



brockman
resources.

QUARTERLY REPORT

For the period ending
31 March 2009

BROCKMAN RESOURCES

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Highlights for the Quarter

- **74% increase in Marillana Indicated Mineral Resources to 605 million tonnes**
- Strong financial position with uncommitted **cash reserves in excess of \$102 million**
- **Discovery of a new zone of DSO CID mineralisation at Abalone resulted in a 24% increase in the DSO Mineral Resources at Marillana to 68 million tonnes**
- **Completion of Scoping Study for the development of multi user berths** and associated materials handling infrastructure at Port Hedland
- **An additional four Confidentiality Agreements signed** during the quarter with potential offtake customers and/or joint venture investment partners.
- **The Marillana Pre-Feasibility Study has progressed well** during the period and is on track for completion in July 2009.
- A groundwater monitoring drilling program commenced at Marillana in April to assist with the development of the groundwater model for submission into the final Environmental Impact Assessment (EIA) document
- A "draft" Environmental Management Plan - Scoping document for the Marillana Project was submitted to the Environmental Protection Authority (EPA) in April 2009.
- Mr David Nixon was appointed to the Board as a Non-Executive Director on 23 March
- Mr Jason Grieve was appointed to the position of General Manager Operations and will commence on 11 May

CORPORATE

On the 23rd March 2009, Brockman appointed experienced Australian mining executive **Mr David Nixon** to its Board as a Non-Executive Director. Mr Nixon's distinguished 40-year career in the mining industry includes extensive experience in the iron ore sector – further strengthening the Company's Board in the key areas of project development and operations as it moves towards the development of its flagship Marillana Project in the Pilbara.

On the 1st April 2009, Brockman announced the appointment of experienced mining professional **Mr Jason Greive** as General Manager – Operations, as it continues to build and strengthen its senior management team to drive the development of its **Marillana Iron Ore Project** in the Pilbara.

Brockman is currently executing the Marillana Pre-Feasibility Study, under the principle direction of Ausenco Australia and was approximately 62% complete at the time of writing this report.

Brockman's cash position remained very strong throughout the quarter, with a closing cash position equivalent to the end of the last quarter i.e. A\$102million. This was achieved through the implementation of a revised program of works and budgetary control process, and the commitment of the Company to minimise expenditure, while focusing on the expeditious development of the Marillana Project. Investment interest received along with GST refunds supported the operating cost requirements of the Company during the quarter. This was a great outcome for the Company and its shareholders alike.

As a member of the NWIOA, Brockman Resources has further progressed the development of the two "reserved" berths at Port Hedland, through the completion of a positive Scoping Study. The Alliance is finalising the Scope of Works for the subsequent Pre-Feasibility Study, and will issue this document for tender later this month. A final agreement on the conditions associated with the allocation and development of the berths and associated materials handling facilities currently resides with the State Government and is expected to be communicated in the near future.

The Company will continue to expand and recruit appropriate personnel over the forthcoming quarters, to ensure the Marillana Project is developed in the most timely manner.

A business trip to China in late April, will be undertaken by myself and the General Manager of Marketing – Mr Tim Fairhead.

Principle activities on site in the forthcoming quarter will focus on the attainment and correlation of pre-requisite information for the final EIA submission, final heritage clearances for site layout plans, hydrogeological surveying, and the finalisation of flora and fauna studies. Drilling rigs are forecast to recommence on site in early June, to complete further in-fill drilling programs required to support the resource/reserve requirements of a Definitive Feasibility Study.

IRON ORE PROJECTS

Marillana Iron Ore Project (100% Interest)

During the period, Brockman Resources continued to advance the Marillana Project in the Pilbara region of Western Australia, through the advancement of the Pre-Feasibility Study and specific field work designed to support the environmental and future mining programs/process. Final stage discussions have progressed with the Nyiyaparli Native Title Claimant Group on a mining agreement for the eastern sector of the Marillana tenement.

Project Update

The engineering aspects of the Pre-Feasibility Study (PFS) commenced in December 2008 and have continued throughout the period. The PFS report being prepared by Ausenco is on schedule to be delivered in July 2009.

The preliminary metallurgical testwork programme based on drilling works carried out in 2008 is complete, and has enabled Coffey Mining to establish the process plant design criteria and mine development planning which are key inputs into the Pre-Feasibility Study. Further definitive metallurgical testwork will be undertaken to provide additional design data and confirmation of ore characteristics to support the criteria set for the PFS. Coffey Mining will complete the preliminary mine pit modelling in April 2009 which will provide the basis for establishing the total material movements for ore and waste materials.

The preliminary block flow diagrams for both the Detritals (THD) and Channel Iron Deposit (CID) plant design requirements have been completed by Ausenco and identified three potential process flowsheets for review. The final process flow diagrams (PFD's) will be completed in April 2009 following a process design review and assessment of further metallurgical testwork results. Ausenco is continuing to progress with process engineering and drafting in order to develop the preliminary capital and operating costs estimate for review in June 2009 before submission into the final PFS.

A site layout incorporating all physical elements of the project has been completed based on the preliminary mine pit modelling. This layout includes the proposed life of mine pit shell, waste dumps, tailings storage facilities and all the required mine site infrastructure.

A strategic project risk workshop was carried out during the period with all the key project stakeholders. An assessment of the identified risks and mitigation actions has been undertaken to determine appropriate risk management strategies for the project.

In line with the overall project development schedule, the project was referred to the EPA for the setting of level of assessment for the Environmental Impact Assessment (EIA). The EPA has set a level of assessment at Public Environmental Review (PER). The preparation of an environmental scoping document as the next phase of the EIA process has been completed by environmental consultants Ecologia and was submitted in April 2009.

The first phase of the Stygofauna (groundwater dwelling invertebrates) and Troglifauna (subterranean above water table invertebrates) surveying was completed. A second phase of sampling will be carried out during the next period with a final report scheduled for July 2009.

The desktop study of the project groundwater conditions was completed by Aquaterra to enable the assessment of potential options for pit dewatering and site water management strategies. A ground water monitoring bore drilling programme commenced in April. An overall project water management plan will be developed from the results of abstraction pumping tests to be carried out during the next period.

Rail and Port Infrastructure Update

During the period there have been significant advances made in planning and negotiation in relation to rail and port infrastructure in the Pilbara.

The NWIOA has provided supplementary information to Deloitte, who are acting on behalf of Port Hedland Port Authority (PHPA), with respect to the reservation of two new multi-user berths in the Port Hedland inner harbour for the North West Iron Ore Alliance (NWIOA) – of which Brockman is a founding member.

The final Scoping Study and channel capacity simulation reports on the development of the port infrastructure required to support a 50 Mtpa iron ore unloading, stockpiling and shipping facility at Port Hedland were provided by Sandwell in February 2009. The Study confirms that the development plans are viable and capable of accommodating NWIOA members' projected 50Mtpa of iron ore exports by 2013. The Scoping Study report identified four alternatives for the berthing, shiploading and stockpiling infrastructure with the recommendation of a two staged development timeline to match the NWIOA production forecasts. The final report indicates that the development of the two berths and associated port infrastructure has a 40 - 46 month total timeline from pre-feasibility study through to operations. The program is designed to accommodate the required environmental assessment and approvals prior to the design, construction and commissioning phases.

The channel simulation modeling prepared by Sandwell, and based on current PHPA vessel movement protocols, indicates that the Port Hedland shipping channel has the capacity to handle the export tonnages proposed by NWIOA members. This has major positive implications for the development of Brockman's Marillana Iron Ore Project, which is forecast to commence production in 2012.

An engineering desktop study of alternate rail routes from the Marillana project to the FMG / TPI rail infrastructure has been progressing, as an alternate to the BHP Billiton rail network. This study is considering the design engineering, environmental and land tenure approval requirements of a spur line to service the project. The study outcomes will form the basis of ongoing technical discussions with FMG / TPI regarding the potential for construction of a spur line to connect with existing FMG / TPI rail infrastructure. This work is being undertaken as a due diligence, risk mitigation process, to ensure all rail transport options have been captured in the Pre-Feasibility Study.

Resource Upgrade

During the quarter, Brockman reported a substantial upgrade in the **Indicated Mineral Resources** for its 100%-owned **Marillana Iron Ore Project** in the Pilbara of Western Australia.

The total Indicated Mineral Resource has now **increased to 605 million tonnes**, comprising **551 million tonnes of beneficiation feed hematite detrital mineralisation** (59-60% Fe grade after beneficiation*) and **54.2 million tonnes of Direct Shipping Ore** (DSO) quality CID (Channel Iron Deposit) mineralisation (57.4% Fe grade).

This represents a **74% increase** on the previously announced Indicated Mineral Resources of 347 million tonnes (*as reported in the ASX Announcement of 21 August 2008*). Since that Total Mineral Resource Estimate update, Brockman has completed a significant amount of additional RC, Sonic and Calweld holes in the Rockhole Bore, Abalone and Abalone East areas at Marillana.

The upgrade follows the incorporation of 2008 in-fill drilling results at 100m by 100m spacing in the Rockhole Bore and Abalone areas into a new resource estimate which was completed by independent consultants Coffey Mining Pty Ltd ("Coffey"). The previous Indicated Resources of 347 million tonnes were contained within the North-West Sector only.

The substantial increase in the Indicated Resources at Marillana reflects the success of in-fill drilling programs in confirming the continuity of the mineralisation and enhancing the quality of the resource base.

** Based on the results of a bench-scale metallurgical testwork commissioned by Brockman on nine sonic core samples from the Marillana Project (see ASX release dated 1 July, 2008)*

A change in the resource estimation methodology relating to mineralisation density values has been applied by Coffey to the previously announced Snowden total resource estimate, resulting in an overall tonnage determination of 1.4 billion tonnes.

The DSO CID Mineral Resource has also increased to 68Mt, of which, 54Mt is Indicated Mineral Resources, following the inclusion of 21Mt of Mineral Resources from the Abalone CID discovery announced in January 2009.

The Abalone CID mineralisation occurs at relating shallow depths and provides opportunities for mining the DSO mineralisation concurrently from two pits and producing a blended product equivalent to existing CID producers.

More than 40% of the total resource base is now **classified as Indicated**, providing a strong foundation of resources at this higher JORC confidence level to underpin the development of the Marillana Project.

The updated Marillana resource has been classified as Indicated and Inferred (*see Table 1 and Table 2 below*) in accordance with the guidelines of the 2004 Edition of the “Australasian Code for Reporting of Mineral resources and Reserves” JORC Code. It has been estimated within interpreted grade envelopes using a nominal 40% Fe cut-off grade and is based on reverse circulation (RC) drill holes on spacings varying from 100m by 100m to 400m by 200m:

Table 1 – Beneficiation Feed Mineral Resource Summary (Cut-off grade: 40% Fe)

Deposit	Material Type	Category	Tonnes (Mt)	Grade (% Fe)
North-West Sector ¹	Detrital	Indicated	242	43.1
North-West Sector ¹	LG CID	Indicated	58	47.0
Rockhole Bore	Detrital	Indicated	75	46.6
Abalone	Detrital	Indicated	168	45.0
Abalone	LG CID	Indicated	9	46.9
Total Indicated Resources - Beneficiation Feed			551	44.6
Rockhole – Abalone ²	Detrital	Inferred	707	41.9
Rockhole – Abalone	LG CID	Inferred	67	45.4
Total Inferred Resources - Beneficiation Feed			773	42.2
TOTAL BENEFICIATION FEED			1325	43.2

¹ Estimate by Snowden Mining Industry Consultants Pty Ltd (21 August, 2008), otherwise by Coffey Mining Pty Ltd for area including Rockhole Bore, Abalone and Abalone East. Total tonnes may not add up due to rounding.

² Including 74Mt Inferred Resource for the western part of the Rockhole Bore area previously estimated by Snowden.

Table 2 – Marillana Project Direct-Shipping Mineral Resource Summary (Cut-off grade: 54% Fe)

Deposit	Material Type	Category	Tonnes (Mt)	Fe (%)	Fe-Cal (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	P (%)	LOI (%)
North-West Sector ¹	CID	Indicated	46.9	57.6	63.1	3.7	3.8	0.080	8.71
Abalone ²	CID	Indicated	7.3	55.8	62.1	3.0	5.3	0.121	10.16
Subtotal (Indicated Resources - DSO)			54.2	57.4	63.0	3.6	4.0	0.086	8.91
Abalone ²	CID	Inferred	13.6	56.1	62.8	3.0	4.7	0.133	10.64
Subtotal (Inferred Resources - DSO)			13.6	56.1	62.8	3.0	4.7	0.133	10.64
TOTAL INDICATED/INFERRED RESOURCES - DSO			67.8	57.1	62.9	3.4	4.1	0.095	9.25

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

¹ Estimate by Snowden Mining Industry Consultants Pty Ltd (21 August, 2008), otherwise by Coffey Mining Pty Ltd for areas including Rockhole Bore, Abalone and Abalone East. Total tonnes may not add up due to rounding.

The additional Indicated Resources as determined by Coffey Mining have been calculated using data collected from 100m by 100m spaced RC holes. The assay quality of these RC holes has been confirmed by the drilling of a total of 25 sonic twin holes at Rockhole Bore and Abalone areas.

Grades were estimated by Ordinary Kriging, with no top cut applied prior to estimation. Coffey has adopted conservative in-situ bulk density estimates ranging from 2.6 to 2.8t/m³ for the various mineralisation styles, pending additional density determinations across the whole of the deposit.

The adoption of these density values for tonnage determination has resulted in a minor decrease in the total tonnage from 1.6 billion tonnes as reported on 21 August 2008 to 1.4 billion tonnes. The actual volume of mineralisation determined by Coffey is virtually identical to the volume (+0.3%) calculated by Snowden in the previous estimate, which was predominantly based on 400m by 200m spaced drilling.

This demonstrates good continuity of mineralisation in both grade and spatial extent and confirms the robustness of the resource estimate. The improved confidence level of the Resources provides a firm basis of process design for the Marillana Pre-Feasibility study (PFS). The PFS is scheduled to be completed in July.

Marketing Update

During the quarter Brockman continued to advance discussions with those parties who had previously entered into Confidentiality Agreements with the Company, while executing similar agreements with four additional organisations; both Chinese and non-Chinese. As a result of some very positive discussions held with a number of these groups, primarily regarding potential off-take and/or investment scenarios, Brockman is now considering the appropriateness of moving some of these parties to a more detailed legal arrangement during calendar year 2009, in order to fulfill its “in-house” requirements in accordance with the Pre-Feasibility and pending Definitive Feasibility Study deliverables.

Additionally, during the quarter, Brockman undertook a major marketing initiative to ensure that a selection of major global steel mills were aware of the Company and the key elements of the Marillana Project. This has now resulted in the commencement of new relations with a number of significant global steel entities.

Brockman will be presenting at the Far East Steel and China Iron Ore Conference scheduled for late April in Beijing. Further meetings have been scheduled with various international groups to progress discussions.

BROCKMAN RESOURCES



Wayne Richards
Managing Director

24 April 2009

References to Marillana Production Targets

Brockman has not yet reported any ore reserves from its Marillana Project. While the Company remains optimistic it will report reserves in the future, any discussion in relation to production targets is only conceptual in nature as there has been insufficient work to define a Mineral Reserve and it is uncertain if further work will result in the determination of a Mineral Reserve.

Competent Person's Statement

The information in this report that relates to Mineral Resources east of local grid 13000 East based on information compiled by Mr Iain Macfarlane and Mr Alex Virisheff, who are full time employees of Coffey Mining Pty Ltd and are Members of the Australasian Institute of Mining and Metallurgy. Iain Macfarlane and Alex Virisheff have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral resources and Reserves". Iain Macfarlane and Alex Virisheff consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at North-West Sector and Rockhole Bore (west of local grid 13000 East) is based on information compiled by Mr M Nimmo and Mr A Zhang.

Mr M Nimmo, who is a Member of the Australasian Institute of Geoscientists and a full-time employee of Snowden Mining Industry Consultants Pty Ltd, produced the Mineral Resource estimates for the North-West Sector and Rockhole Bore deposits based on the data and geological interpretations provided by Brockman. Mr Nimmo has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves. Mr Nimmo consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

Mr A Zhang, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Brockman Resources Limited, provided the geological interpretations and the drillhole data used for the Mineral Resource estimation. Mr Zhang has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves. Mr Zhang consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to mineralisation and exploration results is based on information compiled by Mr Colin Paterson, who is a Member of the Australian Institute of Geoscientists. Mr Paterson is a full time employee of Brockman Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Paterson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

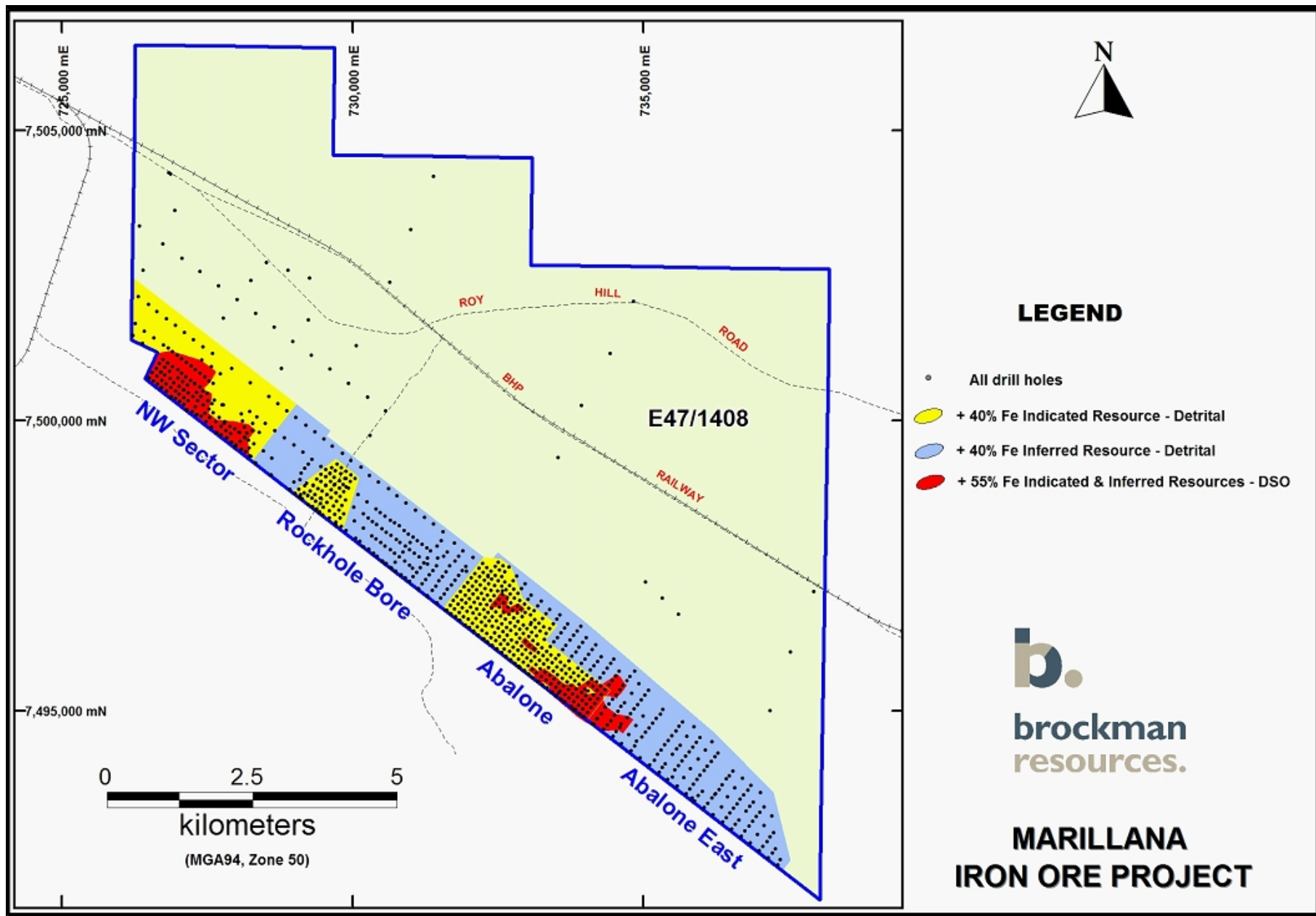


Figure 1 Resource Outlines and drill hole location plan – Marillana Project.