

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 MARCH 2012

HIGHLIGHTS

- ▶ Russell Tipper commenced as Chief Executive Officer on 1 March 2012.
- ▶ The Marillana Process Plant review has been completed and a final report is being prepared by Lycopodium. The Project Delivery Strategy and Schedule are being updated to reflect the improvement opportunities identified during the review.
- ▶ Preliminary Documentation and referral information required under the Environmental Protection and Biodiversity Conservation Act, for the mine and a potential rail spur, were published in February for public comment. The period for public submissions closed on 29 March 2012 with no submissions received. Final Commonwealth environmental approval is expected during Q2 2012.
- ▶ Conditional State Ministerial environmental approval for the proposed North West Infrastructure port development, in the inner harbour of Port Hedland, was received subsequent to the end of the Quarter.
- ▶ Brockman continues to actively pursue rail haulage arrangements with existing and proposed railway owners in the Pilbara, as well as consideration of a proposed new railway to service the eastern Pilbara being promoted by Queensland Rail National.
- ▶ Diamond drilling results confirm significant DSO grade iron ore mineralisation at the Sirius prospect within the 100% owned Ophthalmia Iron Ore Project area.
- ▶ Best intersections at Sirius include 99.15m at 62.0% Fe in SDD006 and a cumulative 70.05m at 60.6% Fe in SDD004.
- ▶ New results received for the Coondiner prospect include 33m at 58.1% Fe and 47m at 57.6% Fe, with both holes ending in mineralisation.
- ▶ Discussions with potential investors in the Marillana Project are continuing, together with consideration of project financing options.
- ▶ Wah Nam International Australia Pty Ltd (“**Wah Nam**”) waived the conditions in its offer of 21 December 2011 and declared the offer unconditional on 16 March 2012. Wah Nam has since further extended the offer acceptance period to 31 May 2012. As at 23 April 2012, Wah Nam has declared an interest in [83.53%] of the outstanding ordinary shares of Brockman.

MARILLANA IRON ORE PROJECT (100% INTEREST)

PROJECT DEVELOPMENT

Brockman Resources Limited (ASX:BRM, “Brockman” or the “Company”) has undertaken an optimisation study aimed at reducing capital costs and further de-risking the Marillana Iron Ore Processing Plant (“Marillana” or “the Project”), with a final report being prepared by Lycopodium. Brockman is now focussing its efforts on reviewing and updating the Project Delivery Strategy and Schedule to reflect the improvement opportunities identified in the study.

Preliminary engineering for early site development works has commenced, including the re-alignment of the Munjina – Roy Hill road and the location of site infrastructure including the accommodation village and airstrip. Discussions have commenced with potential contractors for the delivery of long-lead process and materials handling equipment.

An additional bulk sampling programme has been initiated to verify the plant feed material characteristics and handling properties. This will provide adequate sample feed material for test work focussing on the development of materials handling design parameters and equipment selection.

PROJECT FINANCING

Discussions are taking place with potential investors in the Marillana Project, including end-users who could provide some of the equity component of Project funding, provide off-take arrangements and attract financial institutions to provide a Project loan facility.

RAIL AND PORT INFRASTRUCTURE

Brockman continues to actively pursue rail haulage arrangements with existing and proposed railway owners in the Pilbara, as well as consideration of a proposed new railway to service the eastern Pilbara being promoted by Queensland Rail National (“QRN”).

QRN has identified a potential corridor from Port Hedland to several currently stranded deposits in the eastern Pilbara and has delineated that corridor through a File Notation Advice to the Department of Mines and Petroleum.

North West Infrastructure (“NWI”), comprising Brockman, Atlas Iron Limited and FerrAus Limited, has been challenged to finalise tenure, approvals and engineering work for the development of new port facilities in South West Creek, in the inner harbour of Port Hedland.

The proposed development schedules of the Rail and Port Infrastructure providers are being reviewed in conjunction with the update of the Project schedule, which will culminate in a revised overall Project Development schedule being finalised during the next Quarter.

MINING AND METALLURGY

Completion of pilot plant beneficiation test work to date has verified the product characteristics, enabling a representative final concentrate to be produced, which will be despatched to relevant agencies for further sinter test work. This will support a product placement plan to initiate discussions with Asian steel mills.

Further design work is being undertaken to modify the fines reject handling circuit, following results of closed pipe loop and rheology test work. This work will consider the slurry pumping requirements prior to finalising the fines reject disposal design and equipment selection.

Groundwater modelling and water supply estimates were completed for the site water balance over the “life of mine”. Modelling data indicates that water supplies will be adequate to service water requirements for at least the first 17 years of Project operations.

PROJECT APPROVALS

Brockman continues to progress required approvals, where plans/designs have been finalised, in line with project requirements and development timeframes. Variations to the Marillana Project footprint (since the submission of the Public Environmental Review) will require a variation to the Ministerial Statement approval via a s45C process under the Environmental Protection Act. A modified Project Management Plan is being developed for submission to the Department of Minerals and Petroleum.

The Preliminary Documentation for the rail and mine projects that was submitted to the Commonwealth Department of Sustainability, Environment, Water, Pollution and Communities ("DSEWPac") was publicly advertised with no comments received during the public advertising period. DSEWPac should complete its assessment by the end of May and approval is expected thereafter, once consent conditions have been set and Offset Plans agreed.

Conditional State Ministerial environmental approval issued on 2 April 2012, for the proposed NWI port development in the inner harbour of Port Hedland. The conditions attending the approval are acceptable to NWI, an incorporated joint venture between the Company, Atlas Iron Limited and FerrAus Limited.

REGIONAL IRON ORE PROJECTS (100% INTEREST)

OPHTHALMIA PROJECT

Sirius Prospect

A further 7 diamond drill holes for 747m were completed at the Sirius Prospect (Figure 1) during the period, as reported to ASX on 23 April 2012. Most of the holes have intersected thick zones of Direct Shipping Ore (DSO) grade hematite iron ore mineralisation (Table 1) with better intersections including:

- 99.15m at 62.0% Fe in SDD006; and
- 70.05m (cumulative thickness from two zones) at 60.6% Fe in SDD004.

These results, together with the previously reported intersection of 135.45m at 61.0% Fe in SDD001, have confirmed potential for significant DSO iron ore mineralisation at this prospect, which was initially discovered during helicopter-supported field reconnaissance in August 2011.

Due to lack of vehicular access, a portable diamond rig, with the support of a helicopter, was used to carry out the drilling programme consisting of 8 holes (Table 2). The location of all drill holes is shown in Figure 2 and a cross-section provided in Figure 3. The deposit is situated in the eastern end of the Parmelia Syncline, a moderately overturned syncline with both the northern and southern limbs dipping sub-vertically to moderately to the south. The iron mineralisation is hosted in the lower units of the Boolgeeda Iron Formation.

Coondiner Prospect

Results have been received for all remaining RC holes drilled at Coondiner in late 2011. Significant drill intersections for all holes, including holes previously reported, are listed in Table 3 below. Drilling has identified two main target areas, namely the Pallas and Castor prospects, as shown in Figure 4. Of particular interest is the very wide zone of mineralisation up to 1km across that remains open at depth at the eastern end of the Pallas prospect. Deeper infill RC drilling has just commenced to follow up these results.

Kalgan Creek Prospect

Results from resampling at Kalgan Creek have confirmed and increased the extent of mineralisation previously reported (see ASX release dated 25 January, 2012). The previously reported intercept in hole KRC0017 was for composite samples – assay results for the 1m split samples have confirmed and slightly upgraded the tenor of the mineralisation in that hole. In hole KRC0016, assays for the interval from 16m to 38m (which were pending at the last announcement) confirmed continuity of mineralisation across the entire interval from 8m to 44m. An updated table of significant drill intersections is provided as Table 4.

Table 1: Significant drill intersections – Sirius Prospect

Hole ID	From (m)	To (m)	Width (m)	Fe (%)	Fe Calcined (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
SDD001*	27.25	162.70	135.45	61.0	64.5	2.10	3.85	0.18	0.01	5.38
SDD002	14.20	28.60	14.40	56.1	60.0	7.52	4.89	0.11	0.01	6.52
SDD003	4.90	12.10	7.20	55.7	60.0	8.03	4.47	0.14	0.05	7.24
	18.40	51.40	33.00	58.6	62.3	4.36	4.93	0.18	0.01	5.94
SDD004	0.00	29.80	29.80	59.7	63.1	5.13	3.66	0.12	0.03	5.37
	36.30	76.55	40.25	61.2	64.2	3.47	3.63	0.20	0.01	4.69
	(Cumulative)		70.05	60.6	63.7	4.18	3.64	0.17	0.01	4.98
SDD005	1.50	28.45	26.95	61.0	63.7	3.80	3.54	0.18	0.02	4.25
SDD006	0.00	74.55	74.55	62.2	65.0	2.04	3.52	0.22	0.01	4.31
	74.55	82.90	8.35	Core loss due to difficult ground conditions						
	82.90	99.15	16.25	60.9	63.8	3.54	4.03	0.22	0.01	4.43
	(Cumulative)		99.15**	62.0	64.8	2.31	3.61	0.22	0.01	4.33
SDD007	0.00	33.15	33.15	62.1	64.8	3.25	3.01	0.15	0.01	4.15
SDD008	4.50	43.00	38.50	59.5	62.5	4.27	4.83	0.17	0.01	4.75
	59.15	64.80	5.65	58.4	61.2	7.98	3.31	0.13	0.00	4.50

* Reported previously

** assuming core loss is of the same grade as the remainder of the intersection

Notes: Intercepts calculated at a nominal 55% Fe cut off grade including up to 2m of internal dilution.

Analyses by Ultratrace Laboratories using XRF spectrometry.

Fe Calcined is calcined iron and is calculated by the formula: $CaFe = Fe\% / (100 - LOI) * 100$

Table 2: Drill hole details – Sirius Prospect

Hole ID	MGA East (m)	MGA North (m)	RL (m)	Dip (deg)	Azim (deg)	Final depth (m)	Date Drilled
SDD001	780336	7429489	632	-60	0	163.5	13/12/2011
SDD002	780334	7429489	632	-55	180	100.7	24/01/2012
SDD003	780799	7429981	634	-80	0	102.4	1/02/2012
SDD004	781052	7429718	632	-80	270	96.3	9/02/2012
SDD005	780360	7429742	577	-75	180	165.4	21/02/2012
SDD006	780354	7429990	571	-60	0	136.1	5/03/2012
SDD007	780993	7429470	590	-90	-	76.7	11/03/2012
SDD008	781450	7429348	575	-90	-	69.2	23/03/2012
Total						910.3	

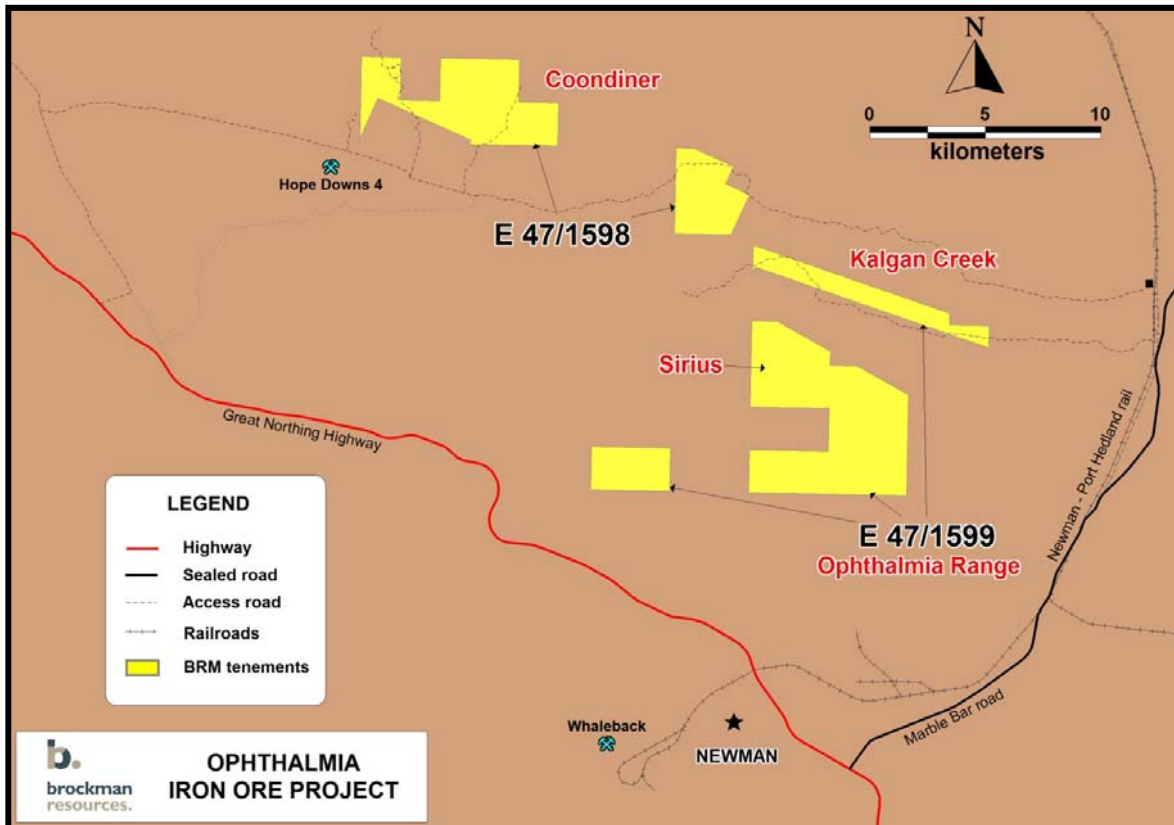


Figure 1: Location of Sirius Prospect

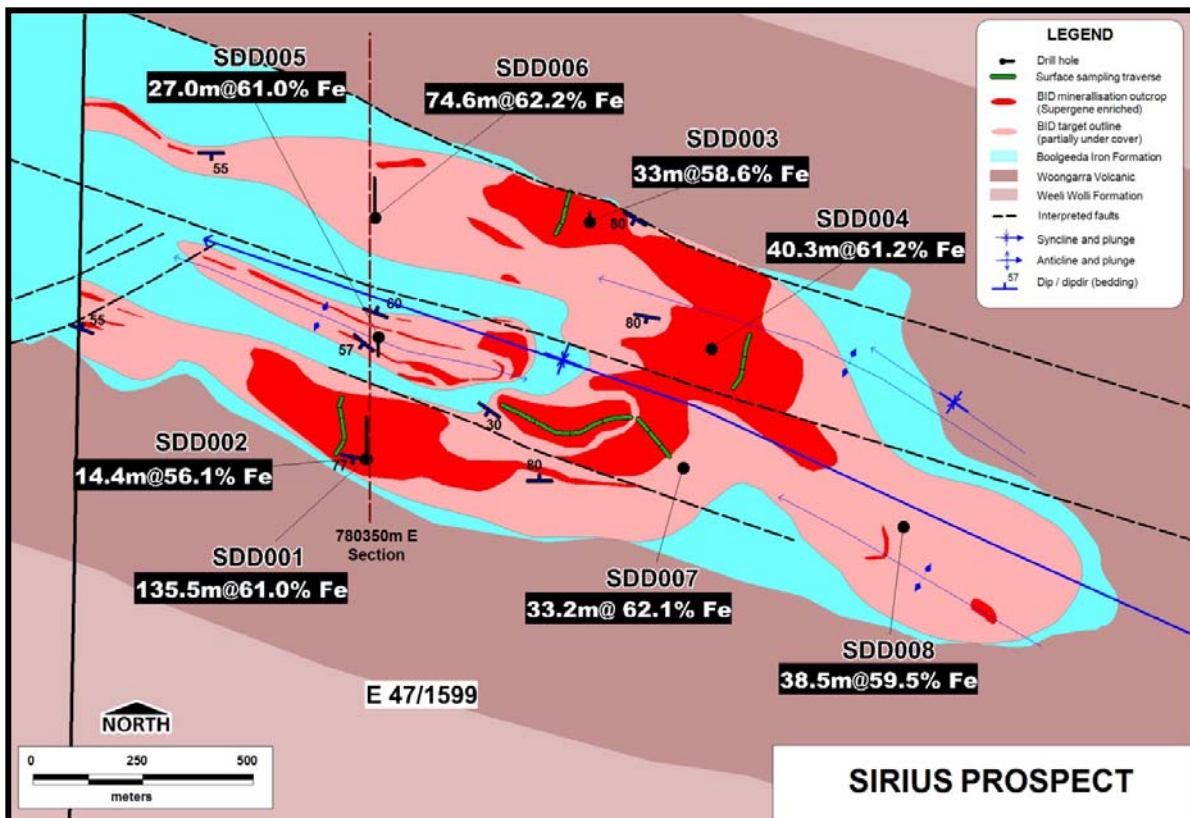


Figure 2: Geology map showing the drill hole locations at Sirius Prospect and best intersection in each hole.

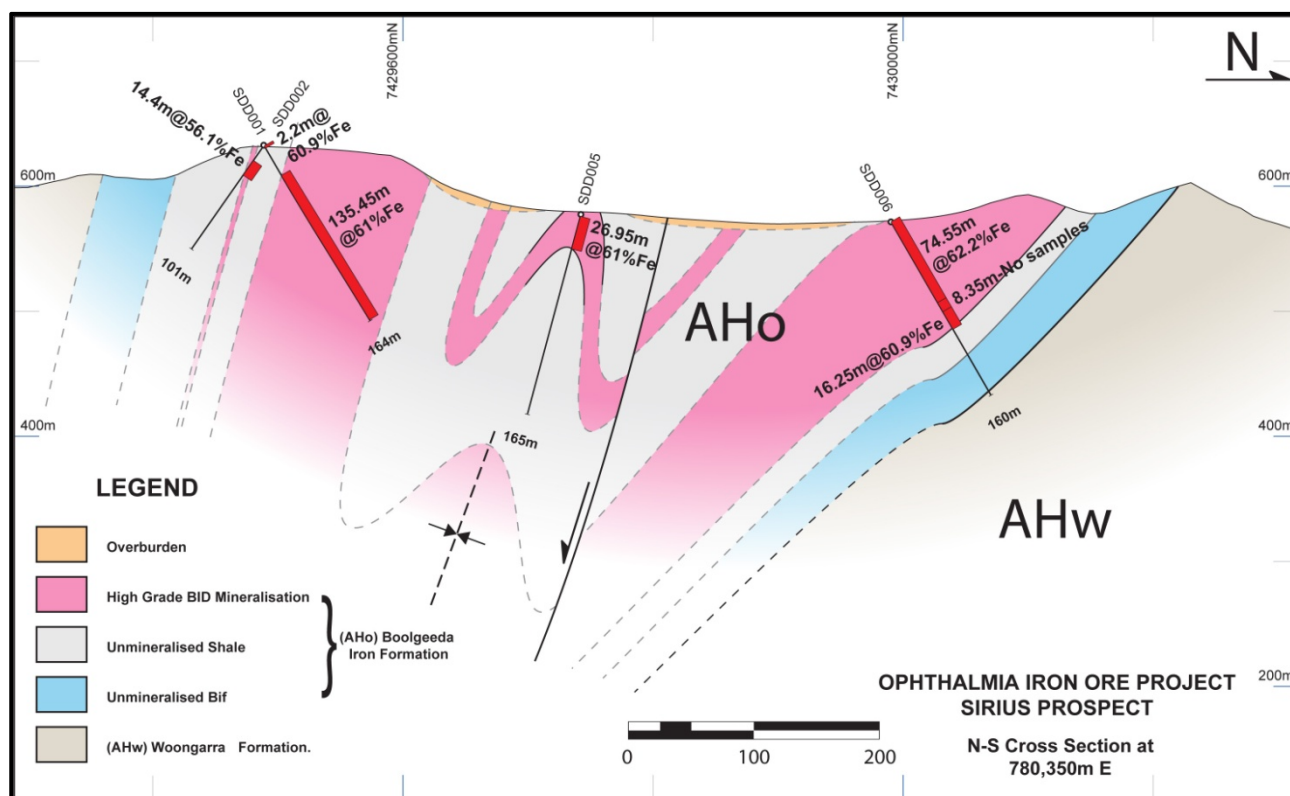


Figure 3: Geological Cross Section at 780,350m E – Sirius Prospect

Table 3: Significant drill intersections – Coondiner Prospect

Hole ID	From (m)	To (m)	Width (m)	Fe %	Fe Calcined %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
CNRC0004 [#]	18	36	18	59.24	62.52	5.33	3.77	0.146	0.01	5.25
CNRC0007 ^{#*}	16	49	33	58.90	62.96	4.65	3.62	0.161	0.01	6.44
CNRC0008 ^{#*}	22	37	15	59.13	62.71	4.53	3.98	0.139	0.01	5.71
CNRC0009 ^{#*}	18	49	31	57.74	61.74	5.21	4.54	0.143	0.02	6.48
CNRC0016 [#]	12	24	12	61.12	63.17	5.15	3.14	0.099	0.01	3.25
CNRC0014	32	36	4	57.24	60.20	6.83	5.55	0.139	0.01	4.91
CNRC0019 [*]	18	31	13	58.29	61.72	6.23	4.01	0.141	0.01	5.55
CNRC0020 [*]	4	31	27	58.17	61.23	6.61	4.38	0.127	0.02	5.00
CNRC0021 [*]	24	31	7	55.55	59.06	8.16	5.70	0.196	0.01	5.95
CNRC0049 [*]	16	49	33	58.13	61.44	6.00	4.76	0.192	0.01	5.37
CNRC0050 [*]	14	61	47	57.61	61.33	5.41	5.22	0.174	0.01	6.06
CNRC0051	10	16	6	56.38	59.67	8.63	4.49	0.139	0.01	5.52

[#] Results previously reported

^{*} Hole ended in mineralisation.

Notes: Intercepts calculated at a nominal 55% Fe cut off grade including up to 2m of internal dilution.

Analyses by Ultratrace Laboratories using XRF spectrometry.

Fe Calcined is calcined iron and is calculated by the formula: $CaFe = Fe\% / (100 - LOI) * 100$

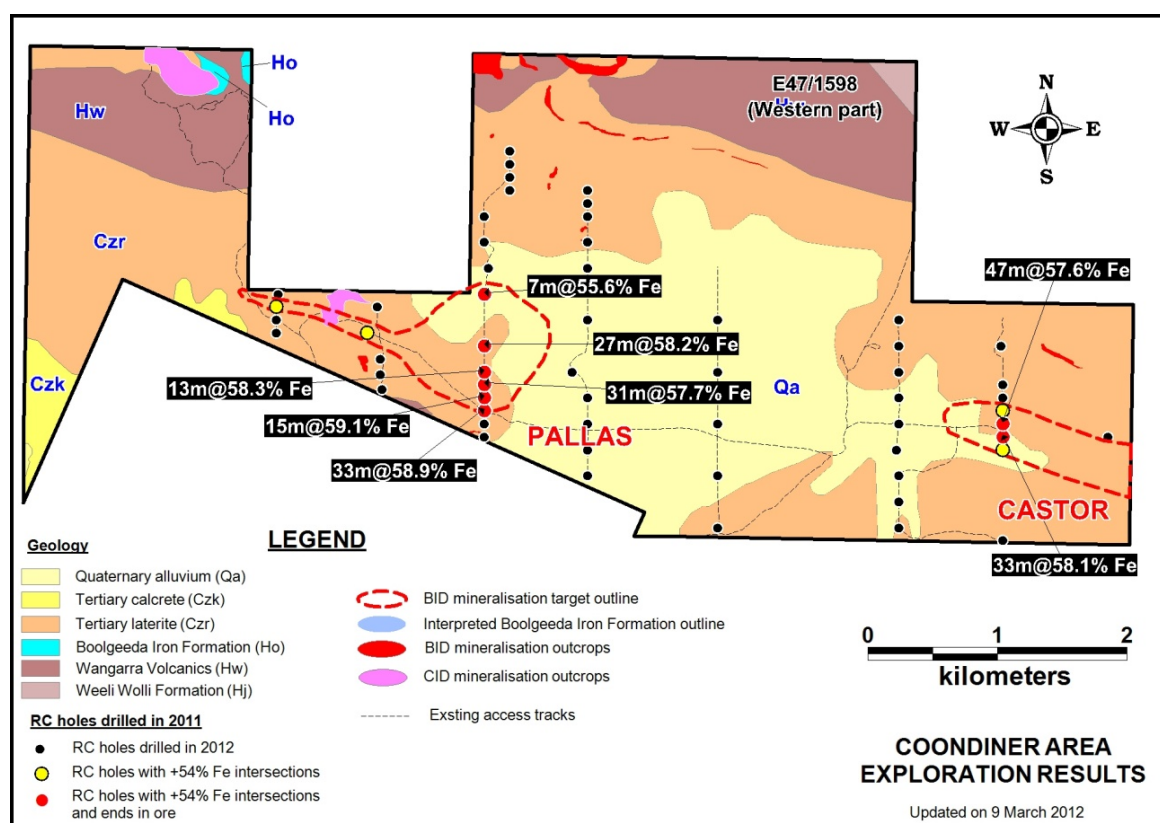


Figure 4: Geology map of Coondiner Prospect showing exploration results

Table 4: Significant drill intersections – Kalgan Creek Prospect

Hole ID	From (m)	To (m)	Width (m)	Fe %	Fe Calcined %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
KRC0001	16	24	8	56.93	56.93	9.52	5.46	0.023	0.01	3.08
	32	36	4	56.54	56.55	10.40	5.28	0.028	0.01	3.13
KRC0003	4	12	8	55.38	55.39	9.98	5.05	0.037	0.02	5.03
	16	30	14	58.10	58.11	9.05	4.47	0.022	0.01	2.90
KRC0009	60	76	16	59.71	59.71	6.26	2.94	0.154	0.01	4.96
KRC0015	12	20	8	60.31	60.32	5.90	3.24	0.075	0.01	4.16
KRC0016	8	16	8	58.34	58.35	5.31	5.32	0.161	0.02	5.28
	38	44	6	62.09	62.09	2.68	2.93	0.219	0.01	4.71
KRC0016*	8	44	36	59.64	59.65	4.13	4.39	0.204	0.01	5.25
KRC0017	16	78	62	58.65	58.65	4.55	4.69	0.150	0.01	5.98
KRC0017*	16	78	62	60.04	60.04	2.95	4.99	0.197	0.01	5.24
KRC0018	28	34	6	56.61	56.61	4.25	5.12	0.097	0.01	8.90
KRC0020	10	78	68	59.83	59.84	2.80	5.14	0.194	0.01	5.46
KRC0021	6	12	6	57.47	57.49	4.83	3.83	0.044	0.03	8.29

* Replaces previously reported results (shaded). All other results reported previously.

Notes: Intercepts calculated at a nominal 55% Fe cut off grade including up to 2m of internal dilution.

Analyses by Ultratrace Laboratories using XRF spectrometry.

Fe Calcined is calcined iron and is calculated by the formula: $CaFe = Fe\% / (100 - LOI) * 100$

CORPORATE

BOARD AND MANAGEMENT APPOINTMENTS

Russell Tipper has been appointed as Chief Executive Officer commencing with Brockman on 1 March 2012. Russell was most recently General Manager Iron Ore with ASX listed Aquila Resources where he was responsible for oversight of the West Pilbara Iron Ore Project. He brings a wealth of experience in Pilbara iron ore project development, including rail and port infrastructure solutions.

AGREEMENTS SIGNED WITH PROCESS MINERALS INTERNATIONAL

Subsequent to the March Quarter, the Company has entered into a Haul Road Agreement and a General Access Licence with Process Minerals International ("PMI"). These agreements allow PMI to construct a haul road for the transport of PMI ore through the Project tenement. This road development will be of ultimate benefit to the Company once development and operational activities commence on site.

OFF MARKET TAKEOVER BID BY WAH NAM INTERNATIONAL HOLDINGS LIMITED

On 12 December 2011 Brockman announced that it had entered into a Bid Implementation Agreement with Wah Nam International Holdings Limited ("Wah Nam"), pursuant to which Wah Nam International Australia Pty Ltd, a wholly owned subsidiary of Wah Nam, intends to make a conditional off-market takeover offer for the remaining shares in Brockman that Wah Nam does not already own.

The offer is now unconditional, with all conditions being met or waived by Wah Nam on 16 March 2012. The deadline for shareholders to accept the offer has been extended to 31 May 2012. As at 23 April 2012, Wah Nam has declared an interest in 83.53% of the outstanding ordinary shares of Brockman.

A consolidation of 100% of Brockman will simplify the current shareholding structure and should improve funding options to accelerate development of the Company's flagship Marillana Iron Ore Project within one entity.

CASH RESERVES AND LIQUID INVESTMENTS

At 31 March 2012 the Company's cash and attributable share of joint venture cash stood at \$39.4 million

Russell Tipper
Chief Executive Officer

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ABOUT BROCKMAN RESOURCES

Brockman is an ASX-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 hematite projects to be developed within Australia over the forthcoming years. The Project is designed to produce an average of 18.5 million (wet) tonnes per annum over the life of mine.

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

Brockman is a founding shareholder of North West Infrastructure, which has been allocated 50 million tonnes per annum of capacity at the South West Creek port facility at Port Hedland.

Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled by Mr A Zhang, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Brockman Resources Limited. 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'. 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.