FINANCIAL INFORMATION

For the six months ended 31 December 2017

The interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Brockman Mining Limited ("Brockman") during the interim reporting period in accordance with the continuous disclosure requirements of The Stock Exchange of Hong Kong Limited (the "SEHK") and Australian Securities Exchange (the "ASX").

CONTENTS

CORPORATE PROFILE

BOARD OF DIRECTORS

Non-executive Directors

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

Executive Directors

Chan Kam Kwan Jason
Kwai Kwun Lawrence
Colin Paterson

Independent non-executive Directors

Yap Fat Suan Henry
Uwe Henke Von Parpart
Choi Yue Chun Eugene

COMPANY SECRETARY

Chan Kam Kwan, Jason

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda
Tel: 1 441 295 1422 Fax: 1 441 292 4720

REGISTERED OFFICE (AUSTRALIA)

Level 2, 56 Ord Street,
West Perth, WA 6005,
Australia
TEL: (61) 8 9389 3000 FAX: (61) 8 9389 3033

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

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

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN AUSTRALIA

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace,
Perth, WA 6000

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3903B Far East Finance Centre,
16 Harcourt Road,
Admiralty,
Hong Kong
TEL: (852) 3766 1079 FAX: (852) 3007 9138

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 31 December 2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)
Revenue	6	**—**	—
Cost of sales	8	**—**	—
Gross profit		**—**	—
Other income		**79**	—
Other (losses)/gain	9	**(29)**	611
Selling and administrative expenses	8	**(7,122)**	(17,017)
Exploration and evaluation expenses	8	**(7,034)**	(7,715)
Impairment of mining properties	13	**—**	—
Operating loss		**(14,106)**	(24,121)
Finance income		**12**	20
Finance costs		**(2,658)**	(1,549)
Finance costs, net	10	**(2,646)**	(1,529)
Share of loss of joint ventures		**(201)**	(519)
Loss before income tax		**(16,953)**	(26,169)
Income tax expense	11	**—**	—
Loss for the period		**(16,953)**	(26,169)
Other comprehensive loss:			
Item that may be reclassified to profit or loss			
Exchange differences arising from translation of foreign operations		**1,841**	(6,929)
Other comprehensive income/(loss) for the period		**1,841**	(6,929)
Total comprehensive loss for the period		**(15,112)**	(33,098)
Loss for the period attributable to:			
Equity holders of the Company		**(16,953)**	(26,169)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(15,112)**	(33,098)
Loss per share attributable to the equity holders of the Company during the period		**HK cents**	HK cents
Basic loss per share	12	**(0.20)**	(0.31)
Diluted loss per share	12	**(0.20)**	(0.31)

The notes on pages 9 to 28 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
	Note	31 December 2017 HK$'000 (Unaudited)	30 June 2017 HK$'000 (Audited)
Non-current assets			
Mining properties	13	**842,909**	829,031
Property, plant and equipment	14	**3,594**	3,673
Interest in joint ventures	21	**371**	430
Other non-current assets		**288**	283
		847,162	833,417
Current assets			
Other receivables, deposits and prepayments		**1,469**	1,218
Cash and cash equivalents		**8,613**	23,995
		10,082	25,213
Total assets		**857,244**	858,630
Equity			
Share capital	18	**838,198**	838,198
Reserves		**(389,347)**	(374,235)
Total equity attributable to the equity holders of the Company		**448,851**	463,963
Non-current liabilities			
Other payables		**—**	31,333
Amount due to a related party	22	**—**	1,392
Deferred income tax liability	20	**250,949**	246,817
Borrowings	16	**51,282**	52,812
Provisions	17	**546**	844
		302,777	333,198
Current liabilities			
Trade payables	15	**10,772**	10,722
Other payables and accrued charges	17	**82,812**	50,561
Amounts due to related parties	22	**2,440**	186
Borrowings	16,17	**9,592**	—
		105,616	61,469
Total liabilities		**408,393**	394,667
Total equity and liabilities		**857,244**	858,630

The notes on pages 9 to 28 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							
	Share capital HK$'000	Share premium HK$'000	Statutory reserve (Note) HK$'000	Share-based compensation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Other reserve HK$'000	Total HK$'000
Balance at 1 July 2016 (Audited)	838,198	4,460,106	9,791	80,062	(650,583)	(4,708,382)	458,225	487,417
Comprehensive loss								
Loss for the period	—	—	—	—	—	(26,169)	—	(26,169)
Other comprehensive loss								
Exchange differences arising on translation of foreign operations	—	—	—	—	(6,929)	—	—	(6,929)
Total other comprehensive loss for the period	—	—	—	—	(6,929)	—	—	(6,929)
Total comprehensive loss for the period	—	—	—	—	(6,929)	(26,169)	—	(33,098)
Transactions with equity holders								
Appropriations to statutory reserve	—	—	(457)	—	457	—	—	—
Share-based compensation	—	—	—	59	—	—	—	59
Total transactions with equity holders	—	—	(457)	59	457	—	—	59
Balance at 31 December 2016 (Unaudited)	838,198	4,460,106	9,334	80,121	(657,055)	(4,734,551)	458,225	454,378

	Attributable to equity holders of the Company							
	Share capital HK$'000	Share premium HK$'000	Statutory reserve (Note) HK$'000	Share-based compensation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Other reserve HK$'000	Total HK$'000
Balance at 1 July 2017 (Audited)	838,198	4,460,106	9,690	80,128	(635,694)	(4,746,690)	458,225	463,963
Comprehensive loss								
Loss for the period	–	–	–	–	–	(16,953)	–	(16,953)
Other comprehensive loss								
Exchange differences arising on translation of foreign operations	–	–	–	–	1,841	–	–	1,841
Total other comprehensive loss for the period	–	–	–	–	1,841	–	–	1,841
Total comprehensive loss for the period	–	–	–	–	1,841	(16,953)	–	(15,112)
Transactions with equity holders								
Appropriations to statutory reserve	–	–	397	–	(397)	–	–	–
Share-based compensation	–	–	–	–	–	–	–	–
Total transactions with equity holders	–	–	397	–	(397)	–	–	–
Balance at 31 December 2017 (Unaudited)	838,198	4,460,106	10,087	80,128	(634,250)	(4,763,643)	458,225	448,851

Note:

The statutory reserves represent safety funds reserve appropriated from the loss after tax of a subsidiary established in the People's Republic of China (the "PRC") in accordance with the PRC laws and regulations.

The notes on pages 9 to 28 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 December	
	2017 **HK$'000** **(Unaudited)**	2016 HK$'000 (Unaudited)
Cash flows from operating activities		
Net cash used in operating activities	**(20,380)**	(22,182)
Cash flows from investing activities		
— Interest received	**12**	20
— Investment in joint ventures	**(135)**	(496)
Net cash used in investing activities	**(123)**	(476)
Cash flows from financing activity		
— Drawdown of borrowings	**5,000**	40,162
Net cash generated from financing activity	**5,000**	40,162
Net (decrease)/increase in cash and cash equivalents	**(15,503)**	17,504
Cash and cash equivalents at beginning of the period	**23,995**	32,772
Effects of foreign exchange rate changes	**121**	(681)
Cash and cash equivalents at end of the period	**8,613**	49,595

The notes on pages 9 to 28 form an integral part of this condensed consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Brockman Mining Limited (the "Company") and its subsidiaries (collectively, the "Group") principally engage in the acquisition, exploration and development of iron ore 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 (the "PRC").

The Company is a public 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.

This condensed consolidated financial information is presented in Hong Kong dollars ("HK$"), unless otherwise stated. This condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31 December 2017 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(a) Going concern basis

For the period ended 31 December 2017, the Group recorded a net loss attributable to equity holders of the Company of HK$16,953,000 and had operating cash outflows of HK$20,380,000. The Group did not record any revenue during the period and the loss for the period was primarily attributable to the exploration and studies costs for the mine in Australia and the administrative expenses incurred by operation in Hong Kong and Australia. As at 31 December 2017, the Group's current liabilities exceeded its current assets by HK$95,534,000, and cash and cash equivalents of the Group amounted to HK$8,613,000.

On 1 September 2016, the Group announced that in light of the sustained copper price weakness and the potential increase in capital expenditure to meet the new local requirements for environmental protection in the PRC, the directors resolved that it will no longer finance the continuing development of its copper mine in the PRC.

The Group will continue to focus its resources on developing its core iron ore mining projects in Western Australia (the "Marillana Project"). On 17 November 2017, the Group has executed a term sheet with a potential investor, BBI Group Pty Ltd ("BBIG") (as set out in Note 24) whereby subject to entering into the farm-in agreement and the JV agreement ("Transaction Documents"), BBIG will undertake to prepare a definitive feasibility study ("DFS") (including a funding plan) in respect of the construction and development of the Marillana Project following which if determined to be feasible, the parties would establish a joint venture to carry out the development of the Marillana Project. The Group would require significant amounts of financing under the proposed arrangement for the future development of the Marillana Project which are currently yet to be secured.

2 BASIS OF PREPARATION (Continued)

(a) Going concern basis (Continued)

All the above conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and development of the Marillana Project and its available sources of financing to assess whether the Group will have sufficient funds to fulfill its financial obligations to continue as a going concern. The Group has taken the following measures to improve the Group's financial position and alleviate its liquidity pressure, which include, but not limited to, the following:

(i) On 20 September 2016, the Group obtained a loan from its substantial shareholder amounted to US$5,130,000 (equivalent to HK$40,000,000) ("US$ Loan") which is unsecured, bears interest at 12% per annum. The repayment date has previously been extended a number of times and the latest extension on 31 December 2017 has extended the repayment date to 30 April 2019. On 15 December 2017, the Group obtained another loan from the substantial shareholder amounted to HK$5,000,000 ("HK$ Loan") which is unsecured, bears interest at 12% per annum and repayable on 30 April 2019;

(ii) On 6 December 2017, the Company entered into the two subscription agreements with independent third parties pursuant to which the Company will issue an aggregate of 130,000,000 new ordinary shares at an aggregate consideration of HK$13,000,000 to be settled by cash. On the same date, the Group entered into another subscription agreement (together the "Share Placement") with the substantial shareholder pursuant to which the Company will issue 650,000,000 new ordinary shares at an aggregate consideration of HK$65,000,000, which will be partly settled by cash of HK$19,000,000 and by setting-off the outstanding loan of US$5,130,000 (equivalent to HK$40,000,000) and the relevant accrued interests amounted to approximately HK$6,000,000. The shares subscriptions are subject to shareholders' approval and the Company expects the shares subscriptions will be completed by March 2018;

(iii) On 21 September 2016, an individual shareholder has undertaken to grant a loan of up to HK$60,000,000 to the Group, which was subsequently increased to HK$120,000,000 on 21 February 2018, of which HK$85,000,000 can only be drawn down for purpose of financing the payment to settle liabilities in respect of the mine in the PRC when necessary. The remaining portion of the loan facility of HK$35,000,000 will be automatically cancelled upon the completion of the Share Placement. Such loan, once drawn down, will be unsecured, bear interest at 15% per annum. The last draw down date and repayment date has been extended a number of times and the latest revision on 21 February 2018 has extended the last drawdown date and repayment date to 30 April 2019;

2 BASIS OF PREPARATION (Continued)

(a) Going concern basis (Continued)

(iv) Having executed the term sheet with BBIG for Marillana Project, the Group is finalising the terms of farm-in agreement and joint venture agreement with BBIG and it is expected to be completed in April 2018. Under the proposed arrangement if finalised, BBIG will undertake to prepare the DFS within 3 years ("DFS Period") and the cost of which up to an aggregate amount of AUD10,000,000 will be funded by BBIG and any further costs, subject to the Group's approval, exceeding such threshold will be borne by the Group and BBIG as to 50% each. The directors believe that the DFS could be completed with AUD10,000,000 and considers the proposed arrangement will not require additional financing during the DFS Period. Upon the completion of the DFS, and the Group receiving satisfactory Financial Investment Decision ("FID") proposal and confirmation of its intention to fund 75% of the equity component and completion support for the Marillana Project from BBIG, the Group will then decide whether it will commit to fund 25% of the equity component and completion support of the Marillana Project. Until such time, the Group does not have any commitment of capital expenditure for the Marillana Project and no expenditure in respect of such development will be committed by the Group before the relevant financing is secured.

At the same time, the directors will continue to maintain the minimum exploration and evaluation activities in the same mine, by incurring estimated expenditure of approximately HK$5,060,000 per annum, required to maintain the current right of tenure to tenements in Western Australia; and

(v) Implementation of other cost-saving measures with the objective of keeping the administrative and daily operational expenditures to a minimum in all locations.

The directors of the Company have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 December 2017. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient financial resources to satisfy its future working capital requirements and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2017. Accordingly, the directors of the Company consider that it is appropriate to prepare the Group's consolidated interim financial information on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to obtain the necessary funding and achieve the plans and measures as described in (iii) to (v) above. The Group's ability to continue as a going concern would depend upon (i) successful completion of the Share Placement; (ii) successful draw down of the loan of HK$120,000,000 from the individual shareholder as and when needed; (iii) successful finalisation of the agreements with BBIG and satisfactory completion of the DFS within AUD10,000,000 as committed by BBIG and (iv) successful implementation of the operational plans and measures to control costs.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Group's condensed consolidated interim financial information.

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2017, as described in those annual financial statements. New standards and amendments to standards effective for the financial year ending 30 June 2017 do not have material impact on the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

(a) New and amendments to standards and interpretations that are not yet effective and have not been early adopted by the Group

		Effective for annual periods beginning on or after
Annual Improvements Project IFRS 1 and IAS 28	Annual Improvements 2014-2016 Cycle (amendments)	1 January 2018
IFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 9 (Amendment)	Prepayment Features with Negative Compensation	1 January 2019
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 15 (Amendment)	Clarification to IFRS15	1 January 2018
IFRIC22	Foreign Currency Transactions and Advance Considerations	1 January 2018
IFRIC23	Uncertainty Over Income Tax Treatments	1 January 2019
IFRS 16	Leases	1 January 2019
IFRS 10 and IAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

None of these is expected to have a significant effect on the consolidated interim financial information of the Group, except for the following set out below:

IFRS 9 Financial instruments

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The Group has yet to undertake a detailed assessment of the classification and measurement of its financial assets, but management considers that except for cash and cash equivalents, there is limited financial assets. The amendment is not expected to have significant impact on the Group's financial statements.

3 PRINCIPAL ACCOUNTING POLICIES

IFRS 9 Financial instruments (Continued)

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

There is a change in hedge accounting rules that more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group does not have any such hedging instruments.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. The Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, and it may result in an earlier recognition of credit losses As at 31 December 2017, the Group has insignificant balance of financial assets classified at amortised cost, management did not expect the adoption would have any impact to the Group.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard. IFRS 9 must be applied for financial years commencing on or after 1 January 2018. The Group does not intend to adopt IFRS 9 before its mandatory date.

IFRS 15 Revenue from contracts with customers

IFRS 15 will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The new standard permits either a full retrospective or a modified retrospective approach for the adoption.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. A further clarification to IFRS 15 was issued in relation to the identification of performance obligations, principal versus agent consideration, as well as licensing application guidance. For the six months period ended 31 December 2017, the Group does not recognise any revenue, management did not expect the adoption would have any impact at the Group's result and financial position, however, management will further assess the contractual arrangement with respective to future production and effects of applying the new standard on the Group's financial statements.

IFRS 15 is mandatory for financial years commencing on or after 1 January 2018. The Group does not intend to adopt the standard before its effective date.

3 PRINCIPAL ACCOUNTING POLICIES (Continued)

IFRS 16 Leases

IFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will affect primarily the accounting for the Group's operating leases.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK$77,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

There are no other IFRSs or interpretations that are not yet effective that would be expected to have a material impact on the Group.

(b) Comparative figures

Certain comparative figures have been reclassified to conform to current period's presentation.

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2017, with the exception of changes in estimates that are required in determining the provision for income taxes.

5 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risks management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2017.

There have been no changes in the risk management policies since year end.

(b) Liquidity risk

The Group's primary cash requirements have been for the payments for working capital and exploration and evaluation activities. The Group generally finances its short term funding requirement with equity funding and loans from shareholders.

The Group also prepares cash flow forecasts and monitors rolling forecasts of the Group's liquidity reserve to ensure the Group maintains sufficient liquidity reserve to support sustainability and growth of the Group's business. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate funding to meet its liquidity requirement.

As at 31 December 2017, there are conditions indicating the existence of liquidity concerns and a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. The directors of the Company has undertaken certain measures to improve the Group's financial position and alleviate its liquidity pressure. For details of these conditions and measures, please refer to Note 2(a).

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

5 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

	Within 1 year on demand	1 to 2 years	Total undiscounted cash flows	Carrying amount at year ended date
	HK$'000	HK$'000	HK$'000	HK$'000
31 December 2017 (Unaudited)				
Non-derivative financial liabilities:				
Trade payables	**10,772**	**—**	**10,772**	**10,772**
Other payables	**45,345**	**—**	**45,345**	**43,401**
Borrowings	**9,332**	**58,081**	**67,413**	**51,282**
Amounts due to related parties	**2,440**	**—**	**2,440**	**2,440**
	67,889	**58,081**	**125,970**	**107,895**
30 June 2017 (Audited)				
Non-derivative financial liabilities:				
Trade payables	10,722	—	10,722	10,722
Other payables	15,020	33,251	48,271	46,354
Borrowings	—	59,771	59,771	52,812
Amounts due to related parties	186	1,392	1,578	1,578
	25,928	94,414	120,342	111,466

(c) Fair value estimation

The fair values of the Group's financial assets, including other receivables, deposits, amounts due from related parties, and cash and cash equivalents; and the Group's financial liabilities, including trade and other payables, borrowings, amounts due to related parties approximate their carrying amounts due to their short-term maturities.

6 REVENUE

Revenue represents the amounts received and receivable for sales of mineral ore products. There is no revenue during the six months ended 31 December 2017 (six months ended 31 December 2016: nil).

7 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.

The Group's reportable operating segments are as follows:

Mineral tenements in Australia — tenement 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

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 condensed consolidated statement of comprehensive income and condensed consolidated balance sheet.

Executive directors assess and review the performance of the operating segments based on segment results which is calculated as loss before income tax less share of losses of joint ventures.

Segment assets reported to executive directors of the Company are measured in a manner consistent with that in the condensed consolidated balance sheet.

7 SEGMENT INFORMATION (Continued)

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

	Mineral tenements in Austrlia HK$'000	Mining operation in the PRC HK$'000	Others HK$'000	Total HK$'000
For the six months ended 31 December 2017 (Unaudited):				
Segment revenue from external customers	**—**	**—**	**—**	**—**
Segment results	**(7,910)**	**542**	**(9,384)**	**(16,752)**
Share of loss of joint ventures				**(201)**
Loss before income tax				**(16,953)**
Other information:				
Depreciation of property, plant and equipment	**(86)**	**—**	**(5)**	**(91)**
Reversal of over-provision of social security expenses	**—**	**715**	**—**	**715**
Exploration and evaluation expenses	**(7,034)**	**—**	**—**	**(7,034)**
For the six months ended 31 December 2016 (Unaudited):				
Segment revenue from external customers	—	—	—	—
Segment results	(19,319)	1,596	(7,927)	(25,650)
Share of loss of joint ventures				(519)
Loss before income tax				(26,169)
Other information:				
Depreciation of property, plant and equipment	(175)	—	(22)	(197)
Reversal of over-provision of social security expenses	—	1,934	—	1,934
Exploration and evaluation expenses	(7,715)	—	—	(7,715)

7 SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's assets by business segment as at 31 December 2017:

	Mineral tenements in Austrlia HK$'000	Mining operation in the PRC HK$'000	Others HK$'000	Total HK$'000
As at 31 December 2017 (Unaudited):				
Segment assets	**849,915**	**120**	**7,209**	**857,244**
Total segment assets include:				
Interests in joint ventures	**371**	**—**	**—**	**371**
As at 30 June 2017 (Audited):				
Segment assets	836,018	26	22,586	858,630
Total segment assets include:				
Interests in joint ventures	430	—	—	430
Additions to property, plant and equipment	3,263	—	—	3,263

8 EXPENSES BY NATURE

	Six months ended 31 December	
	2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)
Depreciation of property, plant and equipment	**91**	197
Operating lease rentals	**1,078**	920
Reversal of over-provision of social security expenses, net	**(715)**	(1,934)
Staff costs (including directors' emoluments)	**10,867**	10,655
Exploration and evaluation expenses (excluding staff costs and rental expense)	**4,369**	4,101

8 EXPENSES BY NATURE (Continued)

Staff costs include:

	Six months ended 31 December	
	2017 **HK$'000** **(Unaudited)**	2016 HK$'000 (Unaudited)
Wages, salaries and welfares	**10,391**	9,930
Retirement benefit scheme contributions	**476**	666
Share-based compensation	**—**	59
	10,867	10,655

9 OTHER (LOSSES)/GAIN

	Six months ended 31 December	
	2017 **HK$'000** **(Unaudited)**	2016 HK$'000 (Unaudited)
Loss on disposal of property, plant and equipment	**(29)**	—
Write-back of long outstanding payable	**—**	611
	(29)	611

10 FINANCE COSTS, NET

	Six months ended 31 December	
	2017 **HK$'000** **(Unaudited)**	2016 HK$'000 (Unaudited)
Finance income		
Interest income on bank deposits	**12**	20
Finance costs		
Interests on borrowings (Note 16)	**(2,658)**	(1,549)
Finance costs, net	**(2,646)**	(1,529)

11 INCOME TAX EXPENSE

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. No provision for income tax expense has been made as there is no assessable profit for the six months period ended 31 December 2017 (six months ended 31 December 2016: nil).

12 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 period.

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.

	Six months ended 31 December	
	2017 **(Unaudited)**	2016 (Unaudited)
Loss for the period attributable to the equity holders of the Company (HK$'000)	**(16,953)**	(26,169)
Weighted average number of ordinary shares for the purpose for calculating the basic loss per share (thousands)	**8,381,982**	8,381,982
Loss per share attributable to the equity holders of the Company		
Basic (HK cents)	**(0.20)**	(0.31)
Diluted (HK cents)	**(0.20)**	(0.31)

Diluted loss per share is the same as basic loss per share for the six months ended 31 December 2017 and 2016 because the effect of the assumed exercise of share options of the Company during these periods was anti-dilutive.

13 MINING PROPERTIES

	Mining properties in Australia HK$'000
Balance as at 1 July 2016 (Audited)	797,807
Exchange differences	(26,563)
Balance as at 31 December 2016 (Unaudited)	771,244
Balance as at 1 July 2017 (Audited)	829,031
Exchange differences	13,878
Balance as at 31 December 2017 (Unaudited)	**842,909**

13 MINING PROPERTIES (Continued)

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.

As at 31 December 2017, the Group assessed whether events or changes in circumstances indicate a potential material change to the recoverable value of the mining properties since 30 June 2017. The Group performed an assessment of impairment indicators, taking into account the suspension of Project Maverick.

Based on this assessment, management concluded that the suspension of Project Maverick is considered to be impairment indicator and therefore an impairment assessment has been performed by the directors. As at 31 December 2017, the recoverable amount of the mining properties in Australia was determined by applying the fair value less cost of disposal approach. The fair value of the mine properties in Australia was valued by an independent valuer. The fair value estimates are considered to be level 3 fair value measurements; they are derived from valuation techniques which include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach expected to be taken by market participants.

Based on the above impairment assessment, the Group concluded that the recoverable amount of the mining properties in Australia was higher than its carrying amount as at 31 December 2017, there was no impairment to the mine properties in Australia and the associated deferred tax liability.

14 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2017, the Group has not acquired any property, plant and equipment (six months ended 31 December 2016: Nil).

15 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. As at 30 June 2017 and 31 December 2017, all trade payables are due over 90 days.

16 BORROWINGS

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Current		
Loan from a third party (Note 17)	**9,592**	—
Non-current		
Loans from a substantial shareholder	**51,282**	43,782
Loan from a third party	**—**	9,030
	60,874	52,812

As at 31 December 2017, the loan from a third party is repayable on 31 December 2018. It is denominated in Renminbi and carries interest at prevailing market interest rates in the PRC. During the six months ended 31 December 2017, the weighted average effective interest rate per annum was 4.83% (six months ended 31 December 2016: 4.83%).

The borrowings from a substantial shareholder are repayable on 30 April 2019. Except for the borrowing of HK$5,000,000 which is denominated in HK$, the remaining balance is denominated in United States dollars. The borrowings are unsecured and bears interest at 12% per annum.

17 BORROWINGS, OTHER PAYABLES, ACCRUED CHARGES AND PROVISION

Of the borrowings, other payables, accrued charges and provision as at 31 December 2017, an aggregate amount of HK$89,260,000 was owned by Luchun Xingtai Mining Company Limited ("Luchun"). On 1 September 2016, the Company has announced that the Group will no longer finance the continuing development of the copper mine held by Luchun.

18 SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.1 each		
Authorised		
As at 30 June 2017 and 31 December 2017	20,000,000	2,000,000
Issued and fully paid		
As at 30 June 2017 and 31 December 2017	8,381,982	838,198

19 SHARE OPTION SCHEME

Share option scheme of the Company

The 2012 share option scheme (the "2012 Share Option Scheme") of the Company was adopted by the Company pursuant to the approval by shareholders at the Annual General Meeting on 13 November 2012. The purpose of the 2012 Share Option Scheme is to replace old share option scheme which expired in August 2012 for the primary purpose of providing incentives or rewards to selected participants for their contribution to the Group. The 2012 Share Option Scheme is valid and effective for a period of ten years from the date of its adoption and expired in August 2022. Share options granted under the old share option scheme prior to its expiry shall continue to be valid and exercisable pursuant to its rule.

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense, with a corresponding adjustment to employee share-based compensation reserve, over the vesting period. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

Details of specific categories of options are as follows:

Option type	Date of grant	Vesting period	Number of share options granted	Exercise period	Exercise price
2015A	19 January 2015	19 January 2015 — 18 January 2016	4,000,000	19 January 2016 — 18 January 2018	0.450
	19 January 2015	19 January 2015 — 18 January 2017	4,000,000	19 January 2017 — 18 January 2018	0.450
2017A	7 December 2017	7 December 2017 — 31 December 2018	1,500,000	1 January 2019 — 31 December 2020	0.162
	7 December 2017	7 December 2017 — 31 December 2019	1,500,000	1 January 2020 — 31 December 2020	0.162
2017B	7 December 2017	7 December 2017 — 31 December 2018	31,000,000	1 January 2019 — 31 December 2020	0.124
	7 December 2017	7 December 2017 — 31 December 2019	31,000,000	1 January 2020 — 31 December 2020	0.124

The fair values of all the share options were calculated using the Binomial model prepared by an independent valuer. The inputs into the model were as follows:

	2015A	2017A	2017B
Exercise price	HK$0.45	HK$0.162	HK$0.124
Volatility	49%	67%	67%
Expected option life	3 years	3.1 years	3.1 years
Annual risk-free rate	0.648%	1.440%	1.440%
Expected dividend yield	0%	0%	0%

19 SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

The volatility measured at grant date is referenced to the historical volatility of shares of the Company.

During the six months ended 31 December 2017, no share-based compensation was recognised in relation to the share options granted by the Company as the amount is minimal (six months ended 31 December 2016: HK$59,000).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2017		2016	
	Average exercise price per share option (HK$)	**Number of share options (thousands)**	Average exercise price per share option (HK$)	Number of share options (thousands)
At 1 July	**0.450**	**8,000**	0.450	8,000
Addition	**0.126**	**65,000**	—	—
Lapsed	**—**	**—**	—	—
At 31 December	**0.162**	**73,000**	0.450	8,000

As at 31 December 2017, all outstanding options were exercisable with weighted average exercise price of HK$0.162 per option (30 June 2017: HK$0.450).

As at 31 December 2017, the weighted average remaining contractual life of outstanding share options was 2.67 years (30 June 2017: 0.6 years).

No share option had been exercised during the period (six months ended 31 December 2016: Nil).

20 DEFERRED INCOME TAX

The following is the major deferred income tax liabilities recognised by the Group and movements thereon during the current and prior period.

	Mining properties in Australia
	HK$'000
At 1 July 2016 (Audited)	(237,521)
Exchange differences	7,908
At 31 December 2016 (Unaudited)	(229,613)
At 1 July 2017 (Audited)	**(246,817)**
Exchange differences	**(4,132)**
At 31 December 2017 (Unaudited)	**(250,949)**

21 INTEREST IN JOINT VENTURES

Details of the Group's interest in the joint arrangements are as follows:

Name of joint ventures	Interest held in share of output	Principal activities
North West Infrastructure Pty Ltd (Note a)	37%	Port and related infrastructure
Irwin-Coglia JV (Note b)	40%	Nickel exploration

Notes:

(a) North West Infrastructure Pty Ltd is a joint venture incorporated in Australia which is seeking to develop port and related infrastructure on behalf of the North West Iron Ore Alliance ("NWIOA") members.

(b) Irwin-Coglia is an unincorporated joint arrangement operating in Australia for the purpose of exploration activities and holding of tenement interests.

22 RELATED PARTY DISCLOSURES

(a) Material related party transactions

Save as disclosed elsewhere in this condensed consolidated financial information, the Group has no material related party transactions during the period.

(b) Related party balances

Details of the loans from a substantial shareholder is disclosed in Note 16.

The amounts due from/to related parties included as current assets or current liabilities are unsecured, interest-free and repayable on demand.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 31 December	
	2017 **HK$'000** **(Unaudited)**	2016 HK$'000 (Unaudited)
Wages, salaries and other short-term welfare	**5,431**	5,987
Post-employment benefits	**291**	395
Termination benefits	**2,224**	—
Share-based compensation expenses (Note 19)	**—**	59
	7,946	6,441

23 INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2017 (six months ended 31 December 2016: Nil).

24 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 17 November 2017, the Group and BBIG executed a term sheet, whereby subject to entering into the Transaction Documents, BBIG will undertake to prepare a definitive feasibility study in respect of the construction and development of the Marillana project following which if determined to be feasible, the parties would establish the a joint venture to carry out the development of the Marillana project. The Transaction Documents were originally planned to be finalised within 3 months (by 17 February 2018), of the signing of the term sheet. On 15 February 2018, both parties have agreed to extend the time to finalise the Transaction Documents to 17 April 2018.

Upon the finalisation of the Transaction Documents, BBIG will undertake to prepare a definitive feasibility study ("DFS") in respect of the construction and development of the Marillana project within 3 years ("DFS Period"). The costs of such project will be borne by BBIG up to an aggregate amount of AUD10,000,000. Any further costs, subject to the Group's approval, exceeding such threshold will be shared equally between the Group and BBIG. During the DFS Period, the commitments of the Group and BBIG include: (i) the Group shall provide all access required by BBIG to the land on which the Marillana project is situated and to Marillana project's records; (ii) BBIG will commit to provide the Group with regular reports as to the progress of the DFS; and (iii) BBIG will commit to a minimum spend of AUD3,000,000 after 18 months from the date when the satisfactory conduct of due diligence by BBIG and all and required regulatory, board, and shareholder approvals are obtained. The definitive feasibility study shall set out a work program for the development of the Marillana project and a proposed funding plan which includes: (a) external debt component; (b) equity component (to be contributed by the Group and BBIG); and (c) completion support (costs overrun and completion support to be committed by the Group and BBIG).

Within 2 years from the completion of the DFS, BBIG may notify the Group of its intention to make a financial investment decision ("FID Proposal"), representing a commitment to fund 75% of the equity component and completion support for the Marillana project ("BBIG Commitment"). The Group will then, within 30 days of receipt of the FID Proposal, advise whether it will commit to fund 25% of the equity component and completion support for the Marillana project ("BRM Commitment"), in which case the participating interests of the Group and BBIG in the joint venture between the Group and BBIG established in respect of this project ("Joint Venture"), shall be 50% each. If the Group does not fund the BRM Commitment, BBIG may elect to fund the BRM Commitment resulting in the participating interest between the Group and BBIG in the Joint Venture to be revised as 25% and 75% respectively. Prior to the FID Proposal, should BBIG withdraw from the transaction, the Group shall have the right to acquire a license to all the work that has been undertaken by BBIG by reimbursing BBIG 50% of the costs incurred on the definitive feasibility study.

Save for the above and events mentioned in Note 2(a), there is no significant event occurred subsequently after the balance sheet date.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF BROCKMAN MINING LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 4 to 28, which comprises the condensed consolidated balance sheet of Brockman Mining Limited (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2017 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

EMPHASIS OF MATTER

We draw attention to Note 2(a) to the interim financial information, which states that the Group recorded a net loss attributable to equity holders of the Company of HK$16,953,000 and had operating cash outflows of HK$20,380,000 for the six-month period ended 31 December 2017. As at the same date, the Group's current liabilities exceeded its current assets by HK$95,534,000. These matters, along with other matters as described in Note 2(a), indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. Our conclusion is not qualified in respect of this matter.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 February 2018

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL HIGHLIGHTS

During the period under review, the Group is delighted to have come to a possible logistics solution for unlocking the value of the Marillana Project. In November, the Group has announced the execution of a term sheet with BBIG. BBIG is developing the Balla Balla Infrastructure project ("BBI Infrastructure"), a rail and port project, which when constructed will comprise an integrated port and rail infrastructure system that will provide a new gateway to the iron ore rich Pilbara region in Western Australia. Initial planned annual capacity of the rail and port is 50Mtpa with potential to scale up. BBIG Cooperation would require the whole Marillana production reaching 30-40 Mtpa, the prior interim production arrangement for Project Maverick and Project Agincourt would be ceased in order to facilitate the BBIG cooperation.

As previously disclosed, the development of Project Maverick and Project Agincourt was an interim solution to establish Brockman as a producer, and it only relates to a very small portion of the total mineralization at Marillana, with an initial 2.5 to 3.0 Mtpa The Board considers that formalizing cooperation with BBIG will essentially allow Brockman to lock the development path for Marillana and ultimately unveiling the true value of the Marillana Project.

As at 31 December 2017, the Group's net asset value amounted to HK$448.9 million (30 June 2017: HK$464.0 million) and cash and bank balances, totalled HK$8.6 million (30 June 2017: HK$24.0 million).

Loss attributable to equity holders of the Company amounted to HK$17.0 million for the six months ended 31 December 2017 (2016: HK$26.2 million). Operation related production costs and exploration expenses have decreased due to reduction in exploration activities and cost saving measures. There was no impairment made to our mining properties during the period (2016: nil).

Basic loss per share for the period was HK$0.20 cents (2016: HK$0.31 cents).

During the six months ended 31 December 2017, the Group had cash outflows used in operating activities of HK$20.4 million. (2016: HK$22.2 million)

OUTLOOK

Upon the formalization of Brockman's cooperation with BBIG will alter the Company's current production strategy. Instead of a 2-stage strategy for the development of its Marillana tenement through project initiatives dubbed: (i) Maverick, and (ii) Agincourt, Brockman together with BBIG now intend to progress Marillana as a single project. The development will refocus the Group's effort in fund raising activities for the coming years while waiting for the DFS to complete.

MINERAL TENEMENTS

Iron Ore Operations — Western Australia

This segment of the business is comprised of the 100% owned Marillana Iron Ore Project ("Marillana Project"), the Ophthalmia Iron Ore Project ("Ophthalmia") and other regional exploration projects.

The net operating loss before income tax expense for the period for this segment and attributable to the Group was HK$7.9 million (2016: HK$19.3 million). Total expenditure associated with mineral exploration and evaluation for the period ended 31 December 2017 amounted to HK$7.0 million (2016: HK$7.7 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:

	Six months ended 31 December	
Project	**2017** HK$'000	2016 HK$'000
Marillana	**5,574**	5,658
Ophthalmia	**503**	858
Regional Exploration	**957**	1,199
	7,034	7,715

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 information during the half year ended 31 December 2017 and six months period ended 31 December 2016.

Marillana Iron Ore Project

The 100% owned Marillana Iron Ore Project ('Marillana 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 Marillana Project is located within mining lease M47/1414.

The Marillana Project area covers 82 km² bordering the Hamersley Range, where extensive areas of supergene iron ore mineralisation have developed within the dissected Brockman Iron Formation that caps the Range.

Marillana Development

During the six months the Company and BBI Group Pty Ltd ('BBIG') executed a Term Sheet in relation to a Proposed Transaction whereby, subject to execution of the Transaction Documents, BBIG will undertake to prepare a definitive feasibility study ('DFS') in respect of the construction and development of the Marillana Project, following which if determined to be feasible, the parties would establish a Joint Venture to carry out the development of the Marillana Project.

The Proposed Transaction offers a means to unlocking the value of Brockman's iron ore assets, which relies on securing a rail and port infrastructure solution and funding. BBIG is developing the Balla Balla Infrastructure project ('BBI Infrastructure'), a rail and port project, which when constructed will comprise an integrated port and rail infrastructure system that will provide a new gateway to the iron ore-rich Pilbara region in Western Australia. The Proposed Transaction represents an opportunity for Brockman to partner with BBIG to develop the Marillana Project, which shall utilise the rail and port infrastructure under BBI infrastructure and at the same time secure funding to develop the Marillana Project.

About BBIG

BBIG is a subsidiary of the Todd Corporation Limited. It is co-owned by the Todd Corporation (as to approximately 90%) and Mr. Nicholas Curtis (as to approximately 10%). The Todd Corporation is one of New Zealand's leading companies with a range of interests including energy, minerals and property.

The Balla Balla port site is located approximately halfway between Dampier and Port Hedland in close proximity to road, gas and electrical infrastructure. The proposed infrastructure includes a 160 km single-track standard gauge heavy-haul railway, and a multi-user port facility capable of handling and loading transhipment shuttle vessels (TSVs). Initial planned annual capacity of the rail and port is a minimum of 50 million tonnes per annum (Mtpa) (wet) with the potential to scale upwards.

The BBI Infrastructure has full agreement and support from the traditional owners who hold Native Title over the BBI Infrastructure land. The proposed port facility involves no dredging and has a low environmental footprint. All primary BBI Infrastructure environmental approvals are in place. The Western Australian State Parliament recently ratified the State Agreement over the proposed railway (the Railway (BBI Rail Aus Pty Ltd) Agreement 2017) providing certainty to BBIG and its operational partners.

The Proposed Transaction

Under the Proposed Transaction, BBIG will undertake to prepare a DFS in respect of the construction and development of the Marillana Project within 3 years from satisfaction of the Conditions Precedent.

BBIG will fund the costs of preparing the DFS up to an aggregate amount of A$10 million. Any further costs exceeding such threshold will be borne by the Company and BBIG at 50% each.

The DFS will be of a standard that would be sufficient to support a project financing by a major international bank and be based on the assumption that the Marillana Project will utilise the BBI Infrastructure.

In parallel with the DFS, BBIG will also carry out a study (entirely at their own cost) on a spur railway to connect the Marillana deposit to their proposed main line, including technical studies to identify the preferred railway alignment, approvals and heritage.

The Marillana DFS shall set out a work program for the implementation of the development of the Marillana Project, including details of the proposed funding plan for the estimated capital expenditure associated with the initial development of the Marillana Project, which shall comprise:

(i) an external debt component to be provided by project financiers ("External Debt Component");

(ii) a participant funded component to be contributed by the Company and BBIG ("Equity Component"); and

(iii) cost overrun facilities and/or such other completion support as may be required by the project financiers (and agreed by the Company and BBIG) to be committed by the Company and BBIG ("Completion Support").

Within 2 years from the completion of the DFS, BBIG may notify the Company of its intention to make Financial Investment Decision ('FID') in relation to the development of the Marillana Project ('FID Proposal'), which must satisfy the following criteria:

(i) the proposal shall contain a financial model and details of contractual arrangements that demonstrate that, based on reasonable forward-looking assumptions, the Marillana Project will be capable of achieving an operating margin that is reasonable for a project of its nature;

(ii) project financing arrangements in respect of the External Debt Component for the Marillana Project can be obtained by BBIG on behalf of the Joint Venture on reasonable commercial terms for a project of this nature; and

(iii) BBIG can demonstrate that appropriate arrangements are in place to ensure that all key tenure, licences and approvals required to commence construction of the Marillana Project are capable of being obtained (including tenure, licences and approvals relating to the BBI Infrastructure).

By issuing the FID proposal, BBIG would have confirmed its commitment to fund 75% of the equity component and completion support for the Marillana Project ("BBIG Commitment").

Reasons for the Proposed Transaction

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. BBIG is developing the BBI Infrastructure comprising port and rail facilities in the Pilbara, Western Australia. The Proposed Transaction represents an opportunity for the Group to partner with BBIG to develop the Marillana Project, which shall utilise the rail and port infrastructure under the BBI Infrastructure and at the same time secure funding to develop the Marillana Project.

Conditions Precedent

The transaction documents are subject to the satisfaction or waiver of the following Conditions Precedent:

(i) any required regulatory approvals, including FIRB;

(ii) any board or shareholder approvals of the Company and BBIG (if necessary); and

(iii) the conduct of due diligence by, and satisfactory to, BBIG in respect of the Marillana Project.

The Joint Venture Arrangement

The scope of the Joint Venture will be limited to the construction, ownership and operation of the Marillana Project and all associated activities set out in the JV Agreement and the other Transaction Documents.

A management committee will be established and will be responsible for the overall direction, coordination, and control of the Joint Venture. Appointment and voting rights to the management committee will be in proportion to the participating interests of the Company and BBIG. Except for certain specified matters (to be agreed and set out in detail in the JV Agreement) relating to customary minority protections which shall require a 80% majority vote for approval, all other matters considered by the management committee will require a 65% majority vote for approval.

An operator, which must be a Participant (or its affiliate) and is able to demonstrate that it has (or will have in the required time) sufficient technical, financial and operational capability to develop and operate the Marillana Project and related infrastructure, will be appointed and will be responsible for the day-to-day operational matters of the Joint Venture.

Project Maverick

Formalisation of Brockman's cooperation with BBIG will alter the Company's current production strategy. Instead of a 2-stage strategy for the development of its Marillana tenement through project initiatives dubbed: (i) Maverick, and (ii) Agincourt, Brockman together with BBIG now intend to develop Marillana as a single project.

The Term Sheet contains an exclusivity period of 5 months from its execution date during which Brockman shall not participate in negotiations or discussions with any other parties in connection with any other proposals pertaining to Marillana. As such, all negotiations for Project Maverick with funding prerequisites, including but not limited to the port Multi-User Agreement have now been suspended. Subject to the execution of Transaction Documents, all the associated activities for Project Maverick will cease.

Ophthalmia Iron Ore Project

The 100% owned Ophthalmia Iron Ore Project located north of Newman in the East Pilbara of Western Australia, is the most significant iron ore project for the Company outside of its flagship Marillana Project. Since the discovery of significant occurrences of bedded hematite mineralisation by field reconnaissance mapping and surface sampling in August 2011, major exploration drilling programmes have been completed and JORC 2012 compliant Mineral Resources have been estimated and reported for the Sirius, Coondiner, and Kalgan Creek deposits (see announcement dated 28 November 2014). The total Mineral Resources at Ophthalmia now stand at 341 Mt grading 59.3% Fe.

The Termsheet and subsequent Proposed Transaction with BBIG has a Pre-emptive Right entitling BBIG the right to match any proposal by a third party (including project financing bank) to develop or acquire any interest in respect of the Ophthlamia Iron Ore Project.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Projects

Irwin-Coglia Ni-Co and Ni-Cu Prospect — 40% Interest

The Group has a 40% interest in the Irwin-Coglia nickel-laterite project, located about 150 km south-east of Laverton in Western Australia. Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd, holds the remaining 60% interest. Both entities are the owners of the Murrin Murrin No-Co laterite mine and high-pressure acid leach treatment plant near Laverton. Currently the project is managed by Murrin Murrin Holdings Pty Ltd.

During the six months, Brockman resolved to consider opportunities for the divestment of the Irwin Hills — Coglia Well laterite Ni-Co deposit (owned 40% by Brockman and 60% by subsidiaries of Glencore). PCF Capital Group has been engaged to undertake the sale process.

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.

As at 31 December 2017, the Group assessed whether events or changes in circumstances indicate a potential material change to the recoverable value of the mining properties since 30 June 2017. The Group performed an assessment of impairment indicators, taking into account the suspension of Project Maverick.

Based on this assessment, management concluded that the suspension of Project Maverick is considered to be impairment indicator and therefore an impairment assessment has been performed by the directors. As at 31 December 2017, the recoverable amount is determined by the fair value less cost of disposal.

Based on the above impairment assessment, the Group concluded there was no impairment to the mine properties in Australia and the associated deferred tax liability.

DIRECTORS' REPORT

The Directors present their report together with the condensed consolidated financial information for the six months ended 31 December 2017

DIRECTORS

The Directors of the Company during the six months ended 31 December 2017 and up to the date of this report were:

Name	Period of Directorship
Non-Executive Directors:	
Kwai Sze Hoi *(Chairman)*	Appointed on 15 June 2012
Liu Zhengui *(Vice Chairman)*	Appointed on 27 April 2012
Ross Stewart Norgard	Appointed on 22 August 2012
Executive Directors:	
Kwai Kwun Lawrence	Appointed on 13 March 2014
Chan Kam Kwan, Jason *(Company Secretary)*	Appointed on 2 January 2008
Colin Paterson	Appointed on 25 February 2015
Independent Non-Executive Directors:	
Yap Fat Suan, Henry	Appointed on 8 January 2014
Uwe Henke Von Parpart	Appointed on 2 January 2008
Choi Yue Chun, Eugene	Appointed on 12 June 2014

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2017(2016: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its short-term funding requirement with equity funding and borrowings. The Group's ability to advance its iron ore project developments is reliant among other things, on access to appropriate and timely funding.

To alleviate the liquidity pressure, the Group has drawn down an additional loan from its substantial shareholder amounted to HK$5,000,000. During the period, the substantial shareholder agreed to extend the repayment date to 30 April 2019.

The current ratio as at 31 December 2017 is measured at 0.10 (30 June 2017: 0.41). The gearing ratio of the Group (long-term debts over equity and long-term debts) is measured at 0.10 (30 June 2017: 0.16).

During the period, the Group did not engage in the use of any financial instruments for hedging purposes, and there was no hedging instrument outstanding as at 31 December 2017.

CAPITAL STRUCTURE

The Company has no changes in its issued share capital for the interim period.

As at the date of this report, the total number of issued shares outstanding for the Company amounted to 8,381,982,131 shares.

SHAREHOLDERS' LOAN

The Group has taken the following measures to improve the Group's financial position and alleviate its liquidity pressure, and the following loans were obtained:

(i) On 15 December 2017, a loan of HK$5,000,000 granted from a substantial shareholder which is unsecured, bears interest at 12% per annum and repayable on 30 October 2018. During the period, the substantial shareholder agreed to extend the repayment date to 30 April 2019.

(ii) On 20 September 2016, the Group obtained a loan from its substantial shareholder amounted to US$5,130,000 (equivalent to HK$40,000,000) which is unsecured, bears interest at 12% per annum and is repayable on 19 December 2017. During the period, the substantial shareholder agreed to extend the repayment date to 30 April 2019.

(iii) An individual shareholder agreed to extend a loan facility of up to HK$120,000,000 on 21 February 2018, of which HK$85,000,000 can only be drawn down for purpose of financing the payment to settle liabilities in respect of the mine in the PRC when necessary. The remaining portion of the loan facility of HK$35,000,000 will be automatically cancelled upon the completion of the Share Placement. Such loan, once drawn down, will be unsecured, bear interest at 15% per annum. The last draw down date and repayment date has been extended a number of times and the latest revision on 21 February 2018 has extended the last drawdown date and repayment date to 30 April 2019. As at the date of this report, none of the loan was drawn down.

SHARES DETAILS

Quoted Securities

As at 31 December 2017: 8,381,982,131 fully paid shares in issue

Unquoted securities

73,000,000 unlisted options granted

— 8,000,000 share options, expiring 18 January 2018 EX HK$0.45

— 3,000,000 share options, expiring 31 December 2020 EX HK$0.162

— 62,000,000 share options, expiring 31 December 2020 EX HK$0.124

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2017, no assets was pledged to secure any debts (30 June 2016: Nil).

Financial guarantees

As at 31 December 2017, the Company did not provide any financial guarantees (30 June 2017: Nil).

Contingent liabilities

There is no material contingent liability of the Group as at 31 December 2017.

MARKET RISK

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

(a) Commodities price risk

Iron ore price:

The fair value of the Group's mining properties in Australia is 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 fluctuations of iron ore price.

(b) Exchange rate risk

The Group is exposed to exchange rate risk primarily because our mineral tenements are denominated in Australian dollars. 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 period, no financial instrument was used for hedging purpose.

(c) Funding risk

The commencement of exploration and production of the iron ore projects depend on whether the Group can secure the necessary funding. The management is exploring all the feasible alternatives and is actively seeking investors and partners to procure the funding.

(d) Risk of the project will not be materialised

The risk is largely driven by various factors such as commodity prices, government regulations, regulation related to prices, taxes, royalties, land tenure, viable infrastructure solution, capital raising ability and etc. The Board will therefore closely monitor the development progress of the projects.

STAFF AND REMUNERATION

As at 31 December 2017, the Group employed 26 full time employees (30 June 2017: 34), of which 10 employees were in the PRC (30 June 2017: 14 employees), 4 employees were in Australia (30 June 2017: 8), and 12 in Hong Kong (of which includes 7 directors) (30 June 2017: 12).

The remuneration of employees includes salary and discretionary bonus. The Group also adopted a share option scheme to provide incentives to the employees.

The remuneration policy and packages, including share options of the Group's employees, senior management and directors are maintained at market level and are reviewed periodically by the management and the remuneration committee.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2017, the interests and short positions of the directors and chief executives and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register maintained by the Company pursuant to Sections 336 and 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies were as follows:

Long positions of ordinary shares of HK$0.10 each of the Company

Name of Director	Capacity	Number of issued ordinary shares held	Number of options granted/ proposed to be granted *(Note 2)*	Percentage of the issued share capital of the Company
Mr. Kwai Sze Hoi	Benificial owner *(Note 1)*		80,000,000	0.95%
	Jointly *(Note 1)*	60,720,000	—	0.72%
	Interests of controlled corporation *(Note 1)*	2,426,960,137	—	28.95%
Mr. Liu Zhengui	Beneficial owner	—	2,500,000	0.03%
Mr. Ross Stewart Norgard	Beneficial owner	64,569,834	1,500,000	0.79%
	Interests of controlled corporation	178,484,166	—	2.13%
Mr. Kwai Kwun Lawrence	Beneficial owner	28,658,412	35,000,000	0.76%
	Interest of controlled corporation	59,000,000	—	0.70%
Mr. Chan Kam Kwan Jason	Beneficial owner	—	10,000,000	0.12%
Mr. Colin Paterson	Beneficial owner	30,173,004	20,000,000	0.60%
	Interest of his spouse	22,625,442	—	0.27%
Mr. Yap Fat Suan, Henry	Beneficial owner	400,000	1,500,000	0.02%
Mr. Uwe Henke Von Parpart	Beneficial owner	—	1,500,000	0.02%
Mr. Choi Yue Chun, Eugene	Beneficial owner	—	1,500,000	0.02%

Notes:

1. Pursuant to the Subscription Agreement between the Company and Ocean Line Holdings Limited ("Ocean Line") dated 6 December 2017, Ocean Line agreed to subscribe for 650,000,000 Shares at an aggregate consideration of HK$65,000,000. The above disclosed interests of 2,426,960,137 included the existing holdings of 1,776,960,137 Shares held by Ocean Line, and the 650,000,000 Shares to be subscribed, subject to shareholders approval.

   Ocean Line is owned as to 60% by Mr. Kwai Sze Hoi and as to 40% by Ms. Cheung Wai Fung (Mr. Kwai's spouse). Mr. Kwai and Ms. Cheung have a joint direct interest in 60,720,000 shares.

2. The Company has announced the proposed grant of options to directors on 7 December 2017, such grant of options to directors is subject to shareholders' approval as at the date of this report.

Apart from the above, as at 31 December 2017, there was no interest of the Directors or chief executives of the Company in the shares and the underlying shares of the Company and any shares and underlying shares of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of listed issuers.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed in section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures", at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, was a party to any arrangements to enable the Directors of the Company and their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2017, so far as is known to the Directors, the persons (not being a Director or chief executive of the Company) who had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO were as follows:

Long positions in ordinary shares of HK$0.10 each of the Company

Name of shareholder	Nature of interest	Number of shares or underlying shares	Percentage of the issued share capital of the Company
Ocean Line Holdings Ltd ("Ocean Line") *(Note 1)*	Beneficial owner	2,426,960,137	28.95%
Kwai Sze Hoi *(Note 1)*	Interest held by controlled corporations	2,426,960,137	28.95%
	Interest held jointly with another person	60,720,000	0.72%
	Beneficial owner (options)	80,000,000	0.95%
Cheung Wai Fung *(Note1)*	Interest held by controlled corporations	2,462,960,137	21.20%
	Interest held jointly with another person	60,720,000	0.72%
	Interest of a spouse (options)	80,000,000	0.95%
KQ Resources Limited	Beneficial owner	1,015,928,146	12.12%
Equity Valley Investments Limited *(Note 2)*	Beneficial owner	515,574,276	6.15%
The XSS Group Limited *(Note 2)*	Interest held by controlled corporations	515,574,276	6.15%
Cheung Sze Wai *(Note 2)*	Interest held by spouse and interest in controlled corporations	515,574,276	6.15%
Luk Kin Peter Joseph (Note 2)	Interest held by controlled corporations	515,574,276	6.15%

Notes:

1. Pursuant to the Subscription Agreement between the Company and Ocean Line Holdings Limited ("Ocean Line") dated 6 December 2017, Ocean Line agreed to subscribe for 650,000,000 Shares at an aggregate consideration of HK$65,000,000. The above disclosed interests of 2,426,960,137 included the existing holdings of 1,776,960,137 Shares held by Ocean Line, the 650,000,000 Shares to be subscribed, and the proposed grant of 80,000,000 options, subject to shareholders' approval.

   Ocean Line is owned as to 60% by Mr. Kwai Sze Hoi and as to 40% by Ms. Cheung Wai Fung (Mr. Kwai's spouse). Mr. Kwai and Ms. Cheung have a joint direct interest in 60,720,000 shares.

2. The 515,574,276 shares were held by Equity Valley Investments Limited. Equity Valley Investments Limited is wholly-owned by The XSS Group Limited, of which 50%, 20% and 30% of its issued share capital were held by Mr. Luk Kin Peter Joseph, Ms. Cheung Sze Wai, Catherine (Mr. Luk's spouse) and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively. In addition to the above disclosed interests, during the period, a total of 50,000,000 share options were granted to Mr. Luk Kin Peter Joseph.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2017.

SHARE OPTIONS

The share option scheme (the "Share Option Scheme") of the Company was adopted by the Company pursuant to the resolution of the shareholders passed in the AGM on 13 November 2012. Particulars of the Share Option Scheme are set out in Note 19 to the consolidated financial statements. Details of the options outstanding as at 31 December 2017 which have been granted to Qualified Persons under the Share Option Scheme are as follows:

	Option type	Closing price of shares immediately before the date of grant	Outstanding as at 1 July 2017	Granted during the Period	Lapsed during the year	Outstanding as at 31 December 2017
Directors						
Colin Paterson	2015A	0.295	8,000,000	—	—	8,000,000
Employees						
Hong Kong Employees	2017B	0.124	—	62,000,000	—	62,000,000
Australian Employees	2017A	0.124	—	3,000,000	—	3,000,000
Total			8,000,000	65,000,000	—	73,000,000
Weighted average exercise price			0.450	0.126	—	0.162

The total number of securities available for issue under the share option scheme amounts to 716,448,213 as at the date of the interim report, representing 8.55% of the issued share capital outstanding.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 31 December 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed 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 Limited ("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 deviations from (i) 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, an executive director of the Company, also serves as the chief executive officer at Brockman Mining Australia Pty Ltd (a wholly-owned subsidiary of the Company), and is responsible for the oversight of the core iron ore business operation; and (ii) under Code Provision A.6.7, non-executive Directors should attend general meetings. During the year, due to Director's other commitments and travels, not all of the non-executive directors of the Company attended the general meeting.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The interim report is published on the website of SEHK (www.hkexnews.hk), ASX (www.asx.com.au), as well as the website of the Company (www.brockmanmining.com)/(www.irasia.com/listco/hk/brockmanmining). The interim report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry to all directors of the Company, all directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 31 December 2017.

AUDIT COMMITTEE

As at 31 December 2017, the audit committee comprises of three independent non-executive directors namely Messrs. Yap Fat Suan, Henry, Uwe Henke Von Parpart and Choi Yue Chun, Eugene (the "Audit Committee"). Mr. Yap Fat Suan, Henry was the Chairman of the Audit Committee. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Audit Committee has reviewed the Group's interim results for the six months ended 31 December 2017.

By Order of the Board

Kwai Sze Hoi
Chairman

Hong Kong, 26 February 2018

DIRECTORS' DECLARATION

The Company is incorporated in Bermuda under the Companies Act 1981 of Bermuda.

This declaration is made in accordance with a resolution of the Directors of the Company dated 26 February 2018. In the Directors' opinion:

(a) The condensed consolidated financial information and notes set out on pages 4 to 28 are:

  (i) complying with International Accounting Standards 34 Interim Financial Reporting and the disclosure requirements of Hong Kong Companies Ordinance;

  (ii) giving a true and fair view of the Groups' financial position as at 31 December 2017 and of its performance for the six months ended on that date;

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Kwai Sze Hoi
Chairman

Hong Kong, 26 February 2018

GLOSSARY

"ASX"	ASX Limited ACN 008 624 691, or the financial products market, The Australian Securities Exchange, as the situation requires
"Board"	the Board of Directors
"Brockman" or "Company"	Brockman Mining Limited, ARBN 143 211 867, a company incorporated in Bermuda
"CG Code"	Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK
"Directors"	the directors of the Company
"FIRB"	the Foreign Investment Review Board of Australia
"Group"	Brockman Mining Limited, its associates and subsidiaries
"JORC"	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (4th Edition)
"Joint Venture"	the unincorporated joint venture to be established between the Company and BBIG, the operation of which will be governed by the JV Agreement
"JV Agreement"	the joint venture agreement to be entered into between the Company and BBIG governing the operation of the Joint Venture
"km"	kilometres
"Marillana Project"	The 100% owned Marillana iron ore project is Brockman's flagship project located in the Hamersley Iron Province
"m"	metre
"Mt"	million tonnes
"Pre-empt Right"	the pre-emptive right to be granted by the Company (or its relevant related entities) to BBIG in respect of the Ophthalmia Project
"Proposed Transaction"	the proposed farm-in (including the granting of the Pre-empt Right) and subsequent establishment of the Joint Venture between the Company and BBIG (or their respective related parties) in respect of the Marillana Project as contemplated under the Term Sheet
"PRC"	Peoples Republic of China

GLOSSARY

"SEHK"	Hong Kong Exchanges and Clearing Company Limited or the financial products market or the Hong Kong Stock Exchange, as the situation requires
"Term Sheet"	the term sheet executed by the Company and BBIG on 17 November 2017 in relation to the Proposed Transaction
"Transaction Documents"	the definitive agreements to be entered into by the parties in relation to the Proposed Transaction including the farm-in agreement and the JV Agreement