



BROCKMAN

布萊克萬礦業有限公司
BROCKMAN MINING LIMITED

Incorporated in Bermuda with limited liability

SEHK Stock Code: 159

ASX Stock Code: BCK



QUARTERLY REPORT

For the quarter ended
30 September 2019

Table of Contents

1. HIGHLIGHTS	3
2. MARILLANA IRON ORE PROJECT.....	4
3. CORPORATE REVIEW	4
4. TENEMENTS	5
5. CORPORATE PROFILE	6
6. GLOSSARY.....	7
7. APPENDIX 5B.....	9

1. HIGHLIGHTS

- Work continued towards the satisfaction of the Farm-In Obligations by Polaris. The parties also agreed to extend the Farm-In Period to 31st July 2020.
- Brockman Iron and Polaris agreed to vary certain key dates under the FJV Agreement. Those dates are: (i) Construction commencement of the Rail and Port System is to be extended from 'on or before 31 December 2019' to 'on or before 31 December 2020'; and (ii) Operation commencement of the Rail and Port System is to be extended from 'on or before 31 December 2021' to 'on or before 31 December 2022'.
- The Mine to Ship Services Agreement (MSA) that was entered by Brockman Iron, Polaris, MRL and SPV (a wholly-owned subsidiary of MRL) on 21 January 2019 has been amended. The satisfaction of the Conditions Precedent for the MSA is now extended from 31 December 2019 to 31 December 2020.

2. MARILLANA IRON ORE PROJECT

Transfer of 50% Interest in Marillana Project, Formation of Unincorporated Joint Venture, and Mine to Ship Services Agreement

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

The FJV Agreement became Unconditional on 21 January 2019, marking the commencement of the Farm-in Period. During the Farm-In Period, Polaris shall perform its Farm-in Obligations on the Marillana Project. Upon Polaris satisfying the Farm-in Obligations, the Joint Venture shall be established (Farm-in Date) and the Farm-in Interest will be transferred to Polaris. The parties have agreed that the Farm-In Period will be extended to 31 July 2020 to give Polaris extra time to complete the Farm-In Obligations.

The Joint Venturer and a subsidiary of MRL (SPV) have also entered into the Mine to Ship Services Agreement (MSA) for the transport of the Marillana iron ore product via a light-rail system from the mine site to Port Hedland on 21 January 2019. The MSA is subject to several conditions precedent including execution of an agreement with the State of Western Australia, procuring all the leases and licences for the light rail system and at Port Hedland, MRL and SPV obtaining the

finance to fund the construction and commissioning of the rail and port infrastructure and MRL's board making a final capital investment decision to proceed with the infrastructure project.

Upon satisfaction of all conditions under the Mine to Ship Logistics Agreement, MRL will be obliged to construct and commission the rail and port infrastructure needed to establish, operate and provide a service to transport up to 30Mtpa of iron ore from the mine site to Port Hedland and on to vessels for export for the life of the Marillana Project.

During the period, Brockman Iron and Polaris have agreed to extend certain key dates pertaining to the FJV Agreement and the MSA. Those dates are: (i) Construction commencement of the Rail and Port System is to be extended from 'on or before 31 December 2019' to 'on or before 31 December 2020'; (ii) Operation commencement of the Rail and Port System is to be extended from 'on or before 31 December 2021' to 'on or before 31 December 2022; and (iii) The satisfaction of the Conditions Precedent for the MSA is now extended from 31 December 2019 to 31 December 2020.

3. CORPORATE REVIEW

Cash position

The consolidated cash position of the Group as at 30 September 2019 was HK\$14.7 million.

4. TENEMENTS

Tenements disposed of during the Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Duck Creek East	West Pilbara	E	47/2215	Iron Ore	Surrendered	0%
Phils Bore	West Pilbara	E	47/2905	Iron Ore	Surrendered	0%

Tenements acquired during the Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Ophthalmia	East Pilbara	E	47/4240	Iron Ore	Application	100%

Tenements held at end of Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Duck Creek	West Pilbara	E	47/1725	Iron Ore	Granted	100%
Duck Creek	West Pilbara	E	47/3152	Iron Ore	Granted	100%
Duck Creek East	West Pilbara	E	47/2994	Iron Ore	Granted	100%
Fig Tree	East Pilbara	E	47/3025	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3363	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3364	Iron Ore	Granted	100%
Madala Bore	West Pilbara	E	47/3285	Iron Ore	Granted	100%
Marandoo	West Pilbara	E	47/3105	Iron Ore	Granted	100%
Marillana	East Pilbara	L	45/0238	Iron Ore	Application	100%
Marillana	East Pilbara	M	47/1414	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3170	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3532	Iron Ore	Application	100%
Mindy	West Pilbara	E	47/3585	Iron Ore	Granted	100%
Mindy	West Pilbara	E	47/4206	Iron Ore	Application	100%
Mt King	West Pilbara	E	47/3446	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/1598	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/2280	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/2291	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/3549	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/4240	Iron Ore	Application	100%
Ophthalmia	East Pilbara	R	47/0013	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0015	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0016	Iron Ore	Granted	100%
Parson George	East Pilbara	E	47/3217	Iron Ore	Granted	100%
Parson George	East Pilbara	E	47/3491	Iron Ore	Granted	100%
Punda Spring	East Pilbara	E	47/4037	Iron Ore	Application	100%
Punda Spring	East Pilbara	E	47/4038	Iron Ore	Application	100%
Punda Spring	East Pilbara	E	47/4039	Iron Ore	Application	100%
Punda Spring	East Pilbara	E	47/4040	Iron Ore	Application	100%
Punda Spring	West Pilbara	E	47/3575	Iron Ore	Granted	100%
Tom Price	West Pilbara	E	47/3565	Iron Ore	Granted	100%

5. CORPORATE PROFILE

Brockman Mining Limited

ARBN 143 211 867

Non-executive Directors:

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

Executive Directors:

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

Independent Non-executive Directors:

Yap Henry Fat Suan
Choi Yue Chun Eugene
David Rolf Welch

Registrars

Principal Share Registrars and Transfer Office

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Branch Share Registrars and Transfer Office —Hong Kong

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

Branch Share Registrars and Transfer Office —Australia

Computershare Investor Services Pty Limited
Reserve Bank Building
Level 11, 172 St George's Terrace
Perth, Western Australia, 6000

Securities on issue at 30 September 2019

Quoted securities

9,221,232,131 fully paid shares on issue

Unquoted securities

149,500,000 unlisted options granted

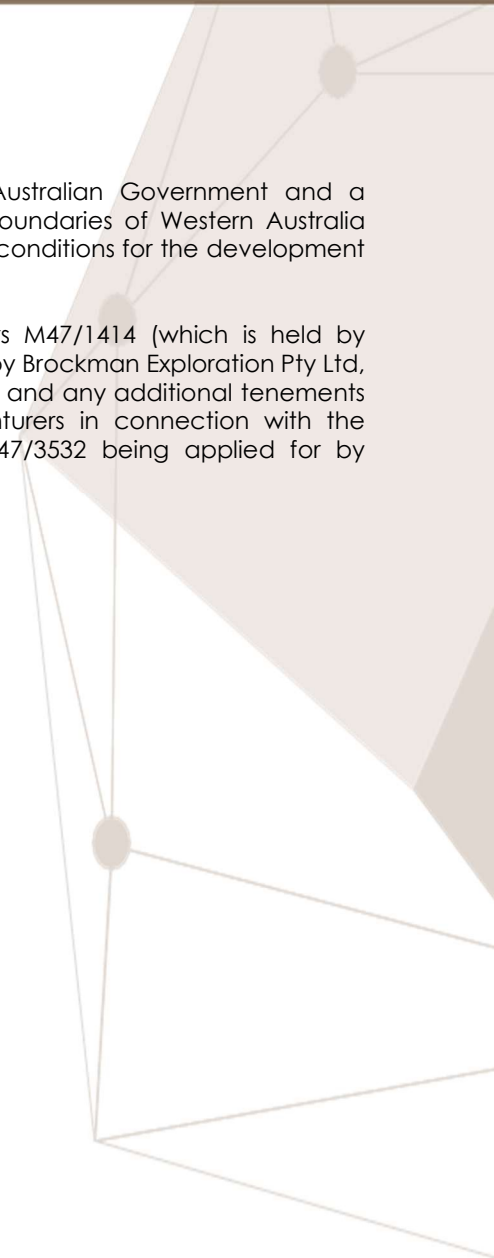
- 134,000,000 share options, expiring 31 December 2020 EX HK\$0.124
- 15,500,000 share options, expiring 31 December 2020 EX HK\$0.162

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

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

6. GLOSSARY

"ASX"	ASX Limited ABN 98 008 624 691
"AUD"	Australian dollars
"Board"	the Board of Directors of the Company
"Brockman" or "Company"	Brockman Mining Limited ARBN 143 211 867, the shares of which are listed on the SEHK and ASX
"Brockman Iron"	Brockman Iron Pty Ltd, a wholly owned subsidiary of the Company
"Buy-Out"	Brockman Iron's acquisition of Polaris' JV Interest in the event the certain timeline in relation to the Rail and Port System is not met pursuant to the FJV Agreement
"Farm-in Date"	the date the Farm-in Obligations are satisfied by Polaris
"Farm-in Interest"	a 50% undivided registered legal interest in the Tenements
"Farm-in Obligations"	the obligations under which Polaris is required to satisfy in order to earn a 50% interest in the Marillana Project under the FJV Agreement
"Farm-in Period"	the period commencing on the Unconditional Date and ending on the date that is the later of the date that Polaris satisfies the Farm-in Obligations and the date that is 6 months after the Unconditional Date
"FJV Agreement"	the farm-in and joint venture agreement 26 July 2018 entered into between Brockman Iron and Polaris
"Group"	Brockman Mining Limited, its associates and subsidiaries
"Joint Venture"	the unincorporated joint venture to be established between Brockman Iron and Polaris pursuant to the terms of the FJV Agreement
"Joint Venturer"	a party which holds a JV interest, which as the date of the FJV Agreement means each Brockman Iron and Polaris
"Marillana Project"	the 100% owned iron ore project of the Company located in the Hamersley Iron Province within the Pilbara region of Western Australia
"MRL"	Mineral Resources Limited, the shares of which are listed on the ASX
"Polaris"	Polaris Metals Pty Ltd, a wholly owned subsidiary of MRL
"Products"	all iron ore or other mineral or metallic ores, concentrates, metals and other mineralised products, and any other mineral resources, processed, smelted or refined from ores extracted from the Marillana Project
"Rail and Port System"	a bulk ore rail and port system to enable Products from the Marillana Project to be transported to Port Hedland
"SEHK"	the Stock Exchange of Hong Kong Limited
"SPV"	a wholly owned subsidiary of MRL, ACN 629 927 911



"State Agreement"	a legal contract between the Western Australian Government and a proponent of a major project within the boundaries of Western Australia setting out the rights, obligations, terms and conditions for the development of the specific project
"Tenements"	mining/exploration tenements with numbers M47/1414 (which is held by Brockman Iron) and E47/3170 (which is held by Brockman Exploration Pty Ltd, a wholly owned subsidiary of the Company) and any additional tenements applied for or acquired by the Joint Venturers in connection with the Marillana Project including L45/238 and E47/3532 being applied for by Brockman Iron

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

BROCKMAN MINING LIMITED

ABN

ARBN 143 211 867

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter HK\$'000	Year to date (3 months) HK\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	—	—
1.2 Payments for		
(a) exploration & evaluation	(1,485)	(1,485)
(b) development	—	—
(c) production	—	—
(d) staff costs	(2,756)	(2,756)
(e) administration and corporate costs	(2,025)	(2,025)
1.3 Dividends received (see note 3)	—	—
1.4 Interest received	56	56
1.5 Interest and other costs of finance paid	—	—
1.6 Income taxes paid	—	—
1.7 Research and development refunds	—	—
1.8 Other (provide details if material)		
(a) Advanced from related party	—	—
1.9 Net cash from / (used in) operating activities	(6,210)	(6,210)

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

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

Consolidated statement of cash flows		Current quarter HK\$'000	Year to date (3 months) HK\$'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,906	20,906
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,210)	(6,210)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	—	—
4.4	Net cash from / (used in) financing activities (item 3.10 above)	—	—
4.5	Effect of movement in exchange rates on cash held	(34)	(34)
4.6	Cash and cash equivalents at end of period	14,662	14,662

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter HK\$'000	Previous quarter HK\$'000
5.1	Bank balances	14,662	20,906
5.2	Call deposits	—	—
5.3	Bank overdrafts	—	—
5.4	Other (provide details)	—	—
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	14,662	20,906

6.	Payments to directors of the entity and their associates	Current quarter HK\$'000
6.1	Aggregate amount of payments to these parties included in item 1.2	1,232
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	—
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 6.1 Being payment of executive directors' salary and non-executive directors' fees.	

7.	Payments to related entities of the entity and their associates	Current quarter HK\$'000
7.1	Aggregate amount of payments to these parties included in item 1.2	—
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	—
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end HK\$'000	Amount drawn at quarter end HK\$'000
8.1	Loan facilities	(A) 5,000 (B) 6,000	(A) 5,000 (B) 6,000
8.2	Credit standby arrangements	10,000	—
8.3	Other (please specify)	—	—
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
8.1	(A) The loan granted by a substantial shareholder (Ocean Line Holdings Ltd) and is unsecured, bears interest of 12% per annum and is repayable on 31 Oct 2020.		
	(B) Such loan is also granted by a substantial shareholder (Ocean Line Holdings Ltd). The loan is unsecured, bears interest of 12% per annum and is repayable on 31 Oct 2020.		
8.2	On 18 September 2018, a substantial shareholder has undertaken to grant a loan facility of up to HK\$10,000,000 to the Company to satisfy its future working capital requirements. The loan is available for draw down from 18 September 2018. Such loan is unsecured, bears interest at 12% per annum and once drawn down, is repayable on 31 October 2020. As at the date hereof, such loan facility has not been drawn down.		

9.	Estimated cash outflows for next quarter	HK\$'000
9.1	Exploration and evaluation	(1,000)
9.2	Development	—
9.3	Production	—
9.4	Staff costs	(2,600)
9.5	Administration and corporate costs	(1,600)
9.6	Other (provide details if material)	—
9.7	Total estimated cash outflows	(5,200)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E47/2215 Duck Creek East E47/2905 Phils Bore	Surrendered Surrendered	100% 100%	0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E47/4240 Ophthalmia	Application	0%	100%

Compliance statement

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



Sign here:

Date: 30 October 2019

(Company secretary)

Print name: Chan Kam Kwan, Jason

Notes

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