

QUARTERLY REPORT

FOR THE PERIOD ENDING 30 JUNE 2010

HIGHLIGHTS FOR THE QUARTER

- Appointment of prominent Australian businessman and former Rio Tinto Australia Managing Director, Mr Barry Cusack, as Non-Executive Chairman.
- Definitive Feasibility Study for the Marillana Project is forecasted to be released in Q3 2010.
- Public Environmental Review well advanced and final Government approvals expected in early 2011.
- Port Definitive Feasibility Study was awarded to SKM and Coffey for design, engineering works (SKM) and environmental approvals (Coffey).
- All aspects of rail access with existing and proposed railway owners are being pursued, along with an independent 'end-to-end' rail solution.
- Strong cash reserves in excess of A\$84 million at quarter end.
- Five new areas of iron ore mineralisation grading up to 64% Fe identified from surface sampling at West Hamersley tenement, in the West Pilbara Province.
- Exploration target of 20-30Mt of low stripping ratio Direct Shipping Iron Ore grading 58-61% Fe established for the West Hamersley tenement.
- Increased overall Exploration Target for West Pilbara hub to 80-100Mt of iron ore grading 57-60% Fe including Duck Creek and Mt Stuart.
- Reconnaissance exploration at Ophthalmia identifies two new zones of hematite mineralisation grading up to 64% Fe.

OVERVIEW

The June 2010 quarter saw continued steady progress for Brockman Resources Limited (“Brockman” or “the Company”), with the Company working towards the completion of the Definitive Feasibility Study (“DFS”) for its flagship Marillana Iron Ore Project (“Marillana Project”) in Western Australia, which is scheduled to be released in the September quarter.

The Public Environmental Review (“PER”) period for advertising the Marillana Project is now complete and all work conducted on the DFS to date has supported the results of the August 2009 Pre-Feasibility Study.

Consistent with its focus on moving towards production, in June the Company appointed prominent Australian businessman and former Rio Tinto Australia Managing Director, Mr Barry Cusack, as Non-Executive Chairman.

The Company continued to progress exploration activities within its portfolio of iron ore projects in the Pilbara region. Positive results were received from Brockman’s West Pilbara tenements with recent exploration at the West Hamersley Project identifying five new zones of hematite mineralisation.

When combined with previous results from the Duck Creek and Mt Stuart Projects, these latest exploration results have reinforced the potential of Brockman’s West Pilbara tenements to emerge as a new production hub, with an overall Exploration Target¹ of **80-100 million tonnes (“Mt”) grading 56-64% iron** established for these tenements.

Through continued astute cash management and defined project expenditure, Brockman’s cash position remains strong and was in excess of A\$84 million at quarter end. The budget for fiscal year 2011 has been presented and endorsed by the Board.

MARILLANA IRON ORE PROJECT (100% INTEREST)

The progressive results from the mine planning modelling, metallurgical and infrastructure studies are providing a solid foundation towards the completion of the DFS for the Marillana Project.

ENGINEERING AND DESIGN

The DFS is being progressed by Ausenco Limited with engineering man hours substantially complete and a draft report expected in July 2010. Process design and preliminary engineering of the preferred process route has been completed and pricing of major equipment packages has been factored into the capital cost estimates. The master project schedule for the DFS will be updated following the critical assessment of all input data and will provide the critical path for the full project delivery timeline.

Project delivery and contracting strategy planning sessions have been undertaken by an internal management team to determine the preferred project delivery models for mine, plant and infrastructure. An expression of interest package is being prepared to engage with selected engineering and construction contractors for the development of a delivery contract for the process plant, stockyards, train loadout and site infrastructure.

Financial modelling based on the DFS Capex and Opex estimates has commenced to determine the financial parameters of the optimal project delivery strategies. The outcomes of current works associated with value engineering and contracting strategies will be integral in the establishment of the key inputs for the financial modeling process.

MINING AND METALLURGY

Following on from the finalisation of the resource, block and selective mining unit (“SMU”) models developed in the previous quarter, the pit optimisation, open pit design and definitive mining schedule has now been completed and optimised for the purposes of the Marillana DFS. The definitive mining studies have estimated the Marillana ore reserves to be in excess of one billion tonnes.

The development of the Marillana mine schedule has accounted for concurrent reclamation and closure strategies as well as the optimal use of water resources whilst minimising environmental impacts, in particular the total area of disturbance.

The completion of the schedule has facilitated the final design and layout of the mine site including the locations and designs of ore and waste rock stockpiles and processing plant reject storage facilities and has also informed and substantiated the process plant design basis.

In conjunction with the mining equipment selection studies and finalisation of site layout drawings, the completion of the mine schedule has also brought about a convergence in mining strategy and methodology, which will harness a combination of traditional mobile mining fleet and semi mobile in-pit crushing and overland conveying techniques to provide an innovative and effective mining solution for Marillana.

Discussions and negotiations have commenced with selected mining contractors for expressions of interest with respect to definition and scope of mining contract parameters and cost estimation.

With the pilot plant trials successfully validating the process flow diagram and establishing the basis of design in the first quarter of this year, process engineering completed by Ausenco has since developed to a level consistent with the requirements of the DFS. The resulting plant layout, consisting of conventional scrubbing, wet screening and gravity separation techniques, have again highlighted the simplistic and robust nature of the Marillana processing facility.

Also during the quarter a comprehensive metallurgical sinter test work program was completed on the beneficiated Marillana product. The results of the sinter program were extremely positive and verify the viability of the Marillana product in terms of its metallurgy and marketability.

A major drilling program is planned in Abalone East for October/November 2010 to abstract a large ore sample representative of the first four years of run of mine ore production. This sample will be subjected to a continuous pilot plant run to produce in excess of 100 tonnes of Marillana final product. The results from the pilot plant will be used to substantiate detailed design parameters for front end engineering design (“FEED”) and detailed engineering as well as imminent company financing and marketing activities.

PROJECT APPROVALS

During the quarter the Office of Environmental Protection Agency (“OEPA”) approved the Marillana PER document for public comment. The public review period closed on 8 June 2010. The next stages of the environmental approvals process are well progressed with OEPA, with final government approval for the project expected early in 2011.

MARKETING

During the quarter Brockman signed a Memorandum of Understanding (“MoU”) with Sinosteel Australia Pty Ltd (“Sinosteel”) for the purchase of up to 50% of the potential 20Mtpa production from the Marillana Project over an initial 5-year off-take period. The MoU also provides for further discussions between the parties regarding strategic investment by Sinosteel in the Marillana Project, but does not prevent Brockman from pursuing a range of other development options (including joint venture or corporate scenarios) with other parties. This landmark MoU – the first agreement signed by Brockman in respect of off-take from the Marillana Project – provides a strong foundation for completion of the Company’s DFS and project development.

Additionally, during the quarter Brockman continued to positively progress discussions with a number of its other key confidentiality agreement partners regarding possible project investment and product off-take scenarios.

RAIL AND PORT INFRASTRUCTURE

The Port Development Definitive Feasibility Study (“DFS”) proposal for the design of new port facilities located in South West Creek, including supporting infrastructure and dedicated stockpiling space, was received from global engineering company Sinclair Knight Merz (“SKM”) in June 2010. Award of the DFS works has progressed, with the completion of a draft DFS report expected in late December 2010.

The Landside (non-dredging) Environmental Approvals study works being carried out by Coffey International has commenced. This work is being expedited to identify the expected level of environmental assessment for the North West Iron Ore Alliance (“NWIOA”) port development. The Port Hedland Port Authority (“PHPA”) has provided notification of the area, as defined by the Port Ultimate Development Plan, allocated for NWIOA port infrastructure, including stockyard and rail unloading loop configuration.

The environmental approvals process for South West Creek dredging is being managed by PHPA using the consulting services of SKM. The current forecast for approvals indicates that dredging can commence by April 2011 in line with the current port development schedule.

Discussions with legislative authorities, government officials, and existing and future railway owner/operators on an ‘end-to-end’ rail infrastructure solution for the Marillana Project are continuing to progress. The West Australian Government via Premier Barnett has provided support for Brockman’s application for the development of a State Agreement to allow the construction of the vital rail infrastructure required for the project. Brockman is now engaged with the Department of State Development to expedite the process required to gain the necessary land tenure for the rail corridor.

The Department of Minerals and Petroleum has granted FNA 9098 covering selected rail corridors between the Marillana minesite and existing Pilbara rail infrastructure. This has allowed Brockman to carry out the necessary environmental field surveys, with Stage 1 completed in June 2010, and Stage 2 surveys due to commence in September 2010.

REGIONAL IRON ORE PROJECTS (100% INTEREST)

WEST PILBARA

Brockman has established an Exploration Target¹ of **80-100Mt of iron ore grading 56-64% Fe** from its West Pilbara project hub ("project hub") following receipt of results from helicopter-supported reconnaissance mapping and sampling over its West Hamersley tenement (E47/1603). Results (reported on 1 June 2010) confirmed the identification of **five new zones of hematite mineralisation** at West Hamersley grading **56-64% Fe** (see *Table 1 and Figure 1*), supporting an Exploration Target of **20-30Mt grading 58-61% Fe** for the West Hamersley tenement.

Brockman's West Pilbara project hub comprises the Duck Creek and Mt Stuart tenements as well as West Hamersley and is conveniently located within 30km of the proposed West Pilbara railway to be constructed by API Management Pty Ltd to service its West Pilbara operations. The project hub is also located within 60km of the Rio Tinto Iron Ore Robe River Railway, which was recently "Declared" open for rail Access by the Australian Competition Tribunal.

There is also a proposal by Fortescue Metals Group Ltd ("FMG") to extend its Solomon rail spur to the west, to support the future development potential of the FMG projects located just 15km from Duck Creek (see *Figure 2*). All three railway systems (proposed or existing) have the potential to link up to the recently approved Anketell Port development. This provides Brockman with an excellent opportunity to fast track the development of these projects within the Western Pilbara Province, utilising these rail lines and supporting the future development of the new port.

Extensive surface sampling at Duck Creek has previously identified an Exploration Target¹ of 30-50Mt of Channel Iron Deposit ("CID") iron ore mineralisation grading 56-59% Fe, contained within a number of mesas with potentially very low stripping ratios. Previous reconnaissance sampling by Brockman within E47/1850 at Mt Stuart has also identified direct shipping grade CID iron ore mineralisation, with four samples from a CID mesa within the licence averaging 58% Fe (calcined Fe = 64.3%), with low contaminants (4% SiO₂ and 2.7% Al₂O₃). This licence, along with neighbouring E47/1845 (Serpentine Creek) was granted during the quarter. Serpentine Creek is considered prospective for Marra Mamba style mineralisation, although no sampling has yet been carried out.

OPHTHALMIA

Reconnaissance mapping and sampling at the Company's 100%-owned Ophthalmia Project has identified **two new zones of hematite mineralisation** grading **up to 64% Fe** (see *Table 2 and Figure 3*). The Ophthalmia tenements (E47/1598, 1599 and E46/781), part of Brockman's extensive portfolio of iron ore projects in Western Australia's Pilbara region, are all located within a 30km radius from the town of Newman and close to existing and planned operations by BHP Billiton Iron Ore Pty Limited ("BHPB") and Rio Tinto Iron Ore Limited.

The most significant mineralisation is at the Kalgan prospect within E47/1598, where surface sampling of supergene enriched basal Brockman Iron Formation returned grades from 55-64% Fe (60-66% calcined Fe). The Kalgan prospect contains approximately 1.5km of strike of Brockman Iron Formation and is located about 5km west along strike from the East Angelas 2E deposit.

The Ophthalmia prospect, within E46/781, comprises poorly exposed Brockman Iron Formation that is interpreted to be a folded extension of the sequence hosting the Orebody 21 deposit, held by BHPB. Surface samples returned up to 57% Fe (63% calcined Fe). The prospect contains

about a 1km strike length of Brockman Iron Formation and the sequence is interpreted to dip north, into the tenement, enhancing the potential for substantial mineralisation in this area.

In addition, a conceptual target has been identified at Coondiner, located immediately north of Hope Downs 4 and comprising calcrete covered Brockman Iron Formation rocks.

Brockman is currently planning an initial comprehensive drilling program to test the identified targets at Duck Creek, West Hamersley and Mt Stuart, Ophthalmia and Mt Florance, following the requisite program of work and heritage approvals. A heritage survey was recently completed at Duck Creek, with access tracks and drill pad construction to commence shortly. Drilling is scheduled to commence in mid August 2010.

Wayne Richards
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—ENDS—

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ABOUT BROCKMAN RESOURCES

Brockman is an ASX300 listed Company with its principal project, the Marillana Iron Ore Project, located 100km north-west of Newman in the Pilbara region of Western Australia and lying close to existing rail, road and port infrastructure. The Marillana Project will be one of the most significant “junior” iron ore (hematite) projects within Australia.

Brockman has built a portfolio of additional iron ore tenements throughout the Pilbara (predominantly the West Pilbara) to develop a pipeline of future projects and expansions, thereby creating future value enhancement to the Company’s shareholders.

The Company is a founding member of the North West Iron Ore Alliance, which is completing studies into the development of two inner harbour berths and associated material handling infrastructure at Port Hedland to accommodate the Alliance’s 50 million tonne per annum export capacity allocation.

The Marillana Project is scheduled to commence production in late 2013 at a nominal rate of 17-20 million tonnes per annum.

¹Exploration Targets

While Brockman is optimistic that it will report JORC compliant resources for the West Hamersley tenements in the future, any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these tenements and it is uncertain if further exploration will result in determination of a Mineral Resource for the West Hamersley tenements or other prospects on the Company's landholding outside of the currently defined JORC compliant resources at the Company's Marillana Project.

References to Marillana Pit Tonnages and 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 Ore Reserves and production targets is only conceptual in nature as there has been insufficient work to define an Ore Reserve until completion of the Definitive Feasibility Study. Figures presented in this report relate to optimised pit shells only and it is expected that final pit design will result in changes, albeit minor, compared to those reported herein.

Competent Person's Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr J Farrell and Mr A Zhang.

Mr J Farrell, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Golder Associates Pty Ltd, produced the Mineral Resource estimates based on the data and geological interpretations provided by Brockman. Mr Farrell 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 Farrell 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 drill hole 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 Pit Optimisation is based on information compiled by Mr I Cooper. Mr Cooper, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Golder Associates Pty Ltd, produced the Pit Optimisation estimates based on the geological resource model and inputs provided by Brockman. Mr Cooper 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 Cooper consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

Table 1: Surface Sampling Results – West Hamersley Project

Sample ID	Area	Fe (%)	Fe (Calcined) (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	S (%)	P (%)	LOI (%)
WH005	Area 6	55.8	57.8	2.89	12.85	0.06	0.06	3.43
WH006	Area 5	61.6	64.0	2.09	5.08	0.07	0.10	3.77
WH007	Area 3	64.1	67.6	0.73	1.71	0.06	0.14	5.10
WH008	Area 3	54.2	56.7	2.30	14.76	0.06	0.08	4.55
WH010	Area 4	60.7	63.1	2.84	5.39	0.03	0.05	3.77
WH011	Area 2	60.9	62.7	3.48	4.90	0.06	0.08	2.80
WH012	Area 2	61.6	64.8	2.32	2.33	0.14	0.10	4.99
WH013	Area 2	63.2	65.0	3.47	1.42	0.08	0.09	2.78
WH014	Area 2	52.9	55.6	9.56	8.47	0.08	0.05	4.71
WH017	Area 2	56.1	58.5	8.00	6.68	0.09	0.08	4.21
WH019	Area 2	62.1	64.5	2.80	2.19	0.05	0.08	3.81
DG296*	Area 1	59.3	65.9	1.88	1.97	0.06	0.09	10.02
DG297*	Area 1	63.0	64.9	1.34	4.43	0.05	0.09	2.94
DG298*	Area 1	64.2	65.8	1.97	2.77	0.05	0.07	2.51
DG299*	Area 1	62.8	65.5	2.01	2.37	0.07	0.10	4.11

Table 2: Surface Sampling Results – Ophthalmia Project

Sample ID	Area	Fe (%)	Fe (Calcined) (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	S (%)	P (%)	LOI (%)
OPH003	Kalgan	59.1	66.2	1.33	2.85	0.03	0.30	10.70
OPH004	Kalgan	54.9	59.8	3.68	9.37	0.07	0.08	8.08
OPH005	Kalgan	64.1	65.3	1.79	4.06	0.02	0.07	1.78
OPH007	Ophthalmia	57.2	63.0	3.28	4.86	0.12	0.09	9.32
OPH012	Ophthalmia	55.8	61.2	3.23	7.56	0.12	0.08	8.86

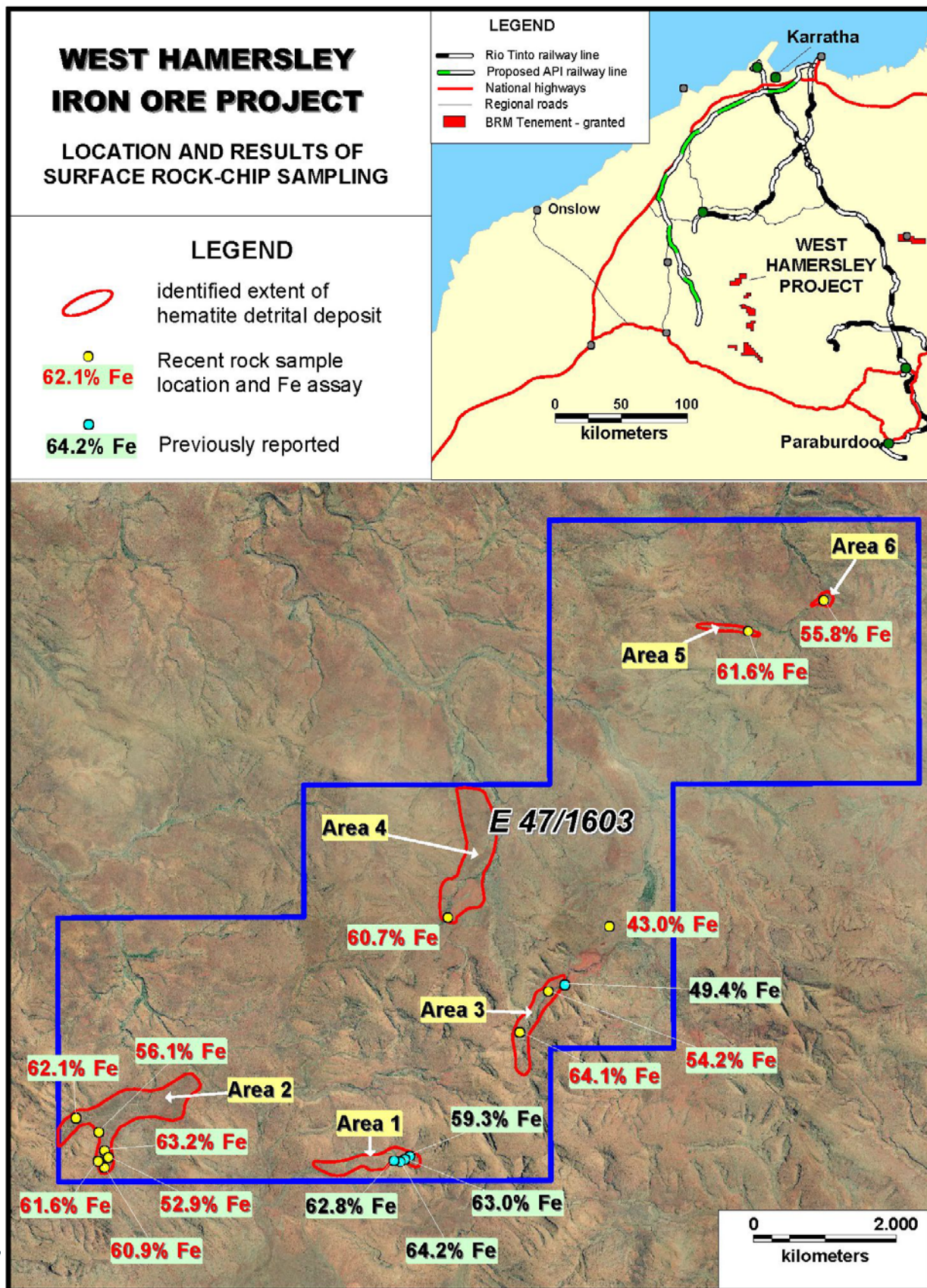


Figure 1: Surface sampling results and exploration targets – West Hamersley project

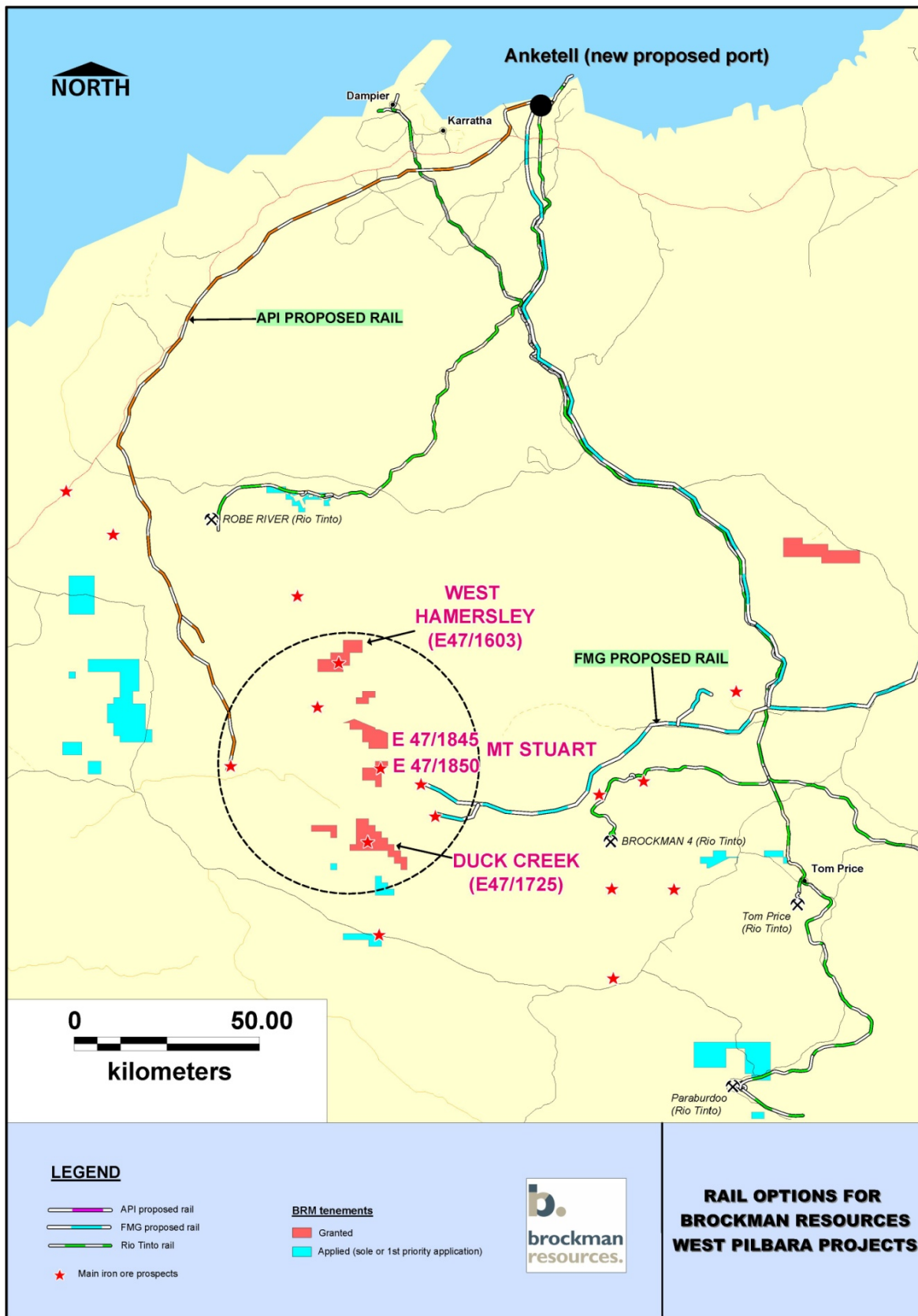


Figure 2: Location of Brockman's West Pilbara project hub in relation to proposed infrastructure

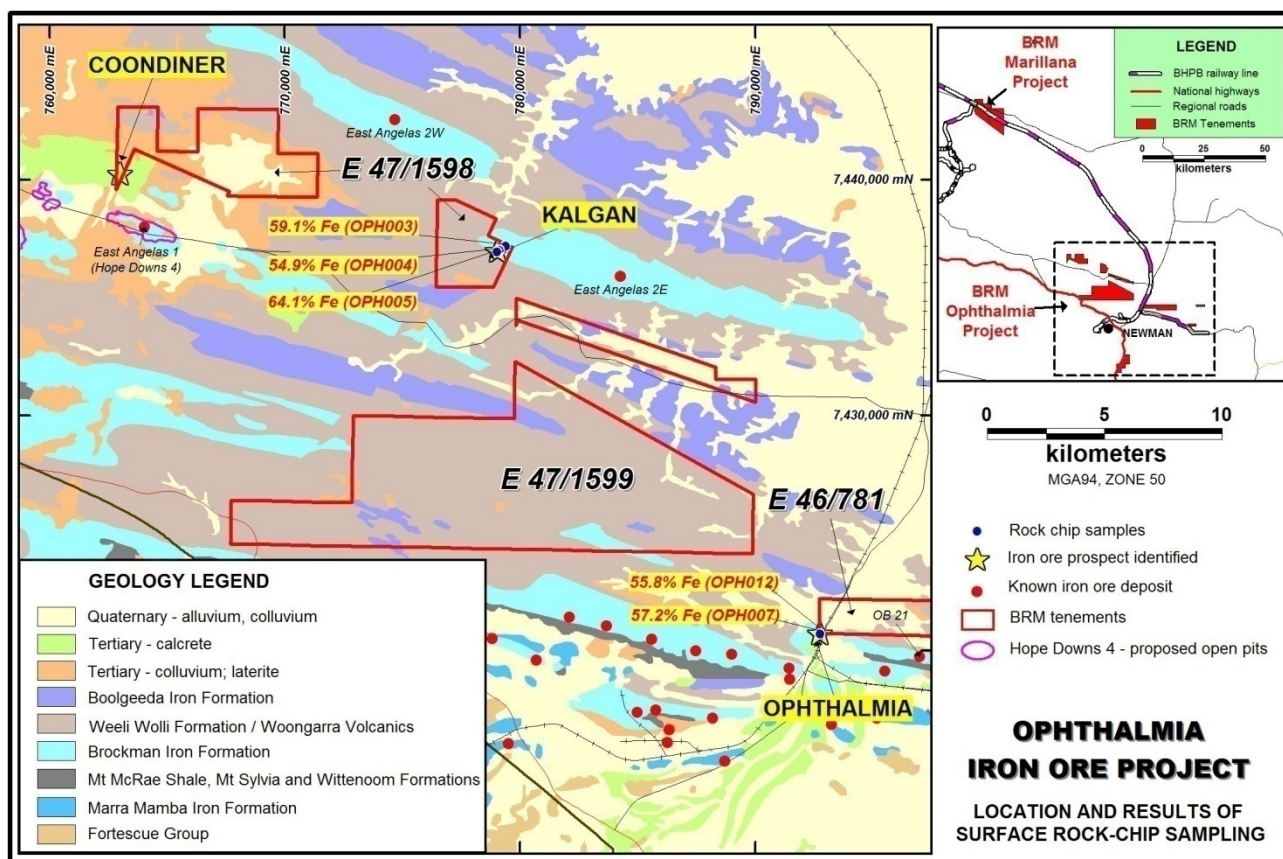


Figure 3: Surface sampling results and exploration targets – Ophthalmia Project