to the fulfilment of business objectives. In addition, they should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

Systems and procedures are put in place to identify, evaluate and monitor the risks of the Group's activities. Annual assessment is performed by the Company and presented to the Risk Management Committee on the effectiveness of the risk management and internal control systems. The Risk Management Committee then will put forward the results and findings to the board for review on the effectiveness of the risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

A discussion of the policies and procedures on the management of each of the major types of risk which the Group manages is included in Note 5 to the consolidated financial statements and in the Management Discussion and Analysis on pages 16 to 17. The Group has a Whistleblower and Anti-bribery and Corruption policies that are available on the Company's website.

During the year ended 30 June 2024 and up to the date of this report, the Risk Management Committee performed the work as summarised below:

- (i) Reviewed and recommended for the Board's annual review the Group's risk management and internal control systems,
- (ii) Reviewed the internal audit report and provided recommendations to the board, and
- (iii) Reviewed and recommended for the Board's annual review the report on the substantiation of resources, qualification and experience of the Group's accounting staff, as well as those relating to ESG performance and reporting, and their training programmes and budget.

Internal audit function

The Company's Internal Audit Function is outsourced to an independent management consultancy to assess the internal control measures of the Group on a yearly basis. The Company considers this suitable for a small company such as the Company. The Company's risk management and internal control systems have been established and are designed to provide reasonable assurance against material misstatement or loss.

For the year ended 30 June 2024, it was concluded that the Company's internal control and risk management systems have been considered effective and adequate and no deficiency was noted. The Company's corporate governance and control functions were reviewed in 2024. These will be reviewed again in 2025, and periodically thereafter.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted a Securities Trading Policy which applies, inter alia, to all directors. 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 (revised as Appendix C3 from 31 December 2023) of the SEHK Listing Rules. 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 throughout the year ended 30 June 2024.

The Company has adopted the same Securities Trading Policy to Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of inside information in relation to the Company or its securities. The Securities Trading Policy complies with ASX Listing Principles and the Model Code for security transactions as set out in Appendix C3 of the SEHK Listing Rules.

Details of the Securities Trading Policy is available on the Company's website.

CODE OF CONDUCT

The Company has adopted a Code of Conduct, the purpose of the Code is to guide and enhance the conduct and behaviour of the directors, senior management and employees in performing their daily roles. The Code of Conduct encourages and fosters a culture of integrity, in all our relationships. This Code of Conduct sets out the principles and standards which the Board, senior management and employees are encouraged to strive towards with each other, shareholders, other stakeholders and the broader community.

Details of the Code of Conduct is available on the Company's website.



CONTINUOUS DISCLOSURE

The directors are committed to keeping the market fully informed of material developments to ensure compliance with the ASX, and SEHK Listing Rules. The directors have observed the disclosure requirements of the ASX and SEHK Listing Rules.

DISCLOSURE OF INSIDE INFORMATION

The Board has a policy for Communications Strategy and Continuous Disclosure policy that includes inside information and the procedures and internal controls for handling and dissemination of inside information. The policy sets out guidelines and procedures for the directors of the Company and senior management of the Group to ensure inside information of the Group is to be disseminated to the public on an equal basis and in a timely manner. Directors and senior management in possession of potential inside information and/or inside information, are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain confidentiality. The policy shall be updated and revised as and when necessary in light of changes in circumstances and changes in the Listing Rules, the Securities and Futures Ordinance, relevant statutory and regulatory requirements from time to time.

Details of the Company's policy for Communication Strategy and Continuous Disclosure Policy is available on the Company's website.

SHAREHOLDERS' ENGAGEMENT

The Board recognises the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents, together with the latest corporate information and news, are also made available on the website of the Company.

The Company's Annual General Meeting ("AGM") is a valuable forum for the Board to communicate directly with shareholders. The Chairman of each of the Audit, Risk Management, Remuneration and Performance, Nomination, and Health, Safety, Environment and Sustainability Committees or in their absence, another member of the respective committees or failing that their respective duly appointed delegate, are also available to answer questions at the AGM. The Chairman of any independent board committee formed as necessary or pursuant to the Listing Rules (or if no such Chairman is appointed, at least a member of the independent board committee) is also available to answer questions at any general meeting of shareholders to approve a connected transaction or any other transaction that is subject to independent shareholders' approval. The external auditor is in attendance and available to answer questions from shareholders relevant to the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditors independence.

The notification of general meeting to shareholders is to be sent at least 21 days before the meeting for all general meetings of the Company including any AGM. An explanation of the detailed procedures of conducting a poll is provided to the shareholders, at the commencement of the meeting. The poll results are published in the manner prescribed per the requirements of the Listing Rules.

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 Companies Act 1981 of Bermuda (the "Act") for the putting forward of such proposals.

During the year, the 2023 AGM of the Company was held on 18 December 2023. The attendance records of the directors at the general meeting are set out in the section headed 'Board Meetings' of this report. Separate resolutions are proposed at general meetings for each substantial issue, including the re-election of retiring directors.

CORPORATE GOVERNANCE REPORT

How shareholders can convene a special general 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. Subject to Section 74 of the Act and Bye-Law 58 of the Company, the Board may, whenever it thinks fit, call special general meetings. Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company and carrying the right to vote at general meetings of 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 requisitioner may do so themselves in accordance with the provisions of Section 74(3) of the Act.

Shareholder enquiries

The Board has established a shareholders' communication strategy and continuous disclosure policy which sets out the channels of communication with the shareholders. A shareholder may serve an enquiry to the Board at the registered office in Hong Kong for the attention of the Board or Company Secretary in written form and state the nature of the enquiry and the reason for making the enquiry. In addition, shareholders can contact Tricor Securities Limited, the share registry of the Company in Hong Kong and Computershare Australia Investor Services Pty Ltd, the share registry of the Company in Australia, for any questions about their shareholdings. These contact details are available in the Corporate Information of the 2024 Annual Report on page 2.

For the year ended 30 June 2024 the Company conducted a review of the effectiveness of the Communication Strategy and Continuous Disclosure Policy. Having considered the multiple channels of communication and engagement in place, the Board is satisfied as detailed above and in the Communication Strategy and Continuous Disclosure Policy that the shareholders' Communication Strategy and Continuous Disclosure Policy has been properly implemented and is effective.

CONSTITUTIONAL DOCUMENTS

The Company has not made any changes to the Amended and Restated Bye-Laws during the year ended 30 June 2024. The Amended and Restated Bye-Laws are available on the website of the Company.

DIVIDEND POLICY

The Board 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.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the Corporate Governance Code and ASX Principles but also about promoting and developing an ethical and healthy corporate culture. The Board will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote and improve our transparency are also welcome.

On behalf of the Board

Brockman Mining Limited

Kwai Sze Hoi

Chairman

Hong Kong, 16 September 2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Brockman Mining Limited is pleased to present the Environmental, Social and Governance Report ("Report" "ESG") for the year ended 30 June 2024, in compliance with applicable code provision of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 (revised to Appendix C2 from 31 December 2023) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong ("SEHK").

The Company has a robust and comprehensive system of governance that is essential to the ongoing sound operation of the Company, and to balancing the interests of the Company's shareholders, suppliers, governments, and the various communities (collectively the "stakeholders") in which the Group operates.

SCOPE AND PERFORMANCE

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 2023 to 30 June 2024 (the "Reporting Period").

This Report has been prepared in accordance with the principles of materiality, quantitative approach, balance and consistency, and complies with the mandatory disclosures requirement and the "comply or explain" provisions recommended by the SEHK. The Group's performance is reviewed annually and reviewed by the Board, Risk Management, and Health, Safety, Environment & Sustainability Committees, details of which are outlined in our "Risk Management and Internal Control" section in the Corporate Governance Statement of the Company's 2024 Annual Report. This Report can be accessed from the Sustainability section of the Company's website www.brockmanmining.com.

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, long-term management while demonstrating consideration for the wellbeing of our people and protection of the environment.

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 and actively operates to:

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

Refer to the Environmental Compliance section on page 50 of this report for the details on the Group's compliance with relevant laws and regulations that have significant impact on the Group.

Looking forward to the future, the Board will undertake annual review of the Group's strategic planning and performance and the outcome of this review will set for the next period the ESG goals and targets based on relevant KPIs. We strive to provide a supportive environment and incorporate ESG initiatives into our strategy to reduce the Group's carbon footprint.



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. |

MATERIALITY ASSESSMENT

The Group defines material stakeholder groups as these who have frequent connections, significant financial and operational influence and form a long term and strategic relationship with the Group.

STAKEHOLDER ENGAGEMENT

Stakeholders and shareholder opinions and engagement are crucial for the continuous improvement of the Group's ESG performance, and the Board recognises the importance of good communication with stakeholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements, and circulars. Such published documents together with updated corporate information and news are made available on the Company's website sections 'Investors and Announcements' respectively.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects and KPIs relevant to this report's disclosure are set out as follows:

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



A. ENVIRONMENTAL

A.1 EMISSIONS

During the year, the Group was at minimal spend and retained office space to continue the advancement of the joint operation with MinRes. 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 from office use.

Relevant KPIs are as shown below:

| | Target of net decrease | 2024 | 2023 |
|--------------------------------------|---------------------------|-----------------------------------|----------------------------|
| i) Purchased electricity consumption | Target not fully realised | 17,018 kWh | 19,522 kWh |
| ii) Scope 1 GHG Emissions | Not significant | Not significant | Not significant |
| iii) Scope 2 GHG Emissions | Target not fully realised | 9,951.13 kg CO₂ | 8,685.58 kgCO ₂ |
| iv) Scope 3 GHG Emissions | Not applicable | Not applicable | 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 significant in our case as our development and production activities have yet to commence.

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

Scope 3 emissions include other indirect GHG emissions that occur outside the Company such as emissions from business travel of employees and paper waste disposed of at landfill, upstream and downstream emissions from the supply chain etc., which is not significant to the Group as our development and production activities have not commenced.

* 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 249.10 m².

GHG intensity by floor area amounts to 39.95 kg CO₂-e/m² (2023: 34.87 kg CO₂-e/m²).

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.

The Company has practically achieved its emission target for the year, and has implemented the following continued measures 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the reporting period, the Company incurred no unnecessary business trips (domestic and overseas) and all board meetings were conducted via electronic communications.

During the reporting period, no material hazardous or non-hazardous waste was generated as our operations are office based in nature. Waste generated includes 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. A further detailed reporting on mine waste will be available when mine and process development activities have commenced.

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. The Company has implemented savings in printing and mailing costs by recommending to Shareholders the election of electronic means of receiving corporate communications.

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.

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 to 17,018 kWh and the electricity usage intensity by floor area amounted to approximately 68.31 kWh/m².

As stated above, the Group endeavours to target 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 by implementing the measures as discussed above.

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).



There is no applicable data of water consumption because it is not feasible to obtain water withdrawal and discharge data as an individual occupant of commercial office leases for the Hong Kong and Australia offices were water supply and discharge are not billed separately by the respective building management. Although data on water usage was not quantifiable, the Group maintains best endeavours to conserve the environment by requiring our employees to report immediately damage to any water facilities and prompt water awareness.

Due to the nature of the activities, there is no packaging of material as our activities does not involve the use of any packaging of 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 Environmental and Water Regulation (DEWR) and Department of Mines, Industry, Resources and Safety (DMIRS).

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). We endeavour to mitigate any environmental disturbance and apply our monitoring schedule when the project commercialises.

Prior to the commencement of exploration activities or mine development, environmental approvals 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 (DMIRS):

1. Programme of work — submission has to include details of mechanised equipment and potential disruption to the ground during exploration 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental Sustainability

Central to the Company's ESG approach is our commitment to creating sustained value for all our stakeholders, shareholders, investors and employees. This vision reflects our belief that business development is inherently intertwined with delivering ESG value. Monitoring and reporting forms part of the Group's proactive approach and includes:

- Contribution to the conservation of biodiversity in the Pilbara region of Western Australia,
- Ground, surface, and discharge water quality, and
- Ensuring contractors support the Company's environmental sustainability policy.

Environmental compliance

Ensuring environmental compliance is integral to the Group's activities. The Group implements environmental management systems and practices, from which we assess and identify potential environmental risks; conduct monitoring; and report the performance results to mitigate the impact of our activities on the environment. The Group strives to promote the efficient use of resources and reduction and prevention of pollution. As a responsible Group we seek to meet, and where possible exceed, the regulatory requirements governing our environmental performance.

The Group complies with all applicable environmental laws, regulations, and standards. The main laws are set out in 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, the Native Title Act 1993 and the Aboriginal Heritage Act 1972.

A number of management plans are in place to provide a framework for the Group to effectively manage its environmental impact and responsibilities. The plans are reviewed regularly and include the following:

- Safety management plans,
- Waste management plans, and
- Environmental monitoring plans.

The principal environmental incidents that could potentially occur at the Group's exploration sites include hydrocarbon spills; the destruction of local wildlife habitats; water substance levels exceeding permits limits; and other incidents that negatively impact the environment. Any environment incidents are reported, investigated, remedied and monitored by the Group and, where appropriate, reported to the responsible authorities.

During the year ended 30 June 2024, there were no environmental approval breaches. All approval and permit levels were complied.

A.4 Climate Change

Commitment

Metals and minerals are a crucial part of the transition towards net zero in Australia and as such the Group will work within Australia and Hong Kong's present and future frameworks and systemically review and revise its environmental management system and processes to achieve continual improvement in environmental performance.

Australia

In 2022, the Australian Parliament adopted a new climate change policy. Australia's long term target is to have net zero emissions by 2050. The Association of Mining and Exploration Companies (AMEC), of which the Group is a member, has developed a guide for member companies towards achieving net zero admissions by 2050.



Hong Kong

The Hong Kong Government launched the Hong Kong Climate Action Plan 2050 on 8 October 2021, setting out the vision of “Zero Carbon Emissions Liveable City Sustainable Development”, and outlining the strategies and targets for combating climate change and achieving carbon neutrality.

In July 2023, the International Organisation of Securities Commissions determined that the International Sustainability Standards Board (“ISSB”) published the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (“IFRS S1”) and the IFRS S2 Climate-related Disclosures (“IFRS S2”), together, the IFRS Sustainability Disclosure Standards (“ISSB Standards”). The SEHK is committed to enhance listed issuers’ climate-related disclosures with reference to IFRS S2 and it is effective from 1 January 2025. The SEHK Environmental, Social and Governance Reporting Code require issuers to make climate-related disclosures in phases.

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. However, safeguards are in place to minimise this risk that includes alarms and flashing beacons to warn of failure of mechanical components (pump and blower). In addition, flood protection will be implemented, to ensure floodwaters do not adversely impact water ways.

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 and a good corporate citizen. Specifically, the Code provides guidance on the following aspects:

- Compliance to laws, rules and regulations,
- Conflicts,
- Fair dealing,
- Knowledge and information security (including handling of confidential information and disclose and securities trading),
- Health, safety and environment,
- Employment practices, and
- Whistleblowing and misconduct reporting.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Code of Conduct is available on the Company's website.

The Group is committed to responsible corporate governance, including the implementation of measures to encourage employees and representatives of the Group to identify and report in good faith any concerns relating to serious misconduct which is, or potentially could be:

- A criminal offence (including theft, violence or threatened violence and criminal damage to property),
- A breach of a legal obligation,
- Dishonest, fraudulent, or corrupt,
- A serious risk to the health of an individual, the public, the environment or the financial system,
- In breach of any of the Group policies, or
- Designed to conceal business records or other evidence related to any of the factors above.

Recruitment and promotion

The Group recognises, and endeavours to protect, the rights of its employees and is committed to providing equal opportunities. The Group engages in transparent and fair recruitment practices, and fair remuneration and disciplinary decisions without regard to gender, age, family position, or ethnicity. The remuneration package provided to our employees includes a basic salary component and other long-term incentives (where appropriate). The Group determines employee remuneration based on qualifications and experience. The Group provides employees with retirement benefits and healthcare benefits (where appropriate) and in accordance with statutory requirements. Apart from offering employees' competitive salary packages, the Group also provides share options to eligible participants.

Compensation and dismissal

In Hong Kong and Australia an employee dismissal is based on relevant local laws and regulations, as well as the requirements in the employee contracts.

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, post-employment benefits subject to the Group's human resources management policy.

Equal opportunity, diversity and anti-discrimination

All directors, senior management and employees of the Group are expected to conduct themselves with integrity, openness, honesty and fairness, and in the best interests of the Group. The Group invests time and resources to fulfil its obligations under the respective laws of Hong Kong and 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, corruption, misconduct, dishonesty, breach of legal obligation or the Company's policies (collectively, "Inappropriate Conduct"). During the reporting period, the Group has not received any compliant from any individual or authority, nor has it paid or was liable to pay any penalty because of any employment law breach.



Diversity

The Company's recognition of the benefits of diversity where people from different gender, age, ethnicity and cultural backgrounds can bring new ideas and perceptions to the workplace 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 measurable objectives with the aim of reporting the progress of these measurable objectives in the annual report.

These measurable objectives 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 measurable objectives shows the comparison to historical data. The historical data is as follows:

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|------|------|------|------|------|
| Proportion of women appointed as Non-Executive Directors | 0 | 0 | 0 | 0 | 0 |
| Proportion of women in the workplace | 14% | 14% | 13% | 15% | 15% |
| Proportion of women in senior management | 7% | 7% | 7% | 8% | 8% |
| Parental leave return rates | N/A | N/A | N/A | N/A | N/A |
| Employee turnover | 0% | 7% | 0% | 0% | 0% |

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 resource industry.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Total workforce:

| | 2024 | | 2023 | |
|---------------------------------|-----------|-----------|-----------|-----------|
| TOTAL WORKFORCE | 14 | | 14 | |
| By nature of work | Australia | Hong Kong | Australia | Hong Kong |
| Corporate directors | 3 | 5 | 3 | 5 |
| Corporate Services | 1 | 3 | 1 | 3 |
| Project Development | — | 1 | — | 1 |
| Exploration | 1 | — | 1 | — |
| Total | 5 | 9 | 5 | 9 |
| By gender | | | | |
| Male | 4 | 8 | 4 | 8 |
| Female | 1 | 1 | 1 | 1 |
| By employee category | | | | |
| Directors (Executive) | 1 | 2 | 1 | 2 |
| Directors (Non-Executive) | 2 | 3 | 2 | 3 |
| Management | 2 | 4 | 2 | 4 |
| By age group | | | | |
| 31-50 | 1 | 1 | 1 | 5 |
| 50+ | 4 | 8 | 4 | 4 |
| EMPLOYEE TURNOVER RATE ANALYSIS | Australia | Hong Kong | Australia | Hong Kong |
| By geographical location | 0% | 0% | 0% | 10% |
| | Male | Female | Male | Female |
| By gender | 0% | 0% | 10% | 0% |
| | 31-50 | 50+ | 31-50 | 50+ |
| By age group | 0% | 0% | 0% | 10% |

During the year, the Group was not aware of any 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 and had not received any complaints from any individual or authority, nor has it paid or was liable to pay any penalty due to employment breaches.



B.2 HEALTH AND SAFETY

The Company is committed to the development of a sustainable iron ore segment in Western Australia that benefits its employees and stakeholders. 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. The Group goes above what is expected to comply with local health and safety legislation and we make every effort to safeguard the health and wellbeing of our employees and stakeholders. The Group's Code of Conduct clearly communicates its attitudes and commitment towards health and safety including conflict resolution and fair dealings.

To operate an effective and sustainable iron ore segment, 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 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 and stakeholders 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.

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;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Demonstrating effective leadership and management of health and safety through risk assessment and the development and implementation of procedures and communication in health and safety issues.

During the year, the Group had no work-related fatality and injury resulting in lost days and in each of the past three years (2023: Nil) and the Group was not aware of any breaches of the relevant laws and regulations relating to the Group providing a safe working environment and protecting employees from occupational hazards.

B.3 DEVELOPMENT AND TRAINING

The Group is committed to fostering a culture of continuous learning in our organisation. 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; and
- Job and activity specific health and safety is provided to employees and contractors.

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 | |
|----------------------------|---------------------------------|------|--|------|
| | 2024 | 2023 | 2024 | 2023 |
| By employment type: | | | | |
| Directors | 57% | 57% | 173 | 173 |
| Senior management | 43% | 43% | 262 | 27 |
| By gender: | | | | |
| Male | 86% | 86% | 230 | 184 |
| Female | 14% | 14% | 205 | 16 |

B.4 LABOUR STANDARDS

Preventing and addressing the Group's own involvement in the use of child or forced labour in any of its activities is central to our current and future sustainability. 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 new employees, checks are conducted to ensure the candidate is of legal age of employment.

During the year, the Group has not employed any person under the age of 18 and incurrence of child labour is not a significant risk factor.



B.5 RESPONSIBLE SUPPLY CHAIN MANAGEMENT

The Group is committed to upholding human rights and respect cultures, customs, and values in all dealings with people, places, and companies involved in our activities. The Group strives to implement environmentally and socially responsible supply chain practices by working closely with all stakeholders including suppliers, local community, and the respective authorities.

A system is in place to ensure procurement practices are free from unfair business practices and including requirements for new vendors as the Group will evaluate the vendors' performance, reliability and pricing. As part of our internal control on procurement procedures, at least 2 quotations will be obtained for each procurement engagement. Also, consideration of previous performance 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 | |
|------------------------|---------------------|-----------|
| | 2024 | 2023 |
| Hong Kong | 15 | 17 |
| Australia | 39 | 43 |
| Total | 54 | 60 |

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 perform reviews on whether internal control processes are being observed. Compliance is actively monitored and reported to the senior management. Any necessary action will be dealt with 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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, and
- 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 activities do not involve the use of intellectual property rights owned by other parties. Nevertheless, the Group has set out the treatment of handling and protecting intellectual rights in our Code of Conduct.

During the year, the Group was not aware of any breaches of the relevant laws and regulations relating to the Group health and safety, advertising, labelling and privacy matters relating to its products and services.

B.7 ANTI-CORRUPTION

The Company is committed to responsible Corporate Governance, including the implementation of measures to encourage employees and stakeholders of the Company to identify and report in good faith any concerns relating to serious misconduct which is, potentially could be a criminal offence, a breach of legal obligation, dishonest, fraudulent, or corrupt, a breach of the Company's policies (collectively, Inappropriate Conduct). Brockman takes a zero tolerance approach to corruption and bribery and is committed to acting professionally, fairly and with integrity in all business dealings. The Company's anti-corruption and bribery, and whistleblower policies are to encourage and foster

a culture of integrity and responsibility within the Group. These policies provide the protected disclosure, how to report Inappropriate Conduct, confidentiality and whistleblower protections. The whistleblower policy outlines how a stakeholder raises his or her concern. The Company's anti-corruption and bribery, and whistleblower policies are periodically reviewed by the Board.

There were no matters relating to Inappropriate Conduct and corrupt practices brought against the Group or its employees during the year (2023: Nil).

The Company has adopted a Securities Trading Policy which applies, inter-alia, to all directors and senior management. The Securities Trading Policy complies with ASX Listing Principles and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 (revised to Appendix C.3 from 31 December 2023) of the SEHK Listing Rules. 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 throughout the year ended 30 June 2024.

During the year ended 30 June 2024, reading material regarding "Update on Listing Rules and Corporate Governance Code, review of the Group's anti-corruption and bribery policy and guidance on implementation of climate reporting" was circulated to all directors of the Company.

A copy of the Code of Conduct, Securities Trading, Anti-corruption and Bribery, and Whistleblower Policies are available in the "corporate governance" section on the Company's website.



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 are 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:

- Protect the environment surrounding its activities; and
- Give environmental aspects due consideration in all phases of our activities, from exploration and evaluation, development and final closure, and
- Act systemically to improve the planning, execution, and monitoring of its environmental performance; 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, balanced and long-term management, while showing due consideration for the wellbeing of people and protection of the environment.

The Group's Sustainability Policy seeks to ensure it is constructive in advancing the social, economic and institutional development of the communities in which it operates. 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.

DIRECTORS' REPORT

The directors present their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 30 June 2024 and the Independent Auditor's Report there on.

REGISTRATION AND LISTING

The Company was registered in Bermuda in accordance with Section 14 of the *Companies Act 1981* on 1 February 2002. The Company's shares were listed on the Main Board of the Stock Exchange Hong Kong Limited ("SEHK") on 5 July 1985 and the Australian Securities Exchange Limited ("ASX") on 11 January 2011.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The principal activities of the 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 and detailed activities of each of the Company's subsidiaries are set out in Notes 7 and 35 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESERVES

Movements in the reserves of the Group during the year are set out in consolidated statement of changes in equity on page 77. The Company had no reserves available for cash distribution and or distribution in specie as at 30 June 2024 (2023: Nil)

PROPERTY, PLANT AND EQUIPMENT

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

RESULTS AND BUSINESS REVIEW

The results of the Company for the year ended 30 June 2024 are set out in the consolidated financial statements on pages 75 to 78 of the Annual Report.

The Group's results and business review, including future developments, financial performance analysis, principal risks and uncertainties facing the Group, environmental policies and performance, compliance with relevant laws and regulations that have significant impact on the Company and key relationships with stakeholders, in accordance with Schedule 5 of the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong), are set out in the Management Discussion and Analysis set out on pages 4 to 19 of this Annual Report. The Group's Environmental, Social and Governance Report on pages 44 to 59 of this Annual Report and to be separately released on the website of the SEHK and the website of the Company in the 'sustainability section' under Environmental, Social and Governance Report. This discussion forms part of this directors' report.

A summary of the published results, and assets, and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 117 of this Annual Report. This summary does not form part of the audited financial statements.

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 2024, the Company has no reserves available for distribution to 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 necessitate the Company to offer new shares on a pro-rata basis to existing shareholders.

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*)
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

Pursuant to code provision B.2.2 of the Corporate Governance Code contained in Appendix 14 (revised as Appendix C1 from 31 December 2023) to the Rules Governing the Listing of Securities on the SEHK (the "SEHK Listing Rules"), every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, clause 84(1) of the Company's Bye-laws Messrs. Kwai Sze Hoi, Chan Kam Kwan, Jason and David Rolf Welch shall retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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.

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 SEHK 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 SEHK Listing Rules. As at the date of this Annual Report, the Company still considers them to be independent.

DIRECTORS' AND KEY MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the key senior management personnel of the Group are set out on pages 20 to 21 of the 2024 Annual Report.

DIRECTORS' REPORT

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Board is responsible for determining, with recommendation from the Remuneration and Performance Committee of the Company, the compensation arrangements for the chairman, directors and key management personnel ("KMP"). 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. For the purposes of this Annual Report, KMP of the Company are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, including any Director (whether Executive or otherwise) of the Company.

Remuneration policy

The Board recognises that the Company's performance depends upon the quality of its directors and executives. To achieve its financial and operating activities, the Company must attract, motivate and retain highly skilled directors and executives. The Company embodies the following principles in its remuneration framework:

- Provides competitive rewards to attract high calibre directors and executives,
- Structures remuneration at a level that reflects the directors' duties, accountabilities and it is competitive within Hong Kong and Australia,
- Benchmarks remuneration against appropriate industry groups.

Details of the Directors' and KMP remuneration are set in Note 14 and 32 to the consolidated financial statements.

DIRECTORS' MEETINGS

The details of directors attendance at board and committee meetings are set out in the Corporate Governance Report on pages 25 to 39 of the 2024 Annual Report.

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

As at 30 June 2024, the interests and short positions of the directors and chief executive and their respective associates in the share capital, and 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 maintained 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 Issuers, 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 share options outstanding | 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. Ross Norgard | Beneficial owner | 64,569,834 | 1,500,000 | 0.71% |
| | Interests of controlled corporation | 185,017,278 | — | 1.99% |
| Mr. Colin Paterson | Beneficial owner | 22,073,004 | — | 0.24% |
| | 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.

The details of the share options outstanding during the year are separately disclosed in the section 'Share Scheme' and note 25 of the consolidated financial statements.

Save as disclosed above, as at 30 June 2024, none of the Directors and Chief Executive, nor their associates had registered an interest or short position in any 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 SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 (revised as Appendix C3 from 31 December 2023) of the SEHK Listing Rules.

SHARE SCHEME

The 2023 Share Scheme (the "Share Scheme") of the Company was adopted by the Company pursuant to the approval by shareholders of the Annual General Meeting ("AGM") on 18 December 2023.

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 share options were granted. The values of share options calculated using the binomial option pricing 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 in 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.

DIRECTORS' REPORT

The particulars of the Share Scheme are set out in Note 25 to the consolidated financial statements and details of the share options outstanding as at 30 June 2024 includes the estimated values of the share options (using the binomial option pricing model), date of grant, vesting period, exercise period and the exercise price of the share options outstanding at the beginning and end of the year which have been granted to Eligible Persons under the previous share option scheme are as follows:

| | Option type | Maximum entitlement of each participant | Outstanding as at 1 July 2023 | Exercised | Lapsed | Forfeited | Cancelled | Granted | Outstanding as at 30 June 2024 | Date of grant of share options | Exercise period of share options | Exercise price (HK\$) | Vesting period of share options | Closing price immediately before date of grant (HK\$) |
|---------------------------------|-------------|---|-------------------------------|-----------|-------------------|-----------|-----------|----------|--------------------------------|--------------------------------|----------------------------------|-----------------------|---------------------------------|---|
| Non-Executive Directors | | | | | | | | | | | | | | |
| Ross Stewart Norgard | 2021A | 1,500,000 | 1,500,000 | — | — | — | — | — | 1,500,000 | 29 June 2021 | 1 January 2022-31 December 2024 | 0.213 | 29 June 2021-1 January 2022 | 0.21 |
| Choi Yue Chun Eugene | 2021A | 1,500,000 | 1,500,000 | — | — | — | — | — | 1,500,000 | 29 June 2021 | 1 January 2022-31 December 2024 | 0.213 | 29 June 2021-1 January 2022 | 0.210 |
| Yap Fat Suan Henry | 2021A | 1,500,000 | 1,500,000 | — | — | — | — | — | 1,500,000 | 29 June 2021 | 1 January 2022-31 December 2024 | 0.213 | 29 June 2021-1 January 2022 | 0.210 |
| David Rolf Welch | 2021A | 1,500,000 | 1,500,000 | — | — | — | — | — | 1,500,000 | 29 June 2021 | 1 January 2022-31 December 2024 | 0.213 | 29 June 2021-1 January 2022 | 0.210 |
| Executive Directors | | | | | | | | | | | | | | |
| Chan Kam Kwan Jason | 2021A | 10,000,000 | 10,000,000 | — | — | — | — | — | 10,000,000 | 29 June 2021 | 1 January 2022-31 December 2024 | 0.213 | 29 June 2021-1 January 2022 | 0.210 |
| Colin Paterson | 2021B | 15,000,000 | 15,000,000 | — | 15,000,000 | — | — | — | — | 29 June 2021 | 1 January 2022-12 May 2024 | 0.295 | 29 June 2021-1 January 2022 | 0.210 |
| Sub-total | | 31,000,000 | 31,000,000 | — | 15,000,000 | — | — | — | 16,000,000 | | | | | |
| Employees | 2021A | 71,000,000 | 70,000,000 | — | — | — | — | — | 70,000,000 | 14 May 2021 | 1 January 2022-31 December 2024 | 0.213 | 14 May 2021-1 January 2022 | 0.207 |
| Employees | 2021B | 2,000,000 | 2,000,000 | — | 2,000,000 | — | — | — | — | 14 May 2021 | 1 January 2022-12 May 2024 | 0.295 | 14 May 2021-1 January 2022 | 0.207 |
| Sub-total | | 73,000,000 | 72,000,000 | — | 2,000,000 | — | — | — | 70,000,000 | | | | | |
| GRAND TOTAL | | 104,000,000 | 103,000,000 | — | 17,000,000 | — | — | — | 86,000,000 | | | | | |
| Weighted average exercise price | | | | 0.23 | 0.30 | — | — | — | 0.21 | | | | | |

As at 30 June 2024, the Company had 86,000,000 share options outstanding under the previous share option scheme which represented approximately 0.9% of the weighted average number of the Company's shares in issue during the year. Should the 86,000,000 share options be fully exercised, the Company will receive HK\$18,318,000 (before issue expenses). The fair value of these unexercised options measured in accordance with the Group's accounting policy note 3(u) and 25 to the consolidated financial statements amounted to HK\$6,716,000.

At the beginning of the year, the number of options and awards available for grant under the previous share option scheme was nil as the scheme expired in August 2022. The new share scheme was approved on 18 December 2023. At 30 June 2024, the number of options and awards available for grant under the Share Scheme is 928,023,213. During the year ended 30 June 2024, no options and awards were granted under the Share Scheme.

Saved as disclosed above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or where any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the section 'Directors and Chief Executives' interest and short positions in shares and underlying shares and debentures', at no time during the year 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 had any interests in any business which competes or is likely to compete, directly or indirectly, with the business of 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 nor a connected entity of a 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, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 June 2024.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 30 June 2024 are disclosed in Note 32 to the consolidated financial statements. The related party transactions did not constitute a continued connected transaction and is an exempted connected transaction under the SEHK Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best of directors' knowledge, as at 30 June 2024 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 options of the Company:

DIRECTORS' REPORT

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 corporation | 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 corporation | 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% |
| Luk Kin Peter Joseph (Note 2) | Beneficial owner | 515,484,276 | 5.55% |
| | Beneficial owner | 50,000,000 | 0.54% |
| KQ Resources Limited | Beneficial owner | 1,301,270,318 | 14.02% |

Notes:

- 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.
- Mr. Luk has a total of 50,000,000 share options, the details of the share options outstanding during the year are separately disclosed in the section 'Share Scheme' and note 25 of the consolidated financial statements.

Save as disclosed above, as at 30 June 2024, no person, other than the directors and chief executive of the Company, whose interests are set out in the section 'Directors' and Chief Executives' interests and short positions in shares and underlying shares and debentures', 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, AND DEBENTURE

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. During the year, the Company has not issued any debentures.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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 provides Directors' and Officers' Liability Insurance covering directors and officers of the Company against liability in their role with the Company, except where the liability arises out of conduct involving a wilful breach of duty. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of this insurance, as such disclosure is prohibited under the terms of the contract.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate operating and administrative expenses attributable to the Group's five largest suppliers were less than 17% of total operating and administrative expenses (include exploration and evaluation expenses and excluding share of joint operation expenditure) 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 best knowledge of the directors owned more than 5% of the Company's share capital), have any beneficial interest in the Group's five largest suppliers.

PENSION SCHEME ARRANGEMENTS

Employers in Hong Kong are obliged under the Mandatory Provident Fund Scheme Ordinance to contribute for its employees 5% of the employees' relevant income to a maximum of HK\$1,500 per month. Employers in Australia are obligated to make superannuation contributions for eligible employees at a superannuation rate of 11.00% (from 1 July 2024 the superannuation contribution rate increased to 11.5%) on gross earnings to a maximum quarterly superannuation payment of A\$6,850 (approximately HK\$35,170) per quarter. No forfeited contribution is available to reduce the contribution payable in the future.

The contributions are charged to the consolidated statement of comprehensive income.

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 and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

PROVISION OF INFORMATION IN RESPECT OF ANY DIRECTOR

Pursuant to Rule 13.51(B)(1) of the SEHK Listing Rules the changes of directors' information of the Company are set out below:

- Mr. Yap Fat Suan, Henry resigned as an independent non-executive director of Concord New Energy Limited on 18 December 2023,
- Mr. David Rolf Welch was appointed on 1 January 2024 as a director of Southern Ports a Western Australian Government Trading Enterprise,
- Mr. Chan Kam Kwan, Jason was appointed on 26 April 2024 as an executive director of Concord New Energy Limited.

Save as disclosed above, upon specific enquiry made by the Company and following confirmations from directors, there were no other changes in the information of the directors required to be disclosed pursuant to Rule 13.51(B)(1) of the SEHK Listing Rules since the Company's last published annual report.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. During the year ended 30 June 2024, the Company has complied with Code provisions of the Corporate Governance Code as set out in Part 2 Appendix of the 14 (revised Appendix C1 from 31 December 2023) of the SEHK Listing Rules, except for the following:

- Code Provision C.2.1, states that the roles of Chairman and Chief Executive should not be performed by the same individual. The position of chief executive officer at the Group level has been vacant during the year. Nevertheless, 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 segment.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 22 to 43 of the 2024 annual report.

DIRECTORS' REPORT

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in note 39 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors as at the date of this Annual Report, the Company has maintained sufficient public float as required under the SEHK Listing Rules.

AUDIT AND NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties, where the auditor's expertise and experience with the Company and the Group are important. The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of non-audit services did not compromise the auditor for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditors own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the year, the following fees were paid or payable for audit and non-audit services provided by Ernst and Young.

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|------------------|------------------|
| <i>Remuneration of Ernst and Young (Australia) for:</i> | | |
| — fees for audit and review of any statutory financial reports covering the Group | 1,068 | 1,018 |
| Fees for other services: | | |
| — tax compliance | 87 | 210 |
| — tax advice | 16 | 392 |
| | 1,171 | 1,620 |
| <i>Remuneration of Ernst and Young (other than Australia) for:</i> | | |
| — fees for audit and review of any statutory financial reports covering the Group | 65 | 60 |
| | 65 | 60 |
| | 1,236 | 1,680 |

RE-APPOINTMENT OF AUDITOR

The consolidated financial statements for the financial year ended 30 June 2024 were audited by Ernst and Young, Australia, who will 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 Accounting and 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, 16 September 2024



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 75 to 116, which comprise the consolidated balance sheet as at 30 June 2024, 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 2024 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.

INDEPENDENT AUDITOR'S REPORT

1. Carrying value of capitalised mining exploration properties

| Why significant | How our audit addressed the key audit matter |
|---|--|
| <p>At 30 June 2024, the Group held capitalised mining exploration properties in Australia of HK\$706,596,000, representing 99% of the Group's total assets.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Refer to Note 17 in the consolidated financial statements for capitalised mining exploration property balances and related disclosures.</p> | <p>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 2024.</p> <p>In performing our procedures, we:</p> <ul style="list-style-type: none">• 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 |
|---|---|
| <p>At 30 June 2024, the Group:</p> <ul style="list-style-type: none"> Recognised a deferred tax asset ("DTA") of HK\$108,679,000 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. Did not recognise a DTA in respect of tax losses amounting to approximately HK\$833,505,000 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. <p>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.</p> <p>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 2024, we consider this a key audit matter.</p> <p>Refer to Notes 4(c), 13 and 26 in the consolidated financial statements for deferred tax balances and related disclosures.</p> | <p>We assessed the Group's decision to carry the DTA at 30 June 2024 and the methodology for determining the amount of the DTA to be carried forward for compliance with IFRS.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We assessed the amount of the Group's available carry forward tax losses and the impact of any known or potential limitations on the availability of the carry forward tax losses. This work included consultation with our tax specialists. We obtained and considered correspondence: <ul style="list-style-type: none"> 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. |

INDEPENDENT AUDITOR'S REPORT

3. Measurement of Polaris loans and non-current payables

| Why significant | How our audit addressed the key audit matter |
|--|--|
| <p>At 30 June 2024, the Group had loans payable to Polaris Metals Pty Ltd ("Polaris") of HK\$37,437,000 as well as non-current payables of HK\$57,104,000 in the consolidated balance sheet, representing 44% of the Group's total liabilities.</p> <p>The Polaris loans were advanced to the Group pursuant to the Farm-in and Joint Venture ("FJV") Agreement between Brockman Iron Pty Ltd ("Brockman Iron") and Polaris. The non-current payables represent the Group's share of the FJV's initial development costs.</p> <p>The Polaris loans are secured and bear no interest. Under the terms of the FJV Agreement, the repayment terms of these loans vary dependent upon a number of conditions relating to the Marillana Project. The Group's expectations regarding the timing of the loan repayments was revised during the current financial year. This led to a remeasurement of these loans, resulting in a gain of HK\$2,833,000 being recognised in consolidated profit or loss.</p> <p>The non-current payables do not bear interest. During the current year their repayment terms were amended such that they are not repayable for at least 15 months from balance date. The resulting remeasurement of these payables gave rise to a gain of HK\$8,755,000 being recognised in the consolidated profit or loss.</p> <p>Given the significant degree of judgement involved in the Group's assessment of:</p> <ul style="list-style-type: none">• The revised timing of the Polaris loan repayments, and• The appropriate market rate of interest for non-current payables <p>Used in the remeasurement of these liabilities, we consider this a key audit matter.</p> <p>Refer to Notes 4(b), 22 and 23 in the consolidated financial statements for the loan and non-current payables balances and related disclosures.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We assessed whether the funding from Polaris and non-current payables were appropriately remeasured in accordance with IFRS 9 Financial Instruments ("IFRS 9").• We considered and challenged the Group's assessment regarding the revised timing of the expected Polaris loan repayments.• We obtained written confirmation of the revised repayment date arrangements for the non-current payables from the counterparty.• With the assistance of our EY Banking and Capital Market specialists, we assessed the Group's market rate of interest used in its amortised cost calculation for the non-current payables.• We obtained and reviewed management's calculation of the remeasurement and classification of these liabilities in accordance with the requirements of IFRS 9.• 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.

INDEPENDENT AUDITOR'S REPORT

- 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
16 September 2024



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

| | | Year ended 30 June | |
|---|-------|--------------------|------------------|
| | Notes | 2024 HK\$'000 | 2023 HK\$'000 |
| Other income | 10 | 1,581 | 48 |
| Administrative expenses | 11 | (16,414) | (16,563) |
| Exploration and evaluation expenses | 11 | (9,518) | (50,207) |
| Operating loss | | (24,351) | (66,722) |
| Finance income | | 11,677 | 221 |
| Finance costs | | (7,887) | (6,616) |
| Finance income, net | 12 | 3,790 | (6,395) |
| Share of loss of joint ventures | 30 | (150) | (130) |
| Loss before income tax | | (20,711) | (73,247) |
| Income tax benefit | 13 | 7,349 | 16,691 |
| Loss for the year | | (13,362) | (56,556) |
| Other comprehensive loss | | | |
| <i>Item that may be reclassified to profit or loss</i> | | | |
| Exchange differences arising from translation of foreign operations | | 673 | (22,368) |
| Other comprehensive income/(loss) for the year | | 673 | (22,368) |
| Total comprehensive loss for the year | | (12,689) | (78,924) |
| Loss for the period attributable to equity holders of the Company | | (13,362) | (56,556) |
| Total comprehensive loss attributable to equity holders of the Company | | (12,689) | (78,924) |
| Loss per share attributable to the equity holders of the Company during the year | | HK cents | HK cents |
| Basic loss per share | 15 | (0.14) | (0.61) |
| Diluted loss per share | 15 | (0.14) | (0.61) |

The notes on pages 79 to 116 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 30 June 2024

| | | As at 30 June | |
|---|-------|------------------|------------------|
| | Notes | 2024 HK\$'000 | 2023 HK\$'000 |
| Non-current assets | | | |
| Mining exploration properties | 17 | 706,596 | 705,842 |
| Property, plant and equipment | 18 | 132 | 144 |
| Right-of-use assets | 19 | 366 | 654 |
| Interest in joint venture | 30(b) | 650 | 630 |
| Other non-current assets | | 123 | 119 |
| | | 707,867 | 707,389 |
| Current assets | | | |
| Other receivables, deposits and prepayments | 21 | 876 | 925 |
| Cash and cash equivalents | 20 | 4,559 | 16,495 |
| | | 5,435 | 17,420 |
| Total assets | | 713,302 | 724,809 |
| Equity | | | |
| Share capital | 24 | 928,023 | 928,023 |
| Reserves | 34 | 3,799,258 | 3,798,584 |
| Accumulated losses | | (4,228,757) | (4,215,395) |
| Total equity | | 498,524 | 511,212 |
| Non-current liabilities | | | |
| Deferred income tax liability | 26 | 79,008 | 86,369 |
| Borrowings | 23 | 75,756 | 64,617 |
| Lease liabilities | 19 | 434 | 718 |
| Other payables | 22 | 57,104 | — |
| | | 212,302 | 151,704 |
| Current liabilities | | | |
| Trade and other payables | 22 | 1,163 | 60,583 |
| Lease liabilities | 19 | 427 | 396 |
| Provisions | 27 | 886 | 914 |
| | | 2,476 | 61,893 |
| Total liabilities | | 214,778 | 213,597 |
| Total equity and liabilities | | 713,302 | 724,809 |

The consolidated financial statements on pages 75 to 116 were approved by the Board of Directors on 16 September 2024 and were signed on its behalf.

Kwai Kwun, Lawrence
Director

Chan Kam Kwan, Jason
Director

The notes on pages 79 to 116 form an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

| | | Share capital | Share premium | Share-based compensation reserve | Translation reserve | Accumulated losses | Total |
|---|-------|----------------|------------------|----------------------------------|---------------------|--------------------|----------------|
| | Notes | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Balance at 1 July 2022 | | 928,023 | 4,468,737 | 92,506 | (740,290) | (4,158,839) | 590,137 |
| Loss for the year | | — | — | — | — | (56,556) | (56,556) |
| Other comprehensive loss | | | | | | | |
| Exchange differences arising on translation of foreign operations | 34 | — | — | — | (22,368) | — | (22,368) |
| Total comprehensive loss for the year | | — | — | — | (22,368) | (56,556) | (78,924) |
| Balance at 30 June 2023 | | 928,023 | 4,468,737 | 92,506 | (762,658) | (4,215,395) | 511,213 |

| | | Share capital | Share premium | Share-based compensation reserve | Translation reserve | Accumulated losses | Total |
|---|-------|----------------|------------------|----------------------------------|---------------------|--------------------|----------------|
| | Notes | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Balance at 1 July 2023 | | 928,023 | 4,468,737 | 92,506 | (762,658) | (4,215,395) | 511,213 |
| Loss for the year | | — | — | — | — | (13,362) | (13,362) |
| Other comprehensive loss | | | | | | | |
| Exchange differences arising on translation of foreign operations | 34 | — | — | — | 673 | — | 673 |
| Total comprehensive loss for the year | | — | — | — | 673 | (13,362) | (12,689) |
| Balance at 30 June 2024 | | 928,023 | 4,468,737 | 92,506 | (761,985) | (4,228,757) | 498,524 |

The notes on pages 79 to 116 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

| | | Year ended 30 June | |
|--|----------|--------------------|------------------|
| | Notes | 2024 HK\$'000 | 2023 HK\$'000 |
| Cash flows from operating activities | | | |
| Loss before tax | | (20,711) | (73,247) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 11,18 | 28 | 30 |
| Depreciation of right-of-use assets | 11,18,19 | 342 | 533 |
| Finance income | 12 | (11,465) | 6,616 |
| Finance cost | 12 | 7,791 | — |
| Gain on disposal of sale of tenements | 10 | (1,540) | — |
| Share of loss of joint venture | 30(b) | 150 | 130 |
| Movements in provisions | | (36) | (230) |
| Other non-cash income and expenses | | (115) | (216) |
| Working capital adjustments: | | | |
| — Decrease in trade receivables & prepayments | | 49 | 74 |
| — Increase in trade and other payables | | 6,308 | 47,068 |
| Net cash flows used in operating activities | | (19,199) | (19,242) |
| Cash flows from investing activities | | | |
| Proceeds from the sale of a tenement | 10 | 1,540 | — |
| Purchase of property, plant and equipment | 18 | (16) | (4) |
| Investment in joint venture | 30(b) | (171) | (133) |
| Interest received | | 204 | 219 |
| Net cash flows from investing activities | | 1,557 | 82 |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | 23, 28 | 6,246 | 8,187 |
| Payment of principal portion of lease liabilities | 19 | (307) | (438) |
| Interest on lease payments | 19 | (96) | (144) |
| Net cash flows from financing activities | | 5,843 | 7,605 |
| Net decrease in cash and cash equivalents | | (11,799) | (11,555) |
| Cash and cash equivalents at beginning of the year | 20 | 16,495 | 28,797 |
| Effects of foreign exchange rate changes | | (137) | (747) |
| Cash and cash equivalents at end of the year | 20 | 4,559 | 16,495 |
| Cash used for exploration and evaluation activities included in operating activities | | (3,769) | (2,800) |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | | 3,778 | 12,577 |
| Non-pledged time deposits with original maturity of less than three months when acquired | | 781 | 3,918 |
| Cash and cash equivalents as stated in the statement of cash flows | 20 | 4,559 | 16,495 |

The notes on pages 79 to 116 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. In the opinion of the directors, the ultimate parent entity is Brockman Mining Limited.

The Company is a public company incorporated and domiciled 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 2024 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.

These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK Listing Rules").

(a) Going concern basis

For the year ended 30 June 2024, the Group recorded a net loss before tax of HK\$20,711,000 (2023: HK\$73,247,000) and had operating cash outflows of HK\$19,199,000 (2023: HK\$19,242,000). 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 (including the Group's share of the joint operation expenses) of the Group's iron ore exploration projects and corporate overhead costs. As at 30 June 2024, the Group's cash and cash equivalents amounted to HK\$4,559,000 (2023: HK\$16,495,000).

On 22 April 2021, Brockman Iron Pty Ltd (a wholly-owned subsidiary of the Company) ("Brockman Iron") and Polaris Metals Pty Ltd ("Polaris") established the 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 sufficient to allow the Joint Operation to fund the initial development costs and the forecast capital costs for development. The Joint Operators have agreed to initial development works that will be funded by Polaris with the cost estimated to be circa A\$36,000,000 (~HK\$184,837,000).

The loans from Polaris of A\$10,000,000 have been released from the escrow account pursuant to the Farm-In and Joint Venture ("FJV") Agreement. Under the terms of the FJV Agreement, these loans are 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 these loans 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 loan from the substantial shareholder amounting to HK\$38,319,000, to 31 December 2025. This loan bears interest at 17% per annum.
- (ii) On 24 January 2024, the substantial shareholder has undertaken to increase the existing loan facility of US\$1,800,000 (approximately HK\$14,054,000) to US\$4,300,000 (approximately HK\$33,572,000) to satisfy the Group's future working capital requirements. Once drawn down it will be unsecured, bear interest at 17% per annum and will be repayable on 31 December 2025.
- (iii) On 25 January and 24 July 2024, the Group drew down US\$1,600,000 (total) (approximately HK\$12,492,000) of the revised loan facility (US\$4,300,000) (approximately HK\$33,572,000) from the substantial shareholder. These loans are unsecured, bear interest at a rate of 17% per annum and are repayable on 31 December 2025. At the date of this report, the undrawn balance of the substantial shareholder loan facility is US\$2,700,000 (approximately HK\$21,081,000).

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

2. BASIS OF PREPARATION (Continued)

(a) Going concern basis (Continued)

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 the 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 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 investing activities. Accordingly, the directors of the Company consider that it is appropriate to prepare the Group's consolidated financial statements as a going concern basis.

Notwithstanding the above, there remains material uncertainty as to whether the Group can raise sufficient funds 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 the 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 amount and classification of liabilities which might be necessary should the Group not continue as a going concern.

3. MATERIAL ACCOUNTING POLICIES

The Group has adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

The material 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 2023. 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 2024, but do not have a significant 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.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applied to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaption for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The new standard had no impact on the Group's consolidated financial statements.



3. MATERIAL ACCOUNTING POLICIES (Continued)

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

New standards, interpretations and amendments adopted by the Group (Continued)

Definition of Accounting Estimates — Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a single Transaction — Amendments to IAS 12

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

International Tax Reform — Pillar Two Model Rules — Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception — the use of which is requirement to be disclosed — applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for interim periods ending on or before 31 December 2023. The amendments had no impact on the Group's consolidated financial statements.

Implication of the abolition of the MPF-long service payment offsetting mechanism

In June 2022, the Government of the HKSAR gazetted the *Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022* (the "Amendment Ordinance"), following which the statutory right of an employer to offset severance payment and the long service leave payment ("LSP") by its mandatory contributions to the mandatory provident fund scheme ("MPF") will be abolished, effective on 1 May 2025. The Group is currently assessing the impact of these amendments.

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 IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed if utilised.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

3. MATERIAL ACCOUNTING POLICIES (Continued)

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

Standards issued but not yet effective (Continued)

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

In January 2020 and October 2022, 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 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.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements — Amendments to IFRS 7 and IAS 7

In May 2023, the IASB issued amendments to *IAS 7 Statement of Cash Flows* and *IFRS 7 Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the Groups consolidated financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The amendments are not expected to have a material impact on the Groups consolidated financial statements.

Amendments to IAS 21 Lack of exchangeability

Amendment to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. The standard will change how companies present their results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures — management performance measures (MPMs) — will now form part of the audited financial statements. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures. The effective date is 1 January 2027 and early adoption is permitted. The Group is currently assessing the impact of this standard.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



3. MATERIAL ACCOUNTING POLICIES (Continued)

(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. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

- Assets, including its share of any assets incurred jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

3. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Joint arrangements (Continued)

(ii) Joint Ventures (Continued)

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) 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.
- for the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

(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.



3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) 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.

(f) 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.

(g) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset. An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

3. MATERIAL ACCOUNTING POLICIES (Continued)

(h) 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 amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are 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 2024, the group does not have any financial assets classified and measured at fair value through other comprehensive income (2023: 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.

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.

(i) Financial liabilities

i) *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, 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. MATERIAL ACCOUNTING POLICIES (Continued)

(i) 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.

(j) Fair value measurement

The Group measures its financial assets and liabilities at fair value upon initial recognition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidate financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(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 on hand and deposits, and have a short maturity of generally within three months when acquired. Restricted cash is not available for use by the Company and is therefore not considered highly liquid.

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, which are not restricted as to use.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

3. MATERIAL ACCOUNTING POLICIES (Continued)

(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 applies:*

- 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) 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. The amounts are unsecured and are usually paid within 30 days of recognition.

Other payables include the Group's share of the joint operation expenditure of HK\$57,104,000 carried at amortised cost and presented as a non current liability as the repayment date is deferred to 30 September 2025 (2023: HK\$59,965,000 presented as a current liability), payable to Mineral Resources Limited, refer to note 22 and 30(a).

(o) Earnings per share

Basic earnings per share ("EPS") is calculated as net profit/loss attributable to members of the parent divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted EPS is calculated as net profit/loss attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

The result is then divided by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus element.



3. MATERIAL 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.

There were no borrowing costs eligible for capitalisation during the year (2023: Nil)

(r) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

(s) 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 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 tax related to assets and liabilities arising from a single transaction (i.e. leases).

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 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 tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future periods in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

3. MATERIAL ACCOUNTING POLICIES (Continued)

(t) 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.

(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 Company operates a defined contribution Mandatory Provident Fund Retirement Benefit Scheme (the "MPF Scheme") under the Mandatory Provident Fund Scheme Ordinance for all its employees contributions are made based on a percentage of the employees basic salaries and are charged to the statement of profit and loss as they became payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed to the MPF Scheme.

For the overseas subsidiaries obligations for contributions to defined contribution plans are expensed as the related services are provided.

(u) 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 and employees 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 consolidated 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 charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. The total amount to be expensed is determined by reference to the fair value of the option granted.

When the share 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 the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

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 share options is reflected as additional share dilution in the computation of earnings per share unless they are antidilutive.



3. MATERIAL ACCOUNTING POLICIES (Continued)

(u) 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.

(v) 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

3. MATERIAL ACCOUNTING POLICIES (Continued)

(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 lessee

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. At inception and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

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 lease liabilities recognised, lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee, 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 lease payments or a change in the assessment to purchase the underlying asset (e.g., a change to future lease payment resulting from a change in an index rate).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term 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 to the leases of low value assets recognition to 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. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(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 2024, the carrying amount of the mining exploration properties is HK\$706,596,000 (2023: HK\$705,842,000). There is no impairment loss recognised for the year ended 30 June 2024 (2023: Nil) as no facts and circumstances suggest that the mining exploration properties may be impaired. See Note 17 for further consideration by the Group.

Estimation uncertainty

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next reporting period are:

(b) Measurement of Polaris loans and non-current payables

Estimating the market interest rate

The Polaris loans were initially recognised at fair value and subsequently measured at amortised cost using a market interest rate of 12%, which the directors believe best reflects the Group's market interest rate for borrowings of these amounts and term.

The other payables that are presented as a non-current liability were initially recognised at fair value and subsequently measured at amortised cost using a market interest rate of 12.1%, which the directors believe best reflects the Group's market interest rate for payables of these amount 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 2024, the carrying amount of these borrowings is HK\$75,756,000 (2023: HK\$64,617,000).

(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 2024, the Group's total tax losses were HK\$1,194,194,000 (2023: HK\$1,196,521,000). The Group did not recognise a deferred income tax asset in respect of tax losses amounting to approximately HK\$833,505,000 (2023: HK\$831,909,000) 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 of HK\$303,189,000 (2023: HK\$289,099,000) that relate to the Company are indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against these losses can be utilised.

The unrecognised tax losses of HK\$530,316,000 (2023: HK\$542,810,000) that relate to Australian subsidiaries 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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including exchange rate risk), credit risk, liquidity risk and interest rate risk. Risk management is carried out by the Executive Committee with guidance from the Risk Management Committee under policies approved by the Board. The Board also provides regular guidance for the overall risk management.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below. 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 concern 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 (excluding non-current liability other payables), 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. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2024 and 2023.

The Group monitors capital using a gearing ratio, which is long-term debt (excluding non-current liability other payables) over equity and long-term debt. The gearing ratios at 30 June 2024 and 2023 were as follows:

| | 2024 | 2023 |
|--------------------------------------|----------|----------|
| | HK\$'000 | HK\$'000 |
| Long-term debt and lease liabilities | 76,190 | 65,335 |
| Total equity | 498,524 | 511,212 |
| Total capital | 574,714 | 576,547 |
| Gearing ratio | 13.3% | 11.3% |

An increase in the Group's long-term debt and hence the Group's gearing ratio increased from 11.3% to 13.3% 30 June 2024 compared with the 30 June 2023.

(ii) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

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.



5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

| | 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 2024 | | | | | | |
| <i>Non-derivative financial liabilities:</i> | | | | | | |
| Trade and other payables | 1,163 | 57,104 | — | — | 65,859 | 58,267 |
| Lease liabilities | 427 | 696 | 17 | — | 1,140 | 861 |
| Borrowings | — | 46,055 | 55,788 | — | 101,843 | 75,756 |
| | 1,590 | 103,855 | 55,805 | — | 168,842 | 134,884 |
| 30 June 2023 | | | | | | |
| <i>Non-derivative financial liabilities:</i> | | | | | | |
| Trade and other payables | 60,583 | — | — | — | 60,583 | 60,583 |
| Lease liabilities | 396 | 427 | 481 | — | 1,305 | 1,114 |
| Borrowings | — | 37,289 | 55,788 | — | 93,504 | 64,617 |
| | 60,979 | 37,716 | 56,269 | — | 155,392 | 126,314 |

The date of repayment for the loans from Polaris 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.

Management and the Board monitor the Group's liquidity reserve on the basis of expected future cashflows. The information is prepared by management and reviewed by the Board includes annual cashflow budgets.

(iii) Fair value estimation

The fair value 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 are approximate to their carrying amounts due to their short-term maturities. The fair value of non-current borrowings is disclosed in note 33.

(iv) Exchange rate risk

During the year, no financial instrument was used for hedging. The Group's financial performance is also affected by movements in AUD:HKD. As at 30 June 2024 and 2023, 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 by assessing the credit quality of the counterparties by taking into account its financial position, past experience and other factors. The Group trades only recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of management. In this regard, the directors of the Company consider that the credit risk of the Group is 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 applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial risk factors (Continued)

(v) *Credit risk (Continued)*

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

(vi) *Interest rate risk*

Fair value interest rate risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk that the future cash flow from a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to manage its exposure to interest rate risk by holding cash in short term, fixed and variable rate deposits with reputable high credit quality financial institutions. The Company analyses its interest rate exposure and consideration is given to potential renewals of existing positions, alternative financing and or the mix of fixed or variable interest rates.

As at 30 June 2024 and 2023, the Group was not exposed to any significant interest rate risk.

6. REVENUE

There was no revenue during the year ended 30 June 2024 (2023: Nil).

7. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are used by the Chief Operating Decision Maker, 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 future development of iron ore projects in Western Australia.

Other — 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.

Discrete financial information about each of these operating segments is reported to the executive directors (the Chief Operating Decision Maker) on at least a monthly basis.

Accounting policies

Segment assets reported to executive directors of the Company are measured in a manner consistent with that in the 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 from continuing operations.



7. SEGMENT INFORMATION (Continued)

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

| | Mineral tenements in Australia HK\$'000 | Other HK\$'000 | Total HK\$'000 |
|--|--|-------------------|-------------------|
| For the year ended 30 June 2024: | | | |
| Segments results | (3,609) | (16,952) | (20,561) |
| Share of loss of joint ventures | | | (150) |
| Loss before income tax | | | (20,711) |
| Other information: | | | |
| Depreciation of property, plant, equipment and right-of-use asset | (367) | (3) | (370) |
| Exploration and evaluation expenses | (9,518) | — | (9,518) |
| Income tax benefit | 7,349 | — | 7,349 |
| Remeasurement of the other payables | 8,632 | — | 8,632 |
| For the year ended 30 June 2023: | | | |
| Segments results | (59,319) | (13,798) | (73,117) |
| Share of loss of joint ventures | | | (130) |
| Loss before income tax | | | (73,247) |
| Other information: | | | |
| Depreciation of property, plant, equipment and right-of-use assets | (382) | (181) | (563) |
| Exploration and evaluation expenses | (50,207) | — | (50,207) |
| Income tax benefit | 16,691 | — | 16,691 |

(b) The following is an analysis of the Group's total assets by business segment as at 30 June 2024:

| | Mineral tenements in Australia HK\$'000 | Other HK\$'000 | Total HK\$'000 |
|--------------------------------------|--|-------------------|-------------------|
| As at 30 June 2024: | | | |
| Segment assets | 709,869 | 3,433 | 713,302 |
| Total segment assets include: | | | |
| Interest in joint ventures | 650 | — | 650 |
| Property, plant and equipment | 121 | 11 | 132 |
| Right-of-use assets | 366 | — | 366 |
| As at 30 June 2023: | | | |
| Segment assets | 717,003 | 7,806 | 724,809 |
| Total segment assets include: | | | |
| Interests in joint ventures | 630 | — | 630 |
| Property, plant & equipment | 144 | — | 144 |
| Right-of-use assets | 654 | — | 654 |

(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:

| | 2024 HK\$'000 | 2023 HK\$'000 |
|-----------|------------------|------------------|
| Hong Kong | — | — |
| Australia | 707,744 | 707,270 |

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

8. EMPLOYEE BENEFIT EXPENSE

| | 2024 HK\$'000 | 2023 HK\$'000 |
|-----------------------------|------------------|------------------|
| Salaries and other benefits | 11,275 | 11,087 |
| Post-employment benefits | 607 | 601 |
| | 11,882 | 11,688 |

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2023: three directors), details of whose remuneration are set out in Note 14. Details of the remuneration for the remaining two (2023: two) highest paid employees who are not directors of the Company are as follows:

| | 2024 HK\$'000 | 2023 HK\$'000 |
|-----------------------------|------------------|------------------|
| Salaries and other benefits | 2,900 | 2,757 |
| Post-employment benefits | 179 | 176 |
| | 3,079 | 2,933 |

The number of non director highest paid employees whose remuneration fell within the following bands, are as follows:

| | Number of individuals | |
|-------------------------------|-----------------------|------|
| | 2024 | 2023 |
| HK\$1,000,000 — HK\$2,000,000 | 2 | 2 |
| HK\$2,000,001 — HK\$3,000,000 | — | — |
| HK\$3,000,001 — HK\$4,000,000 | — | — |
| | 2 | 2 |

10. OTHER INCOME

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|------------------|------------------|
| Proceeds from the sale of a tenement (Note a) | 1,540 | — |
| Other | 41 | 48 |
| | 1,581 | 48 |

Note a: The sale of a non-core tenement to a third party.

11. LOSS BEFORE TAX

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

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|------------------|------------------|
| Depreciation of property, plant and equipment | 28 | 30 |
| Depreciation of right-of-use assets | 342 | 533 |
| Auditor's remuneration: | | |
| Audit services | 1,133 | 1,078 |
| Non-audit services | 103 | 602 |
| Staff costs (including directors' emoluments (note 14)) | 11,882 | 11,688 |
| Exploration and evaluation expenses (excluding staff costs and rental expenses) | 8,256 | 48,997 |



12. FINANCE COSTS, NET

An analysis of finance costs, net is as follows:

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|------------------|------------------|
| Finance income | | |
| Interest income on bank deposits | 212 | 221 |
| Remeasurement of other payables | 8,632 | — |
| Remeasurement of the loans from Polaris | 2,833 | — |
| Finance costs | | |
| Interest on lease liabilities | (96) | (144) |
| Interest on borrowings | (7,791) | (6,472) |
| Finance income, net | 3,790 | (6,395) |

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 (2023: Nil). The applicable corporate income tax rate is 30% (2023: 30%) for subsidiaries in Australia and Hong Kong 16.50% (2023: 16.50%).

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:

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|------------------|------------------|
| Loss before income tax | (20,711) | (73,247) |
| Tax calculated at the applicable domestic tax rate of respective companies (note a) | (3,925) | (18,800) |
| Expenses not deductible for tax purposes | 927 | 74 |
| Deferred tax assets recognised | (7,148) | (242) |
| Tax losses for which no deferred income tax asset was recognised | 2,797 | 2,277 |
| Income tax benefit | (7,349) | (16,691) |

Note a: The weighted average applicable tax rate was 19% (2023: 28%)

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 2024 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 | — | — | — | — | — | — | — |
| Chan Kam Kwan, Jason | — | 1,213 | — | — | — | 56 | 1,269 |
| Kwai Kwun, Lawrence | — | 1,473 | — | — | — | 68 | 1,541 |
| Yap Far Suan, Henry | 228 | — | — | — | — | — | 228 |
| Choi Yue Chun, Eugene | 228 | — | — | — | — | — | 228 |
| David Rolf Welch | 228 | — | — | — | — | — | 228 |
| Ross Stewart Norgard | 228 | — | — | — | — | — | 228 |
| Colin Paterson | — | 1,421 | — | — | — | 120 | 1,541 |
| Total | 912 | 4,107 | — | — | — | 244 | 5,263 |

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

14. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

The remuneration of every director for the year ended 30 June 2023 is set out below:

| Name | Fees HK\$'000 | Salary HK\$'000 | Discretionary bonuses HK\$'000 | Housing allowance HK\$'000 | Share based expense HK\$'000 | Retirement benefit scheme HK\$'000 | Total HK\$'000 |
|-----------------------|------------------|--------------------|--------------------------------------|----------------------------------|------------------------------------|---|-------------------|
| Kwai Sze Hoi | — | — | — | — | — | — | — |
| Chan Kam Kwan, Jason | — | 1,070 | — | — | — | 54 | 1,124 |
| Kwai Kwun, Lawrence | — | 1,210 | — | — | — | 61 | 1,271 |
| Liu Zhengui | 108 | — | — | — | — | — | 108 |
| Yap Far Suan, Henry | 228 | — | — | — | — | — | 228 |
| Choi Yue Chun, Eugene | 228 | — | — | — | — | — | 228 |
| David Rolf Welch | 229 | — | — | — | — | — | 229 |
| Ross Stewart Norgard | 229 | — | — | — | — | — | 229 |
| Colin Paterson | — | 2,018 | — | — | — | 133 | 2,151 |
| Total | 1,022 | 4,298 | — | — | — | 248 | 5,568 |

In the prior years, certain directors were granted options, under the share scheme of the Company, further details of which are set out in note 25 to the consolidated financial statements. The fair value of such share 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 in the prior years.

The executive directors remuneration shown above is for the provision of services in connection with the management of the affairs of the Company and Group. The non-executive directors and independent non-executive directors remuneration shown above are for their services as directors of the Company.

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

No director proposed for re-election at the 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 normal statutory compensation.

(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 (2023: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for early termination of their appointment during the year (2023: 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 (2023: Nil).

(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 2024, 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 (2023: 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 (2023: 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 (2023: 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 year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options). There have been no post balance sheet movements impacting the diluted earnings per share.

| | 2024 | 2023 |
|--|--------------|--------------|
| Loss for the period attributable to the equity holders of the Company (HK\$'000) | (13,362) | (56,556) |
| Weighted average number of ordinary shares for the purpose of calculating the loss per share (thousands) | 9,280,232 | 9,280,232 |
| Effects of dilution from: | | |
| — share options (thousands) | 86,000 | 103,000 |
| Weighted average number of ordinary shares adjusted for the effect of dilution (thousands) | 9,572,732(*) | 9,485,910(*) |
| Loss per share attributable to the equity holders of the Company: | | |
| Basic (HK cents) | (0.14) | (0.61) |
| Diluted (HK cents) | (0.14)(*) | (0.61)(*) |

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\$13,362,000 (2023: HK\$56,556,000), and the weighted average number of ordinary shares 9,280,232,000 (2023: 9,280,232,000) 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 2024, nor has any dividend been proposed since the balance sheet date (2023: Nil).

17. MINING EXPLORATION PROPERTIES

| | Mining exploration properties in Australia HK\$'000 |
|-----------------------------------|---|
| Balance as at 1 July 2022 | 733,677 |
| Exchange differences | (27,835) |
| Balance as at 30 June 2023 | 705,842 |
| Exchange differences | 754 |
| Balance as at 30 June 2024 | 706,596 |

At 30 June 2024 the Group held capitalised mining exploration properties in Australia of HK\$706,596,000 (2023: HK\$705,842,000), representing 99% (2023: 97%) of the Group's total assets.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

17. MINING EXPLORATION PROPERTIES (Continued)

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 2024 in accordance with IFRS 6, taking into account the following factors:

1. The Group still has 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. Further expenditure is forecast for Marillana at 30 June 2024 and beyond, to continue to advance development of Marillana.
4. Under the FJV Agreement, MinRes is to provide the infrastructure solution to transport ore from the Marillana project to a port stockyard at Port Hedland and loading on to ships for export. The MinRes-Hancock Joint Operation Agreement will facilitate this solution for Marillana.
5. In recent years, the iron ore price has increased to levels not seen since 2014 and at 30 June 2024 the price was around A\$159 per tonne (2023: A\$178 per tonne) or US\$105 per dry metric tonne (2023: US\$114 per dry metric tonne) (at an exchange rate of US\$0.66 (2023: US\$0.66)).
6. At 30 June 2024, the Group's market capitalisation was HK\$955,864,000 (2023: HK\$1,410,595,000), in excess of the net assets HK\$498,524,000 (2023: HK\$511,212,000).
7. 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 2024 | | | |
| 1 July 2023 | 144 | 654 | 798 |
| Additions | 16 | 58 | 74 |
| Depreciation | (28) | (342) | (370) |
| Exchange differences | — | (4) | (4) |
| At 30 June 2024 | 132 | 366 | 498 |
| Cost | 4,975 | 2,365 | 7,340 |
| Accumulated depreciation | (4,843) | (1,999) | (6,842) |
| Net book amount | 132 | 366 | 498 |
| For the year ended 30 June 2023 | | | |
| 1 July 2022 | 177 | 801 | 978 |
| Additions | 4 | 980 | 984 |
| Reassessment of lease term | — | (575) | (575) |
| Depreciation | (30) | (533) | (563) |
| Exchange differences | (7) | (19) | (26) |
| At 30 June 2023 | 144 | 654 | 798 |
| Cost | 4,959 | 2,307 | 7,266 |
| Accumulated depreciation | (4,815) | (1,653) | (6,468) |
| Net book amount | 144 | 654 | 798 |

The depreciation expense of HK\$370,000 (2023: HK\$563,000) was included in administration expenses.



19. LEASES

The Group as a lessee

The Group has lease contracts for commercial office space and equipment and the lease contracts include variable lease payments. Generally, the Group is restricted from assigning and subleasing the leased assets outside of the Group.

(a) Right-of-use assets

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

| | 2024 HK\$'000 | 2023 HK\$'000 |
|----------------------------|------------------|------------------|
| Opening balance | 654 | 801 |
| Additions | 58 | 980 |
| Reassessment of lease term | — | (575) |
| Depreciation charge | (342) | (533) |
| Exchange difference | (4) | (19) |
| | 366 | 654 |

(b) Lease liabilities

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

| | 2024 HK\$'000 | 2023 HK\$'000 |
|--|------------------|------------------|
| Opening balance | 1,114 | 1,182 |
| New leases | 58 | 980 |
| Reassessment of lease term | — | (575) |
| Accretion of interest recognised during the year | 96 | 144 |
| Payments | (403) | (582) |
| Exchange difference | (4) | (35) |
| | 861 | 1,114 |

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---------------------|------------------|------------------|
| Analysed into: | | |
| Current portion | 427 | 396 |
| Non-current portion | 434 | 718 |

Refer to note 5(ii) the maturity analysis of lease liabilities.

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

| | 2024 HK\$'000 | 2023 HK\$'000 |
|--|------------------|------------------|
| Interest on lease liabilities | 96 | 144 |
| Depreciation charge of right-of-use assets | 342 | 533 |
| Total amount recognised in profit or loss | 438 | 677 |

20. CASH AND CASH EQUIVALENTS

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | 3,778 | 12,577 |
| Time deposits | 781 | 3,918 |
| | 4,559 | 16,495 |

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

20. CASH AND CASH EQUIVALENTS (Continued)

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

| | 2024 | 2023 |
|------|----------|----------|
| | HK\$'000 | HK\$'000 |
| HK\$ | 1,817 | 1,435 |
| A\$ | 1,947 | 9,500 |
| US\$ | 795 | 5,560 |
| | 4,559 | 16,495 |

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 are deposited with creditworthy banks (AA+) with no recent history of default.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | 2024 | 2023 |
|--------------------------------|----------|----------|
| | HK\$'000 | HK\$'000 |
| Other receivables and deposits | 63 | 52 |
| Prepayments | 813 | 873 |
| | 876 | 925 |

The financial assets included in the above balances relate to receivables for which there were no recent history of default and past due amounts.

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.

| | 2024 | 2023 |
|------------------------------|----------|----------|
| | HK\$'000 | HK\$'000 |
| Current liability | | |
| Trade and other payables | 1,163 | 60,583 |
| Non current liability | | |
| Other payables | 57,104 | — |
| | 58,267 | 60,583 |

Other payables include the Group's share of the joint operation expenditure of HK\$57,104,000 carried at amortised cost and presented as a non-current liability as the repayment date is deferred to 30 September 2025 (2023: HK\$59,965,000 presented as a current liability), payable to Mineral Resources Limited refer to note 2(a) and 30(a).



23. BORROWINGS

| | 2024 HK\$'000 | 2023 HK\$'000 |
|-------------------------------------|------------------|------------------|
| Non-current | | |
| Loans from Polaris | 37,437 | 37,289 |
| Loan from a substantial shareholder | 38,319 | 27,328 |
| | 75,756 | 64,617 |

At 30 June 2024, the borrowings from a substantial shareholder were unsecured, they bore interest at a rate of 17% (2023: 17%) per annum and are repayable on 31 December 2025 (2023: 31 October 2024).

On 18 November 2019 and 4 May 2021, Polaris advanced the first and second tranche of the loans (total advanced 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 2024 and 30 June 2023 | 20,000,000 | 2,000,000 |
| Issued and fully paid | | |
| As at 30 June 2024 and 30 June 2023 | 9,280,232 | 928,023 |

Details of the Company's share scheme are included in the note 25 to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

25. SHARE SCHEME

Share Scheme of the Company

The 2023 Share Scheme (the "Share Scheme") of the Company was adopted by the Company pursuant to the approval by shareholders at the Annual General Meeting on 18 December 2023. The 2023 Share Scheme replaced the previous share option scheme which expired in August 2022.

The purpose of the Share Scheme is to enable the Company to grant options and awards to eligible participants who have contributed or may contribute to the Group, as well as to provide incentives and help the Group in recruiting or retaining its employees, and to provide them with a direct interest in attaining the long-term business objectives of the Group. The eligible participants of the Share Scheme include the Company's directors, including independent non-executive directors and other employees of the Group. The Share Scheme is valid and effective for a period of ten years from the date of its adoption and with an expiry of 18 December 2033.

The total number of shares available for issue under the Share Scheme is 928,023,213, representing 10% of the issued shares as at the date of this annual report. The maximum number of shares issued and to be issued under the Share Scheme to each eligible participant within any 12 month period was limited to 1% of the shares on issue. Any further grant of options and awards in excess of this limit is subject to shareholders' approval in a general meeting.

Share options or awards granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options or awards). In addition, any grant of awards to chief executive or a director (other than an independent non-executive director) of the Company, or any of their associates would result in the shares issued and to be issued in respect of all awards granted to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of awards are subject to shareholders' approval in advance in a general meeting. Where any grant of options or awards to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued or to be issued in respect of all options and awards granted to such person in the 12-month period in aggregate over 0.1% of the Shares in issue, such further grant of options or awards must be approved by shareholders in general meeting.

The period within which the share option may be exercised by the grantee under the Share Scheme is a period to be determined by the Board in its absolute discretion provided that such period shall end not later than 10 years after the date of the grant of the share option.

The vesting period of share options or awards granted under the Share Scheme shall not be less than 12 months except for such circumstances as set out in the rules of the Share Scheme which the Board considers appropriate and such grants align with the purposes of the Share Scheme to shorten the vesting period.

The offer of a grant of options or awards may be accepted within 28 days from the date of the offer, upon payment of a consideration of HK\$1.00 by the grantee (or in the case of the Australian participant, at nil consideration or such other amount of consideration as the Board may determine).

The exercise price of the option is determinable by the directors, shall be at least the highest of: (i) the closing price of the shares as stated in the SEHK's daily quotations sheet on offer date, which must be a business day; (ii) the average closing price of the shares as stated in the SEHK's daily quotations sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of the shares.

The Board may in its absolute discretion determine whether the eligible participant is required to pay any purchase price for the acquisition of the award shares and, if so required, the amount of the purchase price will take into account the practices of comparable companies and the effectiveness of the Share Scheme in attracting and motivating the participant to contribute to the long term development of the Group.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.



25. SHARE SCHEME (Continued)

Share Scheme of the Company (Continued)

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 the 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 share 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) | Closing price immediately before the date of grant (HK\$) | Vesting period | Exercise period | Exercise price (HK\$) |
|-------------|---------------|---------------------------------|---|---|---------------------------------|--------------------------------------|-----------------------|
| 2021A | 29 June 2021 | 17,500,000 | 1,378,000 | 0.210 | 29 June 2022- 1 January 2022 | 1 January 2022 — 31 December 2024 | 0.213 |
| | 14 May 2021 | 71,000,000 | 5,339,000 | 0.207 | 14 May 2021 — 1 January 2022 | 1 January 2022 — 31 December 2024 | 0.213 |
| 2021B | 29 June 2021 | 15,000,000 | 723,000 | 0.210 | 29 June 2021- 1 January 2022 | 1 January 2022 — 12 May 2024 | 0.295 |
| | 14 May 2021 | 2,000,000 | 105,000 | 0.207 | 14 May 2021 — 1 January 2022 | 1 January 2022 — 12 May 2024 | 0.295 |
| | | 105,500,000 | 7,545,000 | | | | |

The Company has applied *IFRS 2 Share-based Payments* when accounting for the fair value of the equity-settled share options granted, which was estimated at the date of grant using the binomial option pricing model prepared by an independent valuer, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | |
|--|-----------------------|
| 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 |

The volatility measured at grant date is referenced to the historical volatility of the shares of the Company and the risk-free rate is referenced to the yield of the Hong Kong Exchange Fund Notes.

The value of share options calculated using the binomial option pricing 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. No other feature of the options granted was incorporated into the measurement of fair value.

For the year ended 30 June 2024, the Company did not recognise an expense (2023: Nil) in relation to the share options granted by the Company as the share options are fully vested.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

25. SHARE SCHEME (Continued)

Share Scheme of the Company (Continued)

Below are the particulars of the outstanding share options at the beginning and at the end of the year which have been granted to Eligible Participants under the previous share option scheme:

| | Option type | Maximum entitlement of each participant | Outstanding as at 1 July 2023 | Granted | Exercised | Cancelled | Forfeited | Lapsed | Outstanding as at 30 June 2024 | Date of grant of share options | Vesting period of share options | Exercise period of share options | Exercise price (HK\$) | Closing price immediately before date of grant (HK\$) |
|---------------------------------|-------------|---|-------------------------------|----------|-----------|-----------|-----------|-------------------|--------------------------------|--------------------------------|---------------------------------|-------------------------------------|-----------------------|---|
| Non-Executive Directors | | | | | | | | | | | | | | |
| Ross Stewart Norgard | 2021A | 1,500,000 | 1,500,000 | — | — | — | — | — | 1,500,000 | 29 June 2021 | 29 June 2021- 1 January 2022 | 1 January 2022- 31 December 2024 | 0.213 | 0.21 |
| Choi Yue Chun Eugene | 2021A | 1,500,000 | 1,500,000 | — | — | — | — | — | 1,500,000 | 29 June 2021 | 29 June 2021- 1 January 2022 | 1 January 2022- 31 December 2024 | 0.213 | 0.210 |
| Yap Fat Suan Henry | 2021A | 1,500,000 | 1,500,000 | — | — | — | — | — | 1,500,000 | 29 June 2021 | 29 June 2021- 1 January 2022 | 1 January 2022- 31 December 2024 | 0.213 | 0.210 |
| David Rolf Welch | 2021A | 1,500,000 | 1,500,000 | — | — | — | — | — | 1,500,000 | 29 June 2021 | 29 June 2021- 1 January 2022 | 1 January 2022- 31 December 2024 | 0.213 | 0.210 |
| Executive Directors | | | | | | | | | | | | | | |
| Chan Kam Kwan Jason | 2021A | 10,000,000 | 10,000,000 | — | — | — | — | — | 10,000,000 | 29 June 2021 | 29 June 2021- 1 January 2022 | 1 January 2022- 31 December 2024 | 0.213 | 0.210 |
| Colin Paterson | 2021B | 15,000,000 | 15,000,000 | — | — | — | — | 15,000,000 | — | 29 June 2021 | 29 June 2021- 1 January 2022 | 1 January 2022- 12 May 2024 | 0.295 | 0.210 |
| Sub-total | | 31,000,000 | 31,000,000 | — | — | — | — | 15,000,000 | 16,000,000 | | | | | |
| Employees | 2021A | 71,000,000 | 70,000,000 | — | — | — | — | — | 70,000,000 | 14 May 2021 | 14 May 2021- 1 January 2022 | 1 January 2022- 31 December 2024 | 0.213 | 0.207 |
| Employees | 2021B | 2,000,000 | 2,000,000 | — | — | — | — | 2,000,000 | — | 14 May 2021 | 14 May 2021- 1 January 2022 | 1 January 2022- 12 May 2024 | 0.295 | 0.207 |
| Sub-total | | 73,000,000 | 72,000,000 | — | — | — | — | 2,000,000 | 70,000,000 | | | | | |
| GRAND TOTAL | | 104,000,000 | 103,000,000 | — | — | — | — | 17,000,000 | 86,000,000 | | | | | |
| Weighted average exercise price | | | 0.23 | — | — | — | — | 0.295 | 0.21 | | | | | |

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

| | 2024 | | 2023 | |
|----------------------------|---|-------------------------------------|---|-------------------------------------|
| | 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 | 0.23 | 103,000 | 0.23 | 104,500 |
| Granted | — | — | — | — |
| Exercised | — | — | — | — |
| Lapsed/cancelled/forfeited | 0.29 | 17,000 | 0.21 | 1,500 |
| At 30 June | 0.21 | 86,000 | 0.23 | 103,000 |

As at 30 June 2024, the Company had 86,000,000 (2023: 103,000,000) number of exercisable share options outstanding with a weighted average exercise price of HK\$0.21 per option (2023: HK\$0.23 per option). The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 86,000,000 (2023: 103,000,000) additional ordinary shares of the Company and additional share capital of HK\$8,600,000 (before issue expense) (2023: \$10,300,000).

As at 30 June 2024, the weighted average of the remaining contractual life of the outstanding share options was 0.5 years (2023: 0.9 and 1.5 years).

No share options were exercised during the year (2023: Nil) and there were no ordinary shares issued of the Company (2023: Nil) and no new share capital (2023: Nil) (before issue expenses) was issued.



25. SHARE SCHEME (Continued)

Share Scheme of the Company (Continued)

During the year, no share options were granted, expired, cancelled, or forfeited (2023: 1,500,000 share options were cancelled at an exercise price of HK\$0.213), and there were 17,000,000 share options lapsed at an exercise price of HK\$0.295 (2023: Nil). As at 30 June 2024, there were no payments or calls made or may be made or loans.

As at 30 June 2024, the Company had 86,000,000 share options outstanding under the previous share option scheme, which represented approximately 0.9% of the weighted average number of Shares in issue for the year ended 30 June 2024.

26. DEFERRED INCOME TAX

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

| | HK\$'000 |
|--------------------------------|-----------------|
| At 1 July 2022 | (106,949) |
| Deferred tax assets recognised | 16,717 |
| Exchange differences | 3,863 |
| At 30 June 2023 | (86,369) |
| Deferred tax assets recognised | 7,520 |
| Exchange differences | (159) |
| At 30 June 2024 | (79,008) |

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

The deferred tax liabilities comprise the taxable temporary difference arising on mining exploration properties of HK\$211,978,000 (2023: HK\$211,753,000) in Australia predominantly offset by deferred tax assets of HK\$108,679,000 (2023: HK\$109,795,000) arising from available tax losses whose realisation is considered probable and the other deferred tax assets.

At 30 June 2024, the Group's total tax losses were HK\$1,194,194,000 (2023: HK\$1,196,521,000) and have no expiry date. The Group did not recognise a deferred income tax asset in respect of tax losses amounting to approximately HK\$833,505,000 (2023: HK\$831,909,000) 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

| | 2024 HK\$'000 | 2023 HK\$'000 |
|-------------------|------------------|------------------|
| Current | | |
| Employee benefits | 886 | 914 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

27. PROVISIONS (Continued)

The Groups subsidiaries in Hong Kong are obligated to make long service payment to qualifying employees in Hong Kong with a minimum of 5 years of employment period upon retirement or termination of employment under certain circumstances in accordance with Hong Kong Employment Ordinance (the "Employment Ordinance"). Long service payment is calculated based on the last monthly salary of the employee and the number of years of service. There are provisions under the Employment Ordinance permitting employers to offset employees' long service leave payments against the accrued benefits attributable to employer's contributions to the MPF scheme. In 2022, the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022 (the "Amendment Bill") was enacted, such that the Group can no longer used accrued benefits arising from MPF mandatory employer contributions to offset employees' long service payment accrued as from the transition date (i.e., May 2025). The enactment of the Amendment Bill is treated as a plan amendment. Except for the statutory right to offset as described above, the long service payment benefits are unfunded.

The net long service leave payment obligations are exposed to interest rate risk, the risk arising from changes in employees' average longevity at retirement or termination of employment, expected rate of future salary increase and market risk associated with investment returns of employees' MPF scheme.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, there were additions to right-of-use assets and lease liabilities of HK\$58,000 (2023: HK\$980,000) and HK\$58,000 (2023: HK\$980,000) respectively, in respect of lease arrangements for commercial office and equipment.

(b) Changes in liabilities from financing activities

| | Borrowings | Lease liabilities |
|---|---------------|-------------------|
| | HK\$'000 | HK\$'000 |
| At 1 July 2023 | 64,617 | 1,114 |
| Changes from financing activities | 6,246 | (403) |
| New leases | — | 58 |
| Remeasurement of the loans from Polaris | (2,833) | — |
| Accretion of the loans from Polaris | 2,940 | — |
| Interest expense on loan from substantial shareholder | 4,851 | — |
| Interest expense on leases | — | 96 |
| Exchange difference | (65) | (4) |
| At 30 June 2024 | 75,756 | 861 |

| | Borrowings | Lease liabilities |
|--|---------------|-------------------|
| | HK\$'000 | HK\$'000 |
| At 1 July 2022 | 51,309 | 1,182 |
| Changes from financing activities | 8,187 | (582) |
| New leases | — | 980 |
| Reassessment of lease term | — | (575) |
| Accretion of the loans from Polaris | 4,123 | — |
| Interest expense on loans from substantial shareholder | 2,349 | — |
| Interest expense on leases | — | 144 |
| Exchange difference | (1,351) | (35) |
| At 30 June 2023 | 64,617 | 1,114 |

29. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

As at 30 June 2024, the Group did not have any capital commitments (2023: Nil).



29. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

(b) Exploration expenditure commitments

Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is very difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure to retain present interests in mineral tenements. Expenditure commitments on mineral tenure for the Group can be reduced by selective relinquishment of exploration tenure.

The approximate minimum level of exploration expenditure to retain current tenements in good standing is A\$1,306,000 equivalent to approximately HK\$6,803,000 (2023: A\$1,259,000 equivalent to approximately HK\$6,551,000), over the next year.

Obligations are subject to change upon expiry of the existing exploration tenure or on application for a new tenure.

(c) Joint Venture commitments

As at 30 June 2024 there were no joint venture commitments (2023: Nil).

(d) Contingent liabilities

As at 30 June 2024 the Group had no contingent liabilities (2023: 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.

Particulars of the Group's material joint operation are as follows:

| Name of joint operation | Ownership interest | Principal activities |
|--|--------------------|--|
| Marillana Joint Operation Note (a) | 50% | Development and operation of the Marillana iron ore project |
| Ophthalmia Joint Operation Note (b) | 50% | Development and operation of the Ophthalmia iron ore project |

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

Note (b): On the 30 November 2021 an unincorporated joint operation was formed with Polaris Metals Pty Ltd in Australia which is seeking to develop the Ophthalmia iron ore project.

(b) Joint ventures

| | 2024 HK\$'000 | 2023 HK\$'000 |
|------------------------------------|------------------|------------------|
| At 1 July 2023 | 630 | 651 |
| Contributions to the joint venture | 171 | 133 |
| Share of loss of joint venture | (150) | (130) |
| Exchange differences | (1) | (24) |
| At 30 June 2024 | 650 | 630 |

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

30. JOINT ARRANGEMENTS (Continued)

(b) Joint ventures (Continued)

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

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|------------------|------------------|
| Share of the joint venturers loss for the year | (150) | (130) |
| Aggregate carrying amount of the Group's investments in the joint venture | 650 | 630 |

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 (c)) | 37% | Port and related infrastructure |

Note c: 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 5% (2023: 5%) of the employees' relevant income to a maximum of HK\$1,500 per month to the MPF scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund. No forfeited contribution is available to reduce the contribution payable in the future.

The employees of the Group subsidiaries in Australia are entitled to superannuation that is a defined contribution plan under which the subsidiaries in Australia contributes 11.0% (2023: 10.5%) of the employees' base salary to a maximum quarterly superannuation payment of A\$6,850 (approximately HK\$35,170) per quarter.

The total cost is charged to administration expense of approximately HK\$607,000 (2023: HK\$601,000) 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 (2023: Nil).

(b) Related party balances

The details of the loans from a substantial shareholder are disclosed in Note 23 and is an exempted connected transaction disclosure according to Chapter 14A of the SEHK Listing Rules.

(c) Compensation of key management personnel

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

| | 2024 HK\$'000 | 2023 HK\$'000 |
|-----------------------------|------------------|------------------|
| Salaries and other benefits | 6,840 | 7,000 |
| Post-employment benefits | 304 | 307 |
| | 7,144 | 7,307 |

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

The remuneration of key management personnel ("KMP") is determined by the Remuneration and Performance Committee having a regard to the position, experience, qualification and performance of the individuals and market trends.



33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group measures financial instruments at fair value at each reporting date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The carrying values of the loans are materially approximate to their fair values and were determined using Level 3 unobservable inputs. The carrying values of the loans are as follows:

| | Carrying amounts | |
|-------------------------------------|------------------|------------------|
| | 2024 HK\$'000 | 2023 HK\$'000 |
| Financial liabilities | | |
| Loans from Polaris | 37,437 | 37,289 |
| Loan from a substantial shareholder | 38,319 | 27,328 |
| | 75,756 | 64,617 |

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, financial liabilities included in trade and other payables are reasonably approximate to their fair values largely due to short term maturities of these instruments.

At each reporting date, the Group analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation (refer to Note 4(c)). 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. RESERVES

The amounts of the Group's reserves and the movements there in for the current and prior years are presented in the consolidated statement of changes in equity on page 77 of the consolidated financial statements.

| | 2024 HK\$'000 | 2023 HK\$'000 |
|----------------------------------|------------------|------------------|
| Share based compensation reserve | 92,506 | 92,506 |
| Translation reserve | (761,985) | (762,658) |
| | (669,479) | (670,152) |

Translation reserve

This reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries.

Share based compensation reserve

This reserve issued for the fair value of the employee services received in exchange for the grant of the share options over the vesting period.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

35. SUBSIDIARIES

The following is a list of the principal subsidiaries as at 30 June 2024 and 30 June 2023:

| | | | | | | | Country of tax residence (Jurisdiction of the body corporate) |
|--|------------------------|--------------------|--|--|-----|--------------------------|--|
| 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 | Hong Kong |
| Wah Nam Iron Ore Limited | BVI | Hong Kong | 1 Ordinary share of US\$1 | 100 | 100 | Investment holding | British Virgin Island |
| 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 | Australia |
| Brockman Iron Pty Ltd | Australia | Australia | 1 Ordinary share of A\$1 | 100 | 100 | Exploration & evaluation | Australia |
| Brockman Exploration Pty Ltd | Australia | Australia | 1 Ordinary share of A\$1 | 100 | 100 | Exploration & evaluation | Australia |
| Brockman East Pty Ltd | Australia | Australia | 1 Ordinary share of A\$1 | 100 | 100 | Exploration & evaluation | Australia |
| Yilgarn Mining (WA) Pty Ltd | Australia | Australia | 841,001 Ordinary shares of A\$1 | 100 | 100 | Exploration & evaluation | Australia |
| Brockman Infrastructure Pty Ltd | Australia | Australia | 1 Ordinary share of A\$1 | 100 | 100 | Rail infrastructure | Australia |
| Brockman Ports Pty Ltd | Australia | Australia | 76 Ordinary shares of A\$1 each | 100 | 100 | Port infrastructure | Australia |
| Brockman Maverick Pty Ltd | Australia | Australia | 2 Ordinary shares of A\$1 | 100 | 100 | Exploration & evaluation | Australia |
| Brockman Holdings (Australia) Pty Ltd | Australia | Australia | 12 Ordinary shares of A\$1 each | 100 | 100 | Investment holding | Australia |

36. REMUNERATION OF AUDITORS

The Auditor of Brockman Mining Limited is Ernst and Young:

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|------------------|------------------|
| Ernst and Young (Australia) | | |
| — Fees for audit and review of any statutory financial reports covering the group | 1,068 | 1,018 |
| Fees for other services: | | |
| — Tax compliance | 87 | 210 |
| — Tax advice | 16 | 392 |
| | 1,171 | 1,620 |
| Ernst and Young (other than Australia) | | |
| — Fees for audit and review of any statutory financial reports covering the Group | 65 | 60 |
| | 65 | 60 |
| | 1,236 | 1,680 |



37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Information about the Statement of financial position of the Company at the end of the reporting period is as follows:

| | | As at 30 June | |
|---|------|------------------|------------------|
| | Note | 2024 HK\$'000 | 2023 HK\$'000 |
| Non-current assets | | | |
| Property, plant and equipment | | 11 | — |
| | | 11 | — |
| Current assets | | | |
| Other receivables, deposits and prepayments | | 641 | 644 |
| Amounts due from subsidiaries | | 729,065 | 728,288 |
| Cash and cash equivalents | | 1,256 | 6,069 |
| | | 730,962 | 735,001 |
| Total assets | | 730,973 | 735,001 |
| Equity and liabilities | | | |
| Share capital | | 928,023 | 928,023 |
| Reserves | (a) | (482,437) | (467,389) |
| Total equity | | 445,586 | 460,634 |
| Non-current liabilities | | | |
| Borrowings | | 38,319 | 27,328 |
| | | 38,319 | 27,328 |
| Current liabilities | | | |
| Trade and other payables | | 157 | 114 |
| Amount due to subsidiaries | | 246,911 | 246,925 |
| | | 247,068 | 247,039 |
| Total liabilities | | 285,387 | 274,367 |
| Total equity and liabilities | | 730,973 | 735,001 |

The balance sheet of the Company was approved by the Board of Directors on 16 September 2024 and was signed on its behalf.

Kwai Kwun, Lawrence
Director

Chan Kam Kwan, Jason
Director

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

A summary of the Company's Reserves (note (a)) is as follows:

| | Share premium | Share-based compensation reserve | Accumulated losses | Total |
|--------------------------------|------------------|----------------------------------|--------------------|------------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Balance at 1 July 2022 | 4,468,737 | 92,506 | (4,991,766) | (430,523) |
| Comprehensive income: | | | | |
| Loss for the year | — | — | (36,866) | (36,866) |
| At 30 June 2023 | 4,468,737 | 92,506 | (5,028,632) | (467,389) |
| Comprehensive income: | | | | |
| Loss for the year | — | — | (15,048) | (15,048) |
| Balance at 30 June 2024 | 4,468,737 | 92,506 | (5,043,680) | (482,437) |

The share-based compensation reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in Note 3 (u) and note 25 to the consolidated financial statements. The amount will be transferred to share capital when the options are exercised.

38. STATEMENT OF CASHFLOWS FOR THE COMPANY

| | Year ended 30 June | |
|---|--------------------|------------------|
| | 2024 HK\$'000 | 2023 HK\$'000 |
| Cash flows from operating activities | | |
| Loss before tax | (15,048) | (36,866) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 2 | 3 |
| Depreciation of right-of-use assets | — | 178 |
| Finance costs | 4,851 | 2,349 |
| Finance income | (128) | (75) |
| Foreign currency translation | (3,005) | 105,286 |
| Working capital adjustments: | | |
| — Increase in trade receivables & prepayments | 3 | 99 |
| — (Decrease)/increase in trade & other payables | 43 | (250) |
| — Increase/(decrease) in amounts due (from) subsidiaries | 2,108 | (76,578) |
| Net cash flows used in operating activities | (11,174) | (5,854) |
| Investing activities | | |
| Purchase of property, plant & equipment | (13) | — |
| Interest received | 128 | 75 |
| Net cash flows from investing activities | 115 | 75 |
| Financing activities | | |
| Proceeds from borrowings | 6,246 | 8,187 |
| Payment of principal portion of lease liabilities | — | (198) |
| Net cash flows from financing activities | 6,246 | 7,989 |
| Net (decrease)/increase in cash and cash equivalents | (4,813) | 2,210 |
| Cash and cash equivalents at beginning of the year | 6,069 | 3,859 |
| Cash and cash equivalents at end of the year | 1,256 | 6,069 |

39. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 24 July 2024, the Group drew down US\$800,000 (approximately HK\$6,314,000) of the revised loan facility US\$4,300,000 (approximately HK\$33,572,000) from the substantial shareholder. The loans are unsecured, bear interest at a rate of 17% per annum and are repayable on 31 December 2025.

FINANCIAL SUMMARY

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| | 2024 HK\$'000 Note a | 2023 HK\$'000 | 2022 HK\$'000 | 2021 HK\$'000 | 2020 HK\$'000 |
|--|-----------------------------------|------------------|------------------|------------------|------------------|
| RESULTS | | | | | |
| Revenue | — | — | — | — | — |
| Loss before income tax | (20,711) | (73,247) | (31,865) | (28,318) | (22,606) |
| Income tax benefit | 7,349 | 16,691 | 11,051 | 14,146 | 1,590 |
| Loss for the year from continuing operations | (13,362) | (56,556) | (20,814) | (14,172) | (21,016) |
| Loss for the year | (13,362) | (56,556) | (20,814) | (14,172) | (21,016) |
| Attribute to: | | | | | |
| Equity holders of the Company | (13,362) | (56,556) | (20,814) | (14,172) | (21,016) |
| Earnings/(loss) per share (HK cents) | | | | | |
| — Basic | (0.14) | (0.61) | (0.22) | (0.15) | (0.23) |
| — Diluted | (0.14) | (0.61) | (0.22) | (0.15) | (0.23) |

| | 2024 HK\$'000 | 2023 HK\$'000 | 2022 HK\$'000 | 2021 HK\$'000 | 2020 HK\$'000 |
|-------------------------------|-------------------------|------------------|------------------|------------------|------------------|
| ASSETS AND LIABILITIES | | | | | |
| Total assets | 713,302 | 724,809 | 765,225 | 834,173 | 769,720 |
| Total liabilities | 214,778 | (213,597) | (175,088) | (188,471) | (167,627) |
| | 498,524 | 511,212 | 590,137 | 645,702 | 602,093 |
| Total equity | 498,524 | 511,212 | 590,137 | 645,702 | 602,093 |

Note a: The financial figures above were extracted from the consolidated financial statements.

ASX ADDITIONAL INFORMATION

A. DISTRIBUTION OF SHAREHOLDINGS AS AT 2 SEPTEMBER 2024

Additional information required by the ASX Limited Listing Rules is set out below:

| Category | Ordinary shares | | Unlisted options @ HK\$0.213 | |
|------------------|-----------------|----------------------|------------------------------|-------------------|
| | Holders | Size of holding | Holders | Size of holding |
| 1 – 1,000 | 797 | 187,117 | | |
| 1,001 – 5,000 | 169 | 389,212 | | |
| 5,001 – 10,000 | 117 | 951,331 | | |
| 10,001 – 100,000 | 674 | 27,223,913 | | |
| 100,001 and over | 319 | 9,251,480,558 | | |
| TOTAL | 2,076 | 9,280,232,131 | 9 | 86,000,000 |

Minimum A\$500.00 parcel cannot be calculated due to no price.

Unquoted Securities

As at 2 September 2024, unlisted options amounted to a total of 86,000,000 units. These options have an exercise price of HK\$0.213 an expiry date of 31 December 2024.

B. TWENTY LARGEST SECURITY HOLDERS AS AT 2 SEPTEMBER 2024

| | Name | Number of shares | % |
|---|---|------------------|-------|
| * | 1 Ocean Line Holdings Ltd/Kwai Sze Hoi | 2,718,248,137 | 29.29 |
| Δ | 2 China Vered Securities Ltd | 764,904,972 | 8.24 |
| Δ | 3 Industrial & Commercial Bank of China | 523,812,834 | 5.64 |
| * | 4 Luk Kin Peter Joseph | 515,484,276 | 5.55 |
| * | 5 KQ Resources Ltd | 486,485,462 | 5.24 |
| Δ | 6 Everbright Securities Investment | 436,512,608 | 4.70 |
| Δ | 7 UBS Securities Hong Kong Ltd | 400,969,701 | 4.32 |
| Δ | 8 Yunfeng Securities Ltd | 358,660,872 | 3.86 |
| Δ | 9 Global Mastermind Securities Ltd | 330,227,592 | 3.56 |
| Δ | 10 Citibank N.A. | 290,638,593 | 3.13 |
| Δ | 11 The Hong Kong and Shanghai Banking | 284,004,984 | 3.06 |
| * | 12 Cornerstone Pacific Limited | 250,000,000 | 2.69 |
| * | 13 Longfellow Nominees Pty Ltd/Ross Stewart Norgard | 249,587,112 | 2.69 |
| Δ | 14 BNP Paribas | 183,021,496 | 1.97 |
| * | 15 Barwick Investments Ltd | 174,668,000 | 1.88 |
| Δ | 16 Futu Securities International | 124,958,664 | 1.35 |
| Δ | 17 Guoyuan Securities Brokerage (Hong Kong) | 122,921,600 | 1.32 |
| Δ | 18 HSBC Broking Securities (Hong Kong) Ltd | 111,025,000 | 1.19 |
| * | 19 Zhang Li | 80,000,000 | 0.86 |
| Δ | 20 DBS Bank (Hong Kong) Ltd | 78,210,300 | 0.84 |

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") ("Δ"). 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% |
| Luk Kin Peter Joseph (Note 2) | Beneficial owner | 515,484,276 | 5.55% |
| | 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 66.

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

There are no voting rights attached to the options.

E. STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange. The home exchange is Perth. The Company's primary listing is The Stock Exchange of Hong Kong.

ASX ADDITIONAL INFORMATION

G. TENEMENT SCHEDULE — AS AT 2 SEPTEMBER 2024

| 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% |
| 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 | M | 47/1414 | Iron Ore | Granted | 50% |
| Marillana | East Pilbara | E | 47/3170 | Iron Ore | Granted | 50% |
| Marillana | East Pilbara | E | 47/3532 | Iron Ore | Granted | 50% |
| Ophthalmia | East Pilbara | E | 47/1598 | Iron Ore | Granted | 50% |
| Ophthalmia | East Pilbara | E | 47/2280 | Iron Ore | Granted | 50% |
| Ophthalmia | East Pilbara | E | 47/2291 | Iron Ore | Granted | 50% |
| Ophthalmia | East Pilbara | E | 47/3549 | Iron Ore | Granted | 50% |
| Ophthalmia | East Pilbara | R | 47/0013 | Iron Ore | Granted | 50% |
| Ophthalmia | East Pilbara | R | 47/0015 | Iron Ore | Granted | 50% |
| Ophthalmia | East Pilbara | R | 47/0016 | Iron Ore | Granted | 50% |
| Ophthalmia | East Pilbara | E | 47/4240 | Iron Ore | Granted | 50% |
| Punda Spring | East Pilbara | E | 47/3575 | Iron Ore | Granted | 100% |
| Punda Spring | East Pilbara | E | 47/5004 | Iron Ore | Application | 100% |
| Punda Spring | East Pilbara | E | 47/4293 | Iron Ore | Application | 100% |
| Punda Spring | East Pilbara | E | 47/5112 | Iron Ore | Application | 100% |

