



# 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

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For the quarter ended  
31 December 2014

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## 1. HIGHLIGHTS

- Following the victory in the Supreme Court in September 2014 (in which the Supreme Court ruled that Brockman's Access Proposal was valid and complied with the requirements of section 8 of the Access Code), Brockman continues to progress the Access Proposal under the Code. Work during the period entailed the review of the ERA's draft Floor and Ceiling redetermination and WACC draft determination, together with the continued preparation of submissions to satisfy the section 14 and 15 requirements of the Code ahead of the commencement of negotiations.
- Mineral Resources at Brockman's Ophthalmia Project were increased by 36Mt following extension and infill drilling at the Coondiner and Kalgan Creek deposits. The total Mineral Resource now stands at 341Mt grading 59.3% Fe, of which 280.4Mt (or 82% of the total) grading 59.3% Fe is in the Indicated category.
- Exploration Targets ranging from 31 – 50Mt grading from 55 – 60% Fe were also identified from the drilling at Coondiner and Kalgan Creek.
- Brockman is progressing a Pre-Feasibility Study for a 15 Mtpa DSO mining operation at Ophthalmia, predicated on the Company achieving a rail infrastructure solution for the Marillana Project, located 80 km northwest of Ophthalmia. The study is due for completion in early 2015.

## 2. CORPORATE REVIEW

### Cash position

The consolidated cash position of the Group as at 31 December 2014 was HK\$140.3 million.

### Corporate

In light of the current challenging environment for iron ore, the Company has implemented a number of cost saving measures to reduce the overheads of the Group.

## 3. MARILLANA IRON ORE PROJECT (100% INTEREST)

### 3.1 Rail and port infrastructure

#### Rail Access

Brockman is seeking access rights to The Pilbara Infrastructure Pty Ltd's ("TPI's") below-rail infrastructure under the Western Australian Railways (Access) Code 2000 (WA) ("Code"), to allow it to haul up to 20 Mtpa of hematite iron ore product from its Marillana Iron Ore Project ("Marillana"), for a term of 20 years ("Access Proposal"). The access sought proposed to exit the TPI mainline at Port Hedland where North West Infrastructure ("NWI") has a capacity allocation of 50 Mtpa at the proposed SP3 and the SP4 berths for iron ore export from South West Creek in the Inner Harbour.

As part of the Access Proposal process commenced in May 2013, Brockman will procure the necessary spur lines and associated infrastructure to connect Marillana with the TPI railway and to connect it to the proposed NWI facilities in Port Hedland, which will include unloading, stockpiling and ship loading facilities in South West Creek, Port Hedland.

In October 2013, following the September 2013 ERA determination of Floor and Ceiling Costs, TPI commenced proceedings in the WA Supreme Court challenging the validity of the Access Proposal ("Validity Writ") and a judicial review proceeding challenging the Floor and Ceiling Costs determination and the section 10 approval ("Judicial Review"). The 26 September 2014 decision of the Hon. Justice Edelman confirmed that Brockman's Access Proposal was valid for the purpose of s8 of the Code. Brockman is involved in a process to recover its legal costs from TPI regarding the failed Validity Writ proceedings. TPI's October 2014 appeal on both decisions will be opposed by Brockman and are expected to be heard in March or April of 2015. Brockman does not anticipate that the appeal process will impede the current progression of the Access Proposal under sections 14 and 15 of the Code.

As part of the decision of Justice Edelman on the Judicial Review matter regarding the ERA review of 'contingencies' and 'asset lives' relating to the calculation of GRV and the determination of the Floor and Ceiling Costs, the ERA published a remade determination of the Floor and Ceiling Costs on 9 January 2015. The final determination was materially similar, in numerical effect, to the pre-Judicial Review decision. Accordingly, the remade determination will not materially affect the pricing in Brockman's financial model.

During the quarter, Brockman further advanced the development of the section 14 and 15 submissions and it is now expected that these will be submitted late in March 2015. Brockman is progressing its own legal proceedings in the Supreme Court, commenced in November 2014, to compel TPI to publish a correct statement regarding the available capacity of each route section the subject of the Access Proposal. The application is listed for a directions hearing on 29 January 2015.

#### North West Infrastructure

Brockman remains focused on protecting its foundation shareholding position, to participate in NWI port development to utilise the capacity allocation of 50 Mtpa at berths SP3 and SP4 at South West Creek in the Port Hedland harbour.

## **4. OPHTHALMIA IRON ORE PROJECT (100% INTEREST)**

### **4.1 Ophthalmia Exploration**

The Ophthalmia Project, located north of Newman in the East Pilbara region of Western Australia, is the most significant iron ore project for the company outside of its flagship Marillana project. During the quarter the Company announced an upgraded Mineral Resource of 158 Mt grading 58.4% Fe for the Coondiner Deposits and an upgraded Mineral Resource of 59 Mt grading 59.4% Fe for the Kalgan Creek Deposit. This takes the total Indicated and Inferred Mineral Resource Estimate for Ophthalmia to 341 Mt, grading 59.3% Fe (Refer ASX announcement dated 1 December 2014 and Table 2) from three separate areas/deposits: Sirius, Coondiner and Kalgan Creek (Figure 1).



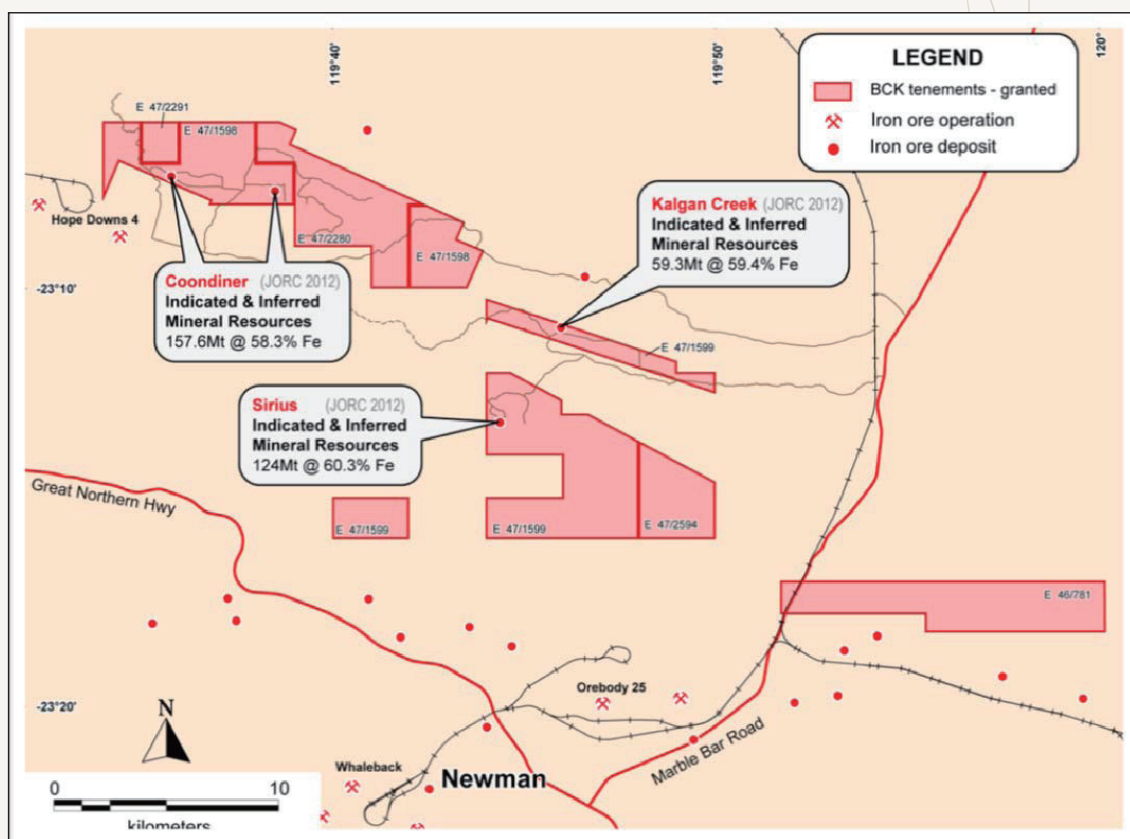


Figure 1: General location map of Ophthalmia Iron Ore Project

Deposit	Class	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	S (%)	P (%)	LOI (%)
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
	<b>Sub Total</b>	<b>157.6</b>	<b>58.4</b>	<b>62.0</b>	<b>5.27</b>	<b>4.46</b>	<b>0.007</b>	<b>0.174</b>	<b>5.68</b>
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
	<b>Sub Total</b>	<b>59.3</b>	<b>59.4</b>	<b>62.9</b>	<b>4.21</b>	<b>4.29</b>	<b>0.009</b>	<b>0.173</b>	<b>5.63</b>
Sirius	Indicated	105.0	60.4	63.7	3.54	3.97	0.007	0.178	5.22
	Inferred	19.0	60.2	63.4	4.09	3.83	0.009	0.168	5.14
	<b>Sub Total</b>	<b>124.0</b>	<b>60.3</b>	<b>63.6</b>	<b>3.62</b>	<b>3.95</b>	<b>0.007</b>	<b>0.177</b>	<b>5.20</b>
<b>Ophthalmia Project</b>	<b>Indicated</b>	<b>280.4</b>	<b>59.3</b>	<b>62.7</b>	<b>4.43</b>	<b>4.29</b>	<b>0.007</b>	<b>0.178</b>	<b>5.50</b>
	<b>Inferred</b>	<b>60.5</b>	<b>59.3</b>	<b>62.8</b>	<b>4.76</b>	<b>4.03</b>	<b>0.008</b>	<b>0.160</b>	<b>5.50</b>
	<b>Total</b>	<b>340.9</b>	<b>59.3</b>	<b>62.7</b>	<b>4.49</b>	<b>4.24</b>	<b>0.007</b>	<b>0.175</b>	<b>5.50</b>

Table 1: Ophthalmia Mineral Resource (DSO) Summary

\* CaFe represents calcined Fe and is calculated by Brockman using the formula  $CaFe = Fe\% / ((100 - LOI) / 100)$

\*\* Tonnes may not add up due to rounding

The increase represents an overall increase of 36Mt over the previously announced Mineral Resources but significantly 82% of the total resources (280.4 Mt) are now classified as Indicated Resources, whereas the previous resource for Ophthalmia contained Indicated Resources of 200 Mt (or 66% of the total). The average grade of mineralisation has remained nearly identical at 59.3%.

The upgraded Mineral Resource estimates for the Coondiner and Kalgan Creek Deposits were estimated by Golder Associates Pty Ltd (Golder). It has incorporated the results of an additional 193 infill and extension RC drill holes (13,627 m) completed in 2013 and 2014 since the original Mineral Resource estimates were announced. The resource estimate was classified in accordance with guidelines provided in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012). The classification was based principally on geological confidence, drill hole spacing and grade continuity from available drilling data and the performance of the grade interpolation (see Figures 2 and 3). The mineralisation models and block reporting cut-off grades used in the in situ resource estimates are both 54% Fe. The methodology and procedures used for the Mineral Resource estimate, as well as the sampling techniques and data acquisition methods were provided in the statement by Golder Associates Pty Ltd as Appendix 1 of the ASX announcement dated 1 December 2014.

During the Mineral Resources estimation process, Exploration Targets were identified for Coondiner and Kalgan Creek. The potential quantity and grade of the Exploration Targets are conceptual in nature and insufficient exploration has been completed to allow estimation of a Mineral Resource. Further, it is uncertain if additional exploration will result in the estimation of a Mineral Resource for the Exploration Targets.

The Exploration Targets (Table 2) were based on extrapolated estimates which have insufficient geological confidence and drill hole data to be classified as Mineral Resources. Refer Figures 2 and 3 which show the location of the Exploration Targets with respect to the drilling and Mineral Resources. Brockman will conduct additional exploration and infill drilling to test these targets with the aim of further increasing the Mineral Resource inventory at Ophthalmia to meet the requirements of future mine development.

Deposit	Tonnes Min. (Mt)	Tonnes Max. (Mt)	Fe Min. (%)	Fe Max. (%)
Coondiner	22	35	55	60
Kalgan Creek	9	15	55	60
<b>Ophthalmia</b>	<b>31</b>	<b>50</b>	<b>55</b>	<b>60</b>

**Table 2: Ophthalmia Exploration Targets**

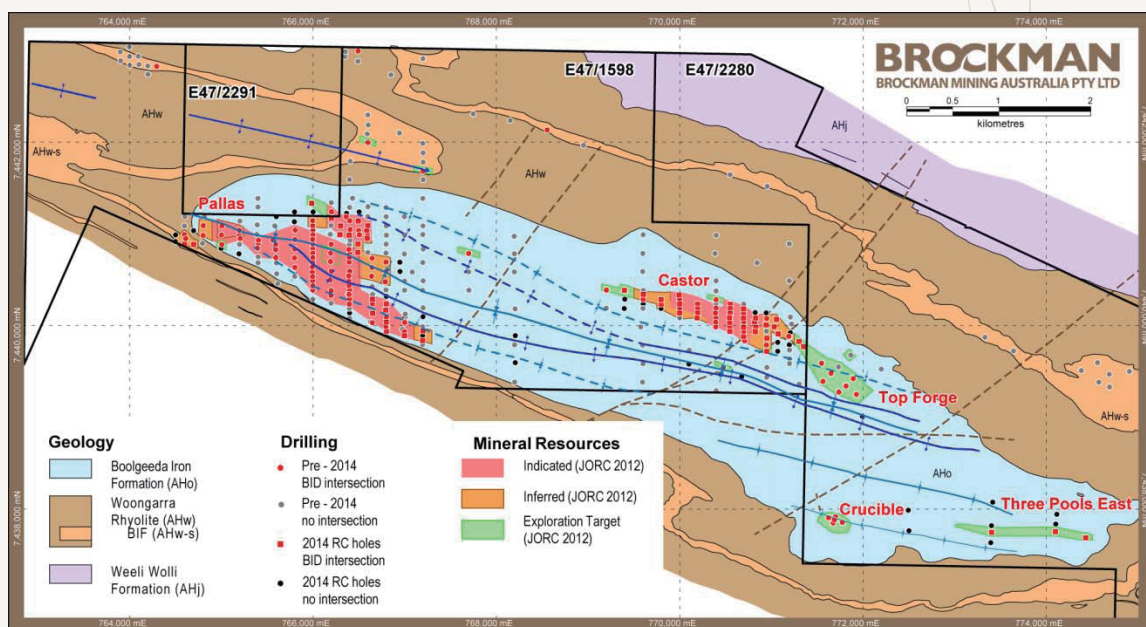


Figure 2: Coondiner Deposits Geology, Drill Hole and Resource Location

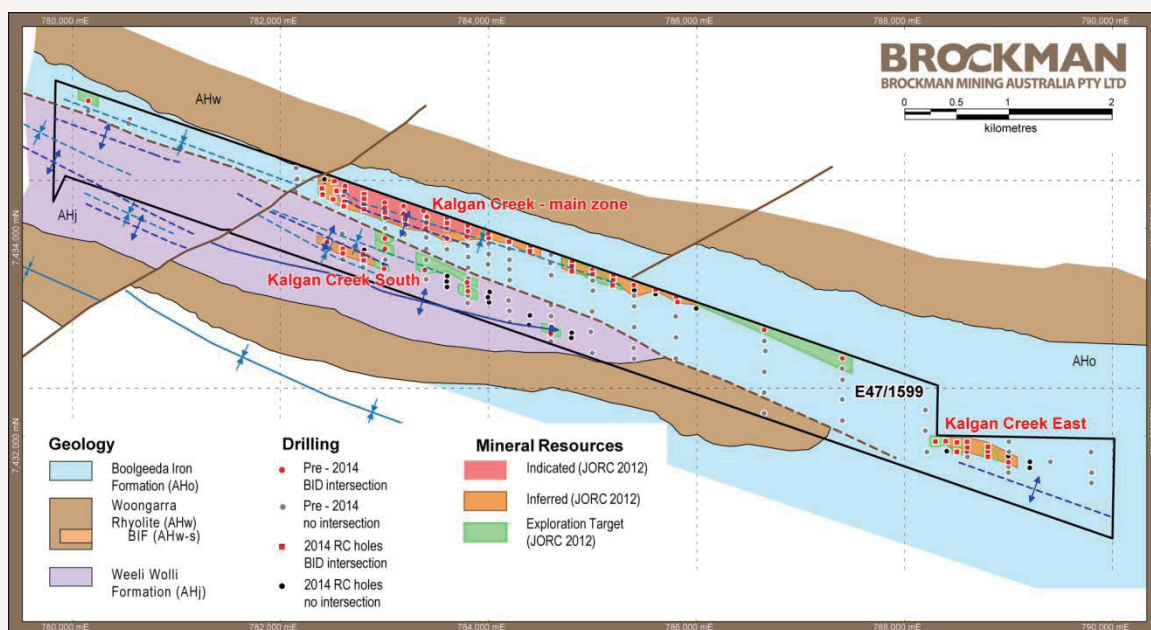


Figure 3: Kalgan Creek Deposits Geology, Drill Hole and Resource Location



#### 4.2 Ophthalmia Development

The upgraded Mineral Resources and the excellent conversion from Inferred to Indicated Resources support the continuing Pre-Feasibility Study (PFS) for a 15 Mtpa DSO mining operation at Ophthalmia, predicated on the Company achieving a rail and port infrastructure solution for the Marillana Project. The PFS is scheduled for completion early in 2015.

### 5. TENEMENTS

#### Tenements disposed of during the Quarter

Project	Location	Type	Tenement number	Commodity	Status	Interest held
Canning Basin	North Pilbara	E	04/2302	Coal	Transferred	0%
Irwin Hills	Goldfields	P	39/4594	Nickel/Cobalt	Surrendered	0%
Irwin Hills	Goldfields	P	39/4595	Nickel/Cobalt	Surrendered	0%
Irwin Hills	Goldfields	P	39/4682	Nickel/Cobalt	Surrendered	0%
Lalla Rookh	North Pilbara	E	45/3379	Iron Ore	Surrendered	0%
Lalla Rookh	North Pilbara	E	45/3380	Iron Ore	Surrendered	0%
Paraburdoo	West Pilbara	E	47/1942	Iron Ore	Surrendered	0%

#### Tenements acquired during the Quarter

Project	Location	Type	Tenement number	Commodity	Status	Interest held
Balfour Downs	East Pilbara	E	46/1051	Iron Ore	Application	100%
Balfour Downs	East Pilbara	E	46/1052	Iron Ore	Application	100%
Kirenia Creek	East Pilbara	E	52/3179	Iron Ore	Application	100%
Lalla Rookh	North Pilbara	E	45/4508	Iron Ore	Application	100%
Mt Grant	East Pilbara	E	45/4496	Iron Ore	Application	100%
Mt Lockyer	East Pilbara	E	47/3235	Iron Ore	Application	100%
Mt Lockyer	East Pilbara	E	47/3236	Iron Ore	Application	100%
Parsons George	East Pilbara	E	47/3217	Iron Ore	Application	100%
Pinnacle Hill	North Pilbara	E	45/4478	Iron Ore	Application	100%
Soansville	North Pilbara	E	45/4465	Iron Ore	Application	100%
Tom Price	West Pilbara	E	47/3216	Iron Ore	Application	100%
Wallarenya	North Pilbara	E	45/4468	Iron Ore	Application	100%

Tenements held at end of Quarter

Project	Location	Type	Tenement number	Commodity	Status	Interest held
Balfour Downs	East Pilbara	E	46/1051	Iron Ore	Application	100%
Balfour Downs	East Pilbara	E	46/1052	Iron Ore	Application	100%
Cheela Plains	West Pilbara	E	08/2264	Iron Ore	Granted	100%
Chichester Range	East Pilbara	E	45/3693	Iron Ore	Granted	100%
Duck Creek	West Pilbara	E	47/1725	Iron Ore	Granted	100%
Duck Creek	West Pilbara	E	47/3151	Iron Ore	Application	100%
Duck Creek	West Pilbara	E	47/3152	Iron Ore	Application	100%
Fig Tree	East Pilbara	E	47/3023	Iron Ore	Application	100%
Fig Tree	East Pilbara	E	47/3024	Iron Ore	Application	100%
Fig Tree	East Pilbara	E	47/3025	Iron Ore	Application	100%
Indabiddy Creek	West Pilbara	E	47/3164	Iron Ore	Application	100%
Indabiddy Creek	West Pilbara	E	52/3123	Iron Ore	Application	100%
Irwin Hills	Goldfields	L	39/0232	Nickel/Cobalt	Application	40%
Irwin Hills	Goldfields	L	39/0163	Nickel/Cobalt	Granted	40%
Irwin Hills	Goldfields	M	39/1088	Nickel/Cobalt	Granted	40%
Lalla Rookh	North Pilbara	E	45/4508	Iron Ore	Application	100%
Kirenia Creek	East Pilbara	E	52/3179	Iron Ore	Application	100%
Madala Bore	East Pilbara	E	47/2976	Iron Ore	Application	100%
Madala Bore	East Pilbara	P	47/1711	Iron Ore	Application	100%
Madala Bore	East Pilbara	P	47/1712	Iron Ore	Application	100%
Madala Bore	East Pilbara	P	47/1713	Iron Ore	Application	100%
Madala Bore	East Pilbara	P	47/1714	Iron Ore	Application	100%
Marillana	East Pilbara	L	45/0236	Iron Ore	Application	100%
Marillana	East Pilbara	L	45/0238	Iron Ore	Application	100%
Marillana	East Pilbara	L	46/0097	Iron Ore	Application	100%
Marillana	East Pilbara	L	47/0369	Iron Ore	Application	100%
Marillana	East Pilbara	L	47/0389	Iron Ore	Application	100%
Marillana	East Pilbara	L	47/0408	Iron Ore	Application	100%
Marillana	East Pilbara	L	47/0544	Iron Ore	Application	100%
Marillana	East Pilbara	L	47/0566	Iron Ore	Application	100%
Marillana	East Pilbara	L	47/0567	Iron Ore	Application	100%
Marillana	East Pilbara	L	52/0124	Iron Ore	Application	100%
Marillana	East Pilbara	M	47/1414	Iron Ore	Granted	100%
Marillana	East Pilbara	E	46/1038	Iron Ore	Application	100%
Marillana	East Pilbara	E	47/3170	Iron Ore	Application	100%
Mt Goldsworthy	North Pilbara	E	45/3931	Iron Ore	Granted	100%
Mt Grant	East Pilbara	E	45/4496	Iron Ore	Application	100%
Mt Lockyer	East Pilbara	E	47/3235	Iron Ore	Application	100%
Mt Lockyer	East Pilbara	E	47/3236	Iron Ore	Application	100%
Mt Stevenson	West Pilbara	E	47/3105	Iron Ore	Application	100%
Mt Stuart	West Pilbara	E	47/1850	Iron Ore	Granted	100%
Mt Stuart	West Pilbara	E	47/2215	Iron Ore	Granted	100%

Project	Location	Type	Tenement number	Commodity	Status	Interest held
Mt Stuart	West Pilbara	E	47/2976	Iron Ore	Application	100%
Mt Stuart	West Pilbara	E	47/2993	Iron Ore	Application	100%
Mt Stuart	West Pilbara	E	47/2994	Iron Ore	Application	100%
Nimingara	North Pilbara	E	45/4051	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/1598	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/1599	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	47/2594	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	P	47/1715	Iron Ore	Application	100%
Pannawonica	West Pilbara	E	47/2409	Iron Ore	Granted	100%
Pannawonica	West Pilbara	E	47/2410	Iron Ore	Granted	100%
Paraburdoo	West Pilbara	E	47/2081	Iron Ore	Granted	100%
Phils Bore	West Pilbara	E	47/2904	Iron Ore	Application	100%
Phils Bore	West Pilbara	E	47/2905	Iron Ore	Application	100%
Parson George	East Pilbara	E	47/3217	Iron Ore	Application	100%
Pinnacle Hill	North Pilbara	E	45/4478	Iron Ore	Application	100%
Pippingarra	North Pilbara	E	45/3948	Iron Ore	Granted	100%
Port Hedland	North Pilbara	L	45/0296	Iron Ore	Application	100%
Red Hill	West Pilbara	E	08/2011	Iron Ore	Granted	100%
Red Hill	West Pilbara	E	08/2297	Iron Ore	Granted	100%
Red Hill	West Pilbara	P	08/0628	Iron Ore	Granted	100%
Red Hill	West Pilbara	P	08/0629	Iron Ore	Granted	100%
Robertson Range	West Pilbara	E	45/4410	Iron Ore	Application	100%
Shovelanna	East Pilbara	E	46/0781	Iron Ore	Granted	100%
Soansville	North Pilbara	E	45/4465	Iron Ore	Application	100%
Tom Price	West Pilbara	E	47/2098	Iron Ore	Granted	100%
Tom Price	West Pilbara	E	47/2455	Iron Ore	Application	100%
Tom Price	West Pilbara	E	47/2699	Iron Ore	Application	100%
Tom Price	West Pilbara	E	47/2700	Iron Ore	Application	100%
Tom Price	West Pilbara	E	47/3216	Iron Ore	Application	100%
Vivash	East Pilbara	E	47/3064	Iron Ore	Application	100%
Vivash	East Pilbara	E	47/3065	Iron Ore	Application	100%
Wallareenya	North Pilbara	E	45/4468	Iron Ore	Application	100%
West Hamersley	West Pilbara	E	47/1603	Iron Ore	Granted	100%
West Hamersley	West Pilbara	E	47/3054	Iron Ore	Application	100%
Western Gate Well	West Pilbara	E	45/4240	Iron Ore	Application	100%



## 6. DAMAJIANSHAN MINE (100% INTEREST)

During the quarter ended 31 December 2014, cash receipts from product sales of approximately RMB10.5 million (RMB10.1 million, September 2014 quarter) were recorded.

Cash payments for production associated with mining operations during the quarter amounted to approximately RMB7.8 million

(RMB7.2 million, September 2014 quarter). December 2014 quarter production was relatively stable.

Cash payments for exploration activities and development recorded at RMB1.6 million (RMB1.4 million, September 2014 quarter). Drilling activities were continued during the quarter with approximately 580m recorded (551m, September 2014 quarter).

	Dec' 14 Quarter (Tonnes)	Sept' 14 Quarter (Tonnes)	Variance %
Ore mined and delivered to stockpile	68,399	70,691	(3)%
Ore processed	82,079	84,767	(3)%
Concentrate produced (metal tonnes)	320	412	(22)%
Concentrate sold (metal tonnes)	427	310	38%

Note: Recognition of copper concentrate metal tonnes is based on the most recent available information with a subsequent adjustment made upon final determination.

## 7. 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:

Kwai Kwun Lawrence  
Chan Kam Kwan Jason  
Warren Talbot Beckwith

#### Independent Non-executive Directors:

Yap Fat Suan Henry  
Uwe Henke Von Parpart  
Yip Kwok Cheung Danny  
Choi Yue Chun Eugene

#### Company Secretary:

Chan Kam Kwan Jason

### **Registrars**

#### **Principal Share Registrars and Transfer Office**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM 08  
Bermuda

#### **Branch Share Registrars and Transfer Office**

##### **— Hong Kong**

Tricor Secretaries Limited  
Level 22, 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 2, 45 St George's Terrace  
Perth, Western Australia, 6000

#### **Securities on issue at 31 December 2014**

##### **Quoted securities**

8,381,982,131 fully paid shares on issue

##### **Unquoted securities**

344,500,000 unlisted options granted

- 61,400,000 share options, expiring 13 December 2015 EX HK\$0.72
- 64,600,000 share options, expiring 14 January 2016 EX HK\$0.717
- 64,600,000 share options, expiring 14 January 2016 EX HK\$0.967
- 3,600,000 share options, expiring 28 February 2016 EX HK\$0.717
- 3,600,000 share options, expiring 28 February 2016 EX HK\$0.967
- 73,350,000 share options, expiring 20 May 2016 EX HK\$0.717
- 73,350,000 share options, expiring 20 May 2016 EX HK\$0.967

There were no shares or options issued during the period.

There were no options which lapsed during the period.

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

## 8. GLOSSARY

"ASX"	ASX Limited ACN 008 624 691, or the financial products market, The Australian Securities Exchange, as the situation requires
"Board"	the Board of Directors
"Brockman" or "Company"	Brockman Mining Limited ARBN 143 211 867, a company incorporated in Bermuda and listed on the SEHK and ASX
"Damajianshan Mine"	The 100% owned copper mine held by the Company in the Yunnan Province, PRC
"DSO"	Direct Shipping Ore
"Group"	Brockman Mining Limited, its associates and subsidiaries
"Marillana" or "Marillana Project"	The 100% owned Marillana iron ore project is Brockman's flagship project located in the Hamersley Iron Province
"m"	metre
"Mt"	million tonnes
"Mtpa"	million tonnes per annum
"NWI"	North West Infrastructure, the joint venture company which represents the interests of its three shareholder companies: Brockman Mining Australia Pty Ltd; Atlas Iron Limited and FerrAus Limited, to facilitate the construction of a port facility capable of annually exporting 50 million tonnes of iron ore from the South-West Creek location at the Inner Harbour at Port Hedland, Western Australia
"Ophthalmia Project"	The 100% owned Ophthalmia iron ore project is located 80 km south of the Marillana Project
"T"	Tonne(s)

## 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, 01/05/2013

Name of entity

BROCKMAN MINING LIMITED

ABN

ARBN 143 211 867

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter HK\$'000	Year to date (6 months) HK\$'000
1.1	Receipts from product sales and related debtors	13,258	25,973
1.2	Payments for (a) exploration & evaluation	(28,345)	(56,610)
	(b) development	—	—
	(c) production	(9,861)	(18,865)
	(d) administration	(13,475)	(28,397)
1.3	Dividends received	—	—
1.4	Interest and other items of a similar nature received	352	660
1.5	Interest and other costs of finance paid	—	—
1.6	Income taxes paid	—	—
1.7	Other (provide details if material)		
1.7 (a)	Net repayment to related parties	(694)	(1,512)
<b>Net operating cash flows</b>		<b>(38,765)</b>	<b>(78,751)</b>
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	—	—
	(b) equity investments	—	—
	(c) other fixed assets	(10)	(155)
1.9	Proceeds from sale of: (a) prospects	—	—
	(b) equity investments	—	—
	(c) other fixed assets	—	—
1.10	Loans to other entities	—	—
1.11	Loans repaid by other entities	—	—
1.12	Other (provide details if material)	—	—
<b>Net investing cash flows</b>		<b>(10)</b>	<b>(155)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(38,775)	(78,906)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	—	—
1.15	Proceeds from sale of forfeited shares	—	—
1.16	Proceeds from borrowings	—	—
1.17	Repayment of borrowings	—	—
1.18	Dividends paid	—	—
1.19	Other (provide details if material)	—	—
1.19(a)	cash backed performance bond guarantee of BRM	(47)	(47)
	<b>Net financing cash flows</b>	(47)	(47)
	<b>Net decrease in cash held</b>	(38,822)	(78,953)
1.20	Cash at beginning of quarter/year to date	181,156	223,698
1.21	Exchange rate adjustments to item 1.20	(2,081)	(4,492)
1.22	<b>Cash at end of quarter</b>	140,253	140,253

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter HK\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	1,572
1.24	Aggregate amount of loans to the parties included in item 1.10	—
1.25	Explanation necessary for an understanding of the transactions	

1.23	Being payment of executive directors' salary and non-executive directors' fees.
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**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available HK\$'000	Amount used HK\$'000
3.1 Loan facilities	—	—
3.2 Credit standby arrangements	—	—

**Estimated cash outflows for next quarter**

	HK\$'000
4.1 Exploration and evaluation	(13,527)
4.2 Development	—
4.3 Production	(6,898)
4.4 Administration	(15,589)
<b>Total</b>	<b>(36,014)</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter  
(as shown in the consolidated statement of cash flows)  
to the related items in the accounts is as follows.

	Current quarter HK\$'000	Previous quarter HK\$'000
5.1 Cash on hand and at bank	45,138	65,775
5.2 Deposits at call	95,115	115,381
5.3 Bank overdraft	—	—
5.4 Other (provide details)	—	—
<b>Total: cash at end of quarter (item 1.22)</b>	<b>140,253</b>	<b>181,156</b>

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+ See chapter 19 for defined terms.



### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E04/2302	Tenement transferred	100%	0%
	P39/4594	Tenement surrendered	40%	0%
	P39/4595	Tenement surrendered	40%	0%
	P39/4682	Tenement surrendered	40%	0%
	E45/3379	Tenement surrendered	100%	0%
	E45/3380	Tenement surrendered	100%	0%
	E47/1942	Tenement surrendered	100%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	E46/1051	Application lodged	0%	100%
	E46/1052	Application lodged	0%	100%
	E52/3179	Application lodged	0%	100%
	E45/4508	Application lodged	0%	100%
	E45/4496	Application lodged	0%	100%
	E47/3235	Application lodged	0%	100%
	E47/3236	Application lodged	0%	100%
	E47/3217	Application lodged	0%	100%
	E45/4478	Application lodged	0%	100%
	E45/4465	Application lodged	0%	100%
	E47/3216	Application lodged	0%	100%
	E45/4468	Application lodged	0%	100%

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference <sup>+</sup> securities</b> (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b><sup>+</sup>Ordinary securities</b>	8,381,982,131	8,381,982,131		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				

<sup>+</sup> See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.5	<b>*Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	61,400,000 129,200,000 7,200,000 146,700,000		<i>Exercise price</i> HK\$0.72 HK\$0.717-HK\$0.967 HK\$0.717-HK\$0.967 HK\$0.717-HK\$0.967	<i>Expiry date</i> 13 December 2015 14 January 2016 28 February 2016 20 May 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not\*~~ ~~(delete one)~~ give a true and fair view of the matters disclosed.



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

Date: 30 January 2015 .....

Print name: Chan Kam Kwan, Jason .....

+ See chapter 19 for defined terms.

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.