BROCKMAN

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

The board of directors (the "Board") of Brockman Mining Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2015, together with the comparative figures for the year ended 30 June 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

		Year ended 30 June	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Continuing operations			
Revenue	*4*	**36,525**	38,739
Cost of sales	*11*	**(38,497)**	(34,170)
Gross (loss)/profit		**(1,972)**	4,569
Other income	*7*	**1,954**	5,388
Other (losses)/gains, net	*8*	**(6,878)**	1,984
Selling and administrative expenses	*11*	**(73,479)**	(88,933)
Exploration and evaluation expenses	*11*	**(76,560)**	(87,188)
Impairment losses	*9*	**(1,441,618)**	(40,000)
Share of losses of joint ventures		**(5,031)**	(8,090)
Operating loss		**(1,603,584)**	(212,270)
Finance costs	*10*	**–**	(804)
Loss before income tax		**(1,603,584)**	(213,074)
Income tax credit	*12*	**367,036**	–
Loss for the year from continuing operations		**(1,236,548)**	(213,074)

* *For identification purposes only*

	Note	Year ended 30 June 2015 HK$'000	2014 HK$'000
Discontinued operation			
Profit for the year from discontinued operation	6	–	3,973
Loss for the year		**(1,236,548)**	(209,101)
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		**(380,776)**	63,880
Release of translation reserve arising from disposal of subsidiaries		–	(2,717)
Other comprehensive (loss)/income for the year		**(380,776)**	61,163
Total comprehensive loss for the year		**(1,617,324)**	(147,938)
Loss for the year attributable to:			
Equity holders of the Company		**(1,236,548)**	(207,098)
Non-controlling interests		–	(2,003)
		(1,236,548)	(209,101)
Loss for the year attributable to equity holders of the Company arising from:			
Continuing operations		**(1,236,548)**	(211,071)
Discontinued operation		–	3,973
		(1,236,548)	(207,098)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(1,617,324)**	(146,447)
Non-controlling interests		–	(1,491)
		(1,617,324)	(147,938)
Total comprehensive (loss)/income attributable to equity holders of the Company arising from:			
Continuing operations		**(1,617,324)**	(148,491)
Discontinued operation		–	2,044
		(1,617,324)	(146,447)

		Year ended 30 June	
		2015	2014
	Note	***HK cents***	*HK cents*
(Loss)/earnings per share attributable to the equity holders of the Company during the year			
Basic (loss)/earnings per share from:			
Continuing operations	*14*	**(14.75)**	(2.61)
Discontinued operation	*14*	**–**	0.05
		(14.75)	(2.56)
Diluted (loss)/earnings per share from:			
Continuing operations	*14*	**(14.75)**	(2.61)
Discontinued operation	*14*	**–**	0.05
		(14.75)	(2.56)

CONSOLIDATED BALANCE SHEET
As at 30 June 2015

		As at 30 June	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Mining properties	*15*	**1,504,573**	3,536,267
Property, plant and equipment		**27,815**	33,242
Interests in joint ventures		**288**	1,264
Other non-current assets		**14,377**	14,488
		1,547,053	3,585,261
Current assets			
Inventories		**4,274**	11,857
Other receivables, deposits and prepayments		**5,480**	8,117
Amounts due from related parties		**2,358**	2,993
Cash and cash equivalents		**98,297**	223,698
		110,409	246,665
Total assets		**1,657,462**	3,831,926
Equity			
Share capital	*17*	**838,198**	838,198
Reserves		**315,607**	1,941,198
Total equity		**1,153,805**	2,779,396
Non-current liabilities			
Other payables		**26,995**	26,865
Deferred income tax liabilities		**381,510**	920,561
Provisions		**940**	1,660
		409,445	949,086
Current liabilities			
Trade payables	*16*	**10,201**	9,540
Other payables and accrued charges		**83,842**	91,070
Amounts due to related parties		**169**	2,834
		94,212	103,444
Total liabilities		**503,657**	1,052,530
Total equity and liabilities		**1,657,462**	3,831,926
Net current assets		**16,197**	143,221
Total assets less current liabilities		**1,563,250**	3,728,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Brockman Mining Limited (the "Company") and its subsidiaries (collectively, the "Group") principally engage in the acquisition, exploration and towards future development of iron ore project in Australia; and in the exploitation, processing and sales of mineral resources, including copper ore concentrates and other mineral ore products in the People's Republic of China ("PRC").

The Company is a public limited company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and Australian Securities Exchange (the "ASX"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

These consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$"), unless otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and with the applicable disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Going concern

During the year ended 30 June 2015, the Group incurred net operating cash outflows of HK$114,415,000, and the cash and cash equivalents of the Group reduced to HK$98,297,000 as at 30 June 2015 from HK$223,698,000 as at 30 June 2014.

In view of these circumstances, the directors of the Company are taking certain measures to mitigate the liquidity pressure and to improve the financial performance which include, but not limited to the reduction in exploration and evaluation activities and the implementation of other cost-saving measures.

The directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 30 June 2015. Based on these projections, the Group's cash outflows will be reduced through the implementation of the measures described above. On this basis, the directors of the Company consider that, taking into account the Group's operating performance, reduction of exploration and evaluation activities, and the successful implementation of cost saving measures mentioned above, 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 consolidated financial statements on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Amended standards and interpretation adopted by the Group

The Group adopted the following amended standards and interpretation which are mandatory for the Group's financial ended 30 June 2015. 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 19 (2011) (Amendment)	Employee Benefits
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

(b) New and amended standards have been issued but are not effective for the Group's financial year ended 30 June 2015 and have not been early adopted

The following new standards and amendments to standards have been issued, but are not effective for the Group's financial year ended 30 June 2015 and have not been early adopted:

		Effective for annual periods beginning on or after
Annual Improvements Project 2014	Annual Improvements 2012–2014 Cycle	1 January 2016
IAS 1 (Amendment)	The Disclosure Initiative	1 January 2016
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 10, IFRS 12 and IAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception	1 January 2016
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
IFRS 9	Financial Instruments	1 January 2018

The Group is in the process of making an assessment of the impact of the above new 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.

(c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year ending 30 June 2015 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far, it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

4. REVENUE

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

	Year ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Sales of copper ore concentrates	**36,525**	38,739
Discontinued operation:		
Income from provision of transportation services	**–**	73,124

Turnover consists of sales from mining operation in the PRC of HK$36,525,000 for the year ended 30 June 2015 (2014: HK$38,739,000).

5. 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.

(a) Business segments

The Group's reportable operating segments are as follows:

Mineral tenements in Australia	— tenements acquisition, exploration and towards future development of iron ore project in Western Australia
Mining operations in the PRC	— exploitation, processing and sales of copper ore concentrates in the PRC
Discontinued operation — Transportation services *(Note 6)*	— provision of limousine rental services in Hong Kong and the PRC and provision of airport shuttle bus services in Hong Kong

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 consolidated statement of comprehensive income and consolidated balance sheet.

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 are measured in a manner consistent with that in the consolidated balance sheet.

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

	Continuing operations				Discontinued operation	
	Mineral tenements in Australia	Mining operation in the PRC	Others	Sub-total	Transportation services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 30 June 2015:						
Segment revenue from external customers	**–**	**36,525**	**–**	**36,525**	**–**	**36,525**
Segment results	**(1,326,318)**	**(252,635)**	**(19,600)**	**(1,598,553)**	**–**	**(1,598,553)**
Share of losses of joint ventures				**(5,031)**		**(5,031)**
Loss before income tax				**(1,603,584)**		**(1,603,584)**
Other information:						
Depreciation of property, plant and equipment	**(910)**	**(5,442)**	**(761)**	**(7,113)**	**–**	**(7,113)**
Impairment of mining properties *(Note 15)*	**(1,216,618)**	**(225,000)**	**–**	**(1,441,618)**	**–**	**(1,441,618)**
Amortisation of mining properties	**–**	**(10,884)**	**–**	**(10,884)**	**–**	**(10,884)**
Relinquishment of mining properties	**(6,833)**	**–**	**–**	**(6,833)**	**–**	**(6,833)**
Exploration and evaluation expenses	**(60,640)**	**(15,920)**	**–**	**(76,560)**	**–**	**(76,560)**
Income tax credit	**367,036**	**–**	**–**	**367,036**	**–**	**367,036**
For the year ended 30 June 2014:						
Segment revenue from external customers	–	38,739	–	38,739	73,124	111,863
Segment results	(90,233)	(59,099)	(54,848)	(204,180)	3,781	(200,399)
Share of losses of joint ventures				(8,090)	–	(8,090)
Finance costs				(804)	(567)	(1,371)
(Loss)/profit before income tax				(213,074)	3,214	(209,860)
Other information:						
Gain on disposal of subsidiaries	–	–	–	–	2,822	2,822
Depreciation of property, plant and equipment	(796)	(5,425)	(751)	(6,972)	(9,380)	(16,352)
Impairment of mining properties *(Note 15)*	–	(40,000)	–	(40,000)	–	(40,000)
Amortisation of mining properties	–	(12,205)	–	(12,205)	–	(12,205)
Exploration and evaluation expenses	(75,094)	(12,094)	–	(87,188)	–	(87,188)
Finance costs	–	–	(804)	(804)	(567)	(1,371)
Income tax credit	–	–	–	–	759	759

The revenue from external parties reported to executive directors of the Company is measured in a manner consistent with that in the consolidated statement of comprehensive income. Revenue from mining operation in the PRC amounting to HK$36,525,000 (2014: HK$38,739,000) represents sales to a single customer.

The following is an analysis of the Group's assets by business segment as at the respective balance sheet dates:

	Continuing operations				Discontinued operation	
	Mineral tenements in Australia	Mining operation in the PRC	Others	Sub-total	Transportation services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 30 June 2015:						
Segment assets	1,285,073	274,764	97,625	1,657,462	–	1,657,462
Total segment assets include:						
Interests in joint ventures	288	–	–	288	–	288
Additions to property, plant and equipment	252	1,551	177	1,980	–	1,980
Relinquishment of mining properties	(6,833)	–	–	(6,833)	–	(6,833)
As at 30 June 2014:						
Segment assets	3,114,123	521,442	196,361	3,831,926	–	3,831,926
Total segment assets include:						
Interests in joint ventures	1,264	–	–	1,264	–	1,264
Additions to property, plant and equipment	518	2,133	39	2,690	2,489	5,179
Additions to mining properties	141	–	–	141	–	141

(b) Geographical information

The transportation services are provided in Hong Kong and the PRC. The mining operation is located in the PRC and the mineral tenements are located in Australia.

The following table provides an analysis of the Group's revenue by geographical market, based on the origin of the services:

	Year ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
For continuing operations:		
PRC	**36,525**	38,739
For discontinued operation:		
PRC	**–**	15,817
Hong Kong	**–**	57,307
	–	73,124

The following is an analysis of the carrying amounts of the Group's mining properties, property, plant and equipment and other non-current assets (excluding financial assets) analysed by geographical area in which the assets are located:

	As at 30 June	
	2015	2014
	HK$'000	*HK$'000*
For continuing operations:		
PRC	**265,910**	503,078
Hong Kong	**872**	1,493
Australia	**1,279,283**	3,079,527
	1,546,065	3,584,098

6. DISPOSAL OF SUBSIDIARIES

On 24 October 2013, the Company and Mr. Leung Chi Yan, Danny ("Mr. Leung"), a director of Perryville Group, entered into a sale and purchase agreement pursuant to which the Company agreed to sell the entire equity interest in Perryville Group Limited and its subsidiaries ("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.

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 consolidated financial statements as discontinued operation in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The consolidated statement of comprehensive income and consolidated statement of cash flows distinguish discontinued operation from continuing operations.

(a) Profit from discontinued operation

An analysis of the result of discontinued operation, and the result recognised on the re-measurement of assets or disposal group, is as follows:

	Year ended 30 June 2014 HK$'000
Revenue	73,124
Cost of sales	(58,644)
	14,480
Other income	107
Other losses, net	(198)
Selling and administrative expenses	(13,430)
Finance costs	(567)
Profit before income tax	392
Income tax credit	759
Profit for the year from operating activities	1,151
Gain on disposal of subsidiaries	2,822
Profit for the year from discontinued operation	3,973
Profit for the year from discontinued operation attributable to:	
— Equity holders of the Company	3,973

(b) Analysis of the cash flows from discontinued operation

	Year ended 30 June 2014 HK$'000
Net cash generated from operating activities	7,720
Net cash used in investing activities	(1,807)
Net cash used in financing activities	(7,954)
	(2,041)

The effect on the consolidated balance sheet, the total considerations received and gain on disposal of subsidiaries are as follows:

	2014
	HK$'000
Net assets of the disposal group:	
Property, plant and equipment	44,238
Trade receivables	23,861
Other receivables, deposits and prepayments	4,549
Cash and cash equivalents	9,112
Trade payables	(7,627)
Other payable and accrued charges	(8,492)
Bank borrowings	(5,623)
Obligations under finance leases	(12,206)
Deferred income tax liabilities	(2,654)
Provisions	(1,061)
Total net assets disposed	44,097
Legal and professional fee paid	798
Release of translation reserve	(2,717)
Gain on disposal	2,822
Consideration, net of direct costs	45,000
Cash consideration	45,000
Legal and professional fee paid	(798)
Cash and bank balances disposed of	(9,112)
Total cash inflows from the disposal	35,090

7. OTHER INCOME

	Year ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Interest on bank deposits	**1,014**	3,895
Government grant *(Note)*	**862**	869
Others	**78**	624
	1,954	5,388

Note: Government grant mainly represents incentive credits provided by the Australia Federal government, for research and development activities carried out in Australia.

8. OTHER (LOSSES)/GAINS, NET

	Year ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Loss on disposal of property, plant and equipment	**(48)**	(109)
Effect of discounting on initial recognition of a long-term payable *(Note)*	**–**	2,093
Relinquishment of mining properties *(Note 15)*	**(6,833)**	–
Others	**3**	–
	(6,878)	1,984

Note: The amount represents the gain arising from discounting the interest-free other payable (classified as non-current liabilities) to present value on the initial recognition date.

9. IMPAIRMENT LOSSES

	Year ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Impairment of mining properties *(Note 15)*	**1,441,618**	40,000

10. FINANCE COSTS

	Year ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Interest on fixed rate bonds	**–**	804

11. EXPENSES BY NATURE

	Year ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Amortisation of mining properties (included in cost of sales)	**10,884**	12,205
Auditor's remuneration		
— Audit services	**1,612**	2,401
— Non-audit services	**720**	1,176
Cost of inventories	**11,284**	5,456
Depreciation of property, plant and equipment	**7,113**	6,972
Equity-settled share-based compensation for consultants	**(1,105)**	896
Operating lease rentals	**10,557**	11,351
Staff costs (including directors' emoluments)	**51,901**	99,518
Exploration and evaluation expenses (excluding staff costs and rental expenses)	**57,328**	61,736

Staff costs (including directors' emoluments) include:

	Year ended 30 June 2015 *HK$'000*	2014 *HK$'000*
Wages, salaries and welfares	**56,551**	75,628
Retirement benefit scheme contributions	**2,512**	3,345
Share-based compensation	**(7,162)**	20,545
	51,901	99,518

12. INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year. Overseas income tax has been provided at the prevailing rates ranging from 25% to 30% (2014: 25% to 30%) on the estimated assessable profit applicable to the Company's subsidiaries established in the PRC and Australia.

	Year ended 30 June 2015 *HK$'000*	2014 *HK$'000*
Deferred income tax	**(367,036)**	–

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the consolidated entities as follows:

	Year ended 30 June 2015 *HK$'000*	2014 *HK$'000*
Loss before income tax	**(1,603,584)**	(213,074)
Notional tax at the applicable tax rate of 16.5% (2014: 16.5%)	**(264,591)**	(35,157)
Effect of different tax rates of subsidiaries operating overseas	**(210,532)**	(42,238)
Income not subject to tax	**(147)**	(1,544)
Expenses not deductible for tax purposes	**39,128**	16,464
Tax losses for which no deferred income tax asset was recognised	**69,106**	62,475
	(367,036)	–

13. DIVIDEND

No dividend was paid or proposed during the year ended 30 June 2015, nor has any dividend been proposed since the balance sheet date (2014: Nil).

14. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Year ended 30 June	
	2015	2014
(Loss)/profit for the year attributable to the equity holders of the Company *(HK$'000)*		
— Continuing operations	**(1,236,548)**	(211,071)
— Discontinued operation	**–**	3,973
	(1,236,548)	(207,098)
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share *(thousands)*	**8,381,982**	8,078,797
(Loss)/earnings per share attributable to the equity holders of the Company		
Basic *(HK cents)*		
— Continuing operations	**(14.75)**	(2.61)
— Discontinued operation	**–**	0.05
	(14.75)	(2.56)
Diluted *(HK cents)*		
— Continuing operations	**(14.75)**	(2.61)
— Discontinued operation	**–**	0.05
	(14.75)	(2.56)

Diluted loss per share is the same as basic loss per share for the year ended 30 June 2015 and 2014 because the effect of the assumed exercise of share options of the Company during these years was anti-dilutive.

15. MINING PROPERTIES

	Mining right in the PRC *HK$'000*	Mining properties in Australia *HK$'000*	Total *HK$'000*
At 1 July 2013	510,171	2,984,261	3,494,432
Additions	–	141	141
Amortisation	(12,382)	–	(12,382)
Impairment losses *(Note 9)*	(40,000)	–	(40,000)
Exchange differences	2,266	91,810	94,076
At 30 June 2014	**460,055**	**3,076,212**	**3,536,267**
Amortisation	**(10,202)**	**–**	**(10,202)**
Relinquishment	**–**	**(6,833)**	**(6,833)**
Impairment losses *(Note 9)*	**(225,000)**	**(1,216,618)**	**(1,441,618)**
Exchange differences	**1,782**	**(574,823)**	**(573,041)**
At 30 June 2015	**226,635**	**1,277,938**	**1,504,573**

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. After such, Luchun renewed the certificates for a few times. In June 2013, Yunnan State Land Resources Bureau granted Luchun a mining right certificate for one year which expired in June 2014. 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 and there was no penalty exerted or will be 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 30 June 2015, the Group assessed and concluded that the downturn of global economy and recent sustained copper price weakness are considered to be impairment indicators and therefore an impairment assessment have been performed by the directors. 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 30 June 2015, the recoverable amount is determined by the value-in-use calculation.

Key assumptions adopted by management are summarised as follows:

	As at 30 June	
	2015	2014
Copper price assumption (with reference to forecast by industry experts)	**2015: US$5,761/t**	2014: US$7,020/t
	2016: US$4,827/t	2015: US$7,053/t
	2017: US$5,500/t	2016: US$7,183/t
	2018: US$6,000/t	2017: US$7,466/t
	2019: US$6,080/t	2018: US$7,531/t
	2020 onwards: US$6,200/t	2019 onwards: US$7,419/t
Discount rate	**18.2%**	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$225,000,000 (2014: HK$40,000,000) was recognised for the year.

These calculations use cash flow projections based on financial projections approved by management. The fair value of the mining right is highly sensitive to these assumptions adopted in the valuation.

- If the long-term copper price adopted in the valuation had been 5% lower, the recoverable amount would have reduced by approximately HK$13,065,000 and further impairment of HK$13,065,000 would be required.

- If the production volume adopted in discounted cash flow calculation had been 5% lower than management's estimates at 30 June 2015, the recoverable amount of the mining right recognised would have decreased by HK$15,920,000 and further impairment of HK$15,920,000 would be recognised.

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 year ended 30 June 2015, the Group has relinquished two tenements located in West Pilbara to the Government of Western Australia. As a result, a loss of HK$6,833,000 has been recognised in the consolidated statement of comprehensive income (Note 8).

As at 30 June 2015, the Group assessed and concluded that the downturn of global economy and recent sustained iron ore price weakness are considered to be impairment indicators and therefore an impairment assessment have been performed by the directors. As at 30 June 2015, the recoverable amount is determined by the fair value less cost of disposal approach.

Key assumptions adopted by management are summarised as follows:

	30 June 2015
Estimated mine life	**25 years from 2020**
Average production	**18 million tonnes per year**
Long-term iron ore price (per dry metric tonne unit ("dmtu"))	**US¢97/dmtu**
Exchange rate of AUD to USD	**0.72**
Discount rate	**13%**

Based on the above impairment assessment, an impairment of approximately HK$1,216,618,000 (2014: Nil) was recognised for the year. The impairment reduces the deferred income tax liability brought to 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 impairment is HK$364,986,000 (2014: Nil).

The impairment assessment has made reference to industry experts' long term iron ore price forecasts, discount rate and exchange rate. The fair value of the Australian projects is highly sensitive to these assumptions adopted in the valuation.

- If the long-term iron ore price adopted in the valuation had been 1% lower, the recoverable amount would be reduced by approximately HK$249,000,000. Further impairment loss of HK$356,000,000 and a reversal of deferred income tax liabilities of HK$107,000,000 would be required.

- If the discount rate adopted in the valuation had been 0.5% higher, the recoverable amount would be reduced by approximately HK$285,000,000. Further impairment loss of HK$407,000,000 and a reversal of deferred income tax liabilities of HK$122,000,000 would be required.

- If the exchange rate adopted in the valuation had been 1% higher, the recoverable amount would be reduced by approximately HK$244,000,000. Further impairment loss of HK$349,000,000 and a reversal of deferred income tax liabilities of HK$105,000,000 would be required.

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

16. 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 balance sheet date:

	2015	2014
	HK$'000	*HK$'000*
0–30 days	**4,470**	4,538
31–60 days	**78**	157
61–90 days	**199**	191
Over 90 days	**5,454**	4,654
	10,201	9,540

17. SHARE CAPITAL

	Number of shares	**Share capital**
	'000	*HK$'000*
Ordinary shares of HK$0.1 each		
Authorised:		
At 30 June 2014 and 2015	10,000,000	1,000,000
Issued and fully paid:		
At 1 July 2013	7,894,482	789,448
Issue of shares *(Note (a))*	409,500	40,950
Issue of shares in settlement of a fixed rate bond *(Note (b))*	78,000	7,800
As at 30 June 2014 and 2015	8,381,982	838,198

Notes:

(a) On 13 February 2014, a total of 195,000,000 ordinary shares were issued to China Guoyin at an issue price of HK$0.40 per share, raising net proceeds of approximately HK$78 million.

On the same day, a total of 214,500,000 ordinary shares were issued to Ocean Line, a substantial shareholder of the Company, at issue price of HK$0.40 per share with net proceeds from share subscription at HK$85.8 million.

(b) Pursuant to the share subscription agreement with Ocean Line, the Company redeemed a fixed rate bond in full by issuing a total of 78,000,000 ordinary shares to Ocean Line on 13 February 2014 at the issue price of HK$0.40 per share.

All the new shares issued rank pari passu in respect of the then existing shares.

18. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

MANAGEMENT DISCUSSION AND ANALYSIS

Iron Ore Operations — Western Australia

This segment of the business is comprised of the 100% owned Marillana Iron Ore Project ("Marillana" or "the Project"), the Ophthalmia Iron Ore Project ("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$1,326.3 million (2014: HK$90.2 million). Total expenditure associated with mineral exploration for the period ended 30 June 2015 amounted to HK$60.6 million (2014: HK$75.1 million).

Total expenditure associated with mineral exploration and evaluation by each of the projects in Western Australia for the financial periods were summarised as follows:

	Year ended 30 June	
	2015	2014
Project	***HK$'000***	*HK$'000*
Marillana	**24,357**	11,330
Ophthalmia	**28,494**	54,153
West Pilbara	**7,789**	9,611
	60,640	75,094

The Group is yet to make a final investment decision toward commencing development of any of its iron ore projects in Western Australia. Accordingly, no development expenditures have been recognised in the financial statements during the year ended 30 June 2015 (year ended 30 June 2014: Nil).

Total capital expenditures for each of the projects in Western Australia for the financial periods were summarised as follows:

	Year ended 30 June			
	2015		2014	
	HK$'000		*HK$'000*	
Project	**Addition to property, plant and equipment**	**Addition to mining properties**	Addition to property, plant and equipment	Addition to mining properties
Marillana	**252**	**–**	31	–
Ophthalmia	**–**	**–**	487	141
	252	**–**	518	141

Impairment Loss

The recent volatility of iron ore price and material reductions in long term iron ore price forecasts during the year are considered to be impairment indicators which triggered the need to perform an impairment assessment. Based on the assessment, an impairment of approximately HK$1,216,618,000 was recognised for the year (2014: Nil). The impairment reduces the deferred income tax liability brought to 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 impairment is HK$364,986,000 (2014: Nil).

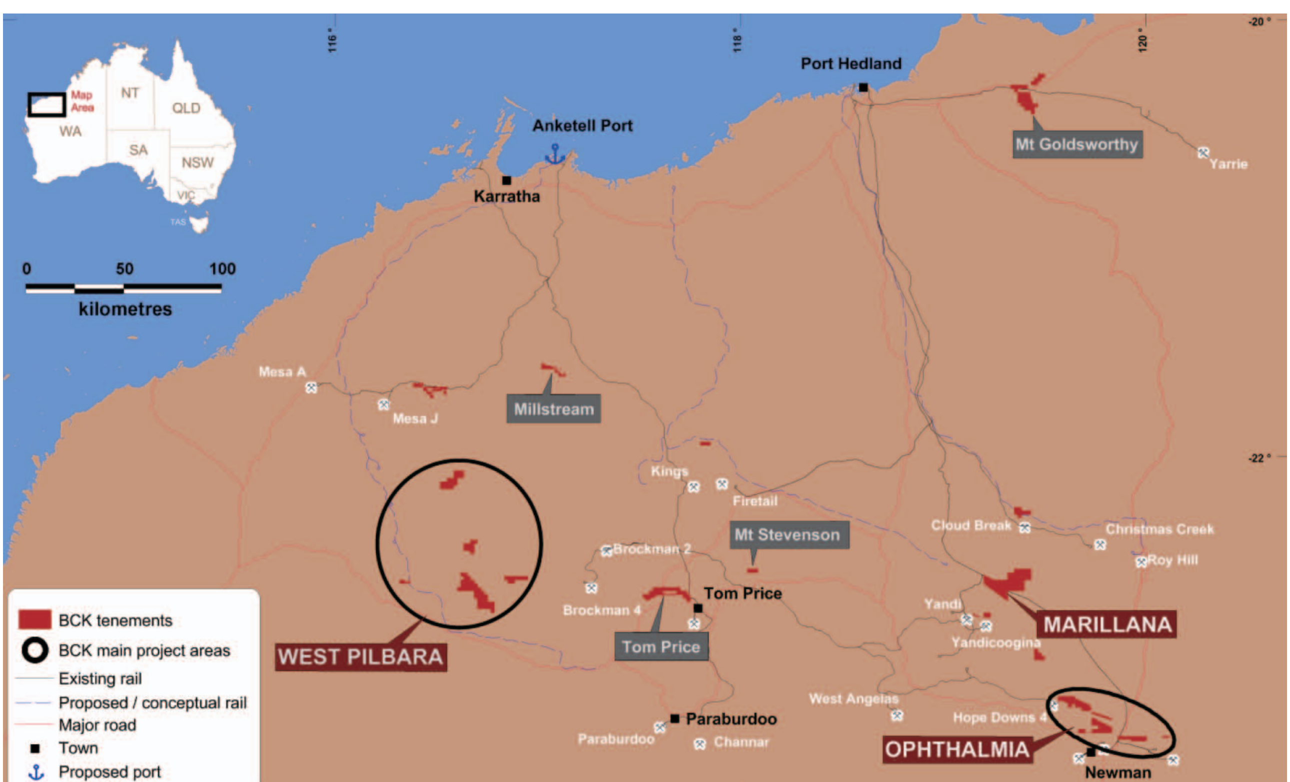
Marillana Iron Ore Project Overview

The 100% owned Marillana Iron Ore Project ("Marillana" or "the 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.

Figure 1: Project location map — Brockman tenements



Rail and Port Access and 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

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 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 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.

On 4 October 2013, TPI commenced proceedings in the WA Supreme Court challenging the validity of the Access Proposal. The trial was held in August 2014 and on 26 September 2014 the Honorable Justice James Edelman handed down his decision, which supported Brockman's position finding that the Access Proposal was valid and complied with the requirements of s 8 of the Access Code. TPI's action was wholly dismissed, with TPI ordered to pay Brockman's costs of the action. TPI have appealed this decision and that appeal was heard in late August, 2015, and the finding is expected to be handed down soon.

As part of the decision by Justice Edelman, the ERA was required to review the consideration of 'contingencies' and 'asset lives' for the purposes of the calculation of GRV which is a primary input into the determination of the Floor and Ceiling Costs. The ERA published a remade determination of the Floor and Ceiling Costs in January 2015. The remade determination is similar to the earlier determination of Floor and Ceiling Costs.

Following the successful Supreme Court decision, Brockman has continued to progress the required information for the Access Proposal under sections 14 (financial and managerial capability) and 15 (capacity) of the Code.

North West Infrastructure

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.

Mine Development

Feasibility Study

Brockman has invested in a number of feasibility and subsidiary studies on the Marillana Project, in conjunction with ongoing resource development, metallurgical test work and approvals processes. These studies include:

1. Scoping Study in 2007–2008;
2. Preliminary Feasibility Study ("PFS") in 2009; and
3. Definitive Feasibility Study ("DFS") in 2010.

The project studies have been advanced ahead of resolution of an infrastructure solution. Consequently, Brockman's current focus is almost entirely on resolving the rail solution for Marillana and advancing the NWI port solution towards its development decision. Upon finalising a rail solution, Brockman will complete an updated DFS to a bankable standard in conjunction with relevant rail and port studies, to support the final investment decision and project financing.

Brockman has also 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.

Approvals

The Project, including the entire deposit and all proposed infrastructure areas, is contained within the granted Mining Lease M47/1414 over an area of 82.5 km^2. All required environmental baseline and impact assessment studies and cultural heritage surveys have been completed and key State and Commonwealth environmental approvals have been received for the Project. The remaining secondary approvals will be obtained in parallel with the completion of the updated DFS.

Metallurgy

During the year, limited dust extinction moisture testwork was conducted on Marillana iron ore fines. In addition an internal review was conducted on the mass and iron recovery for the -45 and +32 run of mine size fractions. The results of these studies indicated that it was not cost effective to recover these size fractions.

Mining Business — Yunnan, PRC

Our copper mining business comprises processing and sales of copper, silver and other mineral resources in the Yunnan Province of the PRC, through the operation of a subsidiary of the Company — Luchun Xingtai Mining Co., Ltd ("Luchun") which is the mine operator of the Damajianshan Mine. The Damajianshan Mine is located in Qimaba Township, Luchun County of Yunnan Province in the PRC. It is near the border between the PRC and Vietnam.

Production and operation results for the year ended 30 June 2014 and 2015 were summarised as follows:

	2015	2014
Copper ore processed	**182,485 tonnes**	146,655 tonnes
Production of Copper Ore Concentrates	**794 Metal (t)**	861 Metal (t)
Sales of Copper Ore Concentrates	**884 Metal (t)**	842 Metal (t)
Average selling price per Metal (t) (without VAT)	**RMB32,746**	RMB36,469

During the year, turnover of this segment was approximately HK$36.5 million (2014: HK$38.7 million), and the segment loss before interest, tax, amortisation and impairment of mining right was approximately HK$16.8 million (2014: HK$6.9 million).

Copper ore processed increased by 24% to 182,485 tonnes in 2015, However, lower grades, depleting reserves and higher costs are likely to impact future production. Current reserves are being replaced by lower-grade and higher-cost operations in geographically difficult locations. This will ultimately impact the cost curve and realised copper price.

In 2015, global copper supply outstripped demand for the fourth consecutive year. This, together with concerns about the growth of the Chinese economy and lower oil prices, continued to weigh on copper prices. The average realised copper price decreased by 10% to RMB32,746 in 2015.

Impairment Loss

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. Base on the impairment assessment, an impairment loss of approximately HK$225,000,000 has been recognised in the consolidated income statement (2014: HK$40,000,000).

Summary of Expenditure

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 (excluding amortisation and impairment of mining right) in the PRC during the year amounted to approximately HK$53.5 million (2014: HK$47.7 million). Expenditure associated with exploration activities amounted to approximately HK$15.9 million (2014: HK$12.1 million).

During the year ended 30 June 2015, capital expenditures of HK1.6 million has been capitalised as property, plant and equipment (30 June 2014: HK$2.1 million).

Exploration

Exploration activities and tunnelling works continued during the reporting period. The exploration activities are aimed to find additional resources in order to support the Group's further expansion plan. New drilling works and detailed prospecting and scoping plans are now being planned to better define the lithology, grade and assemblage within the mining lease.

Liquidity and Financial Resources

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group generally finances its short term funding requirement with cash generated from operations and equity funding. The Group's ability to achieve its Marillana iron ore project development schedule is reliant on access to appropriate and timely funding.

The current ratio is measured at 1.17 times as at 30 June 2015 compared to 2.38 times as at 30 June 2014.

The gearing ratio of the Group (long term debts over equity and long term debts) is measured at 0.02 (2014: 0.01).

During the reporting period, the Group did not engage in the use of any financial instruments for hedging purposes, and there is no outstanding hedging instrument as at 30 June 2015.

CAPITAL STRUCTURE

The Company has no changes in its issued share capital for year.

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 30 June 2015:

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

Unquoted securities

As at 30 June 2015:

the total number of unlisted options outstanding is 316,500,000, including:

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

The following options were lapsed during the period:

— 22,000,000 share options, expiring 13 December 2015 Exercise price: HK$0.72
— 41,500,000 share options, expiring 14 January 2016 Exercise price: HK$0.717
— 41,500,000 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

During the year, a total of 8,000,000 share options with an exercise price of HK$0.45 were issued, expiring 18 January 2018. In addition to the above, 15,000,000 options quoted on the ASX were lapsed on 30 September 2014.

Risk Disclosure

Market risk

The Group is exposed to various types of market risks, including fluctuations in copper price and exchange rates.

(a) Commodities Price Risk

Copper Ore Concentrate Price Risk

The Group's turnover and profit of the mining business during the year were affected by fluctuations in the copper prices. All of our mining products were sold at market prices and the fluctuation of the price were beyond the control of the Group.

Iron Ore Price Risk

The fair value of the Group's mining properties in Australia are exposed to fluctuations in the expected future iron ore price.

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

(b) Exchange Rate Risk

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

Financial Guarantee

At 30 June 2014 and 2015, the Company did not have any financial guarantees.

Contingent Liabilities

The Group did not have any contingent liabilities as at 30 June 2015.

Staff and Remuneration

As at 30 June 2015, the Group employed 238 full time employees (2014: 409 employees), of which 212 employees were in the PRC (2014: 365 employees), and 9 employees were in Australia (2014: 26). The remuneration of employees includes salary, discretionary bonus and share based compensation.

The remuneration policy and packages of the Group's employees, senior management and directors are maintained at market level and reviewed annually and when appropriate by the management and the remuneration committee.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, redeemed or sold 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 a Securities Trading Policy which applies, inter alia, to all Directors and Key Management Personnel. The Securities Trading Policy complies with the ASX Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the HK Listing Rules. A copy of the Company's Securities Trading Policy is available on the website of the Company.

AUDIT COMMITTEE

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. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee as at 30 June 2015. The Audit Committee has adopted the terms of references which are in line with the Corporate Governance Code. The Audit Committee has reviewed the Group's annual results for the year ended 30 June 2015.

APPRECIATION

The Board wishes to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group. We also thank our shareholders, customers and suppliers for their continuous support.

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

30 September 2015, Hong Kong

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. Kwai Kwun Lawrence and Mr. Colin Paterson as executive directors; 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.