



BROCKMAN

布萊克萬礦業有限公司
BROCKMAN MINING LIMITED

Incorporated in Bermuda with limited liability
SEHK Stock Code: 159
ASX Stock Code: BCK



QUARTERLY REPORT

For the quarter ended
30 September 2015

TABLE OF CONTENTS

1.	HIGHLIGHTS	2
2.	CORPORATE REVIEW	4
3.	MARILLANA IRON ORE PROJECT (100% INTEREST)	4
3.1	Marillana Development	4
3.2	Marillana Infrastructure	4
4.	OPHTHALMIA IRON ORE PROJECT (100% INTEREST)	5
4.1	Ophthalmia development	5
5.	TENEMENTS	6
6.	DAMAJIANSHAN MINE (100% INTEREST)	8
7.	CORPORATE PROFILE	9
8.	GLOSSARY	10
9.	APPENDIX 5B	11

1. HIGHLIGHTS

- Revised mine planning studies at Marillana are demonstrating that reduced stripping ratios, haul distances and waste rehandle can all be achieved, whilst still maximising product yield in the first ten years of mine life.
- The appeal lodged by TPI in the Supreme Court (Court of Appeal) against the original Supreme Court finding that Brockman's Access Proposal was valid and complied with the requirements of section 8 of the Access Code was heard on 20 August 2015. Brockman is still awaiting the decision of the Court of Appeal in this matter.
- A bulk sample of ore from the Sirius deposit at Ophthalmia has been despatched to CISRI in China for a comprehensive sinter testwork programme.

2. CORPORATE REVIEW

Cash position

The consolidated cash position of the Group as at 30 September 2015 was HK\$84 million.

Corporate

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

During the quarter the Company's Australian operations relocated their office to Level 2, 56 Ord Street in West Perth, resulting in significant cost savings compared to the previous premises.

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.

Revised mine planning studies aimed at reducing haul distances, increasing product yields in the early mine life and minimising rehandling of waste materials, have progressed well during the quarter. These changes are anticipated to have a positive impact on projected mining costs at Marillana.

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 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.

Since May 2013, significant delays have occurred due to legal challenges by TPI. On 4 October 2013, TPI commenced legal proceedings in the WA Supreme Court challenging the validity of Brockman's Access Proposal. On 26 September 2014, Edelman J handed down his decision, which supported Brockman's position, finding that the Access Proposal was valid and complied with the requirements of section 8 of the Access Code. TPI's action was wholly dismissed, with TPI ordered to pay Brockman's costs of the action. Subsequently, TPI lodged an appeal in the Supreme Court (**Court of Appeal**) which was heard on 20 August 2015, by Buss JA, Murphy JA and Beech J. Brockman is still awaiting the decision of the Court of Appeal in this matter. In the meantime, Brockman has continued to progress the required information for the Access Proposal under sections 14 and 15 of the Code.

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. OPHTHALMIA IRON ORE PROJECT (100% INTEREST)

4.1 Ophthalmia development

A bulk sample of ore from the Sirius deposit has been despatched to CISRI in China for a comprehensive sinter testwork programme. The bulk sample was generated in 2013 by compositing diamond drill core from 7 holes spaced across the entire deposit. Results are expected in the December quarter.

5. TENEMENTS

Tenements disposed of during the Quarter

Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
—	—	—	—	—	—	—

Tenements acquired during the Quarter

Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Juna Downs	West Pilbara	E	33/3363	Iron Ore	Application	100%
Juna Downs	West Pilbara	E	33/3364	Iron Ore	Application	100%
Chichester Range	West Pilbara	E	47/3362	Iron Ore	Application	100%
Tom Price	West Pilbara	P	47/1767	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%
Chichester Range	East Pilbara	E	47/3362	Iron Ore	Application	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%
Juna Downs	West Pilbara	E	47/3363	Iron Ore	Application	100%
Juna Downs	West Pilbara	E	47/3364	Iron Ore	Application	100%
Madala Bore	West Pilbara	E	47/3285	Iron Ore	Application	100%
Marandoo	West Pilbara	E	47/3105	Iron Ore	Granted	100%
Marillana	East Pilbara	L	45/0238	Iron Ore	Application	100%
Marillana	East Pilbara	M	47/1414	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3170	Iron Ore	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%
Mt Lockyer	East Pilbara	E	47/3235	Iron Ore	Application	100%

Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Mt Lockyer	East Pilbara	E	47/3236	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	E	47/3323	Iron Ore	Application	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	Granted	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	Granted	100%
Tom Price	West Pilbara	E	47/2699	Iron Ore	Application	100%
Tom Price	West Pilbara	E	47/3216	Iron Ore	Application	100%
Tom Price	West Pilbara	E	47/1747	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 continues to weigh on copper prices. We are continuing to review our mining strategy to ensure that this project generates maximum shareholder returns throughout the life of the mine.

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

of approximately RMB4.7 million (RMB5.8 million, June 2015 quarter) were recorded.

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

Cash payments for exploration activities and development recorded at RMB1.9 million (RMB1.4 million, June 2015 quarter). Drilling activities were continued during the quarter with approximately 1,315m recorded (798m, June 2015 quarter).

	Sept' 15 Quarter (Tonnes)	Jun' 15 Quarter (Tonnes)	Variance %
Ore mined and delivered to stockpile	35,316	12,802	175.9%
Ore processed	44,686	—	N/A
Concentrate produced (metal tonnes)	223	—	N/A
Concentrate sold (metal tonnes)	228	—	N/A

Note:

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

7. CORPORATE PROFILE

Brockman Mining Limited

ARBN 143 211 867

Non-executive Directors:

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

Executive Directors:

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
Warren Talbot Beckwith
(Resigned 02 July 2015)

Registrars

Principal Share Registrars and Transfer Office

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

Branch Share Registrars and Transfer Office

— Hong Kong

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Branch Share Registrars and Transfer Office

— Australia

Computershare Investor Services Pty
Limited
Reserve Bank Building
Level 2, 45 St George's Terrace
Perth, Western Australia, 6000

Securities on issue at 30 September 2015

Quoted securities

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

Unquoted securities

309,300,000 unlisted options granted

- 61,400,000 share options, expiring 13 December 2015 EX HK\$0.72
- 43,000,000 share options, expiring 14 January 2016 EX HK\$0.717
- 43,000,000 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:

- 3,600,000 share options, expiring 14 January 2016 EX HK\$0.717
- 3,600,000 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

"ASX"	ASX Limited ABN 98 008 624 691
"Board"	the Board of Directors
"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
"m"	Metre(s)
"Marillana Project"	The 100% owned Marillana iron ore project is Brockman's flagship project located in the Hamersley Iron Province
"Mtpa"	million tonnes per annum
"NWI"	North West Infrastructure, the joint venture company which represents the interests of its three shareholder companies: Brockman Mining Australia Pty Ltd; Atlas Iron Limited and FerrAus Limited, to facilitate the construction of a port facility capable of annually exporting 50 million tonnes of iron ore from the South-West Creek location at the Inner Harbour at Port Hedland, Western Australia
"Ophthalmia Project"	The 100% owned Ophthalmia iron ore project is located 80 km south of the Marillana Project
"SEHK"	The Stock Exchange of Hong Kong Limited

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 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter HK\$'000	Year to date (3 months) HK\$'000
1.1	Receipts from product sales and related debtors	5,718	5,718
1.2	Payments for (a) exploration & evaluation	(7,470)	(7,470)
	(b) development	—	—
	(c) production	(5,651)	(5,651)
	(d) administration	(9,746)	(9,746)
1.3	Dividends received	—	—
1.4	Interest and other items of a similar nature received	114	114
1.5	Interest and other costs of finance paid	—	—
1.6	Income taxes paid	—	—
1.7	Other (provide details if material)	—	—
1.7 (a)	Net repayment to related parties	(184)	(184)
Net operating cash flows		(17,219)	(17,219)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	—	—
	(b) equity investments	—	—
	(c) other fixed assets	(319)	(319)
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		(319)	(319)
1.13	Total operating and investing cash flows (brought forward)	(17,538)	(17,538)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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	3,796	3,796
1.17 Repayment of borrowings	—	—
1.18 Dividends paid	—	—
1.19 Other (provide details if material)		
a) cash backed performance bond guarantee of BRM	(262)	(262)
Net financing cash flows	3,534	3,534
Net decrease in cash held	(14,004)	(14,004)
1.20 Cash at beginning of quarter/year to date	98,297	98,297
1.21 Exchange rate adjustments to item 1.20	(536)	(536)
1.22 Cash at end of quarter	83,757	83,757

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	1,300
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.
--

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	(6,527)
4.2 Development	—
4.3 Production	(6,653)
4.4 Administration	(10,999)
Total	(24,179)

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	22,134	29,255
5.2 Deposits at call	61,623	69,042
5.3 Bank overdraft	—	—
5.4 Other (provide details)	—	—
Total: cash at end of quarter (item 1.22)	83,757	98,297

+ 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			
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E47/3362 E47/3363 E47/3364 P47/1767	0% 0% 0% 0%	100% 100% 100% 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 (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	61,400,000 86,000,000 7,200,000 146,700,000 8,000,000		Exercise price HK\$0.72 HK\$0.717-HK\$0.967 HK\$0.717-HK\$0.967 HK\$0.717-HK\$0.967 HK\$0.45	Expiry date 13 December 2015 14 January 2016 28 February 2016 20 May 2016 18 January 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	7,200,000		HK\$0.717-HK\$0.967	14 January 2016
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

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



Sign here:

(Company secretary)

Date: 30 October 2015

Print name:

Chan Kam Kwan, Jason

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.