BROCKMAN MINING LIMITED
布萊克萬礦業有限公司*

(incorporated in Bermuda with limited liability)

(SEHK Stock Code: 159)
(ASX Stock Code: BCK)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

The Board of Directors (the "Board") of Brockman Mining Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2014, together with the comparative figures for the corresponding period in 2013. The unaudited consolidated interim results have been reviewed by the Company's Audit Committee and the Company's independent auditor.

BROCKMAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 31 December	
		2014	2013
		HK$'000	*HK$'000*
	Note	**(Unaudited)**	(Unaudited)
Continuing operations			
Revenue	*3*	**31,336**	29,077
Cost of sales	*6*	**(36,355)**	(29,621)
Gross loss		**(5,019)**	(544)
Other income	*7*	**729**	3,420
Other losses	*8*	**(6,879)**	(87)
Selling and administrative expenses	*6*	**(43,594)**	(55,888)
Exploration and evaluation expenses	*6*	**(53,571)**	(50,081)
Impairment of mining properties	*11*	**(125,000)**	–
Share of loss of joint ventures		**(4,476)**	(3,900)
Finance costs		**–**	(427)
Loss before income tax		**(237,810)**	(107,507)
Income tax credit	*9*	**2,050**	–
Loss for the period from continuing operations		**(235,760)**	(107,507)
Discontinued operation			
Profit for the period from discontinued operation	*5*	**–**	578
Loss for the period		**(235,760)**	(106,929)

* *For identification purposes only*

	Note	Six months ended 31 December 2014 HK$'000 (Unaudited)	2013 HK$'000 (Unaudited)
Other comprehensive loss:			
Item that may be reclassified to profit or loss			
Exchange differences arising from translation of foreign operations		**(269,955)**	(51,898)
Other comprehensive loss for the period		**(269,955)**	(51,898)
Total comprehensive loss for the period		**(505,715)**	(158,827)
Loss for the period attributable to:			
Equity holders of the Company		**(235,760)**	(105,268)
Non-controlling interests		**–**	(1,661)
		(235,760)	(106,929)
(Loss)/income for the period attributable to equity holders of the Company arising from:			
Continuing operations		**(235,760)**	(105,846)
Discontinued operation		**–**	578
		(235,760)	(105,268)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(505,715)**	(157,681)
Non-controlling interests		**–**	(1,146)
		(505,715)	(158,827)
Total comprehensive (loss)/income attributable to equity holders of the Company arising from:			
Continuing operations		**(505,715)**	(157,738)
Discontinued operation		**–**	57
		(505,715)	(157,681)
(Loss)/earnings per share from continuing and discontinued operations attributable to the equity holders of the Company during the period			
		HK cents	*HK cents*
Basic (loss)/earnings per share			
Continuing operations	*10*	**(2.81)**	(1.34)
Discontinued operation	*10*	**–**	0.01
		(2.81)	(1.33)
Diluted (loss)/earnings per share			
Continuing operations	*10*	**(2.81)**	(1.34)
Discontinued operation	*10*	**–**	0.01
		(2.81)	(1.33)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2014 HK$'000 (Unaudited)	As at 30 June 2014 HK$'000 (Audited)
Non-current assets			
Mining properties	*11*	**2,986,334**	3,536,267
Property, plant and equipment		**30,062**	33,242
Interest in joint ventures		**643**	1,264
Other non-current assets		**14,398**	14,488
		3,031,437	3,585,261
Current assets			
Inventories		**6,374**	11,857
Trade receivables	*12*	**440**	–
Other receivables, deposits and prepayments		**6,788**	8,117
Amounts due from related parties		**3,682**	2,993
Cash and cash equivalents		**140,254**	223,698
		157,538	246,665
Total assets		**3,188,975**	3,831,926
Equity			
Share capital		**838,198**	838,198
Reserves		**1,429,903**	1,941,198
Total equity attributable to the equity holders of the Company		**2,268,101**	2,779,396
Non-current liabilities			
Other payables		**–**	26,865
Deferred income tax liabilities		**795,867**	920,561
Provisions		**1,413**	1,660
		797,280	949,086
Current liabilities			
Trade payables	*13*	**11,374**	9,540
Other payables and accrued charges		**110,210**	91,070
Amounts due to related parties		**2,010**	2,834
		123,594	103,444
Total liabilities		**920,874**	1,052,530
Total equity and liabilities		**3,188,975**	3,831,926
Net current assets		**33,944**	143,221
Total assets less current liabilities		**3,065,381**	3,728,482

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

This condensed consolidated financial information for the six months ended 31 December 2014 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the SEHK.

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

During the six months ended 31 December 2014, the Group had cash outflows used in operating activities of HK$74,905,000. Based on the directors' review of the cash flow projections, taken into account the Group's expected cash flows from operations and available financial resources, the Group is expected to have sufficient financial resources to satisfy its future working capital requirements, and to meet its financial obligations as and when required for the next twelve months from the balance sheet date. Accordingly, the directors consider that it is appropriate to prepare the Group's condensed consolidated financial information on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2014, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The preparation of condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 June 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

(a) Amended standards and interpretation adopted by the Group

The following amendments to standards and interpretation are mandatory for accounting periods beginning on or after 1 July 2014. The adoption of these amendments to standards and interpretation does not have any significant impact to the results and financial position of the Group.

IAS 32 (Amendment)	Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities
IAS 36 (Amendment)	Impairments of Assets
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
IFRIC-Int 21	Levies
IFRS 10, IFRS 12 and IAS 27 (Revised 2011) (Amendment)	Investment Entities
Annual Improvements Project 2012	Annual Improvements 2010–2012 Cycle
Annual Improvements Project 2013	Annual Improvements 2011–2013 Cycle
IAS 19 (Amendment)	Employee Benefits

(b) New standards and amendments to standards that are not yet effective and have not been early adopted by the Group

		Effective for annual periods beginning on or after
IAS 16 and IAS 38 (Amendment)	Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 16 and IAS 41 (Amendment)	Agriculture: Bearer Plants	1 January 2016
IAS 27 (Amendment)	Equity Method in Separate Financial Statements	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 10 and IAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
Annual Improvements Project 2014	Annual Improvements 2012–2014 Cycle	1 January 2016

The Group is in the process of making an assessment of the impact of the above new/revised standards and amendments to standards and is not yet in a position to state the impact on the Group's results of operations and financial position.

3. REVENUE

Revenue represents the amounts received and receivable for sales of mineral ore products. An analysis of the Group's revenue for the period is as follows:

	Six months ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Sales of copper ore concentrates	**31,336**	29,077

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reporting provided to 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 segments are as follows:

Mineral tenements in Australia — iron ore exploration, development and tenements acquisition in Western Australia

Mining operations in the PRC — exploitation, processing and sales of copper ore concentrates in the PRC

Discontinued operation — Transportation services *(Note 5)* — provision of limousine rental services in Hong Kong and the PRC and provision of airport shuttle bus services in Hong Kong

The Group's chief operating decision-maker assesses the performance of the operating segments based on adjusted operating profit/(loss). Finance costs are not included in the result for each operating segment that is reviewed by executive directors of the Company.

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

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

The following is an analysis of the Group's revenue and results by business segment:

	Continuing operations				Discontinued operation	
	Mining operation in the PRC *HK$'000*	**Mineral tenements in Australia** *HK$'000*	**Others** *HK$'000*	**Sub-total** *HK$'000*	**Transportation services** *HK$'000*	**Total** *HK$'000*
For the six months ended 31 December 2014 (Unaudited):						
Segment revenue from external customers	**31,336**	**–**	**–**	**31,336**	**–**	**31,336**
Segment results	**(139,923)**	**(85,229)**	**(8,182)**	**(233,334)**	**–**	**(233,334)**
Share of loss of joint ventures				**(4,476)**	**–**	**(4,476)**
Loss before income tax				**(237,810)**	**–**	**(237,810)**
Other information:						
Depreciation of property, plant and equipment	**(2,728)**	**(576)**	**(379)**	**(3,683)**	**–**	**(3,683)**
Impairment of mining properties *(Note 11)*	**(125,000)**	**–**	**–**	**(125,000)**	**–**	**(125,000)**
Amortisation of mining properties	**(9,234)**	**–**	**–**	**(9,234)**	**–**	**(9,234)**
Relinquish of mining properties	**(6,833)**	**–**	**–**	**(6,833)**	**–**	**(6,833)**
Income tax credit	**–**	**2,050**	**–**	**2,050**	**–**	**2,050**
For the six months ended 31 December 2013 (Unaudited):						
Segment revenue from external customers	29,077	–	–	29,077	58,935	88,012
Segment results	(16,611)	(53,362)	(33,207)	(103,180)	1,690	(101,490)
Share of loss of joint ventures				(3,900)	–	(3,900)
Finance costs				(427)	(456)	(883)
(Loss)/profit before income tax				(107,507)	1,234	(106,273)
Other information:						
Depreciation of property, plant and equipment	(2,688)	(400)	(378)	(3,466)	(7,312)	(10,778)
Amortisation of mining properties	(8,326)	–	–	(8,326)	–	(8,326)
Finance costs	–	–	(427)	(427)	(456)	(883)
Income tax expense	–	–	–	–	(656)	(656)

Revenue from mining operation in the PRC amounted to HK$31,336,000 (six months ended 31 December 2013: HK$29,077,000) represents sales of copper concentrate to a single customer.

The following is an analysis of the Group's assets by business segment as at 31 December 2014:

	Mining operation in the PRC *HK$'000*	Mineral tenements in Australia *HK$'000*	Others *HK$'000*	Total *HK$'000*
As at 31 December 2014 (Unaudited):				
Segment assets	**379,850**	**2,681,021**	**128,104**	**3,188,975**
Total segment assets include:				
Interests in joint ventures	**–**	**643**	**–**	**643**
Additions to property, plant and equipment	**503**	**113**	**173**	**789**
As at 30 June 2014 (Audited):				
Segment assets	521,442	3,114,123	196,361	3,831,926
Total segment assets include:				
Interests in joint ventures	–	1,264	–	1,264
Additions to property, plant and equipment	2,133	518	39	2,690
Additions to mining properties	–	141	–	141

5. DISCONTINUED OPERATION

On 24 October 2013, the Company and Mr. Leung Chi Yan, Danny ("Mr. Leung"), a director of Perryville Group Limited, entered into a sale and purchase agreement pursuant to which the Company agreed to sell the entire equity interest in Perryville Group to Mr. Leung at a consideration of HK$45,000,000 ("Disposal"). Perryville Group is principally engaged in the provision of limousine and airport shuttle transportation services which represents the reportable segment of transportation services.

As part of the Disposal, the payable by Perryville Group to the Company of HK$11,000,000 was assigned to Mr. Leung, the adjusted consideration amounted to HK$34,000,000 which represents the consideration for the Company's equity interest in Perryville Group at the date of Disposal in the separate financial statement of the Company.

The Disposal was completed on 19 February 2014 and the Company ceased to have any control and equity interests in Perryville Group.

The results of Perryville Group are presented in the condensed consolidated financial information as discontinued operation in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The condensed consolidated statement of comprehensive income and consolidated statement of cash flows distinguish discontinued operation from continuing operations.

Profit from discontinued operation

	Six months ended 31 December 2013 *HK$'000* (Unaudited)
Revenue	58,935
Expenses	(57,701)
Profit before income tax	1,234
Income tax expense	(656)
Profit for the period and total comprehensive income from discontinued operation	578
Profit for the period and total comprehensive income from discontinued operations attributable to:	
— Equity holders of the Company	578

6. EXPENSES BY NATURE

	Six months ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of mining properties (included in cost of sales)	**9,234**	8,326
Cost of inventories	**15,436**	6,776
Depreciation of property, plant and equipment	**3,683**	3,466
Equity-settled share-based compensation for consultants	**(1,105)**	520
Operating lease rentals	**5,469**	5,694
Staff costs	**33,158**	58,146

Staff costs include:

Wages, salaries and welfares	**32,559**	36,008
Directors' emoluments (including share-based compensation)	**2,287**	11,626
Retirement benefit scheme contributions	**1,578**	1,719
Share-based compensation for employees	**(3,266)**	8,793
	33,158	58,146

7. OTHER INCOME

	Six months ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank deposits	**648**	3,139
Others	**81**	281
	729	3,420

8. OTHER LOSSES

	Six months ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment	**46**	87
Relinquish of mining properties *(Note 11)*	**6,833**	–
	6,879	87

9. INCOME TAX CREDIT

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

	Six months ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Deferred income tax		
— Release upon relinquish of mining properties *(Note 11)*	**(2,050)**	–

During the period ended 31 December 2014, the Group have relinquished two tenements E45/1845 Mt Stuart and E47/1738 Mt Florence with an allocated fair value of HK$2,733,000 and HK$4,100,000 respectively to the Government of Western Australia. The disposal reduces the deferred income tax liability brought to the account following the business combination relating to the value attributed to the mining properties acquired. The reduction in the deferred income tax liability as a result of the disposal is HK$2,050,000.

10. (LOSS)/EARNINGS PER SHARE

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

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

	Six months ended 31 December	
	2014	2013
	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to the equity holders of the Company *(HK$'000)*		
— Continuing operations	**(235,760)**	(105,846)
— Discontinued operation	**–**	578
	(235,760)	(105,268)
Weighted average number of ordinary shares for the purpose of calculating the basic earnings/(loss) per share *(thousands)*	**8,381,982**	7,894,482
(Loss)/earnings per share attributable to the equity holders of the Company		
Basic: *(HK cents)*		
— Continuing operations	**(2.81)**	(1.34)
— Discontinued operation	**–**	0.01
	(2.81)	(1.33)
Diluted: *(HK cents)*		
— Continuing operations	**(2.81)**	(1.34)
— Discontinued operation	**–**	0.01
	(2.81)	(1.33)

Diluted loss/earnings per share is the same as basic loss/earnings per share for the six months ended 31 December 2014 and 2013 because the effect of the assumed conversion of the convertible bonds and share options of the Company during these periods was anti-dilutive.

11. MINING PROPERTIES

	Mining properties in Australia *HK$'000*	Mining right in the PRC *HK$'000*	Total *HK$'000*
Balance as at 1 July 2013	2,984,261	510,171	3,494,432
Additions	141	–	141
Amortisation during the period	–	(7,850)	(7,850)
Exchange differences	(85,490)	6,066	(79,424)
Balance as at 31 December 2013 (Unaudited)	2,898,912	508,387	3,407,299
Balance as at 1 July 2014	**3,076,212**	**460,055**	**3,536,267**
Amortisation during the period	**–**	**(8,957)**	**(8,957)**
Impairment loss	**–**	**(125,000)**	**(125,000)**
Relinquish	**(6,833)**	**–**	**(6,833)**
Exchange differences	**(409,838)**	**695**	**(409,143)**
Balance as at 31 December 2014 (Unaudited)	**2,659,541**	**326,793**	**2,986,334**

Mining properties in Australia

The mining properties in Australia represent the carrying value of mining and exploration projects in Australia (including the Marillana iron ore project) acquired by the Group.

During the period ended 31 December 2014, the Group has relinquished two tenements E45/1845 Mt Stuart and E47/1738 Mt Florence with an allocated fair value of HK$2,733,000 and HK$4,100,000 respectively to the Government of Western Australia. As a result, a loss of HK$6,833,000 has been recognised in the condensed consolidated income statement (Note 8).

As at 31 December 2014, the Group assessed and concluded that the recent sustained iron ore price weakness is considered to be an impairment indicator which triggered the need to perform an impairment assessment. As at 31 December 2014, the recoverable amount is determined by the value in-use calculation.

Our assessment has made reference to industry experts' long term iron ore price and exchange rate forecasts. The assessment concluded that no impairment of the carrying value was required for the period ended 31 December 2014 (six months ended 31 December 2013: nil).

The ultimate recoupment of the carrying value of mining properties is dependent on the successful development and commercial exploitation of or sale of interest in, the mining properties.

Mining right in the PRC

Mining right in the PRC represents the right to conduct mining activities in Damajianshan, Honghe Zhou, Luchun County, Yunnan. The mine is located on land in the PRC to which the Group has no formal title. Yunnan State Land Resources Bureau issued the mining right certificate to Luchun in January 2005 and the mining right certificates has been renewed several times subsequently. In July 2014, the mining right certificate was renewed for a period of two years expiring in July 2016.

With reference to an independent legal opinion received by Luchun, there is no legal barrier for Luchun to renew its mining right certificate when it expires. The independent legal opinion also confirmed that there was no illegal activity undertaken by Luchun in operating the mine between the expiry of the mining right and the granting of the mining right certificate and there was no penalty exerted by the government regarding Luchun's mining operation.

Accordingly, the directors of the Company are of the opinion that the Group will be able to continuously renew the mining right and the business licenses of respective mining subsidiaries at minimal charges.

The mining right in the PRC is amortised using the units of production method based on the proven and probable mineral reserves under the assumption that the Group can renew the mining right in the future until all proven and probable reserves have been mined.

As at 31 December 2014, the Group assessed and concluded that the downturn of global economy and recent sustained copper price weakness are considered to be impairment indicators which triggered the need to perform an impairment assessment. The directors have taken into consideration fair value less costs of disposal and value-in-use calculations to determine the recoverable amount of the mining right. As at 31 December 2014, the recoverable amount is determined by the fair value less costs of disposal calculation.

Key assumptions adopted by management are summarised as follows:

	31 December 2014	30 June 2014
Copper price assumption	**2015: US$5,500/t**	2014: US$7,020/t
	2016: US$6,279/t	2015: US$7,053/t
	2017: US$6,380/t	2016: US$7,183/t
	2018: US$6,167/t	2017: US$7,466/t
	2019: US$6,121/t	2018: US$7,531/t
	2020 onwards: US$6,596/t	2019 onwards: US$7,419/t
Discount rate	**17.8%**	17.8%
Production capacity	**800 tonnes to 1,300 tonnes per day**	800 tonnes to 1,300 tonnes per day

Based on the above impairment assessment, an impairment of approximately HK$125,000,000 was recognised for the period (six months ended 31 December 2013: Nil) primarily due to revision of forecast copper price.

These calculations use cash flow projections based on financial projections approved by management. If the long-term copper price adopted in the valuation had been 5% lower, the recoverable amount would have reduced by approximately HK$12,608,000 and further impairment of HK$12,608,000 would be required.

12. TRADE RECEIVABLES

The Group's credit terms granted to customers are made under contractual arrangement whereby provisional payment is received within 30 to 90 days from the delivery date. Before accepting any new customers, the Group will review the potential customer's credit quality and approve its credit limits. Credit limits attributed to customers are reviewed regularly.

The ageing analysis of the trade receivables, based on the invoice date at the respective balance sheet dates are as follows:

	As at 31 December 2014	**As at 30 June 2014**
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**440**	–

13. TRADE PAYABLES

Trade payables of the Group principally represent amounts outstanding to suppliers. The normal credit period is between 30 days and 90 days. In certain circumstances, the credit period has been extended to over 90 days. The following is an ageing analysis of trade payables of the Group at the respective balance sheet dates:

	As at 31 December 2014	**As at 30 June 2014**
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**6,330**	4,538
31–60 days	**–**	157
61–90 days	**–**	191
Over 90 days	**5,044**	4,654
	11,374	9,540

14. INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2014 (six months ended 31 December 2013: Nil).

15. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There is no significant event occurred subsequently after the balance sheet date.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Financial Highlights

The Group's consolidated revenue from continuing operations for the six months ended 31 December 2014 increased by 7.6% to approximately HK$31.3 million (2013: HK$29.1 million). The increase in revenue reflects an increased sales volume by 14.4% despite the average copper price has dropped by 5.6%.

As at 31 December 2014, the Group's net asset value amounted to HK$2,268.1 million (30 June 2014: HK$2,779.4 million) and cash and bank balances, totalled HK$140.3 million (30 June 2014: HK$223.7 million).

Loss attributable to equity holders of the Company amounted to HK$235.8 million for the six months ended 31 December 2014 (2013: HK$105.3 million). The change was mainly attributable to the impairment loss charged to the income statement. Operation related production costs and exploration expenses have increased steadily and were in-line with the increased sales volume.

Impairment of Mining Properties in Yunnan, PRC

The recent sustained copper price weakness as demonstrated by weakness after the reporting period with prices hitting US$5,500 per tonne on the LME on 31 January 2015, is considered to be an impairment indicator which triggered the need for an impairment assessment.

Taken into consideration of current copper prices and various valuation outcomes, an impairment loss of approximately of HK$125 million has been recognised in the condensed consolidated income statement.

Basic loss per share for the period was HK2.81 cents (2013: HK1.33 cents).

During the six months ended 31 December 2014, the Group had cash outflows used in operating activities of HK$74.9 million.

Outlook

In year 2015, the Company will continue to actively pursue various infrastructure alternatives, through means of Access Proposal and negotiations with business counterparts, aiming to secure infrastructure solution for the Marillana Project.

Mineral Tenements

Iron Ore Operations — Western Australia

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

The net operating loss before income tax expense for the period for this segment and attributable to the Group was HK$85.2 million (2013: HK$53.4 million). Total expenditure associated with mineral exploration for the period ended 31 December 2014 amounted to HK$50.1 million (2013: HK$42.2 million).

Marillana Iron Ore Project

The 100% owned Marillana Project is Brockman's flagship project located in the Hamersley Iron Province within the Pilbara region of Western Australia, approximately 100 km north-west of the township of Newman. The Project is located within mining lease M47/1414. The Project area covers 82 km^2 bordering the Hamersley Range, where extensive areas of supergene iron ore mineralisation have developed within the dissected Brockman Iron Formation that caps the Range.

The ultimate delivery of Marillana's first commercial production is dependent upon securing, funding, and developing suitable rail and port infrastructure.

The Company will provide guidance on the timing for delivery of the Project once the infrastructure solution is secured.

Rail and Port Infrastructure

The key to unlocking the value of the Group's highly prospective iron ore mineral tenements relies on securing a rail and port infrastructure solution and funding.

The Company continues to actively pursue various infrastructure alternatives.

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 Project, 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. TPI's October 2014 appeal on both decisions will be opposed by Brockman and is 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 is anticipated to be materially similar,in numerical effect, to the pre-Judicial Review decision. Accordingly, the remade determination is not anticipated to materially affect the pricing in Brockman's financial model.

During the period, Brockman further advanced the development of the sections 14 (financial and managerial capability) and 15 submissions (capacity) and it is now expected that these will be submitted in April 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.

Port — North West Infrastructure

In August 2008, the Western Australia State Government, in conjunction with the Port Hedland Port Authority ("PHPA") now the Pilbara Port Authority ("PPA"), conferred 50 Mtpa of B Class iron ore export capacity to North West Infrastructure ("NWI"), which is to be utilised at the proposed South West Creek berths SW3 and SW4 at Port Hedland. NWI, which is an incorporated joint venture between Brockman, Atlas Iron Limited ("Atlas") and FerrAus Pty Ltd, a wholly owned subsidiary of Atlas, is progressing the development of these two new berths.

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

Ophthalmia Iron Ore Project

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 period 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 1) from three separate areas/deposits: Sirius, Coondiner and Kalgan Creek (Figure 1).

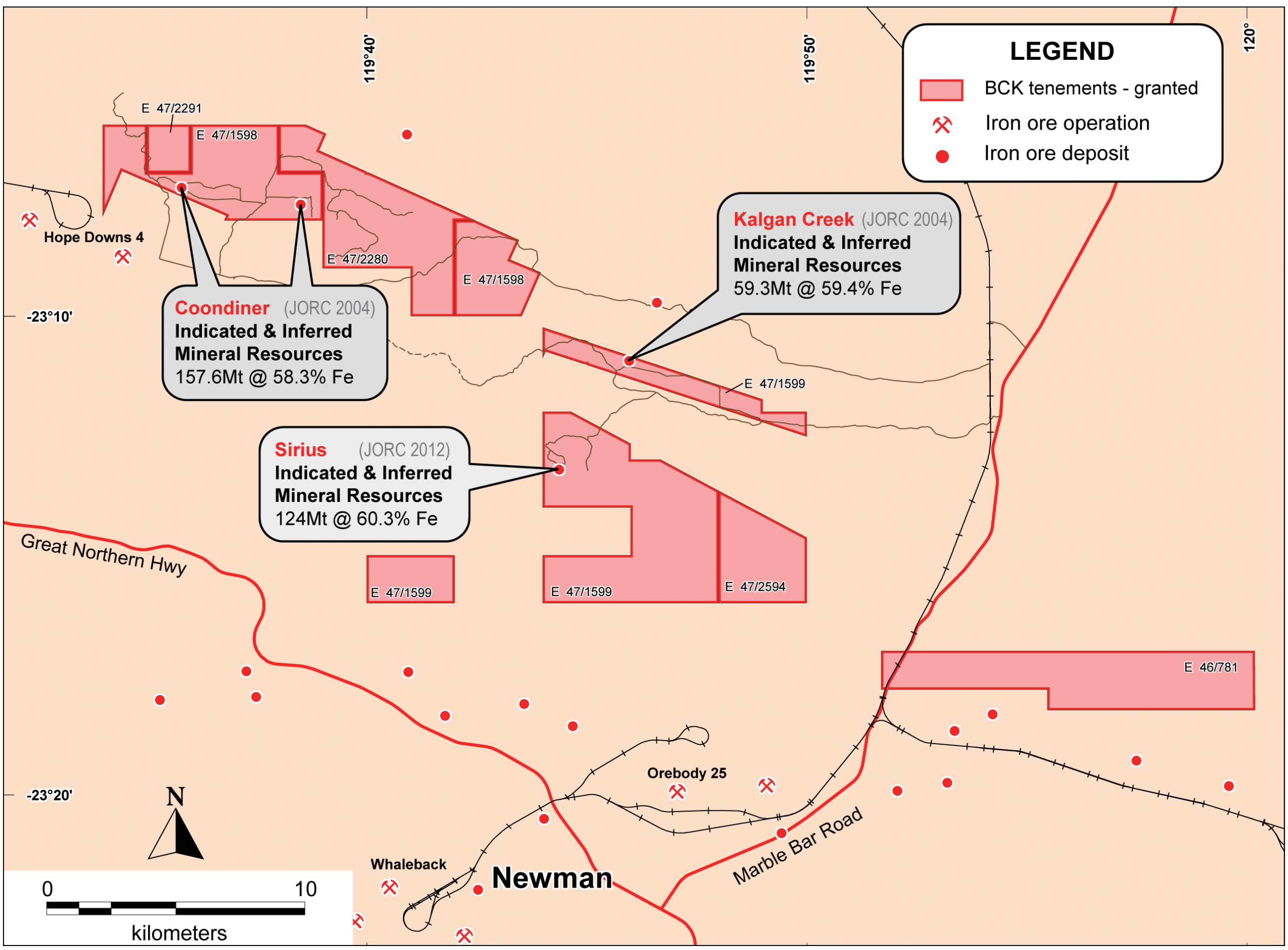

Figure 1: General location map of Ophthalmia Iron Ore Project

Table 1: Ophthalmia Mineral Resource (DSO) Summary

Deposit	Class	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO_2 (%)	Al_2O_3 (%)	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
	Sub Total	**157.6**	**58.4**	**62.0**	**5.27**	**4.46**	**0.007**	**0.174**	**5.68**
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**
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
	Sub Total	**124.0**	**60.3**	**63.6**	**3.62**	**3.95**	**0.007**	**0.177**	**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**	**4.76**	**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)
** 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 estimates were 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 estimates, 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 Resource 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 Resource. Refer to Figures 2 and 3 which show the location of the Exploration Targets with respect to the drilling and Mineral Resource. 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.

Table 2: Ophthalmia Exploration Targets

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

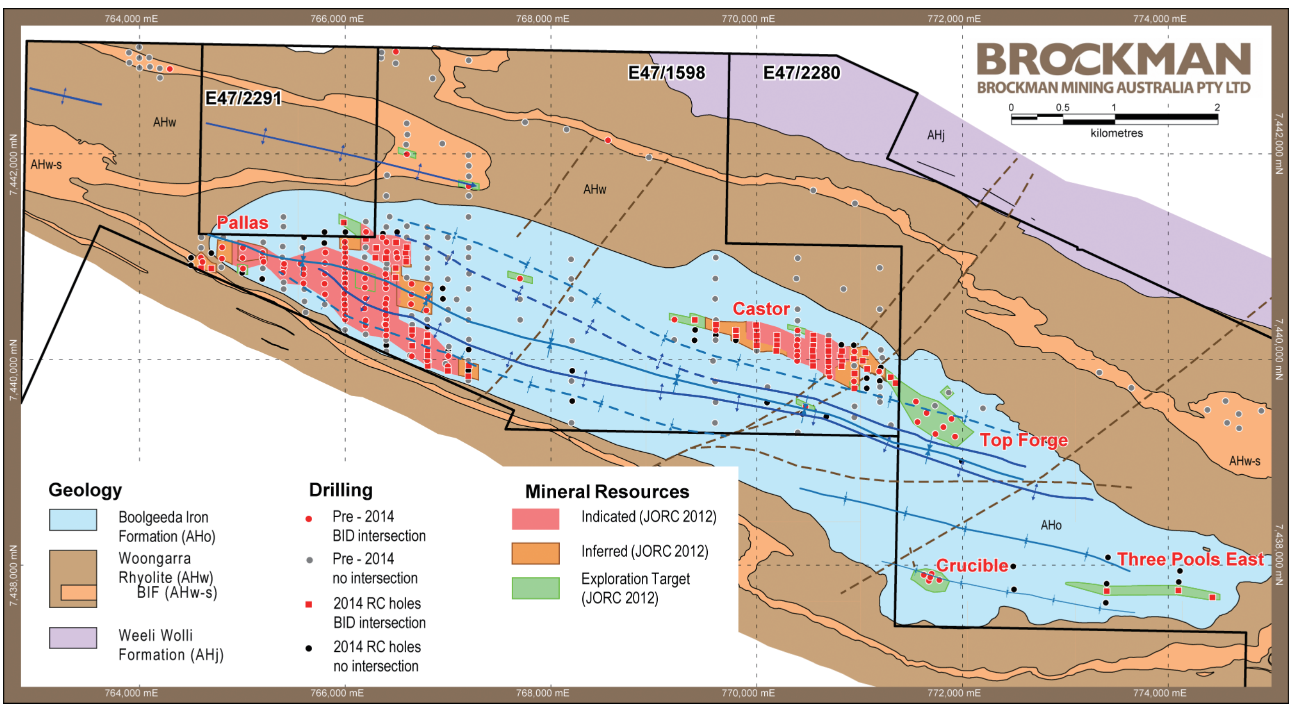

Figure 2: Coondiner Deposits Geology, Drill Hole and Resource Location

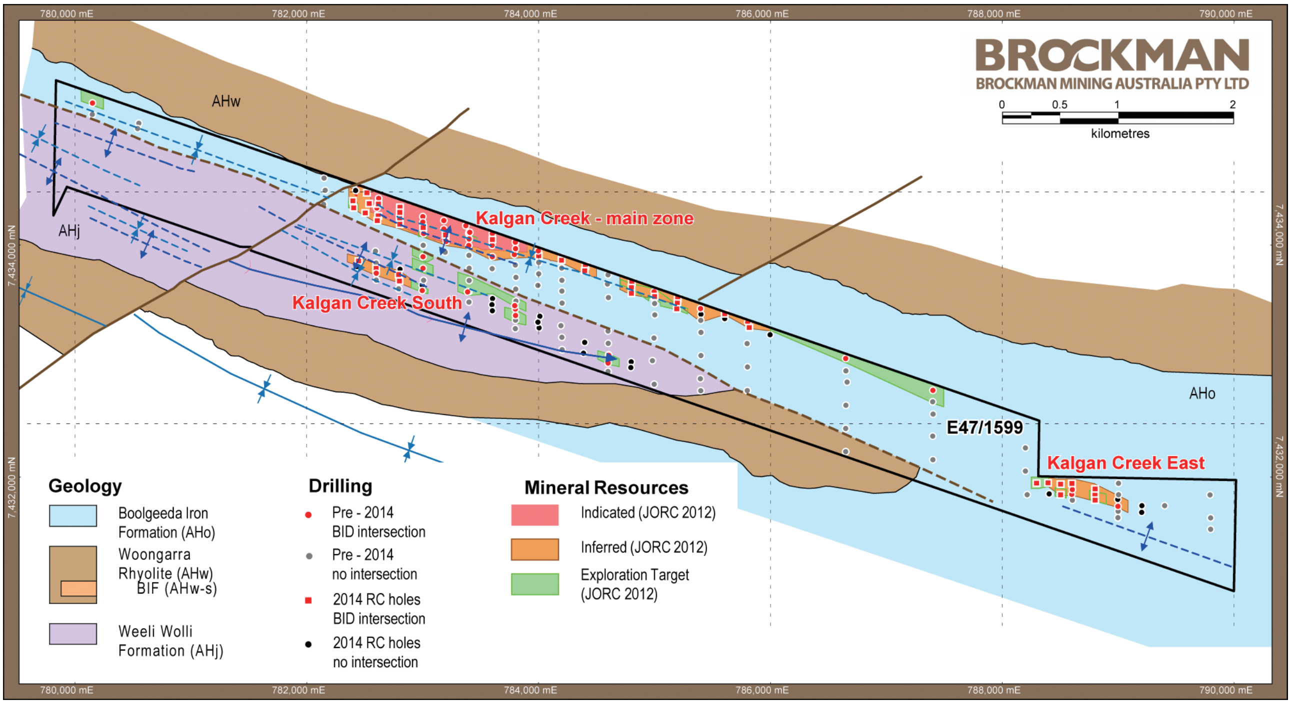

Figure 3: Kalgan Creek Deposits Geology, Drill Hole and Resource Location

Mining Operation

Copper Mine — Yunnan, PRC

The copper mining business of the Company is conducted through Luchun Xingtai Mining Co. Ltd ("Luchun"), a 100% owned subsidiary of the Company, the owner and operator of the Damajianshan Mine.

During the interim period, an aeromagnetic survey was conducted over a 131.02km^2 prospecting target area in Qimaba Town, Luchun County of Yunnan Province in the PRC.

Production and operation results for the financial periods were summarised as follows:

	Six months ended 31 December **2014**	2013
Copper ore processed	**166,845 tonnes**	112,585 tonnes
Production of copper ore concentrates	**732 Metal (t)**	618 Metal (t)
Sales of copper ore concentrates	**737 Metal (t)**	644 Metal (t)
Average selling price per Metal (t) (without VAT)	**RMB34,000**	RMB36,000

During the six months ended 31 December 2014, Luchun has contributed revenue of approximately HK$31.3 million (2013: HK$29.1 million), up 7.6%, and the loss before amortisation and impairment was approximately HK$5.7 million (2013: HK$8.3 million), representing an improvement of 31.3%.

The cost of sales of the mining segment mainly included mining, processing and refining, ore transportation and waste disposal costs.

Total expenditure associated with the mining operation during the six months ended 31 December 2014 amounted to approximately HK$46.3 million (2013: HK$45.7 million).

During the interim period, steady ore processing volume was recorded, following better utilisation of the Group's existing production capacities.

Sales volume of copper ore concentrates grew slightly, however average price per tonne has decreased steadily over the period reflecting the decrease in global metal prices.

The downturn of global economy and the recent sustained copper price weakness are considered to be the impairment indicators which triggered the need to perform an impairment assessment. Based on the impairment assessment, an impairment loss of approximately HK$125,000,000 was recognised during the period (2013: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

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

The current ratio as at 31 December 2014 is measured at 1.27 (30 June 2014: 2.38). The gearing ratio as at 31 December 2014 (long-term debts over equity and long-term debts) is measured at zero as there is no long-term debts (30 June 2014: 0.01).

During the period, the Group did not engage in the use of any financial instruments for hedging purposes, and there was no hedging instrument outstanding as at 31 December 2014.

CAPITAL STRUCTURE

The Company has no changes in its issued share capital for the interim period.

As at the date of the announcement, the total number of issued shares outstanding for the Company amounted to 8,381,982,131 shares.

Shares Details

Shares on issue
As at 31 December 2014:
8,381,982,131 fully paid shares on issue

Unquoted securities
As at 31 December 2014:
the total number of unlisted options outstanding is 344,500,000, including:

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

The following options were lapsed during the period:

- 22,000,000 share options, expiring 13 December 2015 Exercise price: HK$0.72
- 23,500,000 share options, expiring 14 January 2016 Exercise price: HK$0.717
- 23,500,000 share options, expiring 14 January 2016 Exercise price: HK$0.967
- 3,250,000 share options, expiring 20 May 2016 Exercise price: HK$0.717
- 3,250,000 share options, expiring 20 May 2016 Exercise price: HK$0.967

In addition to the above, 15,000,000 options quoted on the ASX were lapsed on 30 September 2014.

Supplemental information — Share Subscription

In order to redeem the bond previously issued by the Company and to strengthen the Group's financial position and provide general working capital required for the development of the Marillana Project, the Company conducted a share subscription exercise with two subscribers in January 2014.

(a) On 2 January 2014, the Company entered into a shares subscription agreement with China Guoyin Investment (HK) Ltd (the "CG Subscription") in which the Company agreed to issue and China Guoyin agreed to subscribe for 195,000,000 Shares (with an aggregate nominal value of HK$19,500,000) of the Company at HK$0.4 per share, raising net proceeds of approximately HK$78 million. The net issue price per Share is approximately HK$0.4.

    The CG Subscription price per CG Subscription share represents a discount of approximately 13.98% to the closing price of HK$0.465 per share as quoted on the Stock Exchange on 2 January 2014.

    The proceeds from the issue of the CG Subscription shares is used for the development of the Group's iron ore mining projects in Western Australia and for general working capital of the Group.

(b) On the same date, the Company entered into a shares subscription agreement with Ocean Line Holdings Limited (the "OL Subscription") in which the Company agreed to issue and Ocean Line agreed to subscribe for 292,500,000 Shares (with an aggregate nominal value of HK$29,250,000) of the Company at the same price of HK$0.40 per share, representing an aggregate subscription price of HK$117 million. The net issue price per Share is approximately HK$0.40. Among the 292,500,000 shares, 78,000,000 ordinary shares were issued by the Company to redeem a fixed rate bond in full. The remaining net proceeds of HK$85.8 million from the issue of the OL Subscription shares is used for the development of the Group's iron ore mining projects in Western Australia and for general working capital of the Group.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2014, no asset was pledged to secure any banking facilities (30 June 2014: Nil).

Financial guarantees

As at 31 December 2014, the Company did not provide any financial guarantees (30 June 2014: Nil).

Contingent liabilities

There is no material contingent liability of the Group as at 31 December 2014.

MARKET RISK

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

(a) Commodities Price risk

Copper ore concentrate price:

The Group's revenue and results of the mining business during the period, and the fair value of the Group's mining right was affected by fluctuations in the copper ore concentrate price. All of our mining products were sold at market price.

Iron ore price:

The fair value of the Group's intangible assets arising from acquisition of mineral tenements operations in Australia was affected by fluctuations in the iron ore price. However, the carrying value of the mining right remains unchanged.

We have not used any commodity derivative instruments or futures for speculation or hedging purpose. The management will review the market condition from time to time and determine the best strategy to deal with the fluctuations of iron ore and copper concentrate prices.

(b) Exchange rate risk

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

STAFF AND REMUNERATION

As at 31 December 2014, the continuing operations of the Group employed 420 full time employees (30 June 2014: 409 employees), of which approximately 384 employees were in the PRC (30 June 2014: 365 employees) and 16 employees were in Australia (30 June 2014: 26 employees). The remuneration of employees includes salary and discretionary bonus. The Group also adopted a share option scheme to provide incentives to the employees.

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is listed on both the Australian Securities Exchange ("ASX") and on the SEHK. The Company's corporate governance policies have been formulated to ensure that it is a responsible corporate citizen. The Company complies with all aspects of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK, except for the deviation from Code Provision A.2.1, which requires the roles of chairman and chief executive should be separate and should not be performed by the same individual. The position for the chief executive officer at the Group level has been vacant during the period. Nonetheless, Mr. Colin Paterson, who serves as the chief executive officer at 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 Company will continue to seek for the appropriate candidate to fill the vacant position when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry to all directors of the Company, all directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 31 December 2014.

AUDIT COMMITTEE

As at 31 December 2014, the audit committee comprises of three independent non-executive directors namely Messrs. Yap Fat Suan, Henry, Uwe Henke Von Parpart and Yip Kwok Cheung, Danny (the "Audit Committee"). Mr. Yap Fat Suan, Henry was the Chairman of the Audit Committee. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Audit Committee has reviewed the Group's interim results for the six months ended 31 December 2014.

By Order of the Board
Brockman Mining Limited
Kwai Sze Hoi
Chairman

Hong Kong, 24 February 2015

As at the date of this announcement, the board of directors of the Company comprises Mr. Kwai Sze Hoi (Chairman), Mr. Liu Zhengui (Vice Chairman) and Mr. Ross Stewart Norgard as non-executive directors; Mr. Chan Kam Kwan, Jason (Company Secretary), Mr. Warren Talbot Beckwith and Mr. Kwai Kwun Lawrence as executive directors; and Mr. Yap Fat Suan, Henry, Mr. Uwe Henke Von Parpart, Mr. Yip Kwok Cheung, Danny and Mr. Choi Yue Chun, Eugene as independent non-executive directors.

GLOSSARY

"Board"	the Board of Directors
"Brockman" or "Company"	Brockman Mining Limited ARBN 143 211 867, a company incorporated in Bermuda
"CG Code"	Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK
"China Guoyin"	China Guoyin Investments (HK) Ltd
"Damajianshan mine"	The 100% owned copper mine held by the Company in the Yunnan Province, PRC
"Directors"	the directors of the Company
"DSO"	Direct Shipping Ore
"km"	kilometres
"LOI"	Loss on ignition
"Luchun"	Luchun Xingtai Mining Co., Ltd, a subsidiary of the Company, which is the operator of the Damajianshan Mine
"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
"Ocean Line"	Ocean Line Holdings Ltd
"PRC"	People's Republic of China
"RC"	Reverse circulation
"SEHK"	Hong Kong Exchanges and Clearing Company Limited or the financial products market or the Hong Kong Stock Exchange, as the situation requires
"Share(s)"	ordinary share of the Company of par value HK$0.1 each
"WA"	Western Australia