



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 June 2015

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1. HIGHLIGHTS

- Brockman signed a Native Title Mining Agreement with the Nyiyaparli people covering all tenements comprising the Ophthalmia Iron Ore Project. The signing of this agreement paves the way for the granting of mining leases over the project area once an infrastructure solution is established to facilitate development of the project.
- 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 has been awarded costs which will be deposited into our legal advisers trust account awaiting the outcome of the TPI appeal.
- Brockman is carrying out cost optimisations of projected capital and operating costs for the Marillana Iron Ore Project in the current operating environment in preparation for the securing of a rail infrastructure solution for the project.
- In line with current market conditions, Company-wide cost reductions have been implemented with reduced overheads to be realised in the coming quarter.

2. CORPORATE REVIEW

Cash position

The consolidated cash position of the Group as at 30 June 2015 was HK\$98.3 million.

Corporate

Mr. Warren Talbot Beckwith resigned as a non-executive director of the Company on 2 July 2015, due to his other personal and family commitments. Mr Beckwith shall remain as a consultant to the Company following his resignation.

During the quarter the Company completed a Company-wide review of its administration, exploration and development outflows in line with current market conditions. Significant savings were secured with the full benefit to be recognised in future quarters.

3. MARILLANA IRON ORE PROJECT (100% INTEREST)

3.1 Marillana Development

Brockman has focussed its efforts on optimisation studies for the Marillana project. The current economic climate has presented cost saving opportunities and the project team is investigating the likely beneficial impact on previous capital and operating cost estimates for the Marillana project under the existing cost environment, in readiness for when an infrastructure solution is secured.

The Company is also re-evaluating the mine plan to reduce haul distances, increase product yields in the early mine life and minimise rehandling of waste materials, all of which is anticipated to have a positive impact on mining costs.

3.2 Marillana Infrastructure

The development of the Marillana iron ore project remains dependent on securing a viable rail and port infrastructure solution.

Rail

In May 2013, Brockman commenced 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, 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.

Since May 2013, significant delays have occurred due to the validity challenge launched by TPI in October 2013. Since having the Supreme Court confirm that Brockman's Access Proposal was valid for the purpose of s8 of the Code in September 2014, Brockman has continued to progress the required information for the Access Proposal under sections 14 and 15 of the Code. TPI has appealed the decision, with the appeal scheduled to be heard in August this year. Brockman has however been awarded costs for the original Supreme Court hearing, which will be deposited into a trust account with Brockman's legal advisers until resolution of the appeal.

Brockman continues to investigate alternative infrastructure solutions for the Marillana Project.

Port

Brockman, as a foundation member of the North West Infrastructure joint venture (NWI), has a potential port solution through the Western Australian State Government conferral of 50Mtpa export capacity to NWI and the related potential port stock yards and berth locations (SP3 and SP4 in South West Creek in the Port Hedland inner harbour) set aside by the Pilbara Ports Authority. The NWI opportunity is reliant on securing a viable rail solution to connect potential users mines with the port.

NWI has completed a cost review and reduced outflows during this market cycle awaiting resolution of the rail solution. Brockman remains focussed on protecting its foundation shareholding position in NWI and remains vigilant to the opportunity for other aspirant Pilbara based junior developers and miners to support the future port development.

4. OPTHALMIA IRON ORE PROJECT (100% INTEREST)

4.1 Ophthalmia exploration

Following the successful development of a substantial Mineral Resource at the Ophthalmia project (see ASX release dated 1 December 2014) exploration activities during the quarter were focussed on site rehabilitation.

4.2 Ophthalmia development

In May, the Company executed a Native Title Agreement with the Nyiyaparli people covering all tenements comprising the Ophthalmia Iron Ore Project.

The agreement was based on the existing agreement with the Nyiyaparli people covering the Marillana Iron Ore Project (signed in 2009) and takes into consideration the Nyiyaparli people's interests with regard to the management of Cultural Heritage and Protection of the lands and environment at the Ophthalmia Project, as well as providing education and training opportunities for the local Nyiyaparli people.

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

The PFS has been suspended pending securing of an infrastructure solution for the Company's Marillana project.

5. TENEMENTS

Tenements disposed of during the Quarter

Project	Location	Tenement 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%
Broome	North Pilbara	E	04/2320	Iron Ore	Granted	100%
Marillana	East Pilbara	L	46/0097	Iron Ore	Application	100%
Marillana	East Pilbara	L	47/0567	Iron Ore	Application	100%
Mt Stuart	East Pilbara	E	47/2993	Iron Ore	Application	100%
Robertson Range	West Pilbara	E	45/4410	Iron Ore	Application	100%

Tenements acquired during the Quarter

Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Mindy	West Pilbara	E	47/3310	Iron Ore	Application	100%
Millstream Hill	West Pilbara	E	47/3314	Iron Ore	Application	100%
Mt Maguire	West Pilbara	E	52/3307	Iron Ore	Application	100%
Mt Maguire	West Pilbara	E	52/3308	Iron Ore	Application	100%

Tenements held at end of Quarter

Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
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	Granted	100%
Duck Creek	West Pilbara	E	47/3152	Iron Ore	Granted	100%
Fig Tree	East Pilbara	E	47/3025	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%
Juna Downs	West Pilbara	E	47/3276	Iron Ore	Application	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	Application	100%
Mill Stream Hill	West Pilbara	E	47/3314	Iron Ore	Application	100%
Mindy	West Pilbara	E	47/3310	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%

Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
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 Maguire	West Pilbara	E	52/3307	Iron Ore	Application	100%
Mt Maguire	West Pilbara	E	52/3308	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%
Mt Stuart	West Pilbara	E	47/2994	Iron Ore	Application	100%
Mt Stuart	West Pilbara	E	47/3285	Iron Ore	Application	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	Granted	100%
Pannawonica	West Pilbara	E	47/2409	Iron Ore	Granted	100%
Pannawonica	West Pilbara	E	47/2410	Iron Ore	Granted	100%
Phils Bore	West Pilbara	E	47/2904	Iron Ore	Granted	100%
Phils Bore	West Pilbara	E	47/2905	Iron Ore	Application	100%
Parson George	East Pilbara	E	47/3217	Iron Ore	Application	100%
Port Hedland	North Pilbara	L	45/0296	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	47/3216	Iron Ore	Application	100%
West Hamersley	West Pilbara	E	47/1603	Iron Ore	Granted	100%

6. DAMAJIANSHAN MINE (100% INTEREST)

During the quarter, concerns about the growth of the Chinese economy and lower oil prices continue to weigh on copper prices. The company is reviewing the mine plan under current market conditions to ensure that this project generates maximum shareholder returns throughout the life of the mine.

During the quarter ended 30 June 2015, cash receipts from product sales of

approximately RMB5.8 million (RMB7.0 million, March 2015 quarter) were recorded.

Cash payments for production associated with mining operations during the quarter amounted to approximately RMB3.3 million (RMB4.6 million, March 2015 quarter).

Cash payments for exploration activities and development recorded at RMB1.4 million (RMB1.9 million, March 2015 quarter). Drilling activities were continued during the quarter with approximately 798m recorded (210m, March 2015 quarter).

	Jun' 15 Quarter (Tonnes)	Mar' 15 Quarter (Tonnes)	Variance %
Ore mined and delivered to stockpile	12,802	13,895	(8)%
Ore processed	—	15,639	(100)%
Concentrate produced (metal tonnes)	—	61	(100)%
Concentrate sold (metal tonnes)	—	144	(100)%

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
Warren Talbot Beckwith
(Resigned 2 July 2015)

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

Independent Non-executive Directors:
Uwe Henke Von Parpart
Yip Kwok Cheung Danny
Yap Henry Fat Suan
Choi Yue Chun Eugene

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
Level 11
172 St Georges Terrace
Perth WA 6000

Securities on issue at 30 June 2015

Quoted securities

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

Unquoted securities

316,500,000 unlisted options granted

- 61,400,000 share options, expiring 13 December 2015 EX HK\$0.72
- 46,600,000 share options, expiring 14 January 2016 EX HK\$0.717
- 46,600,000 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
- 8,000,000 share options, expiring 18 January 2018 EX HK\$0.45

There were no shares or options issued during the period.

The following Unlisted Employee share options lapsed during the period:

- 18,000,000 share options, expiring 14 January 2016 EX HK\$0.717
- 18,000,000 share options, expiring 14 January 2016 EX HK\$0.967

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

8. GLOSSARY

"Board"	the Board of Directors
"Brockman Mining Australia"	Brockman Mining Australia Pty Ltd (formerly Brockman Resources Limited ACN 009 372 150), the principal wholly-owned subsidiary of the Company
"Brockman" or "Company"	Brockman Mining Limited ARBN 143 211 867, a company listed on the SEHK and ASX
"Damajianshan Mine"	The 100% owned copper mine held by the Company in the Yunnan Province, PRC
"Group"	Brockman Mining Limited, its associates and subsidiaries
"JORC"	Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
"km"	kilometres
"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
"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
"PFS"	Pre Feasibility Study
"PPA"	Pilbara Port Authority
"Q"	Quarter (financial)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"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")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter HK\$'000	Year to date (12 months) HK\$'000
1.1 Receipts from product sales and related debtors	7,343	42,133
1.2 Payments for		
(a) exploration & evaluation	(9,232)	(80,954)
(b) development	—	—
(c) production	(4,218)	(28,848)
(d) administration	(10,202)	(51,682)
1.3 Dividends received	—	—
1.4 Interest and other items of a similar nature received	159	1,031
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 advance from/(repayment to) related parties	63	(533)
Net operating cash flows	(16,087)	(118,853)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	(509)	(685)
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)	—	—
Net investing cash flows	(509)	(685)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13 Total operating and investing cash flows (brought forward)	(16,596)	(119,538)
Cash flows related to financing activities		
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)	—	—
a) cash backed performance bond guarantee of BRM	—	(47)
Net financing cash flows	—	(47)
Net decrease in cash held	(16,596)	(119,585)
1.20 Cash at beginning of quarter/year to date	114,950	223,698
1.21 Exchange rate adjustments to item 1.20	(57)	(5,816)
	—	—
1.22 Cash at end of quarter	98,297	98,297

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	1,309
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

- 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

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	(8,163)
4.2 Development	—
4.3 Production	(6,921)
4.4 Administration	(13,785)
Total	(28,869)

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	29,255	26,026
5.2 Deposits at call	69,042	88,924
5.3 Bank overdraft	—	—
5.4 Other (provide details)	—	—
Total: cash at end of quarter (item 1.22)	98,297	114,950

+ 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	E46/1051	Application withdrawn	100%	0%
	E46/1052	Application withdrawn	100%	0%
	E04/2320	Tenement surrendered	100%	0%
	L46/0097	Application withdrawn	100%	0%
	L47/0567	Application withdrawn	100%	0%
	E47/2993	Application withdrawn	100%	0%
	E45/4410	Application withdrawn	100%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	E47/3310	Application lodged	0%	100%
	E47/3314	Application lodged	0%	100%
	E52/3307	Application lodged	0%	100%
	E52/3308	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 Preference ⁺ securities (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	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				

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	61,400,000 93,200,000 7,200,000 146,700,000 8,000,000		<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 HK\$0.45	<i>Expiry date</i> 13 December 2015 14 January 2016 28 February 2016 20 May 2016 18 January 2018
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	36,000,000		HK\$0.717-HK\$0.967	14 January 2016
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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.

+ See chapter 19 for defined terms.



Sign here:

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(Company secretary)

Date: 30 July 2015

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 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.

+ See chapter 19 for defined terms.