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BROCKMAN
BROCKMAN MINING LIMITED
布萊克萬礦業有限公司*
(incorporated in Bermuda with limited liability)
(SEHK Stock Code: 159)
(ASX Stock Code: BCK)

OVERSEAS REGULATORY ANNOUNCEMENT
QUARTERLY ACTIVITIES REPORT

The following is the text of the quarterly activities report released by Brockman Mining Limited (the “Company”) on ASX Limited on 23 April 2020.

By order of the Board of
Brockman Mining Limited
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 23 April 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. Kwai Sze Hoi (Chairman), Mr. Liu Zhengui (Vice Chairman) and Mr. Ross Stewart Norgard as non-executive directors; Mr. Chan Kam Kwan, Jason (Company Secretary), Mr. Kwai Kwun Lawrence and Mr. Colin Paterson as executive directors; Mr. Yap Fat Suan, Henry, Mr. Choi Yue Chun, Eugene and Mr. David Rolf Welch as independent non-executive directors.

* *For identification purpose only*



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Incorporated in Bermuda with limited liability

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QUARTERLY REPORT

For the quarter ended
31 March 2020

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1. HIGHLIGHTS

- Polaris is progressing with all the works towards the satisfaction of the Farm-In Obligations.
- Polaris has commenced a programme of drilling and test work to assist in the detailed design of the Marillana processing plant.

2. PROJECT

Exploration Activities

Brockman Iron Pty Ltd (Brockman Iron) and Polaris Metals Pty Ltd (Polaris) entered into a farm-in and joint venture agreement (FJV Agreement) pursuant to which subject to the terms and conditions therein, Polaris may farm-in by satisfying the farm-in obligations and earn a 50% interest in the Marillana Project. For details of the transaction please refer to the Company's announcement dated 26 July 2018.

The FJV Agreement became Unconditional on 21 January 2019, marking the commencement of the Farm-in Period. During the Farm-In Period, Polaris shall perform its Farm-in Obligations on the Marillana Project. Upon Polaris satisfying the Farm-in Obligations, the Joint Venture shall be established (Farm-in Date) and the Farm-in Interest will be transferred to Polaris. The parties have agreed that the Farm-In Period will be extended to 31 July 2020 to give Polaris extra time to complete the Farm-In Obligations.

The Joint Venturer and a subsidiary of MRL (SPV) have also entered into the Mine to Ship Services Agreement (MSA) for the transport of the Marillana iron ore product via a light-rail system from the mine site to Port Hedland on 21 January 2019. The MSA is subject to several conditions precedent including execution of an agreement with the State of Western Australia (State Agreement), procuring all the leases and licences for the light rail system and at Port Hedland, MRL and SPV obtaining the finance to fund the construction and commissioning of the rail and port infrastructure and MRL's board making a final capital investment decision to proceed with the infrastructure project.

In December 2019 Polaris commenced a programme of diamond core drilling and metallurgical test-work to assist in the detailed design of the processing plant for Marillana. The programme is expected to be completed by Q2 2020.

Ophthalmia

No significant activities were carried out during the quarter.

Regional development

Initial field reconnaissance of Exploration Licence E47/3575 (Punda Springs) was carried out during the period in order to verify historic open-file surface sampling results. Due to recent rains, only one of three areas of historic mineralisation was visited

Extensive outcrops of bedded iron mineralisation (BID) were observed, with the majority of the mineralised outcrops located on hill-tops or local topographic highs, which may indicate that they belong to the same mineralised horizon which dips gently to the south or SSW. Of four rock-chip samples collected, two samples returned assay results of over 54% Fe, confirming the more extensive open-file results.

There was no field work carried out on the other regional exploration projects.

Mining Production and Development Activities

No mining production and development activities, including expenditure has been undertaken or recognised for the quarter.

3. CORPORATE REVIEW

The consolidated cash position of the Group as at 31 March 2020 was HK\$35.9 million.

Payments to related parties of the entity and their associates

The payment as disclosed in section 6.1 of the Appendix 5B relates to:

Payment of HK\$1.3 million for executive directors' salary and non-executive directors' fees.

4. TENEMENTS

Tenements disposed of during the Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held

Tenements acquired during the Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held

Tenements held at end of Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Duck Creek	West Pilbara	E	47/1725	Iron Ore	Granted	100%
Duck Creek	West Pilbara	E	47/3152	Iron Ore	Granted	100%
Duck Creek East	West Pilbara	E	47/2994	Iron Ore	Granted	100%
Fig Tree	East Pilbara	E	47/3025	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3363	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3364	Iron Ore	Granted	100%
Madala Bore	West Pilbara	E	47/3285	Iron Ore	Granted	100%
Marandoo	West Pilbara	E	47/3105	Iron Ore	Granted	100%
Marillana	East Pilbara	L	45/0238	Iron Ore	Application	100%
Marillana	East Pilbara	M	47/1414	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3170	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3532	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/4293	Iron Ore	Application	100%
Mindy	West Pilbara	E	47/3585	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/1598	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/2280	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/2291	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/3549	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/4240	Iron Ore	Application	100%
Ophthalmia	East Pilbara	R	47/0013	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0015	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0016	Iron Ore	Granted	100%
Parson George	East Pilbara	E	47/3217	Iron Ore	Granted	100%
Parson George	East Pilbara	E	47/3491	Iron Ore	Granted	100%
Punda Spring	West Pilbara	E	47/3575	Iron Ore	Granted	100%
Tom Price	West Pilbara	E	47/3565	Iron Ore	Granted	100%

5. CORPORATE PROFILE

Brockman Mining Limited

ARBN 143 211 867

Non-executive Directors:

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

Executive Directors:

Chan Kam Kwan Jason
(Company Secretary)
Kwai Kwun Lawrence
Colin Paterson

Independent Non-executive Directors:

Yap Henry Fat Suan
Choi Yue Chun Eugene
David Rolf Welch

Registrars

Principal Share Registrars and Transfer Office

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Branch Share Registrars and Transfer Office

- Hong Kong

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Branch Share Registrars and Transfer Office

- Australia

Computershare Investor Services Pty Limited
Reserve Bank Building
Level 11, 172 St George's Terrace
Perth, Western Australia, 6000

Securities on issue at 31 March 2020

Quoted securities

9,279,232,131 fully paid shares on issue

Unquoted securities

90,000,000 unlisted options granted

- 74,500,000 share options, expiring 31 December 2020 EX HK\$0.124
- 15,500,000 share options, expiring 31 December 2020 EX HK\$0.162

There were no shares and share option issued during the period.

By order of the Board of Directors of
Brockman Mining Limited
Chan Kam Kwan, Jason
Company Secretary, Hong Kong

6. GLOSSARY

“ASX”	ASX Limited ABN 98 008 624 691
“Board”	the Board of Directors of the Company
“Brockman” or “Company”	Brockman Mining Limited ARBN 143 211 867, the shares of which are listed on the SEHK and ASX
“Brockman Iron”	Brockman Iron Pty Ltd, a wholly owned subsidiary of the Company
“Farm-in Date”	the date the Farm-in Obligations are satisfied by Polaris
“Farm-in Obligations”	the obligations under which Polaris is required to satisfy in order to earn a 50% interest in the Marillana Project under the FJV Agreement
“Farm-in Period”	the period commencing on the Unconditional Date and ending on the date that is the later of the date that Polaris satisfies the Farm-in Obligations and the date that is 6 months after the Unconditional Date
“FJV Agreement”	the farm-in and joint venture agreement 26 July 2018 entered into between Brockman Iron and Polaris
“Group”	Brockman Mining Limited, its associates and subsidiaries
“Joint Venture”	the unincorporated joint venture to be established between Brockman Iron and Polaris pursuant to the terms of the FJV Agreement
“Marillana Project”	the 100% owned iron ore project of the Company located in the Hamersley Iron Province within the Pilbara region of Western Australia
“MRL”	Mineral Resources Limited, the shares of which are listed on the ASX
“Polaris”	Polaris Metals Pty Ltd, a wholly owned subsidiary of MRL
“Rail and Port System”	a bulk ore rail and port system to enable Products from the Marillana Project to be transported to Port Hedland
“SEHK”	the Stock Exchange of Hong Kong Limited
“SPV”	a wholly owned subsidiary of MRL, ACN 629 927 911
“State Agreement”	a legal contract between the Western Australian Government and a proponent of a major project within the boundaries of Western Australia setting out the rights, obligations, terms and conditions for the development of the specific project

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BROCKMAN MINING LIMITED

ABN

ARBN 143 211 867

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows		Current quarter HK\$'000	Year to date (9 months) HK\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(356)	(3,047)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(2,822)	(8,122)
	(e) administration and corporate costs	(1,052)	(5,032)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	109	205
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(4,121)	(15,996)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(6)	(138)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter HK\$'000	Year to date (9 months) HK\$'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(6)	(138)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	7,192	7,192
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	26,933
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	464	342
3.10	Net cash from / (used in) financing activities	7,656	34,467
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	35,755	20,906
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,121)	(15,996)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(138)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,656	34,467
4.5	Effect of movement in exchange rates on cash held	(3,331)	(3,286)
4.6	Cash and cash equivalents at end of period	35,953	35,953

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter HK\$'000	Previous quarter HK\$'000
5.1 Bank balances	4,610	11,273
5.2 Call deposits	31,343	24,482
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	35,953	35,755

6. Payments to related parties of the entity and their associates	Current quarter HK\$'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	1,356
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end HK\$'000	Amount drawn at quarter end HK\$'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	(A) 11,000 (B) 26,933	(A) 11,000 (B) 26,933
7.2 Credit standby arrangements	10,000	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	47,933	37,933
7.5 Unused financing facilities available at quarter end		10,000
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
(A)	Such loan was granted by a substantial shareholder (Ocean Line Holdings Ltd). The loan is unsecured, bears interest of 12% per annum and is repayable on 31 October 2021.	
(B)	Loan from Polaris Metals Pty Ltd pursuant to the terms of the Farm-In Joint Venture Agreement with Polaris Metals Pty Ltd over the Marillana Iron Ore Project. Interest is not payable and unsecured.	
7.2	On 18 September 2018, a substantial shareholder (Ocean Line Holdings Limited) has undertaken to grant a loan facility of up to HK\$10,000,000 to the Company to satisfy its future working capital requirements. The loan is available for draw down from 18 September 2018. Such loan is unsecured, bears interest at 12% per annum and once drawn down, is repayable on 31 October 2021. As at the date hereof, such loan facility has not been drawn down.	

8. Estimated cash available for future operating activities	HK\$'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(4,121)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(4,121)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	35,953
8.5 Unused finance facilities available at quarter end (Item 7.5)	10,000
8.6 Total available funding (Item 8.4 + Item 8.5)	45,953
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	11.15

- 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer: N/A
 2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer: N/A
 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 April 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.