



ANNUAL REPORT 2014

Incorporated in Bermuda with limited liability
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BROCKMAN
BROCKMAN MINING LIMITED
布萊克萬礦業有限公司



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CORPORATE INFORMATION

BOARD OF DIRECTORS

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
(*Appointed on 13 March 2014*)
Warren Talbot Beckwith
(*Redesignated on 20 November 2013*)

Independent Non-executive Directors

Uwe Henke Von Parpart
Yip Kwok Cheung, Danny
Yap Fat Suan, Henry
(*Appointed on 8 January 2014*)
Choi Yue Chun, Eugene
(*Appointed on 12 June 2014*)

COMPANY SECRETARY

Chan Kam Kwan, Jason

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE (BERMUDA)

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MUFG Fund Services (Bermuda) Limited
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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 2, Reserve Bank Building,
45 St Georges Terrace,
PERTH WA 6000

PRINCIPAL BANKER

Australia and New Zealand Banking Group Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation
Limited
Bank of Communications

WEBSITE

www.brockmanmining.com
www.irasia.com/listco/hk/brockmanmining

STOCK CODE

159
(Main Board of The Stock Exchange of
Hong Kong Limited)

BCK
(Australian Securities Exchange)



Dear Shareholders,

This year we strive to devote and deliver our iron ore projects in the Pilbara region of Western Australia. We are confident about the prospect of our quality assets, which in turn could transform into a world-class iron ore project once production commences.

The key to unlock values of the Marillana project still lies with the infrastructure solution. Balancing interests of all relevant parties is like walking a tightrope between all counterparts, it is indeed a daunting task. However, the vibrantly evolving environment of the iron ore industry in Western Australia gave a bullish signal to our infrastructure solutions, and we hope this could also benefit the infrastructural landscape for the industry.

Iron ore prices saw temporary downward adjustment and may lead to questionable prospect of the Company. However, our confidence and optimism has not altered. The industrialization and new model urbanization of China will definitely drive demand for iron ore in the long run. With the mining assets that we own in Western Australia, given its distinctive competitive advantages on quality and cost-effectiveness, I am still very optimistic about the prospect of the Company and the shareholder value that it can create in the long-run.

Shareholders of the Company may have noticed several changes to our management and operation in this fiscal year. One of the recent changes was the appointment of Mr. Colin Paterson as our new

Chief Executive Officer of the Australian operation. As a renowned geologist in the industry and one of the founding directors of Brockman Australia, Mr. Paterson has over 30 years of experience, especially on exploration and mining of mineral resources in the Pilbara region of Western Australia. Our unwavering determination in developing the iron ore projects in Western Australia is clearly demonstrated with the appointment of such a great leader with extensive industry experience.

Last but not least, uncertainty still remains with the pace of the global economic recovery, and at the same time China dipping into economic reformation, while the global iron ore industry transforms, the Company will strive our very best to grasp every business opportunity for growth. To hasten our development progress, we need extraordinary strength, effort and courage to rise up against upcoming challenges. I believe our shareholders will share the same vision as we do, and focus on the long-term value of investing into the iron ore segment in Australia.

I hereby express my heartfelt thanks to all shareholders, investors and employees of the Company for their genuine support.

Kwai Sze Hoi
Chairman

23 September 2014

MANAGEMENT DISCUSSION AND ANALYSIS

IRON ORE OPERATIONS – WESTERN AUSTRALIA

Marillana Iron Ore Project

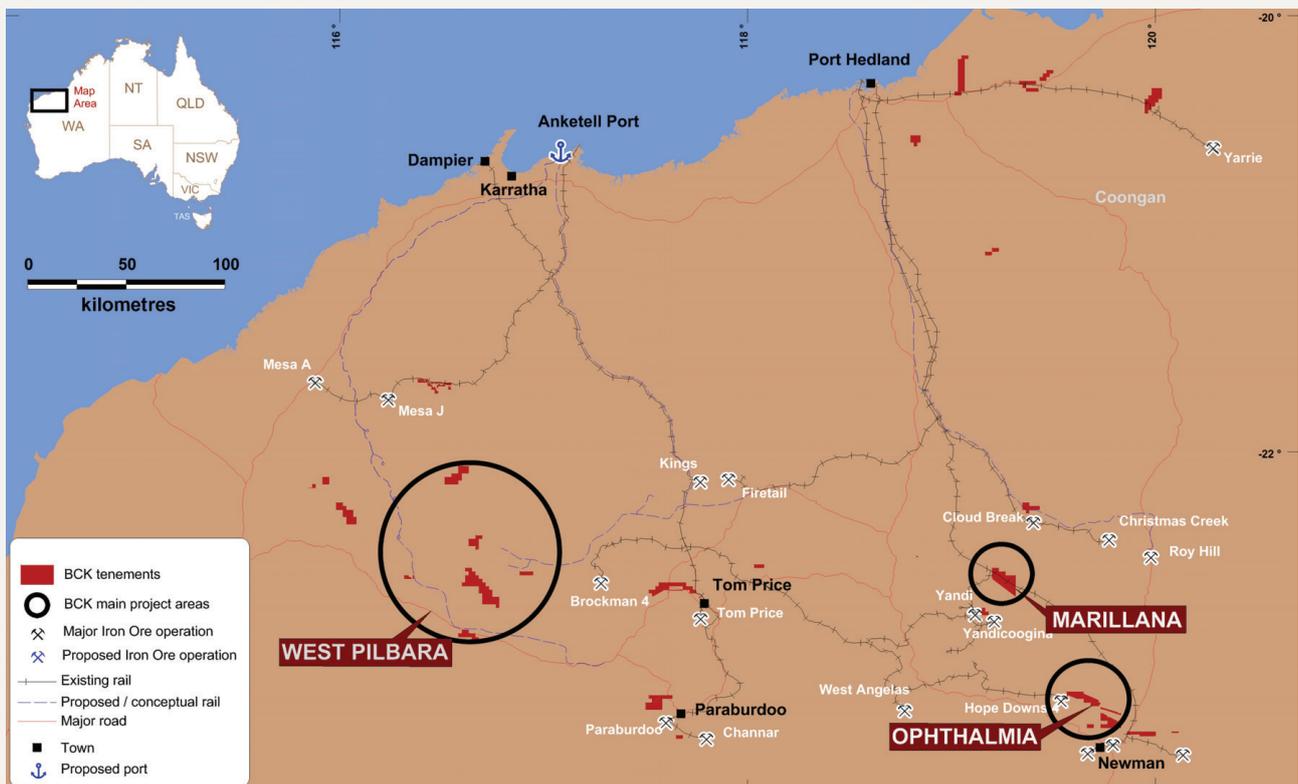
Overview

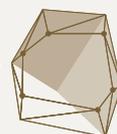
The 100% owned Marillana Iron Ore Project ("Marillana" or "the Project") is Brockman's flagship project located in the Hamersley Iron Province within the Pilbara region of Western Australia, approximately 100 km north-west of the township of Newman. The Project is located within mining lease M47/1414 and exploration licence E47/1408.

The Project area covers 96 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 is surrounded by world-class deposits owned by major iron ore players including BHP Billiton ("BHPB"), Rio Tinto ("Rio") and Fortescue Metals Group ("FMG"). Marillana is in close proximity to existing infrastructure, with FMG's Cloud Break railway accessible via a proposed 80 km spur to the north. The Marillana tenement is also bisected by a gazetted road. Brockman will export its ore through the Port of Port Hedland — the largest bulk commodity (iron ore) facility in Australia.

Figure 1: Project location map – Brockman tenements





RAIL AND PORT ACCESS AND INFRASTRUCTURE

Rail

The Project requires rail infrastructure to haul product for export to Port Hedland, where North West Infrastructure ("NWI"), of which Brockman is a foundation shareholder, has a capacity allocation of 50 million tonne per annum ("Mtpa") for iron ore export from South West Creek in the Inner Harbour. Brockman's Marillana Project, at up to 20 Mtpa for over 20 years, is considered a corner stone project for any independent Pilbara railway development. However, 20 Mtpa from Marillana alone is insufficient to support the capital investment required to develop the 300 km of railways required to link Marillana to Port Hedland.

Accordingly, Brockman is pursuing two potential rail solutions for the Marillana Project:

- 1) A new East Pilbara Independent Railway ("EPIR") to connect Marillana and other mines, potentially including Brockman's Ophthalmia Project, directly to the proposed NWI port facilities; and
- 2) Negotiated access to The Pilbara Infrastructure's ("TPI's") existing regulated railway, for the Marillana Project, with potential to service the Ophthalmia Project in the future, to connect to the proposed NWI port facilities.

During the year, Brockman executed a relationship agreement with Aurizon Operations Limited ("Aurizon") for the exclusive provision of rail infrastructure, rail services and port services, where appropriate, which will support either potential rail solution for the Marillana Project. Aurizon is Australia's largest rail freight operator (by tonnes hauled), holding medium to long term contracts with global resource companies such as BHP Billiton, Rio Tinto, Xstrata, Vale and Alcoa. Brockman will also continue to assess any other potential rail solutions for Marillana that might present to the Company.

The East Pilbara Independent Railway (EPIR)

Aurizon is investigating the development of an independent railway in the East Pilbara, for transporting iron ore to the Port Hedland inner harbour. The ultimate development requires a sufficient base load of annual tonnes for a sustained period, in order to support the capital investment required.

To support this rail development proposal, Brockman is advancing the Ophthalmia Project to potentially provide an additional source of annual tonnage, up to 15 Mtpa, to aggregate with the 20 Mtpa from the Marillana Project.

TPI Rail Access

By way of an Access Proposal submitted in May 2013, Brockman is seeking access rights to TPI's below-rail infrastructure under the Western Australian Railways (Access) Code 2000 ("Code"), to allow it to haul up to 20 Mtpa of hematite iron ore product from its Marillana Project, for a term of 20 years, to Port Hedland where NWI has a capacity allocation of 50 Mtpa for iron ore export from South West Creek in the Inner Harbour.

Brockman proposes to procure the necessary spur lines and associated infrastructure to connect Marillana with the TPI railway and to connect it to the proposed NWI facilities in Port Hedland, which will include unloading, stockpiling and ship loading facilities in South West Creek, Port Hedland.

Following determinations by the Economic Regulation Authority ("ERA"), setting Floor and Ceiling Costs ("F&C Costs") for the TPI railway and approving the conduct of negotiations between Brockman and TPI pursuant to section 10 of the Code, on 4 October 2013, TPI commenced legal proceedings in the Supreme Court of Western Australia ("Supreme Court"), for a Judicial Review of the F&C Costs determination and the section 10 approval, and contemporaneously commenced an action challenging the validity of Brockman's access proposal (Writ Action). The trial on both the Writ Action and the Judicial Review was heard between 18 August and 22 August 2014 inclusive, with a decision expected before the new year.

Brockman is continuing to advance the preparation of submissions to satisfy TPI's request for further information, regarding Brockman's managerial and financial capability (section 14) and the availability of capacity (sections 15), as required under the Code. As part of that process, Brockman lodged an application with the Supreme Court for a mandatory injunction, seeking orders that TPI properly comply with its statutory obligations under the 'request for information' process under the Code, to provide original data relating to train running times. During the year, TPI supplied certain data, subject to confidentiality orders, to Brockman's experts for validation of the TPI rail capacity model.

MANAGEMENT DISCUSSION AND ANALYSIS

Mediation

As part of the rail access proceedings, TPI had requested, and, subject to certain conditions, Brockman agreed to a court-facilitated mediation, which occurred on 8 May 2014 before the Hon Chief Justice Martin, the Chief Justice of the Supreme Court. The mediation remains subject to the confidentiality provisions of the Supreme Court. The mediation is without prejudice to the status of the Supreme Court proceedings currently underway or to Brockman's position regarding its access application.

Port

In August 2008, the Western Australia State Government, in conjunction with the Port Hedland Port Authority ("PHPA") now the Pilbara Port Authority ("PPA"), allocated 50 Mtpa of iron ore export capacity to NWI, which is to be utilised at the proposed South West Creek berths SW3 and SW4 at Port Hedland. NWI, which is an incorporated joint venture between Brockman, Atlas and FerrAus Pty Ltd, is progressing the development of these two new berths.

Ministerial environmental approval for the development of the overall project, as well as the proposed disposal of dredging spoils, has been received. Heritage surveys have been conducted and section 18 heritage clearances will be progressed if required.

NWI continues to actively pursue negotiations with the PPA, to obtain a Port Lease and related development agreement.

The Company has entered into a non-binding Memorandum of Understanding with Tianjin Port (Group) Co. Ltd ("TPG") to explore the opportunity for a potential strategic investment by TPG in the infrastructure necessary for the Marillana Project, including the development of Brockman's interest in the NWI development.

MINE DEVELOPMENT

Feasibility Study

Brockman has invested in a number of feasibility and subsidiary studies on the Marillana Project, in conjunction with ongoing resource development, metallurgical test work and approvals processes. These studies include:

1. Scoping Study in 2007 — 2008;
2. Preliminary Feasibility Study ("PFS") in 2009; and
3. Definitive Feasibility Study ("DFS") in 2010.

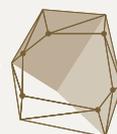
The project studies have been advanced ahead of resolution of an infrastructure solution. Consequently, Brockman's current focus is almost entirely on resolving the rail solution for Marillana and advancing the NWI port solution towards its development decision. Upon finalising a rail solution, Brockman will complete an updated DFS to a bankable standard in conjunction with relevant rail and port studies, to support the final investment decision and project financing.

Approvals

The Project, including the entire deposit and all proposed infrastructure areas, is contained within the granted Mining Lease M47/1414 over an area of 82.5 km². All required environmental baseline and impact assessment studies and cultural heritage surveys have been completed and key State and Commonwealth environmental approvals have been received for the Project. The remaining secondary approvals will be obtained in parallel with the completion of the updated DFS.

METALLURGY

During the year, results were received from sinter pot testing undertaken on Marillana Fines® at the China Iron and Steel Research Institute ("CISRI") in Beijing. Results indicate improved performance in the areas of sinter productivity and sinter fuel consumption, sound metallurgical properties (ie. performance in the blast furnace), with no significant attendant deleterious effects. Further tests are being undertaken to determine the blast furnace properties of the resultant sinter.



In addition, work was undertaken on the “value in use” (“VIU”) of the Marillana Fines®, in comparison to Pilbara Blend fines. The VIU has been independently estimated using the Marx VIU model for iron-making and suggests that Marillana Fines® would attract parity or a small discount relative to Pilbara Blend unit prices, under the then current market conditions, with a focus on inland Chinese mills and alumina constrained coastal mills.

RESOURCES AND RESERVES

This information on Resources and Reserves for the Marillana Project was prepared and first disclosed under guidelines of the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the “JORC Code 2004”). It has not been updated since to comply with the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the “JORC Code 2012”) on the basis that the information has not materially changed since it was last reported.

Marillana has a significant Mineral Resource estimate of 1.63 billion tonnes (“Bt”) of hematite Detrital and Channel Iron (“CID”) mineralisation, comprising 173 million tonnes (“Mt”) of Measured Mineral Resources, 1,238 Mt of Indicated Mineral Resources and 219 Mt of Inferred Mineral Resources (see Tables 1 and 2). In accordance with the requirements of the JORC Code 2004, the Marillana Ore Reserves are based solely on the Measured and Indicated Mineral Resources at Marillana.

The 201 Mt of Inferred Mineral Resources (Non CID) is based on wide-spaced drilling to the north of the Indicated Mineral Resource boundary, which has demonstrated continuity of the detrital mineralisation in this area. In addition the mineralisation remains open to the north of the Inferred Mineral Resource boundary.

Table 1: Beneficiation Feed Mineral Resource Summary (cut-off grade: 38% Fe)

Mineralisation type	Resource classification	Tonnes (Mt)	Grade (% Fe)
Detrital	Measured	173	41.6
	Indicated	1,036	42.5
	Inferred	201	40.7
Pisolite	Indicated	117	47.4
Total	Measured	173	41.6
	Indicated	1,154	43.0
	Inferred	201	40.7
GRAND TOTAL		1,528	42.6

Total tonnes may not add up, due to rounding

Table 2: Marillana Project CID Mineral Resource Summary (cut-off grade: 52% Fe)

Resource classification	Tonnes (Mt)	Fe (%)	CaFe (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	P (%)	LOI (%)
Indicated	84.2	55.8	61.9	3.6	5.0	0.097	9.8
Inferred	17.7	54.4	60.0	4.3	6.6	0.080	9.3
TOTAL	101.9	55.6	61.5	3.7	5.3	0.094	9.7

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

MANAGEMENT DISCUSSION AND ANALYSIS

As part of the Marillana DFS, mining studies by Perth-based Golder Associates have demonstrated that the Project contains Proven and Probable Detrital Ore Reserves, within the optimal pit design, in excess of

one billion tonnes, as indicated in Table 3. Additionally, the Marillana CID Ore Reserves, within the optimal pit design, are estimated to be in excess of 48 Mt, as shown in Table 4.

Table 3: Marillana Detrital Ore Reserves*

Reserve classification	Tonnes (Mt)	Fe (%)
Proved	133	41.6
Probable	868	42.5
TOTAL	1,001	42.4

* Reserves are included within Resources

Table 4: Marillana CID Ore Reserves*

Reserve classification	Tonnes (Mt)	Fe (%)	CaFe (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	P (%)	LOI (%)
Probable	48.5	55.5	61.5	5.3	3.7	0.09	9.7
TOTAL	48.5	55.5	61.5	5.3	3.7	0.09	9.7

* Reserves are included within Resources

Based on extensive beneficiation testwork, the Detrital Ore Reserves are expected to produce 378 Mt of final product grading 60.5-61.5% Fe with impurity levels comparable with other West Australian direct shipping hematite ore ("DSO") iron ore products. The CID Ore is a DSO product which would be prepared for export as a separate product. The Marillana Project will produce in excess of 426 Mt of export product (beneficiated detritals plus CID).

Metallurgical testwork, undertaken since publication of the Ore Reserve, investigated improvement in the product yield from beneficiation feed by recovering additional -1 mm fines material at +60% Fe, could add a further 30 Mt of total product over the life of the mine. This material was considered as waste in the earlier studies.

This represents one of the largest published hematite Ore Reserve positions in the Pilbara, outside the three major producers (BHPB, Rio and FMG). The Detrital Ore is upgraded to a high-quality, sinter feed product via simple beneficiation, which is supported by low-cost mining, low waste ore ratios and large continuous ore zones.

Based on existing Resources and Reserves, the Project will support over 20 years of mining operations, producing at a forecast production rate of up to 20 Mtpa of beneficiated iron ore grading from 60.5-61.5% Fe.

The Mineral Resource and Reserve estimation (see Tables 1 to 4) was prepared by Golder Associates Pty Ltd and has been classified in accordance with the guidelines of the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". It has been estimated within geological boundaries using a 38% Fe cut-off grade for beneficiation feed mineralisation and a 52% Fe cut-off grade for CID mineralisation. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. There has been no change in the Marillana Resource and Reserve estimates during the year.



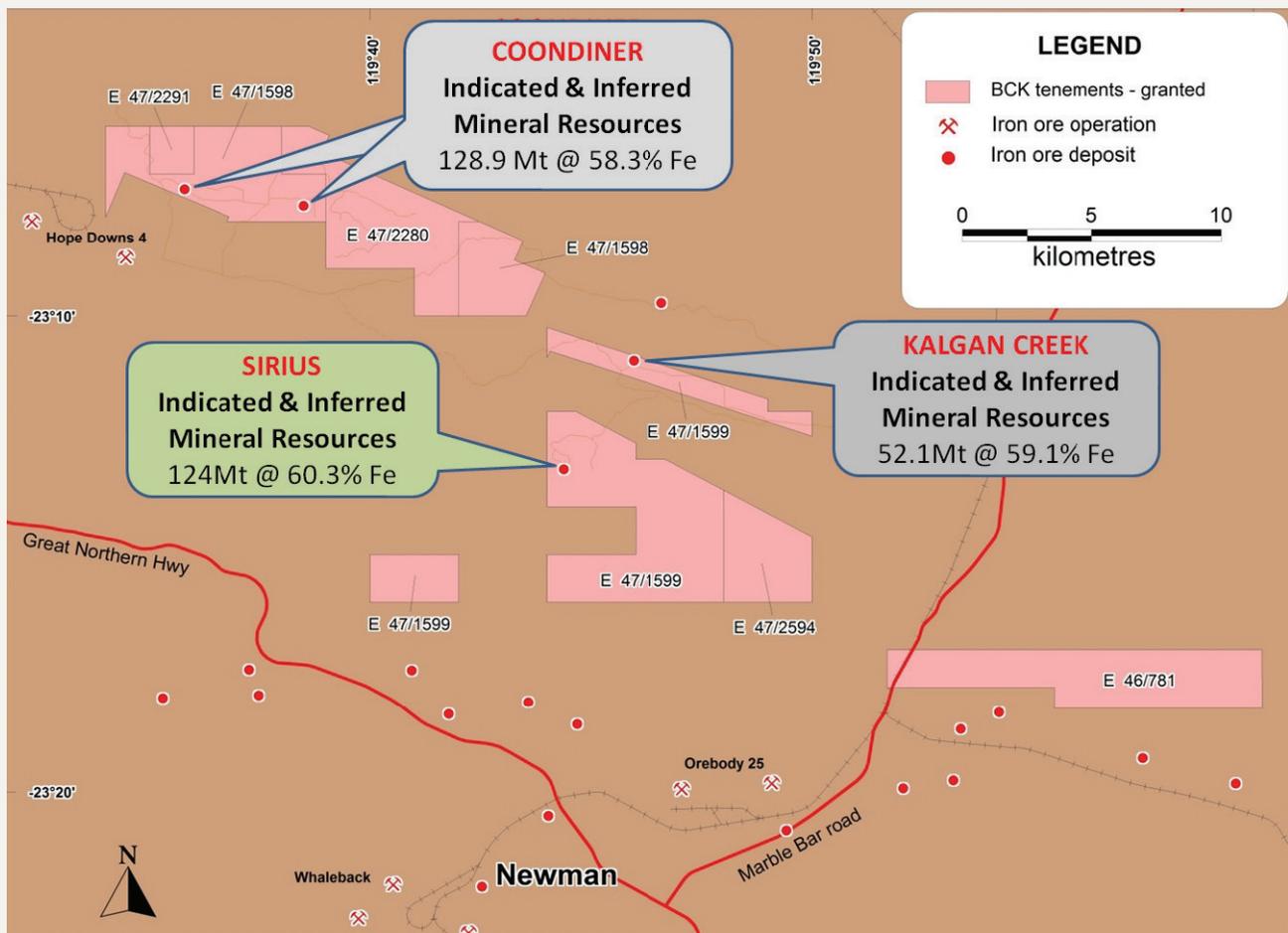
OPHTHALMIA PROJECT

Overview

The 100% owned Ophthalmia Iron Ore Project, comprises five granted exploration licences (E47/1598, E47/1599, E47/2280, E47/2291 and E47/2594) and one priority application (P47/1715) and is located near Newman in Western Australia's Pilbara region. 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 implemented and JORC-compliant Mineral Resources at the Coondiner, Kalgan Creek and Sirius deposits have been estimated and reported. The total Mineral Resources at Ophthalmia now stand at 305 Mt grading 59.27% Fe. (Table 5)

Figure 2: Location of Ophthalmia Prospects



MANAGEMENT DISCUSSION AND ANALYSIS

The Ophthalmia Project exploration results are particularly significant in supporting Brockman's infrastructure alternatives. As Ophthalmia is located only 80 km south-east of Marillana, there is the opportunity to either extend the proposed railway to Ophthalmia or to truck material from Ophthalmia to Marillana. Either of these options will result in increased tonnages available for a Marillana railway/spurline and NWI port facility.

Mineral Resources

The Mineral Resource estimates for Kalgan Creek and Coondiner Deposits, reported to the ASX on 4 December 2012 and 19 April 2013, respectively, were prepared by Golder Associates and classified in accordance with the guidelines of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. It has not been updated since to comply with the JORC Code

2012 on the basis that the information has not materially changed since it was last reported. New Mineral Resource estimates are currently being prepared to incorporate the results of drilling completed in July 2014.

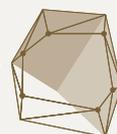
During the year, the Mineral Resource estimates for the Sirius Deposit was increased to take the Mineral Resource to 124 Mt grading 60.32% Fe, reported to the ASX on 10 March 2014. The Mineral Resource estimates for Sirius was prepared by Golder Associates and classified in accordance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The DSO Mineral Resources at the Ophthalmia Project total 305 Mt grading 59.27% Fe, as shown in Table 5. All Resources at Ophthalmia have been estimated within geological boundaries using a 54% Fe lower cut-off grade for DSO grade mineralisation.

Table 5: Ophthalmia DSO Mineral Resource Summary

Deposit	Class	30 June 2014									30 June 2013								
		Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	S (%)	P (%)	LOI (%)	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	S (%)	P (%)	LOI (%)		
Kalgan Creek ¹	Indicated	12.5	59.3	62.6	4.02	4.79	0.007	0.20	5.41	Indicated	12.5	59.3	62.6	4.02	4.79	0.007	0.20	5.41	
	Inferred	39.7	59.1	62.6	4.53	4.55	0.005	0.17	5.56	Inferred	39.7	59.1	62.6	4.53	4.55	0.005	0.17	5.56	
	Sub Total	52.1	59.1	62.6	4.41	4.60	0.006	0.18	5.52	Sub Total	52.1	59.1	62.6	4.41	4.60	0.006	0.18	5.52	
Coondiner ¹ (Pallas and Castor)	Indicated	82.5	58.1	61.7	5.61	4.48	0.008	0.17	5.76	Indicated	82.5	58.1	61.7	5.61	4.48	0.008	0.17	5.76	
	Inferred	46.4	58.7	62.1	5.37	4.40	0.006	0.18	5.44	Inferred	46.4	58.7	62.1	5.37	4.40	0.006	0.18	5.44	
	Sub Total	128.9	58.3	61.8	5.52	4.45	0.008	0.17	5.64	Sub Total	128.9	58.3	61.8	5.52	4.45	0.008	0.17	5.64	
Sirius	Indicated	105.0	60.4	63.7	3.54	3.97	0.007	0.18	5.22	Indicated	—	—	—	—	—	—	—	—	
	Inferred	19.0	60.2	63.4	4.09	3.83	0.009	0.17	5.14	Inferred	109.0	60.0	63.3	4.57	3.78	0.009	0.18	5.16	
	Sub Total	124.0	60.3	63.6	3.62	3.95	0.007	0.18	5.20	Sub Total	109.0	60.0	63.3	4.57	3.78	0.009	0.18	5.16	
Ophthalmia Project	Indicated	200.0	59.4	62.8	4.42	4.23	0.007	0.18	5.45	Indicated	95.0	58.3	61.8	5.40	4.52	0.008	0.17	5.71	
	Inferred	105.1	59.1	62.5	4.82	4.35	0.006	0.17	5.43	Inferred	195.1	59.5	62.9	4.75	4.08	0.008	0.18	5.31	
	Total	305.0	59.3	62.7	4.56	4.27	0.007	0.17	5.45	Total	290.0	59.1	62.5	4.97	4.23	0.008	0.18	5.44	

* CaFe represents calcined Fe and is calculated by Brockman using the formula $CaFe = Fe\% / ((100 - LOI) / 100)$ Total tonnes may not add due to rounding



Sirius Deposit

During the year a program of infill reverse circulation (RC) drilling, to upgrade the Inferred Mineral Resources and Exploration Targets identified previously at the Sirius Deposit to the Indicated category, was undertaken

at Sirius. A total 185 holes for 15,279 m were drilled at Sirius. All significant drill intersections for Sirius are listed in Table 6 and hole locations are shown in Figure 3. This drilling formed the basis of the upgraded Mineral Resource in Table 5.

Table 6: Table of Significant BID drill intersections at Sirius for Year Ended 30 June 2014

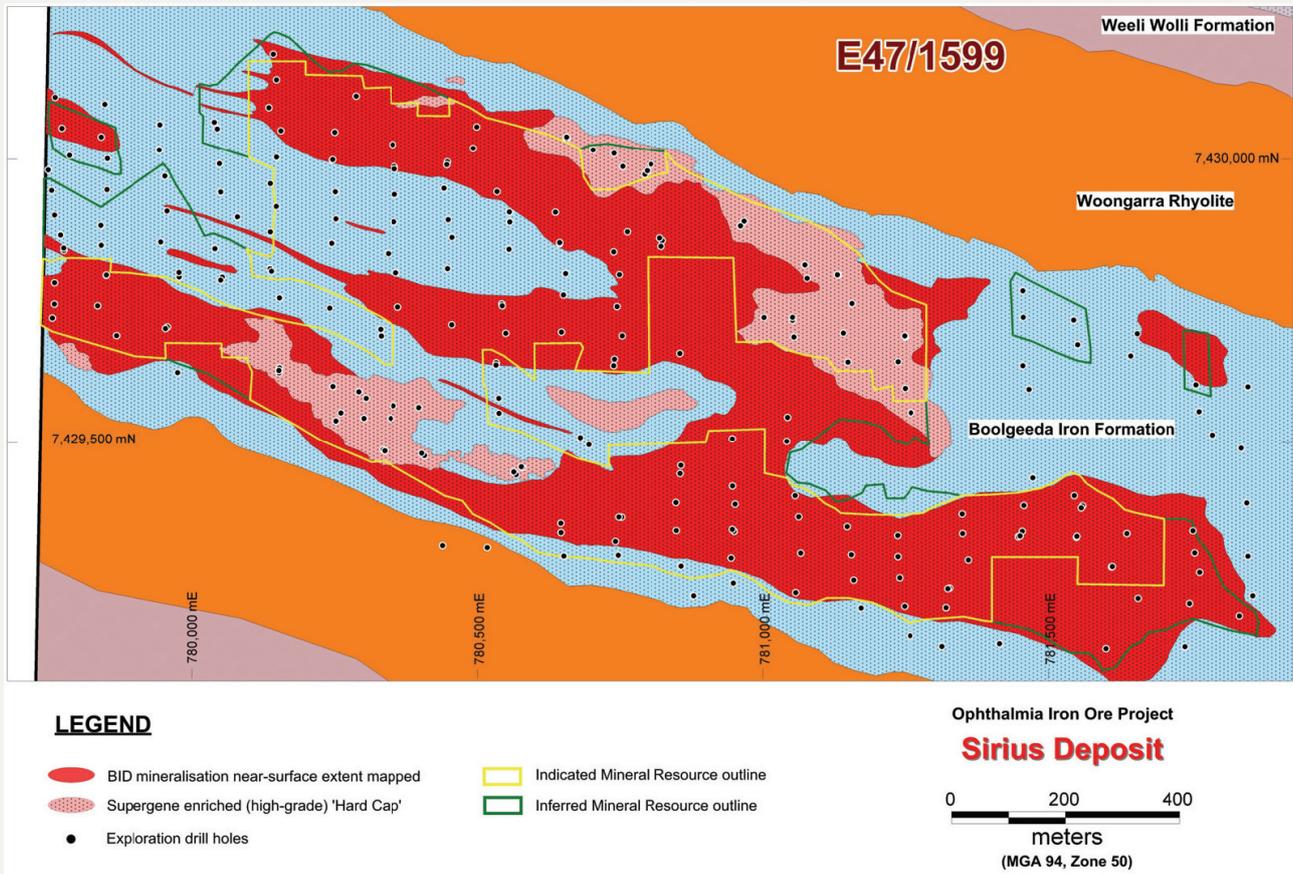
Hole ID	From (m)	To (m)	Width (m)	Dip (°)	Azim (°)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
Sirius Deposit												
SRC0048	0	102	102	-60	181	60.60	64.03	2.79	4.10	0.22	0.004	5.36
SRC0054	0	80	80	-66	178	61.32	64.55	3.31	2.89	0.20	0.005	5.00
SRC0056	4	104	100	-90	—	61.15	64.21	2.78	4.14	0.20	0.004	4.77
SRC0057	42	144	102	-50	180	62.65	65.31	2.10	3.54	0.19	0.004	4.07
SRC0064*	24	126	102	-61	172	61.87	64.92	2.77	3.29	0.19	0.003	4.70
SRC0071	48	138	90	-52	185	60.16	63.86	3.36	4.00	0.21	0.004	5.80
and	146	198	52			58.79	62.15	6.15	3.62	0.19	0.002	5.40
SRC0073	18	112	94	-64	180	62.14	65.25	1.99	3.57	0.19	0.004	4.76
SRC0082	2	102	100	-61	4	61.57	64.45	2.68	3.71	0.22	0.006	4.47
SRC0084	4	106	102	-90	—	61.53	64.74	1.91	4.16	0.18	0.004	4.96
SRC0085	12	114	102	-90	—	60.65	64.15	2.45	4.46	0.21	0.004	5.46
SRC0088	2	94	92	-65	358	60.80	64.30	2.52	4.18	0.19	0.005	5.45
SRC0116	4	98	94	-60	173	60.02	63.17	3.90	4.21	0.19	0.003	4.99
SRC0119	2	138	136	-90	—	59.71	63.24	3.71	4.41	0.20	0.003	5.58
SRC0131*	22	138	116	-64	360	62.01	65.58	1.26	3.66	0.20	0.004	5.44
SRC0133*	18	138	120	-50	110	61.13	64.26	2.67	4.23	0.18	0.003	4.87
SRC0134	12	162	150	-90	—	59.84	63.30	3.32	4.77	0.19	0.004	5.47
SRC0135	30	128	98	-54	188	58.94	62.69	3.60	4.99	0.18	0.003	5.98
SRC0136	18	188	170	-54	299	59.45	63.02	3.85	4.70	0.17	0.004	5.66
SRC0137	22	198	176	-75	360	60.66	64.18	2.73	4.12	0.20	0.005	5.49
SRC0139	8	168	160	-70	8	61.67	65.00	2.38	3.48	0.21	0.006	5.12
SRC0140*	28	192	164	-57	1	61.17	64.54	2.58	3.64	0.18	0.005	5.22
SRC0141	24	142	118	-60	2	62.42	65.64	1.53	3.44	0.20	0.003	4.91
SRC0142*	30	120	90	-49	184	60.37	63.97	2.71	4.44	0.20	0.004	5.63
SRC0149	4	92	88	-50	180	61.31	64.29	3.82	3.20	0.17	0.011	4.64
SRC0152	0	114	114	-54	196	59.84	62.82	4.83	4.14	0.14	0.007	4.74
SRC0165	18	150	132	-54	186	59.46	62.98	3.84	4.56	0.17	0.004	5.59
SRC0168	22	152	130	-55	178	59.73	63.79	3.27	4.15	0.17	0.004	6.36
SRC0171	28	146	118	-50	109	57.96	62.12	3.15	6.06	0.19	0.003	6.69
SRC0172	14	118	104	-90	—	59.41	62.89	3.39	4.95	0.16	0.002	5.53
SRC0173	14	184	170	-60	110	62.29	65.42	1.75	3.73	0.17	0.003	4.79
SRC0174	16	142	126	-74	177	59.94	63.83	2.71	4.45	0.17	0.005	6.10
SRC0175	24	164	140	-90	—	61.18	64.75	2.38	3.93	0.19	0.002	5.52
SRC0176	42	134	92	-63	178	60.72	64.39	2.41	3.92	0.20	0.004	5.70
SRC0177	24	154	130	-59	358	62.04	65.27	2.10	3.40	0.21	0.006	4.95
SRC0179*	20	187	167	-90	—	61.49	65.25	1.69	3.49	0.19	0.008	5.76
SRC0199	0	90	90	-58	9	60.67	63.94	3.35	3.99	0.18	0.008	5.11
SRC0210	0	96	96	-54	349	60.84	64.23	2.32	4.37	0.21	0.006	5.28

* Ends in ore

Only reported ore intersections with 80m or greater in thickness except the Three Pools Prospect.

MANAGEMENT DISCUSSION AND ANALYSIS

Figure 3: Drill hole and Mineral Resource location map — Sirius



Coondiner, Kalgan Creek and Three Pools

During the year a programme of RC drilling at Coondiner and Kalgan Creek, predominantly infill and extension drilling programme, has been conducted to upgrade Inferred Mineral Resources to the Indicated category and close off existing zones of mineralisation. Limited exploration of other targets at Three Pools was also carried out. A total of 167 holes for 11,672 m drilled

by during the programme, which was completed in July 2014. The total drilling includes 108 holes for 7,519 m at Coondiner, 48 holes for 3,223 m at Kalgan Creek and 11 holes for 930 m at Three Pools. Preparation of new Mineral Resources Estimates for Coondiner and Kalgan Creek will commence following receipt of final assays. All significant drill intersections are listed in Table 7 and hole locations are shown in Figures 4 to 6.

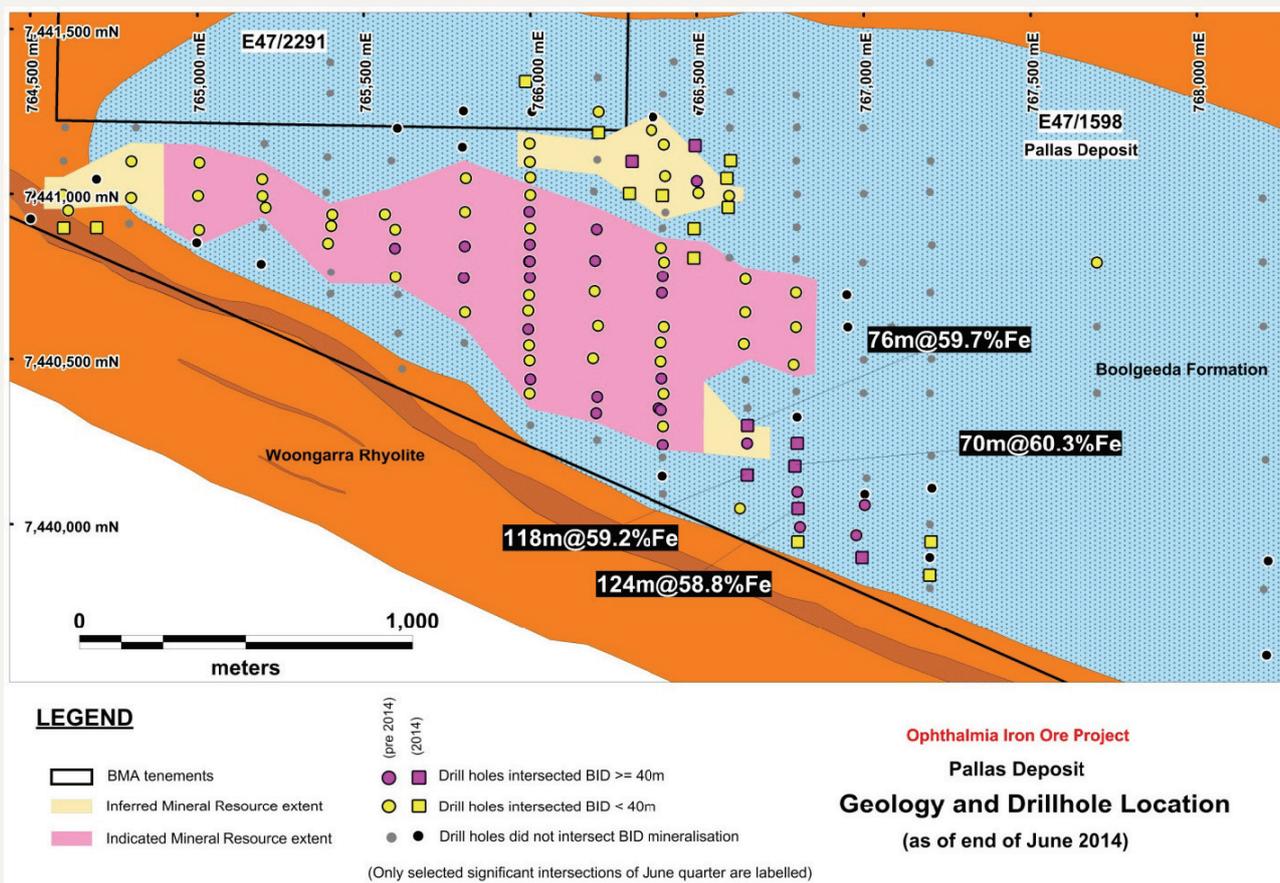


Table 7: Table of Significant BID drill intersections at Coondiner, Kalgan Creek and Three Pools for Year Ended 30 June 2014

Hole ID	From (m)	To (m)	Width (m)	Dip (°)	Azim (°)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
Coondiner Deposits												
CNRC0216*	24	145	121	-90	—	59.54	63.05	3.65	4.49	0.19	0.005	5.57
CNRC0222	24	110	86	-90	—	59.45	62.82	5.56	3.36	0.11	0.006	5.37
CNRC0229*	20	139	119	-90	—	59.17	62.98	3.44	4.71	0.20	0.007	6.05
CNRC0233	28	152	124	-90	—	58.83	62.19	4.68	4.52	0.19	0.004	5.41
CNRC0268	28	118	90	-90	—	59.69	62.75	4.82	3.94	0.23	0.002	4.88
CNRC0270	34	160	126	-90	—	59.51	62.71	4.58	4.30	0.19	0.001	5.11
CNRC0271	18	112	94	-90	—	59.00	62.35	4.88	4.46	0.15	0.001	5.37
CNRC0278	16	110	94	-90	—	59.68	62.98	3.65	4.76	0.20	0.002	5.24
CNRC0284*	18	109	91	-90	—	59.53	63.60	4.02	3.55	0.17	0.003	6.40
CNRC0290	12	94	82	-90	—	58.73	62.38	4.88	4.44	0.18	0.002	5.85
CNRC0291	14	104	90	-90	—	59.93	63.24	4.50	3.63	0.21	0.002	5.24
CNRC0292	14	102	88	-90	—	59.23	62.78	4.75	3.91	0.21	0.002	5.66
CNRC0293	12	128	116	-90	—	59.28	62.66	4.69	4.24	0.20	0.001	5.40
Three Pools Prospect												
TPRC0030	2	62	60	-90	—	58.63	62.08	4.48	4.77	0.22	0.020	5.55
Kalgan Creek Deposit												
KRC0118	10	126	116	-90	—	58.40	61.79	4.91	4.93	0.18	0.002	5.48
KRC0119	0	98	98	-90	—	60.15	63.68	2.53	4.67	0.22	0.007	5.54

* Ends in ore
Only reported ore intersections with 80m or greater in thickness except the Three Pools Prospect.

Figure 4: Drill hole and Mineral Resource location map — Coondiner (Pallas) Deposit



MANAGEMENT DISCUSSION AND ANALYSIS

Figure 5: Drill hole and Mineral Resource location map — Coondiner (Castor and Three Pools) Deposit

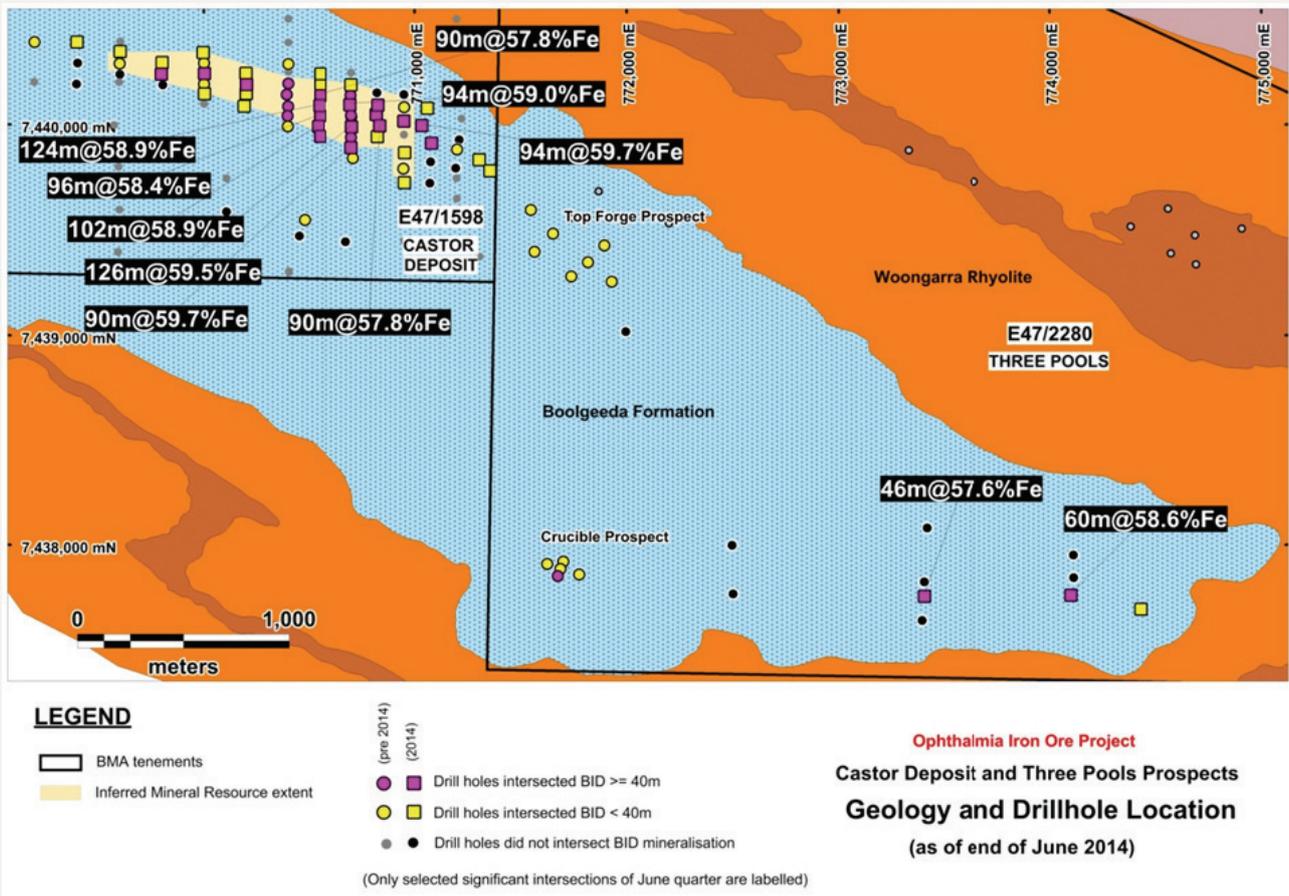
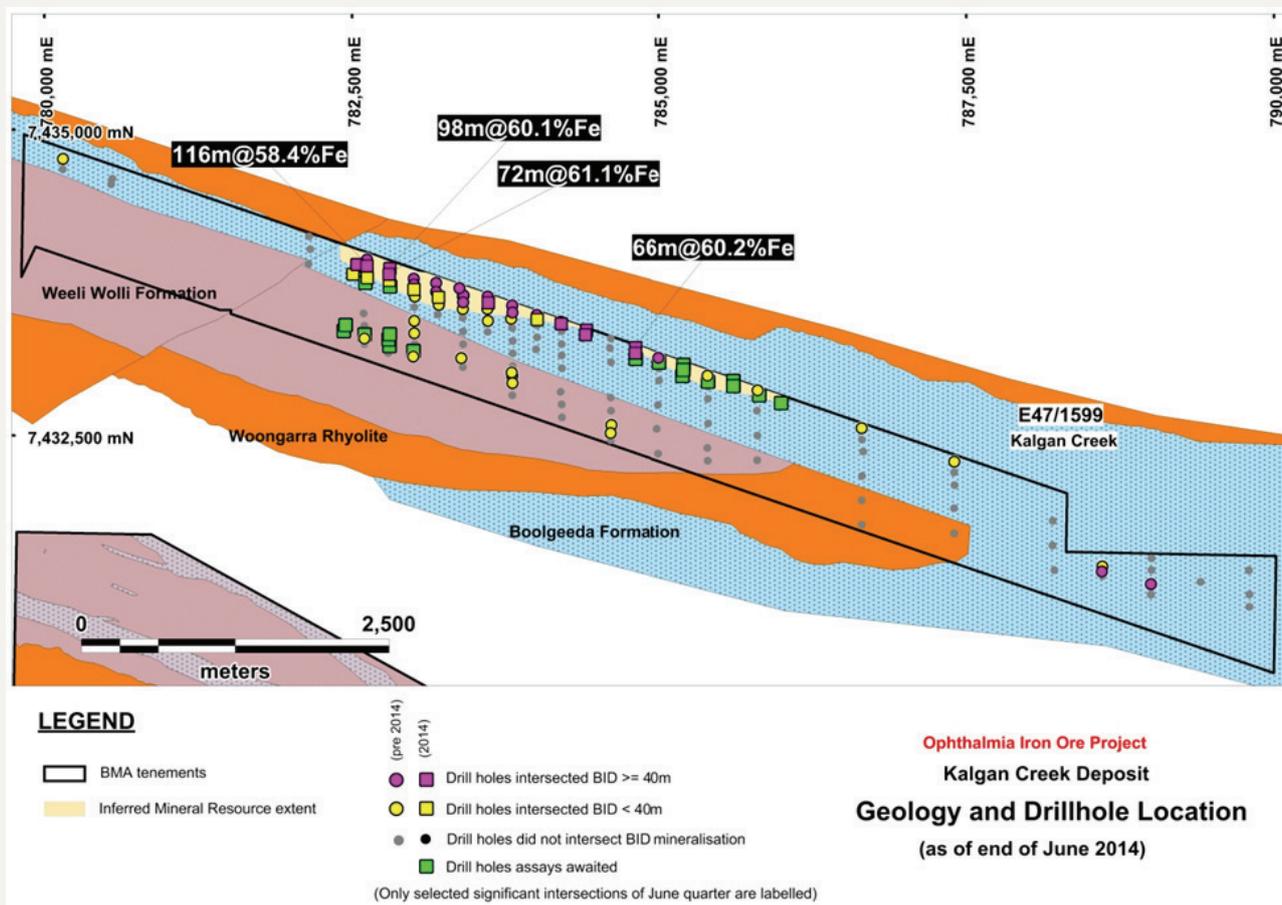




Figure 6: Geology and drill hole location map — Kalgan Creek Deposit



WEST PILBARA PROJECT

Overview

The West Pilbara Project comprises a number of exploration tenements (Duck Creek, West Hamersley and Mt Stuart) over a 30 km radius and located about 110-150 km WNW of Paraburdoo in the West Pilbara region. (Refer Figure 1)

At Duck Creek, mineralisation comprises discrete mesas of channel iron deposits ("CID") 15-30 m above the surrounding plains with stripping ratios expected to be very low for the targets identified. Seven mesas containing ore grade CID mineralisation have been identified from surface sampling, but only six have been drilled due to access limitations.

An initial reconnaissance RC drilling program comprising 1,657 m in 45 holes, conducted during late 2010, confirmed significant DSO grade mineralisation at shallow depths (often commencing at surface), in all targets drilled. Mineralisation contains very low levels of the contaminant phosphorous. Other contaminant

levels (silica and alumina) are comparable with other West Pilbara CID Mineral Resources reported by aspiring producers.

Brockman has completed an Inferred Mineral Resource estimate of 18.3 Mt grading 56.5% Fe, for the channel iron deposit ("CID") mineralisation at Duck Creek (E47/1725), as detailed in Table 8 below. The Mineral Resource estimate been classified in accordance with guidelines of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Mineral Resource estimate is based on the results of 45 vertical RC holes drilled on sections varying from approximately 200 to 400 m apart along the long axis of each mesa, supported by surface sampling to confirm the lateral extent of mineralisation.

A programme of infill RC drilling has been planned for the current year to facilitate an upgrade of the Mineral Resources of the Duck Creek Deposit.

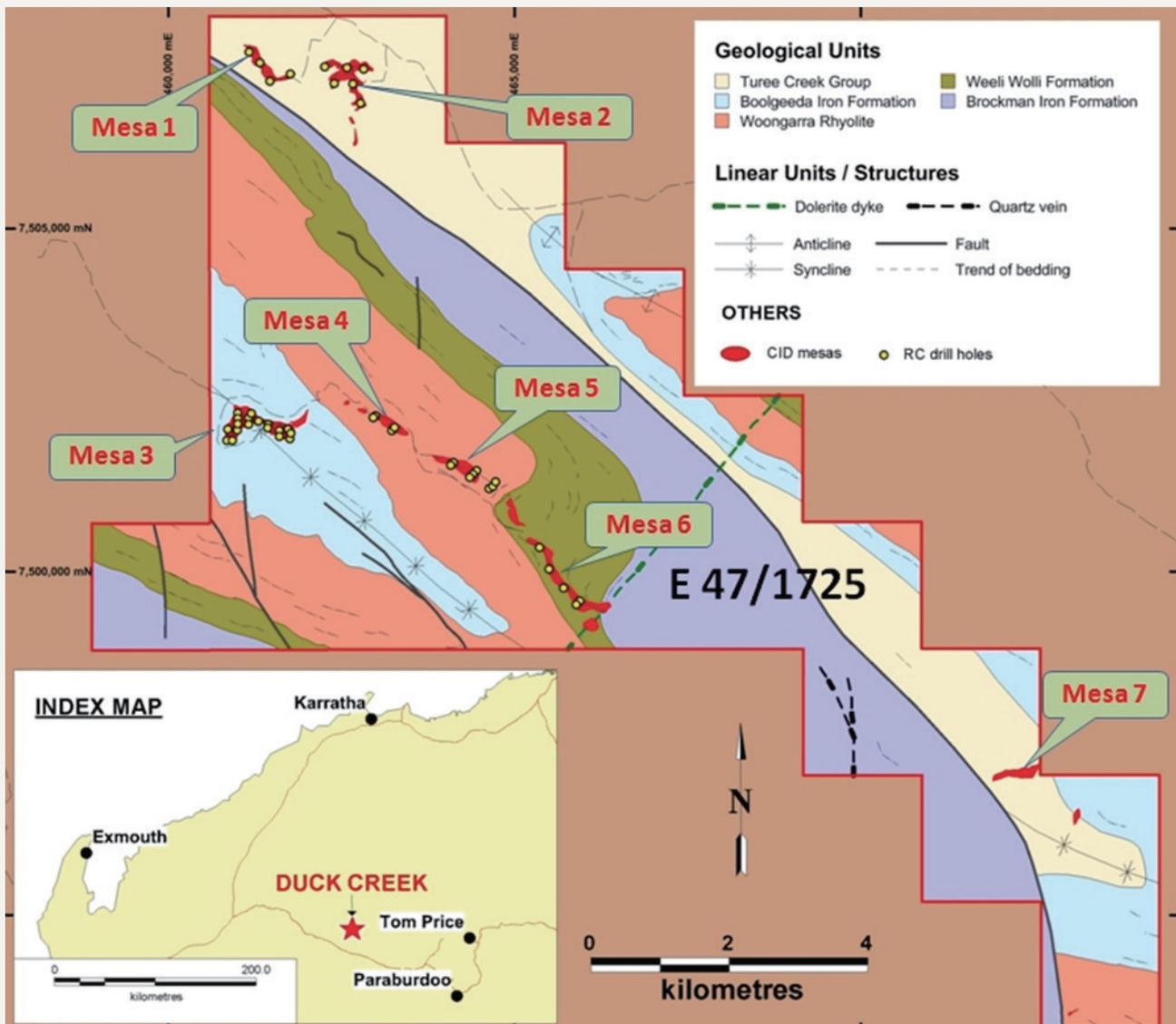
MANAGEMENT DISCUSSION AND ANALYSIS

Table 8: Duck Creek Mineral Resource estimate — (at a lower cut-off grade of 54% Fe)

Mesa	Classification	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
1	Inferred	4.1	55.8	63.2	4.40	2.69	0.032	0.058	11.8
2	Inferred	5.1	56.6	64.1	3.58	2.44	0.041	0.037	11.7
3	Inferred	2.3	56.4	61.6	5.71	4.53	0.065	0.023	8.4
4	Inferred	1.4	56.4	61.9	6.43	3.34	0.077	0.087	8.9
5	Inferred	3.0	56.3	61.4	6.32	4.07	0.071	0.020	8.4
6	Inferred	2.4	58.0	62.8	5.15	3.25	0.112	0.015	7.6
All	Inferred	18.3	56.5	62.8	4.91	3.22	0.060	0.037	10.0

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

Figure 7: Drill hole locations and CID mesas at Duck Creek





The West Hamersley prospect comprises one granted Exploration Licence (E47/1603) covering 54 km² and containing extensive areas of outcropping Brockman Iron Formation. The Mt Stuart prospect comprises one Exploration Licence containing outcropping CID mineralisation as mapped by the Geological Survey of Western Australia.

The West Pilbara results confirm the prospectivity of Brockman's tenure in the area and support the Company's objective of developing a production hub in the West Pilbara, as part of its broader resource and business development strategy in the Pilbara region.

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. The remaining 60% interest in the Joint Venture is held by Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd, the owners of the Murrin-Murrin Ni-Co laterite mine and high-pressure acid leach treatment plant near Laverton.

Mining studies by Murrin Murrin show that the ore body represents high potential value but this value cannot be currently realised due to chloride in feed constraints. In 2012, Murrin Murrin has carried out further studies on the washing of chloride from its high chloride deposits (including Irwin - Coglia) but limits on the amount of low-chloride wash water available and the cost of installing excess capacity continue to restrict the wash capacity available. Murrin Murrin is continuing to take steps to allow incremental increases in chloride levels in the process plant feed. Desktop investigations indicate low salinity water may be available from an area east of the deposits, which may provide an opportunity for a chloride wash process.

During the year application was made for a mining lease to cover the Rocky Well deposits.

CANNING BASIN COAL

These tenements were sold to 142 East Pty Ltd during the year. The consideration for the transaction was a 50% shareholding in 142 East Pty Ltd.

Competent Persons Statements

The information in this report that relates to Mineral Resources and Ore Reserves at Marillana is based on information compiled by Mr. I Cooper, Mr. J Farrell and Mr. A Zhang. The information in this report that relates to Mineral Resources at Coondiner and Kalgan Creek is based on information compiled by Mr. James Farrell

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

The Ore Reserves statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code — 2004 Edition). The Ore Reserves have been compiled by Mr. Iain Cooper, who is a Member of Australasian Institute of Mining and Metallurgy and a full time employee of Golder Associates Pty Ltd. Mr. Cooper has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Cooper consents to the inclusion of the matters based on this information in public releases by Brockman, in the form and context in which it appears.

Mr. J Farrell, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Golder Associates Pty Ltd, produced the Mineral Resource estimates for Marillana and Ophthalmia based on the data and geological interpretations provided by Brockman. Mr. Farrell has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Farrell consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

Mr. A Zhang, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Brockman Mining Australia Pty Ltd, provided the geological interpretations and the drill hole data used for the Mineral Resource estimations at Marillana and Ophthalmia project. He produced the Mineral Resource estimate for Duck Creek based on data and geological compilation by Brockman. Mr. Zhang has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Zhang consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

MANAGEMENT DISCUSSION AND ANALYSIS

MINING BUSINESS — YUNNAN, PRC

Our copper mining business comprises processing and sales of copper, silver and other mineral resources in the Yunnan Province of the PRC, through the operation of a subsidiary of the Company — Luchun Xingtai Mining Co., Ltd ("Luchun") which is the mine operator of the Damajianshan Mine. The Damajianshan Mine is

located in Qimaba Township, Luchun County of Yunnan Province in the PRC. It is near the border between the PRC and Vietnam.

Production and operation results for the year ended 30 June 2014 were summarised as follows:

	Year ended 30 June	
	2014	2013
Copper ore processed	146,655 tonnes	218,671 tonnes
Production of Copper Ore Concentrates	861 Metal (t)	1,042 Metal (t)
Sales of Copper Ore Concentrates	842 Metal (t)	1,008 Metal (t)
Average selling price per Metal (t) (without VAT)	RMB36,469	RMB40,388

During the year, the turnover of this segment was approximately HK\$38.7 million (2013: HK\$50.3 million), and the segment loss before interest, taxes, amortisation and impairment of mining right was approximately HK\$6.9 million (2013: HK\$9.4 million).

Production decreased due to unstable weather and drought occurrences in the Yunnan Province, PRC. Coupled with downward swing of copper prices, the sales for copper ore concentrates decreased as a result when compared to corresponding period last year.

As a result of lower copper prices, we have streamlined and refined our production scale to cope with the short-term changes in price thereby reducing potential losses.

In view of the historical interruption in the production activities, management will continuously monitor and revisit the long-term production and capital investment plans based on the circumstance of the mine and the general economic environment.

Impairment loss

The volatility of recent copper price and the revision of production and capital investment plans, are considered to be the impairment indicator which triggered the need to perform an impairment assessment. Based on the impairment assessment, an impairment loss of approximately HK\$40,000,000 was recognised for the year (2013: HK\$243,000,000).

Summary of Expenditure

The cost of sales of the mining segment mainly included mining, processing and refining, ore transportation and waste disposal costs.

Total expenditure associated with the mining operation (excluding amortisation and impairment of mining right) in the PRC during the year amounted to approximately HK\$47.7 million (2013: HK\$60.0 million). Expenditure associated with exploration activities amounted to approximately HK\$12.1 million (2013: HK\$12.2 million).

Mining License

The mining right certificate has been renewed for a term of two years at minimal cost and effective up to July 2016.



Exploration

There is no material change to the resources and reserves in the Damajianshan Mine during the year.

Exploration activities and tunnelling works continued during the reporting period. The exploration activities are aimed to find additional resources in order to support the Group's further expansion plan. New drilling works and detailed prospecting and scoping plans are now being planned to better define the lithology, grade and assemblage within the mining lease.

TRANSPORTATION SERVICES BUSINESS

Provision of transportation services

The transportation services segment was operated by Parklane Limousine Service Limited and Airport Shuttle Services Limited, both operations are wholly owned by Perryville Group Limited (collectively the "Perryville Group"). On 24 October 2013, the Group has entered into a sale and purchase agreement with a director of Perryville Group to sell its entire interest in the transportation service business. The disposal was completed on 19 February 2014 and Perryville Group ceased to be a subsidiary of the Group. The disposal constituted a major and connected transaction for the Company and was subject to independent shareholders' approval requirements under the Listing Rules.

During the year ended 30 June 2014, this segment has recorded a profit of approximately HK\$4.0 million (2013: loss of HK\$8.3 million) and was recorded as profit/(loss) from discontinued operation.

LIQUIDITY AND FINANCIAL RESOURCES

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group generally finances its short term funding requirement with cash generated from operations, borrowings and equity placement. The Group's ability to achieve its Marillana iron ore project development schedule is reliant on access to appropriate and timely funding.

During the reporting period, the Group has raised cash from the subscription of new shares and issue of a fixed rate bond.

The current ratio is measured at 2.38 times as at 30 June 2014 compared to 1.42 times as at 30 June 2013.

The gearing ratio of the Group (long term debts over equity and long term debts) is measured at 0.01 (2013: 0.01). As at 30 June 2014, the Group had no bank and other borrowings (2013: HK\$25.2 million) following the disposal of Perryville Group.

During the reporting period, the Group did not engage in the use of any financial instruments for hedging purposes, and there is no outstanding hedging instrument as at 30 June 2014.

CAPITAL STRUCTURE

During the reporting period, the Company has the following movements in the share capital as follows:

- (a) On 2 January 2014, the Company announced that it entered into shares subscription agreement with China Guoyin Investment (HK) Ltd (the "CG Share Subscription") in which the Company agreed to issue and China Guoyin agreed to subscribe for 195,000,000 ordinary shares of the Company at HK\$0.4 per share. The CG Share Subscription was completed on 13 February 2014.
- (b) On 2 January 2014, the Company announced that it entered into shares subscription agreement with Ocean Line Holdings Limited (the "OL Share Subscription") in which the Company agreed to issue and Ocean Line agreed to subscribe for 292,500,000 ordinary shares of the Company at HK\$0.4 per share. Among the 292,500,000 shares, 78,000,000 ordinary shares were issued by the Company to redeem a fixed rate bond in full. The OL Share Subscription was completed on 13 February 2014.

PLEDGE OF ASSETS

As at 30 June 2014, no asset was pledged to secure any banking facilities (2013: HK\$5,166,000) following the disposal of Perryville Group.

At 30 June 2013, a subsidiary of the Company leases various motor vehicles with carrying value of approximately HK\$18,278,000. After the disposal of Perryville Group in February 2014, the Group has no property, plant and equipment pledged under finance lease arrangement.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK DISCLOSURE

Market risk

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

(a) **Commodities Price Risk**

Copper Ore Concentrate Price Risk

The Group's turnover and profit of the mining business during the year were affected by fluctuations in the copper prices. All of our mining products were sold at market prices and the fluctuation of the price were beyond the control of the Group.

Iron Ore Price Risk

The fair value of the Group's mining properties in Australia are 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 fluctuation of copper ore concentrate price and iron ore price.

(b) **Exchange Rate Risk**

The Group is exposed to exchange rate risk primarily in relation to our mineral tenements that are denominated in Australian dollar. 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 year, no financial instrument was used for hedging purpose.

FINANCIAL GUARANTEE

At 30 June 2014, the Company did not have any financial guarantees.

At 30 June 2013, the Company had given corporate guarantees to a bank in relation to banking facilities extended to the Perryville Group. Such facilities were drawn by Perryville Group to the extent of HK\$10,781,000 and the maximum liability of the Company under the guarantees was HK\$75,200,000. The abovementioned corporate guarantee was fully released by the bank on 14 February 2014.

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 30 June 2014.

STAFF AND REMUNERATION

As at 30 June 2014, the Group employed 409 full time employees (2013: 581 employees), of which 365 employees were in the PRC (2013: 423 employees), and 26 employees were in Australia (2013: 25). The remuneration of employees includes salary, discretionary bonus and share based compensation.

The remuneration policy and packages of the Group's employees, senior management and directors are maintained at market level and reviewed annually and when appropriate by the management and the remuneration committee.



NON-EXECUTIVE DIRECTORS

Mr. Kwai Sze Hoi

Mr. Kwai Sze Hoi, aged 64. Mr. Kwai joined the Group since June 2012. He is the Chairman of the Group. Mr. Kwai graduated from Anhui University in 1975. Mr. Kwai has more than 30 years of experience in international shipping and port operation businesses, and is a successful entrepreneur. In 1990, he founded Ocean Line Holdings Ltd ("Ocean Line"). Ocean Line wholly owns, operates and manages a fleet of total deadweight tonnage of 3 million metric tonnes, with routes running worldwide. Besides, Ocean Line invests in infrastructures and operates other shipping related businesses including ports, terminals, warehouses, logistics, ship repairs and crew manning etc. The diversified business of Ocean Line puts it in a highly competitive position globally. Meanwhile, Ocean Line also invests in real estate, mining, financial services, securities, trading and hotel businesses, which makes Ocean Line a dynamic multinational conglomerate with shipping business as the strategic focus. Mr. Kwai is the father of Mr. Kwai Kwun, Lawrence, an Executive Director of the Group.

Mr. Liu Zhengui

Mr. Liu Zhengui, aged 67. Mr. Liu joined the Group since April 2012, and became the Vice Chairman of the Group since June 2012. Mr. Liu has over 40 years of experience in corporate finance and capital management. Mr. Liu holds a bachelor degree in management engineering from HeFei University of Technology. He is currently a director of Shandong School of Economics and Social Development (山東社會經濟發展研究院) and is the chairman of Shandong Dongyin Investment Management Co., Ltd (山東東銀投資管理有限公司). He is also a financial consultant of the Shandong provincial government. Mr. Liu is currently an independent non-executive director of Reorient Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 376). During the period of 2004 to 2009, Mr. Liu was the chairman of Bank of China Group Investment Limited (BOCGI). Prior to that, he served as the chief executive of Bank of China's branches in three different provinces for 16 years.

Mr. Ross Stewart Norgard

Mr. Ross Stewart Norgard, aged 68. Mr. Norgard joined the Company as Non-executive Director in August 2012. He is a chartered accountant and former managing director of KMG Hungerfords and its successor firms in Perth, Western Australia. For the past 30 years he has worked extensively in the fields of raising venture capital and the financial reorganisation of businesses. He has held numerous positions on industry committees including past chairman of the Western Australian Professional Standards Committee of the Institute of Chartered Accountants, a current member of the National Disciplinary Committee, a former member of Lionel Bowens National Corporations Law Reform Committee, chairman of the Duke of Edinburghs Awards Scheme and a former member of the University of Western Australia's Graduate School of Management (MBA programme). Mr. Norgard is also a director of nearmap Limited (formerly known as Ipernica Limited (Chairman since 1987) and was a director of Ammtec Ltd from 1994 to November 2010. Prior to his present appointment as Non-executive Director of the Company, he was the non-executive deputy chairman of Brockman Resources Limited, a former ASX-listed entity now being the Company's wholly owned subsidiary.

EXECUTIVE DIRECTORS

Mr. Kwai Kwun, Lawrence

(Appointed on 13 March 2014)

Mr. Kwai Kwun, Lawrence, aged 33, joined the Board in March 2014. Previously he served the Group as Vice President and member of the Executive Committee. Mr. Kwai remains a member of the Executive Committee after his appointment as an Executive Director. Mr. Kwai has extensive experience in investment in mining, property, hotel, finance company, port operation, international shipping and ship building. Mr. Kwai graduated from Harvard University in the United States with a Bachelor of Mathematics degree. Mr. Kwai's role with the Company focuses on the oversight of investment of the Group. Mr. Kwai is the son of Mr. Kwai Sze Hoi, the Chairman of the Group.

DIRECTORS AND MANAGEMENT

Mr. Warren Talbot Beckwith

Mr. Warren Talbot Beckwith, aged 75. Mr. Beckwith joined the Company as a Non-executive Director effective from June 2012 and was re-designated as Executive Director and member of the Executive Committee from November 2013 onwards. Mr. Beckwith is also a Non-executive director of certain subsidiaries of the Company. Currently, he is a director and chairman of the audit committee of China Properties Group Limited (a company listed in Hong Kong, stock code: 1838). He is also a director of Gondwana Resources Limited (an ASX-listed junior explorer, stock code: GDA). Mr. Beckwith is a director of a corporate advisory group with Perth and Hong Kong offices. He was a partner in international chartered accountancy firms, including being a senior partner of a predecessor firm of Ernst & Young, Hong Kong.

Mr. Chan Kam Kwan, Jason

Mr. Chan Kam Kwan, Jason, aged 41, joined the Group in January 2008. He is the Company Secretary and a director of certain subsidiaries of the Company. He is also a member of the Executive Committee. Mr. Chan graduated from the University of British Columbia in Canada with a Bachelor of Commerce Degree and he holds a certificate of Certified Public Accountant issued by the Washington State Board of Accountancy in the United States of America. Mr. Chan has extensive experience in corporate finance.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Uwe Henke Von Parpart

Mr. Uwe Henke Von Parpart, aged 73, joined the Group in January 2008. He received a Fulbright scholarship and did his graduate work in mathematics and philosophy (Ph.D.) at Princeton University and the University of Pennsylvania.

Mr. Parpart is the managing director and the chief strategist in Reorient Financial Markets Limited ("Reorient"). Prior to his position in Reorient, he was the chief economist and strategist for Asia at Cantor Fitzgerald ("Cantor") in Hong Kong. In this capacity, he was responsible for macro-economic, fixed-income and equity-markets research and strategy in Asia. He joined Cantor in August, 2006. His analysis are published on a weekly and daily basis and frequently featured on CNBC Asia and Bloomberg TV. Prior to joining Cantor, Mr. Parpart worked for four years as a senior currency strategist at Bank of America, Hong Kong, covering both currencies and bonds. Mr. Parpart has also contributed to numerous magazines and newspapers and until recently was a columnist for Forbes Global and Shinchosha Foresight Magazine (Tokyo).

Mr. Yip Kwok Cheung, Danny

Mr. Yip Kwok Cheung, Danny, aged 50, joined the Group in August 2009. He is an Australian citizen and graduated from the Australian National University majoring in Economics and Accountancy. Mr. Yip has extensive experience as the internet strategist, entrepreneur and specialist in international trade. He was also the founder of several service-oriented business in Hong Kong and Australia, and he was the founder of Tradeeasy Holdings Limited (now known as Merdeka Resources Holdings Limited ("Merdeka")) in 1996. He had been the executive director and chief executive officer of Merdeka (a company listed on the growth enterprise market of The Stock Exchange of Hong Kong Limited) until June 2007.



Mr. Yap Fat Suan, Henry

(Appointed on 8 January 2014)

Mr. Yap Fat Suan, Henry, aged 68, joined the Group in January 2014. He holds a master degree in Business Administration from the University of Strathclyde, Glasgow, in the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in finance and accounting. He retired as the managing director of Johnson Matthey Hong Kong Limited in June 2007 and prior to that appointment he was the general manager of Sun Hung Kai China Development Limited. He is also an independent non-executive director of China WindPower Group Limited and DVN (Holdings) Limited, which are listed on the Main Board of the Stock Exchange.

Mr. Choi Yue Chun, Eugene

(Appointed on 12 June 2014)

Mr. Choi Yue Chun, Eugene, aged 42, joined the Group in June 2014. He holds a Bachelor of Laws degree from The University of Hong Kong, was admitted as a solicitor of the High Court of Hong Kong in 1997 and is a member of the Law Society of Hong Kong. He has over 15 years of experience in the legal field, specialising in corporate finance and compliance matters for listed companies in Hong Kong. Mr. Choi is currently the senior legal counsel of RUSAL Global Management B.V.

SENIOR MANAGEMENT

Mr. Derek Humphry

Chief Financial Officer

Mr. Derek Humphry, aged 46. Mr. Humphry is a qualified Chartered Accountant with over 20 years' accounting and industry experience, more recently focusing in the areas of corporate consolidation, mineral project evaluation, and joint venture, debt and equity financing. He started his career with an international Chartered Accounting firm and has since worked with industrial minerals, gold, and nickel producers.

In the past ten years Mr. Humphry has been involved in ASX, AIM and TSX listings, mergers, and the development of several new mines.

IRON ORE OPERATIONS — AUSTRALIA

Mr. Colin Paterson

Chief Executive Officer of Australian Operation

Mr. Colin Paterson, aged 53, has over 30 years' experience in the resources sector covering a diverse range of geological environments throughout Australia, but principally in Pilbara iron ore as well as gold and nickel exploration in the Archaean of Western Australia. He has extensive experience in the technical supervision of exploration projects; resource development, project generation and project evaluations. He was principal geologist with Asarco Australia Ltd and held a similar position with Mining Project Investors Pty Ltd (subsequently MPI Mines Limited). Following which he was the founding director of Brockman Mining Australia Pty Ltd.

Mr. Graeme Carlin

General Counsel

Mr. Graeme Carlin, aged 48, has over 18 years' legal experience which has been focused on energy and resources law and related project development.

He has had private practice experience working with top tier energy and resources, boutique corporate and government practices. Half of Mr. Carlin's practice experience has been as in-house counsel working with multi-national and Australian companies operating in the energy and resources sectors. His work includes providing advice to listed, unlisted and foreign corporations.

Mr. Carlin has had drafting and negotiation experience with mining and oil and gas interests relating to project sales and acquisitions, debt and capital raisings, gas sales and transmission, joint ventures, technology transactions, general corporate and commercial matters and corporate governance.

Mr. Carlin's technical legal experience includes having direct interactions with regulators of the Western Australian State Agreement regime, third party access regimes, mining and oil and gas legislation and the Native Title Act.

Mr. Carlin holds a Bachelor of Laws and a Bachelor of Commerce from Murdoch University in Western Australia and a Graduate Diploma in Applied Corporate Governance from Chartered Secretaries Australia.

DIRECTORS AND MANAGEMENT

Mr. Kevin Watters

General Manager — Project Development

Mr. Watters has over 35 years' experience in mine and ore transportation infrastructure engineering, construction and operations and previously held the role of project director for Australian Premium Iron Pty Ltd, responsible for the APIJV West Pilbara Iron Ore Project, a major iron ore project involving the development of greenfield mine, rail and port facilities in the western Pilbara region.

He has extensive experience in the Western Australian iron ore industry, having held key project management roles originally as Port Manager Finucane Island for Goldsworthy Mining Limited (then BHP Iron Ore Limited) and as GM Projects and Engineering, Portman Mining (now Cliffs Natural Resources). Mr. Watters also played a major role as General Manager Northern Operations in the post construction development and operation of the Tiwest JV mineral sands mining and processing operations north of Perth.

Mr. Watters has significant depth and maturity of understanding of operations and project development across mining, mineral processing, railways and port infrastructure projects in Western Australia.

Ms. Michelle Manook

General Manager — External Affairs

Ms. Michelle Manook, aged 42, has over 20 years strategic corporate, government affairs and investor relations experience gained in some of the most complex industries, including resources; downstream infrastructure/utilities; government and regulation, and finance/private equity mergers and acquisitions.

Ms. Manook's early career encompassed various senior policy and project roles in the Western Australian State Government. She has most recently held senior management roles in mid to large cap public (ASX, AIM, LSE) and private companies encompassing national and international operations in Australia, South East Asia, United Kingdom and West Africa, including Woodside Energy Limited, Roc Oil Ltd and Epic Energy Pty Ltd.

Ms. Manook holds a Bachelor of Arts and post graduate qualifications, both from The University of Western Australia.

MINING OPERATIONS — PRC

Ms. Zhang Li

Director of Luchun — Damajianshan Mine Operation

Ms. Zhang Li, aged 50, is the director of Luchun Xingtai Mining Co., Ltd. She is one of the founders of Luchun Xingtai Mining Co., Ltd and responsible for the oversight of the Damajianshan Mine operation. She has over 25 years of mining and exploration experience and extensive network in the mining industry in China. She graduated from the Kunming University of Science and Technology with a degree in Mining and Exploration and is a senior geological engineer.



CODE ON CORPORATE GOVERNANCE PRACTICES AND ASX BEST PRACTICE RECOMMENDATIONS

The Company is listed on both the Australian Securities Exchange ("ASX") and the Stock Exchange of Hong Kong Limited ("SEHK"). Save that for the period from 13 March 2014 to 12 June 2014, the Company did not have at least 1/3 of the board members being independent non-executive directors, the Company complied 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 ("the HK Listing Rules") and the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations with 2010 Amendments" ("the ASX Principles") during the entire year ended 30 June 2014. A description of the Company's main corporate governance practices is set out below.

BOARD OF DIRECTORS

The Board is responsible to shareholders for the overall strategic direction of the Group, including establishing goals for management and monitoring the achievement of those goals with the objective of enhancing the Company and shareholders' value. The Board has delegated responsibility for the management of the Company's business and affairs to the Chief Executive Officer, or an Independent Board Committee. The responsibilities reserved for the Board of Directors are set out in the Board Charter, a copy of which is available on the website of the Company. The Board Charter is reviewed periodically and each Director is provided with a letter of appointment which outlines their key terms and conditions so each Director clearly understands their responsibilities.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chief Executive Officer and Chairman are separate and exercised by different individuals. During the year ended 30 June 2014 and until his resignation on 5 August 2014, Mr. Luk Kin Peter Joseph was the Chief Executive Officer. Mr. Kwai Sze Hoi is a Non-executive Chairman and does not participate in the daily operation of the Group. The Board considers it has provided a clear separation of the roles, and ensured a balance of power and authority. Both of the Chairman and Chief Executive Officer held interests in the shares of the Company, and there are no other relationships between them saved as disclosed herein.

The Chairman is not independent as he is a substantial shareholder of the Company. The Board has determined that his commercial experience is more beneficial to shareholders at this stage of the Company's development than the independence requirement outlined in the ASX Principles.

BOARD MEMBERSHIP

The Board has been structured for an effective composition, with a balance of skills, experience and commitment to adequately discharge its responsibilities and duties. It is believed that a suitable balance between the composition of Executive and Non-executive Directors can effectively exercise independent judgment. Each of the Independent Non-executive Directors has made an annual confirmation stating compliance with the independence criteria set out in Rule 3.13 of the HK Listing Rules. The Directors consider all of the Independent Non-executive Directors to be independent under the independence criteria and all are capable of effectively exercising independent judgment.

CORPORATE GOVERNANCE REPORT

Directors in office during the year are as follows:

	Name of Director/role	Date of appointment	Period in office as at the date of Annual Report	Board meeting attended/eligible to attend*	General meeting attended/eligible to attend*
Non-executive Directors	Kwai Sze Hoi, Chairman	15 June 2012	27 months	17/17	2/3
	Liu Zhengui, Vice Chairman	27 April 2012	29 months	17/17	0/3
	Ross Stewart Norgard	22 August 2012	25 months	17/17	0/3
Independent Non-executive Directors	Uwe Henke Von Parpart	2 January 2008	80 months	17/17	1/3
	Yip Kwok Cheung, Danny	5 August 2009	61 months	17/17	1/3
	Yap Fat Suan, Henry	8 January 2014	8 months	6/6	2/2
	Choi Yue Chun, Eugene	12 June 2014	3 months	0/0	0/0
	Lau Kwok Kuen, Eddie	14 December 2007 (Resigned on 8 January 2014)	73 months	10/10	1/3
Executive Directors	Chan Kam Kwan, Jason, Company Secretary	2 January 2008	80 months	17/17	3/3
	Kwai Kwun, Lawrence	13 March 2014	6 months	1/1	0/0
	Warren Talbot Beckwith	15 June 2012	27 months	17/17	0/3
	Luk Kin Peter Joseph	16 February 2009 (Resigned on 5 August 2014)	66 months	16/16	0/3

* Represents total number of board and general meetings held during the period. Determination of eligibility has taken into account the respective directors' period in office. A total of 17 Board meetings were held during the year ended 30 June 2014.

Biographical details of the Directors are stated under the section "Directors and Management".

The Board has established several sub-committees with members as at the date of this report as follows:

	Nomination Committee	Audit Committee	Remuneration and Performance Committee	Executive Committee	Health, Safety, Environment and Sustainability Committee	Risk Management Committee
Non-executive Directors						
Kwai Sze Hoi (<i>Chairman</i>)	Member		Member			
Liu Zhengui (<i>Vice Chairman</i>)	Member		Member			
Ross Stewart Norgard						Member
Executive Directors						
Chan Kam Kwan, Jason (<i>Company Secretary</i>)				Member		
Warren Talbot Beckwith				Member	Member	Chairman
Kwai Kwun Lawrence				Member		
Independent Non-executive Directors						
Yap Fat Suan, Henry	Chairman	Chairman	Chairman		Member	
Uwe Henke Von Parpart	Member	Member	Member			
Yip Kwok Cheung, Danny	Member	Member	Member		Chairman	Member
Choi Yue Chun, Eugene						



All Committees of the Board have access to professional advice where necessary. Minutes of Committee meetings are kept by the secretary of the meeting.

NOMINATION COMMITTEE

The Board has established a Nomination Committee which carries out its duties in accordance with the Terms of Reference and Nomination Policy, a copy of which is located on the website. The Committee's primary functions are:

- to identify suitable candidates for nomination to the Board, Board Committees and senior management;

- succession planning for the Board and senior management;
- the appointment and re-election of Directors; and
- ensuring appropriate skills are available to the Board to discharge its duties and add value to the Company.

The Committee consists of a majority of independent Directors and was comprised of the following members during the year ended 30 June 2014:

Name of Member	Meetings Attended/ Eligible to attend*
Independent Non-executive Directors	
Lau Kwok Kuen, Eddie (<i>Chairman of the Committee, until resignation on 8 January 2014</i>)	1/1
Yap Fat Suan, Henry (<i>Chairman of the Committee, upon appointment on 8 January 2014</i>)	2/2
Uwe Henke Von Parpart	3/3
Yip Kwok Cheung, Danny	3/3
Non-executive Directors	
Kwai Sze Hoi	3/3
Liu Zhengui	3/3

* Represents the total number of meetings held during the year ended 30 June 2014.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Bye-laws of the Company and to comply with relevant HK Listing Rules, every Director should be subject to retirement by rotation at least once every three years. Non-executive Directors were appointed for a fixed term of 3 years. All Directors appointed to fill a casual vacancy should be subject to re-election by shareholders at the first annual general meeting after their appointment and not less than one-third of the Directors should be subject to retirement and re-election every year.

According to the Bye-laws of the Company, Messrs. Kwai Kwun Lawrence, Yap Fat Suan Henry, and Choi Yue Chun Eugene, both appointed during the year, shall retire and offer themselves for re-election at the forthcoming annual general meeting during the year. In addition Messrs. Warren Talbot Beckwith, Uwe Henke Von Parpart, Liu Zhengui shall also retire, but will offer themselves for re-election at the forthcoming annual general meeting.

No directors' service contract contains a provision requiring greater than one year's notice or requires compensation greater than one year's emoluments.

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT

Each of the Directors keeps abreast of his responsibilities as a Director of the Company and of the conduct, business activities and development of the Company, as well as the laws and regulations applicable to the Company. Comprehensive inductions are conducted upon appointment and the Company ensures suitable professional development is undertaken by directors and members of senior management, with an objective to keep them abreast of the listing rules amendments and refresh their knowledge and skills on corporate governance. The Directors provide and the Company maintains a record of all professional development undertaken during the period. Mr. Chan Kam Kwan, Jason, being an Executive Director and the Company Secretary of the Company received no less than 15 hours of relevant professional training during the financial year. All other directors reviewed written professional development materials during the year ended 30 June 2014.

BOARD MEETINGS

The Board conducts meetings on a regular basis as required by business needs. The Bye-laws of the Company allows board meetings to be conducted by way of telephone or video conference. Any resolutions can be passed by way of written resolutions circulated to and signed by all Directors from time to time when necessary except for matters in which a substantial shareholder or a director or their respective associates has a conflict of interest. The Board held 17 meetings during the year ended 30 June 2014 (the "Reporting Period").

The Company normally provides reasonable notice period of every Board meeting to all the Directors to give them an opportunity to attend. If such notice is not possible, permission to waive is obtained from the Directors.

Prior to each meeting of the Board, the Directors are provided with appropriate, complete and reliable information to ensure timely consideration before each Board meeting to enable them to make informed decisions. The Board is provided with the opportunity to meet independently from Executive Directors as and when required. Each Director also has separate and independent access to senior management whenever necessary.

REMUNERATION AND PERFORMANCE COMMITTEE

The Board has a Remuneration and Performance Committee to ensure that the Company is able to attract, retain, and motivate a high-calibre team which is essential to the success of the Company. The Committee carries out its duties accordance with the Terms of Reference and Policy, a copy of which is located on the website.

The Committee consists of a majority of independent Directors and was comprised of the following members during the year ended 30 June 2014:

Name of Member	Meetings Attended/ Eligible to attend*
Independent Non-executive Directors	
Lau Kwok Kuen, Eddie <i>(Chairman of the Committee, until resignation on 8 January 2014)</i>	1/1
Yap Fat Suan, Henry <i>(Chairman of the Committee, upon appointment on 8 January 2014)</i>	1/1
Uwe Henke Von Parpart	2/2
Yip Kwok Cheung, Danny	2/2
Non-executive Directors	
Kwai Sze Hoi	2/2
Liu Zhengui	2/2

* Represents the total number of meetings held during the year ended 30 June 2014.



The principal duties of the Remuneration and Performance Committee include, inter alia, reviewing and making recommendations to the Board on the Company's remuneration policy; making recommendations to the Board on the remuneration of Executive and Non-executive Directors, and members of the senior management; reviewing and making recommendations to the Board in respect of performance-based remuneration by reference to corporate goals and objectives resolved; and ensuring no Director or any of his or her associates is involved in deciding his own remuneration.

In addition to its duties surrounding remuneration, the Committee is also responsible for the annual performance review of the Board, Board Committees and individual Director's performance.

REMUNERATION AND PERFORMANCE

The terms of reference in respect of the Remuneration and Performance Committee distinguishes the structure of the Non-executive Directors' remuneration from that of Executive Directors and senior executives.

Non-executive Director compensation

The Board is determined to attract and retain high calibre Non-executive Directors to work with the Company, whilst at the same time preserving cash. Accordingly, the structure of the Non-executive Directors' remuneration allows for remuneration in the form of scheme options, granted under the share option scheme. Whilst this represents a departure from the ASX Principles, the Committee believes it is appropriate for the size of the Company, and is satisfied by the fact that all Director participation under the share option scheme is approved by Shareholders and the grant aligns with the long term performance of the Company. The Company's Bye-laws provide that the directors' remuneration shall be determined by the Company in general meeting. The Company has fixed a maximum sum of A\$1 million in aggregate for Non-executive Directors per annum, unless otherwise and approved by the Shareholders.

Performance review of the Board

Board performance and individual Director performance are reviewed on an ongoing basis and evaluated annually by the Remuneration and Performance Committee. The evaluation is undertaken by each Director having one-on-one interviews with the Chairman of the Committee. Individual Directors may meet with the Chairman of the Committee to discuss their responses.

Remuneration of executive directors

The Remuneration and Performance Committee of the Board of Directors of the Company is responsible for reviewing compensation arrangements for the Executive Directors, Chief Executive Officer (if any) and the senior management team, and make recommendation to the Board for approval. The Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Executive compensation framework

The Company aims to reward the executive with a level and mix of compensation commensurate with their position and responsibilities within the Company. The Remuneration and Performance Committee is assisted in the process by the use of independent salary data.

The executive pay and reward framework has 2 components: base pay and long-term incentives through participation in the Brockman Scheme Options Plan.

Performance review — Executives

Senior executives' performance is reviewed on an ongoing basis and evaluated annually by the Remuneration and Performance Committee. The evaluation is undertaken by each executive completing a questionnaire on performance issues or each executive having one-on-one interviews with the Chairman of the Committee. Performance evaluations were completed during the period for all senior executives.

CORPORATE GOVERNANCE REPORT

Remuneration of directors and senior management

For details of the remuneration of each director in the financial period, please refer to the notes to the financial statements.

The emoluments (include share-based compensation) of the members of the senior management by band for the year ended 30 June 2014 is set out below:

	Number of members	
	2014	2013
HK\$0 to HK\$1,000,000	1	1
HK\$1,500,001-HK\$2,000,000	—	1
HK\$2,000,001-HK\$2,500,000	—	1
HK\$2,500,001-HK\$3,000,000	—	1
HK\$3,000,001-HK\$3,500,000	2	1
HK\$3,500,001-HK\$4,000,000	—	1
HK\$4,000,001-HK\$4,500,000	1	—
HK\$4,500,001-HK\$5,000,000	1	2
HK\$5,000,001-HK\$5,500,000	1	—
HK\$6,500,001-HK\$7,000,000	—	1
HK\$7,500,001-HK\$8,000,000	1	—
	7	9

AUDIT COMMITTEE

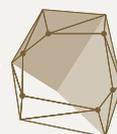
The Board has established an Audit Committee to carry out its oversight of the Company's financial reporting system and internal control procedures. The Committee carries out its duties accordance with the Terms of Reference, a copy of which is located on the website.

The Committee consists of a majority of independent Directors, none of whom have been employed by the previous or current auditors of the Company.

The composition and expertise of the Committee was as follows at during the year ended 30 June 2014:

Name of Member	Meetings Attended/ Eligible to attend*
Lau Kwok Kuen, Eddie (<i>Chairman of the Committee, until resignation on 8 January 2014</i>) Fellow member of Hong Kong Institute of Certified Public Accountants and fellow member of The Association of Chartered Certified Accountant of the United Kingdom	2/2
Yap Fat Suan Henry (<i>Chairman of the Committee, upon appointment on 8 January 2014</i>) Fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants	1/1
Uwe Henke Von Parpart Graduate work in mathematics and philosophy (PhD.) at Princeton University and the University of Pennsylvania, Managing Director and Chief Strategist in Reorient Financial Markets Limited	3/3
Yip Kwok Cheung, Danny Graduated from the Australian National University in Economics and Accountancy	3/3
Warren Talbot Beckwith (Resigned from the Committee on 20 November 2013) Chairman of the audit committee in other listed companies in Hong Kong, director of Gondwana Resources Limited (ASX:GDA); he was also the senior partner of a predecessor firm of Ernst & Young, Hong Kong	2/2

* Represents the total number of meetings held during the year ended 30 June 2014.



The primary responsibilities of the Audit Committee are, inter alia,

- (a) to review the appointment of external auditors on an annual basis including a review of the audit scope and approval of the audit fees;
- (b) to ensure continuing auditor objectivity and to safeguard independence of the Company's auditors;
- (c) to meet the external auditors to discuss issues and reservations (if any) arising from the interim review and final audit, and any matters the auditors suggest to discuss;
- (d) to review the financial information of the Company and monitor the integrity of financial statements;
- (e) to review the Group's financial reporting system and internal control system and procedures, including the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget;
- (f) to serve as a focal point for communication between the Board and the external auditors in respect of the duties relating to financial and other reporting, internal controls, external audit, and such other matters as the Board determines from time to time;
- (g) to consider major findings of internal review and management's response and ensure proper arrangement in place for the fair and independent review of such concerns and appropriate follow up action;
- (h) to devise a framework for the type and authorization of non-audit services provided by the external auditors.

The external auditors and the senior executives are invited to attend the meeting for annual financial statements with specific time set aside for discussion without the presence of management. Minutes of the

Audit Committee Meeting are kept by a secretary of the meeting. Draft and final versions of minutes of the meeting are sent to all members of the committee for their comment and records respectively, in both cases within a reasonable time after the meetings. The Term of Reference of the Audit Committee is available in the website of the Company.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 30 June 2014 have been reviewed by the Board and the Audit Committee and audited by the external auditor, PricewaterhouseCoopers. The Directors acknowledge their responsibility for preparing the financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects.

The Directors ensure that the preparation of the financial statements of the Group are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure that the publication of the financial statements of the Group in a timely manner.

The report of the auditor of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 44 to 45.

EXECUTIVE COMMITTEE

The Board has constituted the Executive Committee and delegated the responsibility of the day-to-day management and has empowered the Executive Committee to implement policies and strategies, for the business activities and operations, internal control and administration of the Group. The Committee carries out all the general powers of management and control of the activities of the Group as vested in the Board, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive. The members include the Executive Directors and certain senior management appointed by the Board from time to time. The Executive Committee meets whenever it is necessary to carry out its obligations.

CORPORATE GOVERNANCE REPORT

HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY COMMITTEE

The Board has established a Committee to oversee the health, safety, environmental and sustainability activities of the Company. The Committee carries out

its duties accordance with the Terms of Reference and Policy, a copy of which is located on the website. The Committee consists of a majority of Independent Directors and was comprised of the following members during the year ended 30 June 2014:

Name of Member	Meetings Attended/ Eligible to attend*
Yip Kwok Cheung, Danny (<i>Chairman of the Committee</i>)	1/1
Warren Talbot Beckwith	1/1
Lau Kwok Kuen, Eddie (until resignation on 8 January 2014)	1/1
Yap Fat Suan, Henry (upon appointment on 8 January 2014)	0/0

* Represents the total number of meetings held during the year ended 30 June 2014

The principle duties of the Committee are:

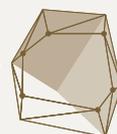
- (a) reviewing and monitoring the sustainability, environmental, safety and health policies and activities of the Company;
- (b) encouraging, supporting and counselling management in developing short and long term policies and standards to ensure that the principles set out in the sustainability, environmental, health and safety policies are being adhered to and achieved;
- (c) regularly reviewing community, environmental, health and safety response compliance issues and incidents to determine, on behalf of the Board, whether the Company is taking all necessary action in respect of those matters and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard;
- (d) ensuring that the Company monitors trends and reviews current and emerging issues in the field of sustainability, environment, health and safety, and evaluates their impact on the Company; and
- (e) reviewing and making recommendations to the Board with respect to environmental aspects of expansions, acquisitions and dispositions with material environmental implications.

RISK MANAGEMENT COMMITTEE

The Board has established a Committee to oversee the risk oversight and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions of the Company. The Committee carries out its duties in accordance with the Terms of Reference and Policy, a copy of which is located on the website. The Committee was comprised of the following members during the year ended 30 June 2014:

Name of Member	Meetings Attended/ Eligible to attend*
Warren Talbot Beckwith (<i>Chairman of the Committee</i>)	1/1
Ross Stewart Norgard	1/1
Yip Kwok Cheung, Danny	1/1

* Represents the total number of meetings held during the year ended 30 June 2014.



Risk management encompasses all areas of the Company's activities. Once a business risk is identified, the risk management processes and systems implemented by the Company are aimed at providing the necessary framework to enable the business risk to be managed. Management has the key role of identifying risks and enabling processes for risk management. Senior management are required to report risks identified to the Risk Management Committee or Chief Executive Officer.

The Risk Management Committee will meet periodically to review and ensure that the Company has in place processes to assess and manage specific and general business risks and appropriate mitigation procedures where applicable.

The overall results of this assessment are presented to the Board, in oral and written form, at every Board meeting by the chairman of the Risk Management Committee, and updated as needed.

The Board reviews the Company's risk management at every Board meeting, and where required, makes improvements to its risk management and internal compliance and control systems.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Securities Trading Policy which applies, inter alia, to all Directors and Key Management Personnel. The Securities Trading Policy complies with the ASX Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the HK Listing Rules. Having made specific enquiry at all directors, directors of the Company confirmed that they have complied with the required standard as set out in the Model Code. A copy of the Company's Securities Trading Policy is available on the website of the Company.

AUDITORS' REMUNERATION

The aggregate remuneration in respect of services provided by PricewaterhouseCoopers for the year ended 30 June 2014 was HK\$3,716,000, of which HK\$2,401,000 represents annual audit fees and HK\$1,315,000 represents fees for non-audit services.

INTERNAL CONTROL

The Board has overall responsibility for the Group's system of internal control and for the assessment and management of risk. The Board has conducted a review of and is satisfied with the effectiveness of the system of internal control of the Group.

The Board also reviews at least annually the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

The Chief Financial Officer ("CFO") of the Company, reports directly to the Board and the Audit Committee, and monitors the existence and effectiveness of the controls in the Group's business operations.

The CFO also discusses the audit plan with the Audit Committee and the external auditors. The audit plan is reassessed during the period as needed to ensure that adequate resources are deployed and the plan's objectives are met. In addition, regular dialogues are maintained with the Group's external auditors so that both are aware of the significant factors which may affect their respective scope of work. Reports from the external auditors on relevant financial reporting matter is presented to the Audit Committee, and, as appropriate, to the Board.

Although the Company is not required to comply with section 295A of the Corporations Act (being a company incorporated in Bermuda), the Board requires the Chief Executive Officer and CFO to state in writing to the Board that:

The Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with the relevant accounting standards.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that the activities of the Board are carried out efficiently and effectively. The Company Secretary assists the Chairman to prepare agendas and Board papers for meetings and disseminates such documents to the Directors and Board committees in a timely manner. The Company Secretary is responsible for ensuring that the Board is fully briefed on all legislative, regulatory and corporate governance developments when making decisions. The Company Secretary is also directly responsible for the Group's compliance with the continuing obligations of the Listing Rules and The Codes on Takeovers and Mergers and Share Repurchases, including publication and dissemination of the Company's reports and financial statements and interim reports within the period laid down in the Listing Rules, timely dissemination of announcements and information relating to the Group to the market and ensuring that proper notification is made when there are any dealings by Directors in the securities of the Group.

The Company Secretary also advises the Directors on their obligations in respect of disclosure of interests in securities, connected transactions and inside information and ensures that the standards and disclosures required by the Listing Rules are observed.

With respect to the secretarial function of the Group, the Company Secretary maintains formal minutes of the Board meetings and other Board committee meetings.

During the Year, Mr Chan Kam Kwan Jason, the Company Secretary of the Company, has undertaken no less than 15 hours of professional training to update his skills and knowledge.

CONTINUOUS DISCLOSURE

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the ASX Listing Rules, and the HK Listing Rules. The Directors have observed the disclosure requirements of the ASX Listing Rules and the HK Listing Rules, and to ensure accountability at a senior management level for that compliance. A copy of the Communications Strategy and Continuous Disclosure Policy can be found on the website.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed in providing clear and full performance information of the Group to shareholders and have established a communications strategy, a copy of which can be found on the Company's website. The strategy is designed to promote effective communication with shareholders throughout the year and encourage effective participation at general meetings. In addition to the circulars, notices and financial reports sent to shareholders, additional information of the Group is also available to shareholders on the Group's website.

As well as ensuring timely and appropriate access to information for all investors via announcements to the ASX and the SEHK, the Company will also ensure that all relevant documents are released on the website of the Company for the purpose of both stakeholders and shareholders. Copies of all corporate governance policies, charters and terms of references are freely available on the website of the Company.

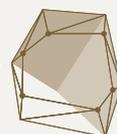
Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The Chairman and Directors are available to answer questions on the Group's business at the meeting. In accordance with the Bye-laws of the Company, a minimum of 14 days' notice is required for every shareholders' meeting and all shareholders shall have statutory rights to call for special general meetings and put forward agenda items for consideration in the general meetings. All resolutions at the general meeting are decided by a poll which is conducted by the Group's branch share registrar in Hong Kong.

The Group values feedback from shareholders on its effort to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

SHAREHOLDERS RIGHTS

How Shareholders can convene a special general meeting

Subject to Section 74 of the Companies Act 1981 of Bermuda (the "Act") and the Bye-law 58 of the Company, the Board may whenever it thinks fit call



special general meetings, and members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings for the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Company Act 1981 of Bermuda.

Procedures for directing Shareholders' enquiries to the Board

Shareholders enquiries can be directed to inquiry@brockmanmining.com or by writing to the Company Secretary office, whose contact details are as follows:

Suites 3812-13, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

The enquiries would then be assessed and considered (if appropriate) to put to the Board. Shareholders may also make enquiries with the Board at the general meetings of the Company.

Procedures for putting forward proposals at a general meeting

Any number of shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the procedures as set out in Section 79 of the Act for putting forward such proposals.

Provision of information in respect of and by directors

Updated information with regard to the change in other directorships of the Directors of the Company are as set out below:

- Mr. Chan Kam Kwan, Jason has resigned as an executive director of China WindPower Group Limited effective on 21 January 2014; and

- Mr. Ross Stewart Norgard's chairmanship with Ipernica Limited retained and Ipernica Limited was renamed as Nearnmap Ltd.

CONSTITUTIONAL DOCUMENTS

There was no change in the memorandum and articles of association and the Bye-laws of the Company during the year. The memorandum and articles of association and the Bye-laws of the Company are available on the Company's website.

ETHICAL STANDARDS AND DIVERSITY

All Directors, senior management and employees of the Company are expected to conduct themselves with integrity, openness, honesty and fairness, and in the best interests of the Company. The Board has established a Code of Conduct and Ethics, which is supported by a Whistleblower Policy, to guide all Directors, members of senior management and employees. A copy of the Code of Conduct and Ethics and Whistleblower Policy is available in the corporate governance section of the Company's website.

The Company's recognition of the benefits of diversity where people from different gender, age, ethnicity and cultural backgrounds can bring fresh ideas and perceptions which make the workplace more efficient is reinforced in the diversity policy, a copy of which is available in the corporate governance section of the Company's website. This policy outlines specific diversity initiatives designed to facilitate equal employment opportunities and requires the Company to set out specific diversity initiatives and targets with the aim of reporting the progress towards the metrics in the annual report. These key metrics include:

- proportion of women appointed as non-executive directors of the Company;
- proportion of women in the workplace;
- proportion of women in senior management;
- parental leave return rates; and
- employee turnover.

CORPORATE GOVERNANCE REPORT

The Board has determined that the targets for each metric would be an improvement of the 2014 metrics. The historical data is as follows:

	2014	2013	2012
Proportion of women appointed as non-executive directors	0	0	0
Proportion of women in the workplace	9%	14%	10%
Proportion of women in senior management	29%	22%	11%
Parental leave return rates	0	0	0
Employee turnover	23%	22%	19%

Based on the above key metrics it appears that the policy is delivering in all aspects except proportion of women appointed as non-executive directors. The Board is continually looking to achieve diversity and absent a diversity of gender will endeavour to appoint individuals who will provide a mix of diverse experiences, perspectives and skills appropriate for the Company, including appropriate technical and commercial skills relevant to the mining industry.

The proportion of women employees in the whole organisation is approximately 13%.

Key performance indicators for business are as follows:

Workplace quality

Total workforce by employment type, age group and geographical region

Current workforce	Australia	China	Hong Kong
Corporate	4	4	11
Corporate Support Services	4	16	7
Project Development	6	—	—
Exploration	12	17	—
Mining Operation	—	328	—
TOTAL	26	365	18



SUSTAINABILITY

The Company is committed to the development of a sustainable iron ore business in Western Australia that benefits its employees, contractors, suppliers, partners and the community.

We will achieve this through the effective implementation and proactive management of our commitments and obligations to workplace health and safety, the environment and to the communities in which we operate.

To operate an effective and sustainable iron ore business, Brockman will:

- Focus on the elimination and management of workplace hazards and risks.
- Act ethically and responsibly in all its interactions.
- Promote a culture which focuses its employees, contractors, suppliers and partners on workplace health and safety as the responsibility of all those who work in its business.
- Provide a workplace free from bullying or discrimination and offering equal opportunity to all employees.
- Work actively through all areas of its business to minimize the actual and potential environmental impact of the Company's activities.
- Respect the rights of the traditional owners and value the indigenous cultural heritage associated with its operations.

We will implement systems and ensure that resources are allocated to implement and monitor these commitments and its legal obligations. Our employees, contractors and partners will be regularly informed of the Company's progress towards these goals.

The policy and the systems that support it will be routinely measured to ensure the delivery of our commitments and system improvements made where the need arises.

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company are exploration and development of iron ore mining projects in Western Australia; exploitation, processing and production of copper ore concentrates in the PRC. Detailed activities of each of the Company's subsidiaries are as set out in Note 41 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2014 are set out in the consolidated statement of comprehensive income on page 46.

REVIEW OF OPERATIONS

It is recommended that the financial statements be read in conjunction with the 30 June 2014 annual report and any public announcements made by the Company during the period. Detailed business review is set out in pages 4 to 20.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the ASX regarding exploration and other activities of the Company.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the period in the property, plant and equipment of the Group are set out in Note 19 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in authorised and issued share capital of the Company are set out in Note 27 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 June 2014, the Company has no reserve available for distribution to the shareholders.

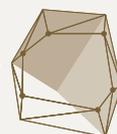
PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws in Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CONNECTED TRANSACTION

On 24 October 2013, the Company and Mr. Leung Chi Yan (being the director of Perryville Group Limited) entered into a sales and purchase agreement pursuant to which the Company agreed to sell and Mr. Leung agreed to purchase the entire interest in Perryville Groups Limited and its subsidiaries ("Perryville Group") and the total amount payable to the Company by Perryville Group at a consideration of HK\$45 million. The said transactions were completed on 19 February 2014.

On 2 January 2014, the Company announced that it entered into shares subscription agreements with China Guoyin investment (HK) Ltd ("China Guoyin") and Ocean Line Holdings Limited ("Ocean Line") respectively. Ocean Line is a substantial shareholder of the Company and is thus a connected person of the Company and thus the share subscription constitutes a connected transaction for the Company subject to shareholders' approval. The relevant shareholders' approval was sought on 13 February 2014 and a total of 292,500,000 ordinary shares of the Company were issued at a consideration of HK\$0.40 per share to Ocean Line accordingly.



COMPLIANCE WITH DISCLOSURE REQUIREMENTS

All transactions as shown in Note 40(a) are connected transactions exempted from announcement, reporting, annual review and independent shareholders' approval requirement under Rule 14A.31 of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transactions.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial period/year is set out on page 101.

DIRECTORS

The Directors of the Company during the period and up to the date of this report were:

Non-executive Directors:

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

Executive Directors:

Luk Kin Peter Joseph (*Chief Executive Officer*)
(*Resigned on 5 August 2014*)
Chan Kam Kwan, Jason (*Company Secretary*)
Warren Talbot Beckwith
(*Redesignated on 20 November 2013*)
Kwai Kwun, Lawrence
(*Appointed on 13 March 2014*)

Independent Non-executive Directors:

Uwe Henke Von Parpart
Yip Kwok Cheung, Danny
Yap Fat Suan, Henry
(*Appointed on 8 January 2014*)
Choi Yue Chun, Eugene
(*Appointed on 12 June 2014*)
Lau Kwok Kuen, Eddie
(*Resigned on 8 January 2014*)

In accordance with Clauses 86(2) and 87(1) of the Company's Bye-laws, Messrs. Kwai Kwun, Lawrence, Yap Fat Suan, Henry, Choi Yue Chun, Eugene, Uwe Henke Von Parpart, Warren Talbot Beckwith, Liu Zhengui shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

All the Independent Non-executive Directors are appointed for a specific term and will be subject to retirement by rotation and re-election in accordance with the HK Listing Rules and the Bye-laws of the Company.

The Company has received from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the HK Listing Rules. The Company considered all of the Non-executive Directors are independent.

DIRECTOR'S SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2014, 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 ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the SEHK, pursuant to the Model Code were as follows:

(i) Long positions in the ordinary shares of HK\$0.10 each of the Company

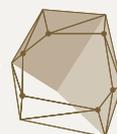
Name of Director	Capacity	Number of issued ordinary shares held	Number of share options held	Approximate percentage of the issued share capital of the Company
Mr. Kwai Sze Hoi	Jointly (Note 1)	60,720,000	—	0.72%
	Interests of controlled corporation (Note 1)	1,776,960,137	—	21.20%
	Beneficial owner (Note 1)	—	70,000,000	0.84%
Mr. Liu Zhengui	Beneficial owner	—	30,000,000	0.36%
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	22,258,412	15,000,000	0.44%
	Interests of controlled corporation	59,000,000	—	0.70%
Mr. Warren Talbot Beckwith	Beneficial owner	—	20,000,000	0.24%
Mr. Luk Kin Peter Joseph*	Beneficial owner (Note 2)	—	50,000,000	0.60%
	Interests of controlled corporation (Note 2)	387,032,276	—	4.62%
Mr. Chan Kam Kwan, Jason	Beneficial owner	—	12,200,000	0.15%
Mr. Uwe Henke Von Parpart	Beneficial owner	—	2,500,000	0.03%
Mr. Yip Kwok Cheung, Danny	Beneficial owner	—	2,500,000	0.03%
Mr. Yap Fat Suan, Henry	Beneficial owner	400,000	—	0.00%
Mr. Choi Yue Chun, Eugene	Beneficial owner	—	—	0.00%

Note:

- The 1,776,960,137 shares were held by Ocean Line Holdings Ltd., a company held as to 60% by Mr. Kwai Sze Hoi and as to 40% by Ms. Cheung Wai Fung (Mr. Kwai's spouse). In addition, Mr. Kwai and Ms. Cheung have a joint direct interest in 60,720,000 shares of the Company.
- The 387,032,276 shares are 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, Ms Cheung Sze Wai, Catherine (Mr. Luk's spouse), and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively.

* Subsequent to the year ended 30 June 2014, Mr. Luk has resigned as a director of the Company

Save as disclosed above, none of the Directors and chief executives, nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2014.



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 29 to the consolidated financial statements.

Details of the options outstanding at 30 June 2014 which have been granted to Qualified Persons under the Share Option Scheme are as follows:

Grant date	Number of options outstanding as at 1 July 2013	Number of options lapsed during the year ended 30 June 2014	Number of options outstanding as at 30 June 2014	Exercise price
18 January 2010	7,500,000	(7,500,000)	—	HK\$1.164
11 February 2010	27,000,000	(27,000,000)	—	HK\$1.24
11 November 2010	39,000,000	(39,000,000)	—	HK\$2.00
14 December 2011	5,400,000	—	5,400,000	HK\$0.72
28 March 2012	78,000,000	—	78,000,000	HK\$0.72
14 January 2013	88,100,000	—	88,100,000	HK\$0.717
14 January 2013	88,100,000	—	88,100,000	HK\$0.967
28 February 2013	3,750,000	(150,000)	3,600,000	HK\$0.717
28 February 2013	3,750,000	(150,000)	3,600,000	HK\$0.967
20 May 2013	77,350,000	(750,000)	76,600,000	HK\$0.717
20 May 2013	77,350,000	(750,000)	76,600,000	HK\$0.967
	495,300,000	(75,300,000)	420,000,000	

On 6 January 2011, the Company has issued 15,000,000 freely traded options which are attached to each of the 15,000,000 shares subscribed during the dual-listing process of the Company. Options are freely traded and will expire on 30 September 2014.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors has any interests in competing business to the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Other than as disclosed in the section "Directors' and Chief Executives' Interests", at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company nor their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Details of the related party transactions for the year are set out in Note 40 to the consolidated financial statements. Other than as disclosed therein, no contracts of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a Director or a controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the period.

DIRECTORS AND OFFICERS INDEMNITIES AND INSURANCE

The Company has paid premiums to insure the Directors and officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as

officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officer of the improper use by the officers of their position to gain advantage for themselves or someone else to cause detriment to the Group.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 30 June 2014 are disclosed in Note 40 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2014, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

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

Name of shareholder	Capacity	Number of shares or underlying shares	Percentage of the issued share capital of the Company
Kwai Sze Hoi (Note)	Interest held by controlled corporations	1,776,960,137	21.20%
	Interest held jointly with another person	60,720,000	0.72%
	Beneficial owner	70,000,000	0.84%
Cheung Wai Fung (Note)	Interest held by controlled corporations	1,776,960,137	21.20%
	Interest held jointly with another person	60,720,000	0.72%
	Interest held by spouse	70,000,000	0.84%
Ocean Line Holdings Ltd. (Note)	Beneficial owner	1,776,960,137	21.20%
Zhu Yi Cai	Interest held by controlled corporations	774,804,972	9.24%
China Guoyin Investments (HK) Ltd	Beneficial owner	764,904,972	9.13%
Cheung Sze Wai, Catherine (Note)	Interest held by controlled corporations	387,032,276	4.62%
	Interest held by spouse	50,000,000	0.60%
Luk Kin Peter Joseph (Note)	Interest held by controlled corporations	387,032,276	4.62%
	Beneficial owner	50,000,000	0.60%

Notes: Please refer to Note under section headed: Directors and Chief Executives' Interests on P.40.

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 30 June 2014.



PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 June 2014, the aggregate amount of revenue (including discontinued operation) attributable to the Group's five largest customers represented 50.1% of the Group's total revenue and the largest customer represented 34.6% of the Group's total revenue. Aggregate operating and administrative expenses attributable to the Group's five largest suppliers were less than 12% of total operating and administrative expenses (include exploration and evaluation expenses) for the year.

At no time during the year did any Director, any associate of a Director, or any shareholder of the Company, which to the knowledge of the Directors owned more than 5% of the Company's share capital, have any beneficial interests in these customers or suppliers.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices is adopted by the Company as set out in the Corporate Governance Report on pages 25 to 37 of the annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there was sufficient of public float of the Company's securities as required under the HK Listing Rules.

AUDITOR

The financial statements for the financial year ended 30 June 2014 have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves or re-appointment at the forthcoming annual general meeting of the Company.

By order of the Board

Kwai Sze Hoi
Chairman

Hong Kong, 23 September 2014

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

TO THE SHAREHOLDERS OF BROCKMAN MINING LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Brockman Mining Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 46 to 100, which comprise the consolidated and company balance sheets as at 30 June 2014, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwehk.com



OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2014, and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 23 September 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

		Year ended 30 June	
	Note	2014 HK\$'000	2013 HK\$'000 (Restated) (Notes 3(a) and 36)
Continuing operations			
Revenue	7	38,739	50,298
Cost of sales	9	(34,170)	(57,349)
Gross profit/(loss)		4,569	(7,051)
Other income	10	5,388	19,840
Other gains/(losses), net	11	1,984	(6,820)
Selling and administrative expenses	9	(88,933)	(101,663)
Exploration and evaluation expenses	9	(87,188)	(98,563)
Impairment losses	12	(40,000)	(243,000)
Share of losses of joint ventures	38	(8,090)	(13,234)
Operating loss		(212,270)	(450,491)
Finance costs	13	(804)	(17,075)
Loss before income tax		(213,074)	(467,566)
Income tax expense	14	—	(948)
Loss for the year from continuing operations		(213,074)	(468,514)
Discontinued operation			
Profit/(loss) for the year from discontinued operation	36	3,973	(8,328)
Loss for the year		(209,101)	(476,842)
Other comprehensive income/(loss):			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		63,880	(227,888)
Release of translation reserve arising from disposal of subsidiaries		(2,717)	—
Other comprehensive income/(loss) for the year		61,163	(227,888)
Total comprehensive loss for the year		(147,938)	(704,730)
Loss for the year attributable to:			
Equity holders of the Company		(207,098)	(449,384)
Non-controlling interests		(2,003)	(27,458)
		(209,101)	(476,842)
(Loss)/income for the year attributable to equity holders of the Company arising from:			
Continuing operations		(211,071)	(441,056)
Discontinued operation		3,973	(8,328)
		(207,098)	(449,384)
Total comprehensive loss attributable to:			
Equity holders of the Company		(146,447)	(678,775)
Non-controlling interests		(1,491)	(25,955)
		(147,938)	(704,730)



		Year ended 30 June	
	Note	2014 HK\$'000	2013 HK\$'000 (Restated) (Notes 3(a) and 36)
Total comprehensive (loss)/income attributable to equity holders of the Company arising from:			
Continuing operations		(148,491)	(671,541)
Discontinued operation		2,044	(7,234)
		(146,447)	(678,775)
(Loss)/earnings per share attributable to the equity holders of the Company during the year			
		HK cents	HK cents
Basic (loss)/earnings per share from:			
Continuing operations	16	(2.61)	(5.90)
Discontinued operation	16	0.05	(0.11)
		(2.56)	(6.01)
Diluted (loss)/earnings per share from:			
Continuing operations	16	(2.61)	(5.90)
Discontinued operation	16	0.05	(0.11)
		(2.56)	(6.01)

The notes on pages 54 to 100 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 30 June 2014

	Note	As at 30 June		As at 1 July
		2014 HK\$'000	2013 HK\$'000 (Restated) (Note 3(a))	2012 HK\$'000 (Restated) (Note 3(a))
Non-current assets				
Mining properties	18	3,536,267	3,494,432	4,083,440
Property, plant and equipment	19	33,242	89,316	103,574
Goodwill		—	—	784
Intangible asset		—	—	3,592
Interests in joint ventures	38	1,264	1,276	4,684
Other non-current assets		14,488	15,262	13,630
		3,585,261	3,600,286	4,209,704
Current assets				
Inventories	20	11,857	7,286	13,209
Trade receivables	21	—	21,370	22,983
Other receivables, deposits and prepayments		8,117	13,271	19,240
Amounts due from related parties	40	2,993	1,155	1,191
Restricted cash		—	—	5,200
Cash and cash equivalents	22	223,698	252,994	333,252
		246,665	296,076	395,075
Total assets		3,831,926	3,896,362	4,604,779
Equity				
Share capital	27	838,198	789,448	717,504
Reserves		1,941,198	1,924,023	2,311,878
Equity attributable to the equity holders of the Company		2,779,396	2,713,471	3,029,382
Non-controlling interests		—	43,075	69,634
Total equity		2,779,396	2,756,546	3,099,016



	Note	As at 30 June		As at 1 July
		2014 HK\$'000	2013 HK\$'000 (Restated) (Note 3(a))	2012 HK\$'000 (Restated) (Note 3(a))
Non-current liabilities				
Other payables	24	26,865	—	—
Obligations under finance leases	26	—	7,615	10,858
Amount due to a related party	40	—	25,846	35,592
Convertible bonds		—	—	154,401
Deferred income tax liabilities	30	920,561	896,062	1,001,635
Provisions	31	1,660	2,122	1,126
		949,086	931,645	1,203,612
Current liabilities				
Trade payables	23	9,540	14,161	14,133
Other payables and accrued charges	24	91,070	172,609	191,452
Amounts due to non-controlling interests		—	—	58,939
Amounts due to related parties	40	2,834	3,800	5,401
Bank borrowings	25	—	10,781	26,671
Obligations under finance leases	26	—	6,820	5,555
		103,444	208,171	302,151
Total liabilities		1,052,530	1,139,816	1,505,763
Total equity and liabilities		3,831,926	3,896,362	4,604,779
Net current assets		143,221	87,905	92,924
Total assets less current liabilities		3,728,482	3,688,191	4,302,628

The consolidated financial statements on pages 46 to 100 were approved by the Board of Directors on 23 September 2014 and were signed on its behalf

Kwai Kwun, Lawrence
Director

Chan Kam Kwan, Jason
Director

The notes on pages 54 to 100 form an integral part of these consolidated financial statements.

BALANCE SHEET

As at 30 June 2014

		As at 30 June	
	Note	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Investments in subsidiaries	41	—	29,892
Amounts due from subsidiaries	41	2,739,497	2,843,846
Property, plant and equipment	19	1,451	2,160
		2,740,948	2,875,898
Current assets			
Other receivables, deposits and prepayments		3,194	3,195
Amount due from subsidiaries	41	133,797	39,442
Cash and cash equivalents	22	133,010	63,497
		270,001	106,134
Total assets		3,010,949	2,982,032
Equity			
Share capital	27	838,198	789,448
Reserves	42	1,921,220	1,941,532
Total equity		2,759,418	2,730,980
Current liabilities			
Other payables and accrued charges		4,538	4,037
Amount due to a subsidiary		246,993	247,015
		251,531	251,052
Total liabilities		251,531	251,052
Total equity and liabilities		3,010,949	2,982,032
Net current assets/(liabilities)		18,470	(144,918)
Total assets less current liabilities		2,795,418	2,730,980

The financial statements on pages 46 to 100 were approved by the Board of Directors on 23 September 2014 and were signed on its behalf

Kwai Kwun, Lawrence
Director

Chan Kam Kwan, Jason
Director

The notes on pages 54 to 100 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

ANNUAL REPORT 2014



	Attributable to equity holders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Statutory reserves (note) HK\$'000	Convertible bonds reserve HK\$'000	Share-based compensation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Other reserves HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
Balance at 1 July 2012	717,504	4,005,322	2,428	25,547	59,310	(61,650)	(2,181,540)	462,461	3,029,382	69,634	3,099,016
Comprehensive loss											
Loss for the year	—	—	—	—	—	—	(449,384)	—	(449,384)	(27,458)	(476,842)
Other comprehensive income											
Exchange differences arising on translation of foreign operations	—	—	—	—	—	(229,391)	—	—	(229,391)	1,503	(227,888)
Total other comprehensive (loss)/income for the year	—	—	—	—	—	(229,391)	—	—	(229,391)	1,503	(227,888)
Total comprehensive loss for the year	—	—	—	—	—	(229,391)	(449,384)	—	(678,775)	(25,955)	(704,730)
Transactions with equity holders											
Issue of shares for acquiring additional interest in a subsidiary upon the compulsory acquisition	4,906	21,583	—	—	—	—	—	—	26,489	—	26,489
Issue of convertible bonds — equity component	—	—	—	84,659	—	—	—	—	84,659	—	84,659
Issue of shares upon conversion of convertible bonds	48,014	227,975	—	(110,206)	—	—	—	—	165,783	—	165,783
Issue of shares upon redemption of a fixed rate bond (Note 27)	19,024	58,976	—	—	—	—	—	—	78,000	—	78,000
Appropriations to statutory reserves	—	—	2,990	—	—	—	(2,386)	—	604	(604)	—
Share-based compensation	—	—	—	—	7,329	—	—	—	7,329	—	7,329
Total transactions with equity holders	71,944	308,534	2,990	(25,547)	7,329	—	(2,386)	—	362,864	(604)	362,260
Balance at 30 June 2013	789,448	4,313,856	5,418	—	66,639	(291,041)	(2,633,310)	462,461	2,713,471	43,075	2,756,546

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Attributable to equity holders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Statutory reserves (note) HK\$'000	Share-based compensation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Other reserves HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
Balance at 1 July 2013	789,448	4,313,856	5,418	66,639	(291,041)	(2,633,310)	462,461	2,713,471	43,075	2,756,546
Comprehensive loss										
Loss for the year	—	—	—	—	—	(207,098)	—	(207,098)	(2,003)	(209,101)
Other comprehensive income										
Exchange differences arising on translation of foreign operations	—	—	—	—	63,368	—	—	63,368	512	63,880
Release of translation reserve arising from disposal of subsidiaries (Note 36)	—	—	—	—	(2,717)	—	—	(2,717)	—	(2,717)
Total other comprehensive income for the year	—	—	—	—	60,651	—	—	60,651	512	61,163
Total comprehensive income/(loss) for the year	—	—	—	—	60,651	(207,098)	—	(146,447)	(1,491)	(147,938)
Transactions with equity holders										
Acquisition of additional interest in a subsidiary (Note 37)	—	—	—	—	—	—	(4,236)	(4,236)	(41,417)	(45,653)
Issue of shares (Note 27)	40,950	122,850	—	—	—	—	—	163,800	—	163,800
Issue of shares upon redemption of a fixed rate bond (Note 27)	7,800	23,400	—	—	—	—	—	31,200	—	31,200
Appropriations to statutory reserves	—	—	2,252	—	6	(2,091)	—	167	(167)	—
Share-based compensation	—	—	—	21,441	—	—	—	21,441	—	21,441
Total transactions with equity holders	48,750	146,250	2,252	21,441	6	(2,091)	(4,236)	212,372	(41,584)	170,788
Balance at 30 June 2014	838,198	4,460,106	7,670	88,080	(230,384)	(2,842,499)	458,225	2,779,396	—	2,779,396

Note: The statutory reserves represent general reserve funds appropriated from the profit after tax of a subsidiary established in the PRC in accordance with PRC laws and regulations.

The notes on pages 54 to 100 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

ANNUAL REPORT 2014



For the year ended 30 June 2014

	Note	Year ended 30 June	
		2014 HK\$'000	2013 HK\$'000 (Restated) (Note 3(a))
Cash flows from operating activities			
Cash used in operating activities	32	(195,501)	(145,367)
Income tax refund/(paid)		331	(1,683)
Net cash used in operating activities		(195,170)	(147,050)
Cash flows from investing activities			
Interest received		3,901	11,495
Proceeds from disposal of property, plant and equipment		904	3,781
Purchases of property, plant and equipment		(2,864)	(12,253)
Purchase of mining properties		(141)	(7,305)
Contributions to investments in joint ventures	38	(8,043)	(9,972)
Net cash inflows arising from disposal of subsidiaries	36	35,090	—
Net cash generated from/(used in) investing activities		28,847	(14,254)
Cash flows from financing activities			
Proceeds from issuance of fixed rate bonds		31,200	156,000
Additional finance leases		—	6,723
Proceeds from issuance of ordinary shares		163,800	—
Acquisition of additional interest in subsidiaries		(45,654)	(33,514)
Repayment of borrowings		(5,158)	(15,890)
Release of restricted cash		—	5,200
Repayment of finance leases		(4,545)	(8,701)
Interest paid		(955)	(6,196)
Finance lease charges		(416)	(875)
Net cash generated from financing activities		138,272	102,747
Net decrease in cash and cash equivalents		(28,051)	(58,557)
Cash and cash equivalents at beginning of the year		252,994	333,252
Effects of foreign exchange rate changes		(1,245)	(21,701)
Cash and cash equivalents at end of the year, represented by bank balances and cash	22	223,698	252,994
Cash used for exploration and evaluation activities were included in:			
— Operating activities		(89,609)	(143,028)
— Investing activities		—	(591)

Non-cash transactions

A subsidiary of Perryville Group Limited entered into finance lease arrangements in respect of motor vehicles with total capital amount at the inception of the lease of HK\$2,316,000 before the Disposal (Note 36).

The notes on pages 54 to 100 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 ("PRC").

The Company is a public limited 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.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23 September 2014.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and with the applicable disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) Going concern

During the year ended 30 June 2014, the Group had cash outflows used in operating activities of HK\$195,170,000 (2013: HK\$147,050,000, as restated). Based on the directors' review of cash flow projections, taken into account the Group's expected cash flows from operations and available financial resources, the Group is expected to have sufficient financial resources to satisfy its future working capital requirements, and to meet its financial obligations as and when required for the next twelve months. Accordingly, the directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New and amended standards adopted by the Group

The Group adopted the following new standards which are mandatory for the Group's financial year ended 30 June 2014.

- IFRS 10 "Consolidated Financial Statements" replaces the requirements in IAS 27 "Consolidated and Separate Financial Statements", relating to the preparation of consolidated financial statements and SIC-12 "Consolidation — Special Purpose Entities". It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 July 2013.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) New and amended standards adopted by the Group (Continued)

- IFRS 11 "Joint Arrangements" replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly-controlled Entities — Non-monetary Contributions by Venturers".

Under IFRS 11, investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Unlike IAS 31, the use of "proportionate consolidation" to account for joint ventures is no longer permitted.

Before 1 July 2013, under the Group's previous accounting policy, the Group's joint arrangements were assessed as jointly controlled entities and accounted for using the proportionate consolidation method. Based on the facts and circumstances, it has been assessed that the Group has rights to the net assets relating to the jointly controlled entity and therefore the joint arrangements was classified as joint ventures.

As required under IFRS 11, the policy to account for the joint venture has now been changed to the equity method of accounting. The change in accounting policy has been applied retrospectively and, as a consequence, adjustments were recognised in the balance sheet as of 1 July 2012. The Group recognised its investments in joint ventures at the beginning of the earliest period presented as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated. This is deemed to be the cost of the Group's investments in joint ventures for applying equity accounting.

The effect of the adoption of this new standard is as follows:

	As at 30 June 2013 HK\$'000	As at 1 July 2012 HK\$'000
Impact on consolidated balance sheet		
Assets		
— Decrease in property, plant and equipment	(166)	(264)
— Decrease in other receivables, deposits and prepayments	(1,378)	(3,745)
— Decrease in cash and cash equivalents	(753)	(3,143)
— Increase in interests in joint ventures	1,276	4,684
Liabilities		
— Decrease in other payables and accrued charges	(1,021)	(2,468)

	Year ended 30 June 2013 HK\$'000
Impact on consolidated statement of comprehensive income	
Decrease in exploration and evaluation expenses	(13,234)
Increase in share of losses of joint ventures	13,234
Impact on consolidated statement of cash flows	
Decrease in cash flows used in operating activities	12,328
Increase in cash flows used in investing activities	
— Contributions to investments in joint ventures	(9,972)
— Decrease in proceeds from disposals of property, plant and equipment	(40)
— Decrease in purchase of property, plant and equipment	74
Net increase in change of cash and cash equivalents	2,390

There was no effect on other comprehensive income and the effect on loss per share was immaterial.

- IFRS 12 "Disclosures of Interests in Other Entities" brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. New disclosures are provided in Note 38.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) New and amended standards adopted by the Group (Continued)

The following new revised standards, amendments to standards and interpretation are mandatory for the Group's financial year ended 30 June 2014. The adoption of these new standards and amendments to standards does not have any significant impact to the results and financial position of the Group.

IAS 19 (Revised 2011)	Employee Benefits
IAS 27 (Revised 2011)	Separate Financial Statements
IAS 28 (Revised 2011)	Investment in Associates and Joint Ventures
IFRS 1 (Amendment)	Government Loans
IFRS 7 (Amendment)	Disclosures — Offsetting Financial Assets and Financial Liabilities
IFRS 10, IFRS 11, and IFRS 12 (Amendment)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 13	Fair Value Measurement
IFRIC – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements Projects	Annual Improvements 2009-2011 Cycle

(b) New and amended standards have been issued but are not effective for the Group's financial year ended 30 June 2014 and have not been early adopted

The following new standards, amendments to standards and interpretation have been issued, but are not effective for the Group's financial year ended 30 June 2014 and have not been early adopted:

		Effective for annual periods beginning on or after
IAS 32 (Amendment)	Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36 (Amendment)	Impairments of Assets	1 January 2014
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	1 January 2014
IFRIC — Int 21	Levies	1 January 2014
IFRS 10, IFRS 12 and IAS 27 (Revised 2011) (Amendment)	Investment Entities	1 January 2014
Annual Improvements Project 2012	Annual Improvements 2010-2012 Cycle	1 July 2014
Annual Improvements Project 2013	Annual Improvements 2011-2013 Cycle	1 July 2014
IAS 19 (Amendment)	Employee Benefits	1 July 2014
IAS 16 and IAS 38 (Amendment)	Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

The Group is in the process of making an assessment of the impact of the above new/revised standards, amendments to standards and interpretation and is not yet in a position to state the impact on the Group's results of operations and financial position.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(i) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions with equity holders of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(ii) *Disposal of subsidiaries*

When the Group ceases to have control of a subsidiary, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(d) Joint arrangements

The Group had applied IFRS 11 to all joint arrangements. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in joint ventures equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 July 2012.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive directors of the Company, who are responsible for allocating resources, assessing performance of the operating segments, and making strategic decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of joint control over a joint venture that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures that do not result in the Group losing joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(g) Mining properties

Mining properties are stated in the balance sheet at cost less subsequent accumulated amortisation and any accumulated impairment losses. Mining properties are amortised using the units of production method based on the proven and probable mineral reserves and starts when commercial production commences.

Mining properties acquired in a business combination are identified and recognised as intangible assets separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair values at the acquisition date.

Impairment reviews of mining properties are undertaken if events or changes in circumstances indicate a potential impairment. The carrying value of mining properties is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Mining properties that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress, are stated at historical cost less subsequent accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual value at the following rates per annum:

Buildings	5%
Leasehold improvements	Shorter of remaining lease terms or 25%
Plants, furniture, fixtures and equipment	12.5% — 25%
Motor vehicles	10% — 20%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(j) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Discontinued operation

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the consolidated statement of comprehensive income, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to disposal, or on the disposal, of the assets or disposal group constituting the discontinued operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial assets

Classification

The Group classifies its financial assets as loan and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables", "other receivables and deposits", "amount due from related parties", "restricted cash" and "cash and cash equivalents" in the consolidated balance sheet.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(n) Trade and other receivables

Trade receivables are amounts due from customers for inventories sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

All borrowing costs are recognised as and included in finance costs in the profit or loss in the period in which they are incurred. Except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

(s) Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded option is exercised, in which case the balance stated in convertible bonds reserve will be transferred to share premium. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

(t) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

All wholly-owned Australian subsidiaries of the Company form a tax consolidated group under Australian tax law and are taxed as a single entity. Brockman Mining Holdings (Australia) Pty Ltd ("BMH"), a wholly-owned subsidiary of the Company, is the head entity of the Australian tax consolidated group.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) **Current and deferred income tax** (Continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination which at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(u) **Employee benefits**

(i) **Short-term obligations**

Salaries, annual bonuses, annual leave entitlement and the cost of non-monetary benefits expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) **Other long term employee benefit obligations**

The liability for long service payment which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of a reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of services. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) **Pension obligations**

The Group participates in various defined contribution schemes. The schemes are generally funded through payments to insurance companies, trustee-administrated funds or the relevant government authorities. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee services in the current and prior periods.

Payments to state-managed retirement benefit and Mandatory Provident Fund retirement benefits scheme are charged as expenses when employees have rendered services entitling them to the contributions.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Share-based payments

(a) *Equity-settled share-based payment transactions*

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from directors, employees or consultants as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (for example, an entity's share price);
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(b) *Share-based payment transactions among group entities*

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

(c) *Share-based payment transactions with non-employees*

For equity-settled share-based payment transactions with non-employees, the fair value of goods or services received in exchange for a share-based payment is measured directly unless the fair value cannot be estimated reliably. In this case, the fair value is measured by reference to the fair value of the equity instruments granted as consideration. The measurement date is the date that the entity obtains the goods or the counterparty renders the service. Expenses are recognised in consolidated statement of comprehensive income, and the corresponding increase in equity.

(w) Provisions

Provisions for environment restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using pre-tax that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(x) Financial guarantee

Financial guarantee contracts within the scope of IAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the best estimate of the expenditure required to settle any financial obligation arising at the balance sheet date; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in the consolidated statement of comprehensive income the fee income earned on a straight line basis over the life of the guarantee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for inventories supplied in the normal course of business, net of goods and services tax or value-added tax, discounts and after eliminating sales within the Group.

Transportation services income is recognised when the related services are provided.

Revenue on provisionally priced sales is recognised at the estimated fair value of the total consideration received or receivable. Contract terms for copper ore concentrates allow for a price adjustment based on the final assay of the goods by the customer to determine content. Recognition of the sales revenue for copper ore concentrates is based on the most recently determined estimate of product specifications with a subsequent adjustment made to revenue upon final determination.

The fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue. In all cases, fair value is estimated by reference to market prices.

(z) Interest income

Interest income from a financial asset is accrued on a time basis at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(aa) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the year necessary to match them with the costs that they are intended to compensate.

(ab) Exploration and evaluation costs

The Group has a policy of expensing all exploration and evaluation expenditure, except for acquisition costs, in the financial year in which it is incurred, unless its recoupment out of revenue to be derived from the successful development of the prospect, or from sale of that prospect, is assured beyond reasonable doubt.

(ac) Consumption tax (Goods and Services Tax and Value-added Tax)

Revenues, expenses and assets are recognised net of the amount of consumption tax except:

- where the consumption tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the consumption tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of consumption tax included.

The net amount of consumption tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the consumption tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of consumption tax recoverable from, or payable to, the taxation authority.

(ad) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment which the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Finance lease payments are allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in obligations under finance leases. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Expected remaining useful life of mining right in the PRC and mineral reserves

The Group's management has determined the estimated remaining useful life of 30 years for its mining right based on the proven and probable reserves. In June 2013, Yunnan State Land Resources Bureau granted Luchun Xingtai Mining Co. Ltd ("Luchun"), a subsidiary of the Group, a mining right certificate for one year which expired in June 2014. In July 2014, another mining right certificate was granted for a term of two years expiring in July 2016.

With reference to an independent legal opinion received by Luchun, there is no legal barrier for Luchun to renew its mining right certificate when it expires. The independent legal opinion also confirmed that there was no illegal activity undertaken by Luchun in operating the mine between the expiry of the mining right and the granting of the mining right certificate and there was no penalty exerted or will be exerted by the government regarding Luchun's mining operation.

Accordingly, the directors of the Company are of the opinion that the Group will be able to continuously renew the mining right and the business licenses of respective mining subsidiaries at minimal charges. Therefore, the Group has used the proven and probable reserves as the basis of estimation for the useful life of its mining rights.

Amortisation rate is determined based on estimated proven and probable mine reserve quantities with reference to the independent technical assessment report. The capitalised cost of mining rights are amortised using the units of production method. Any change to the estimated proven and probable mine reserves will affect the amortisation charge of those mining rights. Management will reassess the useful lives whenever events or changes in circumstances indicate that the mining right and business licenses may not be renewed continually.

Proven and probable mineral reserve estimates are updated on a regular basis and have taken into account recent production and technical information about the mine. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related amortisation rate.

(b) Impairment of mining properties in the PRC

Determining whether the mining properties are impaired requires an estimation of the recoverable amount of the cash-generating unit to which the mining right has been allocated, by value-in-use and fair value less costs of disposal approaches. The Group estimates the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 30 June 2014, the carrying amount of the mining properties is approximately HK\$460,055,000 (2013: HK\$510,171,000). An impairment loss of HK\$40,000,000 (2013: HK\$243,000,000) was recognised for the year ended 30 June 2014. Details of the key assumptions used are disclosed in Note 18.

(c) Impairment of mining properties in Australia

An entity shall assess at each reporting date whether there is an indication, based on either internal or external sources of information, that carrying value of the acquired mining properties may be impaired. If an indication is identified the Company shall undertake an impairment assessment. This assessment will determine whether the mining properties in Australia are impaired which requires an estimation of the recoverable amount of the cash-generating unit to which the mining properties have been allocated, by value-in-use and fair value less costs of disposal approaches. The assessment will estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amounts of the mining properties are approximately HK\$3,076,212,000 (2013: HK\$2,984,261,000). No indicators of impairment were identified and no impairment loss was recognised for the year ended 30 June 2014 and 2013.

(d) Income taxes

While deferred income tax liabilities are provided in full on all taxable temporary differences, deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. In assessing the amount of deferred income tax assets that need to be recognised, the Group considers future taxable income and ongoing prudent and feasible tax planning strategies. In the event that the Company's estimates of projected future taxable income and benefits from available tax strategies are changed, or changes in current income tax regulations are enacted that would impact the timing or extent of the Company's ability to utilise the temporary differences in the future, adjustments to the recorded amount of net deferred income tax assets and income tax expense would be made. As at 30 June 2014, the Group did not recognise any deferred income tax assets in the balance sheet. Details of the Group's deferred income tax are set out in Note 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debts and equity balances. The directors of the Company consider that the capital structure of the Group consists of long-term debts, and equity attributable to equity holders of the Company comprising issued capital and reserves.

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, new share issues as well as the issue of the new debt or the repayment of existing debts. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The gearing ratios at 30 June 2014 and 2013 were as follows:

	2014 HK\$'000	2013 HK\$'000
Long-term debts (Notes 24, 26 and 40)	26,865	33,461
Total equity	2,779,396	2,756,546
Total capital	2,806,261	2,790,007
Gearing ratio	0.96%	1.20%

After the disposal of subsidiaries (Note 36) in February 2014, the gearing ratio decreased from 1.20% to 0.96% as the Group has no obligations under finance leases.

6 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose itself to a variety of financial risks: market risk (including foreign exchange risk, commodities price risk, cash flow and fair value interest rate risks), credit risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group does not and is prohibited to enter into derivative contracts for speculative purposes.

(i) Foreign exchange risk

The Group mainly operates in Hong Kong, the PRC and Australia with most of the transactions originally denominated in the respective local currency. Foreign exchange risk arises when future commercial transactions or recognised financial assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk from various currencies, primarily with respect to Australian Dollars ("A\$"), Renminbi ("RMB") and United States Dollars ("US\$").

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and through natural hedges wherever possible. The Group does not use any derivative financial instrument to mitigate the foreign exchange risk.

Given the exchange rate peg between the HK\$ and the US\$, it is not foreseen that the Group will be exposed to any significant exchange rate risk for the transactions conducted in HK\$ or US\$. As at 30 June 2014 and 2013, the Group was not exposed to any significant exchange risk for RMB as all of the Group's RMB denominated financial assets and liabilities held by the Group's companies with RMB as the functional currency. However, exchange rate fluctuation of the A\$ against the HK\$ could affect the Group's performance and asset value.

As at 30 June 2014, if the A\$ has strengthened or weakened by 10% (2013: 10%) against the HK\$ with all other variables held constant, loss for the year would have been HK\$1,782,000 (2013: HK\$9,252,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of A\$ denominated cash and cash equivalents.



6 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) **Commodities price risk**

The Group is exposed to commodity price volatility on commodity sales made by its mine operation in the PRC, mainly copper concentrate products, which are priced on, or benchmarked to, open market. The Group's iron ore projects in Australia are yet to commence commercial operations and are therefore not exposed to any commodity price volatility. However, iron ore price fluctuation will be relevant to its future activities. The Group does not use any derivative financial instrument for speculation or hedging purposes.

As at 30 June 2014 and 2013, the Group is not exposed to any significant commodities price as the commodities price movements do not affect the measurement of the carrying amount of its financial assets or liabilities.

(iii) **Cash flow and fair value interest rate risks**

The Group is exposed to interest rate volatility on its financial assets and liabilities. In 2013, the Group was exposed to fair value interest rate risk relating to non-current other payables, fixed rate convertible bonds and fixed rate obligations under finance leases, which details of finance leases are set out in Note 26. However, any interest rate movements will not affect the measurement of the carrying amounts of these financial liabilities according to the Group's accounting policy.

During the year ended 30 June 2013, the Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings, details of which are set out in Note 25. The Group's interest rate risk on bank balances is insignificant. After the disposal of subsidiaries (Note 36) in February 2014, the Group is not exposed to cash flow interest rate risk.

The Group does not have an interest rate hedging policy. However, management monitors interest rate exposures and will consider hedging significant interest rate exposures should the need arise.

(iv) **Credit risk**

The Group's maximum exposure to credit risk which could cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the trade receivables, other receivables and deposits, amounts due from related parties, cash and cash equivalents and restricted cash as stated in the consolidated balance sheet.

The Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Company arises from the carrying amount of the amount due from subsidiaries and cash and cash equivalents as stated in the Company's balance sheet.

Management reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk of the Group is significantly reduced.

The credit risk on cash and cash equivalents is limited for both the Group and the Company because counterparties are mainly the banks with high credit-rating, i.e. above Aa1 assigned by international credit-rating agencies.

The Group and the Company manage concentration of credit risk, with exposure spread over a number of financial institutions.

(v) **Liquidity risk**

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group generally finances its short term funding requirement with cash generated from operations, credit facilities from suppliers, banking facilities and equity funding. The Group's ability to deliver its Marillana iron ore project is reliant on access to appropriate and timely export infrastructure and funding.

During the year, the Group has raised cash from the issue of bonds and shares. The current ratio is measured at 2.38 times as at 30 June 2014 compared to 1.42 times as at 30 June 2013.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(v) Liquidity risk (Continued)

The Group						
	Weighted average effective interest rate %	Within 1 year of demand HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Total un-discounted cash flows HK\$'000	Carrying amount at year end date HK\$'000
30 June 2014						
Non-derivative financial liabilities:						
Trade payables		9,540	—	—	9,540	9,540
Other payables		34,817	28,952	—	63,769	61,682
Amounts due to related parties		2,834	—	—	2,834	2,834
		47,191	28,952	—	76,143	74,056
30 June 2013 (Restated)						
Non-derivative financial liabilities:						
Trade payables		14,161	—	—	14,161	14,161
Other payables		23,378	—	—	23,378	23,378
Amounts due to related parties		3,800	25,846	—	29,646	29,646
Bank borrowings — variable rate		10,781	—	—	10,781	10,781
Obligations under finance leases	2.77	7,378	5,562	2,332	15,272	14,435
		59,498	31,408	2,332	93,238	92,401

The Company						
		Within 1 year of demand HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Total un-discounted cash flows HK\$'000	Carrying amount at year end date HK\$'000
30 June 2014						
Non-derivative financial liabilities:						
Other payables		366	—	—	366	366
Amount due to a subsidiary		246,993	—	—	246,993	246,993
		247,359	—	—	247,359	247,359
30 June 2013						
Non-derivative financial liabilities:						
Other payables		635	—	—	635	635
Amount due to a subsidiary		247,015	—	—	247,015	247,015
		247,650	—	—	247,650	247,650

As at 30 June 2013, the Company provided corporate guarantee of HK\$75,200,000 to a bank to support banking facilities granted to an indirectly wholly-owned subsidiary. The guarantee is payable on demand if the banking facilities are in default.

The abovementioned corporate guarantee was fully released by the bank on 14 February 2014.



6 FINANCIAL RISK MANAGEMENT (Continued)

(b) Fair value estimation

The Group's financial instruments carried at fair value as at balance sheet date are measured by level of the following fair value hierarchy.

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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

7 REVENUE

Revenue represents the amounts received and receivable for sales of mineral ore products for the year. An analysis of the Group's revenue for the year is as follows:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Continuing operations:		
Sales of copper ore concentrates	38,739	50,298
Discontinued operation:		
Income from provision of transportation services	73,124	108,258

Turnover consists of sales from mining operation in the PRC, which is HK\$38,739,000 for the year ended 30 June 2014 (2013: HK\$50,298,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 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.

(a) Business segments

The Group's reportable operating segments are as follows:

Mineral tenements in Australia	—	iron ore evaluation, development and tenements acquisition in Western Australia
Mining operations in the PRC	—	exploitation, processing and sales of copper ore concentrates in the PRC
Discontinued operation — Transportation services (Note 36)	—	provision of limousine rental services in Hong Kong and the PRC and provision of airport shuttle bus services in Hong Kong

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 consolidated statement of comprehensive income and consolidated balance sheet.

The Group's chief operating decision-maker assesses the performance of the operating segments based on adjusted operating profit/(loss). Finance costs are not included in the result for each operating segment that is reviewed by executive directors of the Company.

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

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

	Continuing operations			Discontinued operation		Total HK\$'000
	Mining operation in the PRC HK\$'000	Mineral tenements in Australia HK\$'000	Others HK\$'000	Sub-total HK\$'000	Transportation services HK\$'000	
For the year ended 30 June 2014:						
Segment revenue from external customers	38,739	—	—	38,739	73,124	111,863
Segment results	(59,099)	(98,323)	(54,848)	(212,270)	3,781	(208,489)
Finance costs				(804)	(567)	(1,371)
(Loss)/profit before income tax				(213,074)	3,214	(209,860)
Other information:						
Gain on disposal of subsidiaries	—	—	—	—	2,822	2,822
Share of losses of joint ventures	—	(8,090)	—	(8,090)	—	(8,090)
Depreciation of property, plant and equipment	(5,425)	(796)	(751)	(6,972)	(9,380)	(16,352)
Impairment of mining properties (Note 12)	(40,000)	—	—	(40,000)	—	(40,000)
Amortisation of mining properties	(12,205)	—	—	(12,205)	—	(12,205)
Finance costs	—	—	(804)	(804)	(567)	(1,371)
Income tax credit	—	—	—	—	759	759



8 SEGMENT INFORMATION (Continued)

(a) Business segments (Continued)

	Continuing operations			Discontinued operation		Total HK\$'000
	Mining operation in the PRC HK\$'000	Mineral tenements in Australia HK\$'000	Others HK\$'000	Sub-total HK\$'000	Transportation services HK\$'000	
For the year ended 30 June 2013 (Restated):						
Segment revenue from external customers	50,298	—	—	50,298	108,258	158,556
Segment results	(274,568)	(121,902)	(54,021)	(450,491)	(7,120)	(457,611)
Finance costs				(17,075)	(1,378)	(18,453)
Loss before income tax				(467,566)	(8,498)	(476,064)
Other information:						
Share of losses of joint ventures	—	(13,234)	—	(13,234)	—	(13,234)
Depreciation of property, plant and equipment	(5,071)	(1,049)	(754)	(6,874)	(16,036)	(22,910)
Impairment of mining properties (Note 12)	(243,000)	—	—	(243,000)	—	(243,000)
Impairment of goodwill	—	—	—	—	(784)	(784)
Impairment of intangible asset	—	—	—	—	(2,873)	(2,873)
Amortisation of intangible assets	—	—	—	—	(719)	(719)
Amortisation of mining properties	(22,204)	—	—	(22,204)	—	(22,204)
Finance costs	—	—	(17,075)	(17,075)	(1,378)	(18,453)
Income tax (expense)/credit	—	(948)	—	(948)	170	(778)

The revenue from external parties reported to executive directors of the Company is measured in a manner consistent with that in the consolidated statement of comprehensive income. Revenue from mining operation in the PRC amounting to HK\$38,739,000 (2013: HK\$50,298,000) represents sales of copper concentrates to a single customer.

The following is an analysis of the Group's assets by business segment as at the respective balance sheet dates:

	Continuing operations			Discontinued operation		Total HK\$'000
	Mining operation in the PRC HK\$'000	Mineral tenements in Australia HK\$'000	Others HK\$'000	Sub-total HK\$'000	Transportation services HK\$'000	
As at 30 June 2014:						
Segment assets	521,442	3,114,123	196,361	3,831,926	—	3,831,926
Total segment assets include:						
Interests in joint ventures	—	1,264	—	1,264	—	1,264
Additions to property, plant and equipment	2,133	518	39	2,690	2,489	5,179
Additions to mining properties	—	141	—	141	—	141
As at 30 June 2013 (Restated):						
Segment assets	567,372	3,171,115	69,227	3,807,714	88,648	3,896,362
Total segment assets include:						
Interests in joint ventures	—	1,276	—	1,276	—	1,276
Additions to property, plant and equipment	2,992	744	98	3,834	8,487	12,321
Additions to mining properties	—	7,305	—	7,305	—	7,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 SEGMENT INFORMATION (Continued)

(b) Geographical information

The transportation services are provided in Hong Kong and the PRC. The mining operation is located in the PRC and the mineral tenements are located in Australia.

The following table provides an analysis of the Group's revenue by geographical market, based on the origin of the services:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
For continuing operations:		
PRC	38,739	50,298
For discontinued operation:		
PRC	15,817	23,304
Hong Kong	57,307	84,954
	73,124	108,258

The following is an analysis of the carrying amounts of the Group's mining properties, property, plant and equipment and other non-current assets (excluding financial assets) analysed by geographical area in which the assets are located:

	As at 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
For continuing operations:		
PRC	503,078	555,206
Hong Kong	1,493	2,204
Australia	3,079,527	2,988,058
	3,584,098	3,545,468
For discontinued operation:		
PRC	—	24,517
Hong Kong	—	27,155
	—	51,672



9 EXPENSES BY NATURE

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Amortisation of mining properties (included in cost of sales)	12,205	22,204
Auditor's remuneration	3,577	2,320
Cost of inventories	5,456	10,273
Depreciation of property, plant and equipment	6,972	6,874
Equity-settled share-based compensation for consultants	896	305
Operating lease rentals	11,351	12,685
Staff costs (including directors' emoluments)	99,518	96,390
Exploration and evaluation expenses (excluding staff costs and rental expenses)	61,736	69,355

Staff costs (including directors' emoluments) include:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Wages, salaries and welfares	75,628	85,752
Retirement benefit scheme contributions (Note 39)	3,345	3,614
Share-based compensation	20,545	7,024
	99,518	96,390

10 OTHER INCOME

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Interest on bank deposits	3,895	11,477
Government grant (Note)	869	7,997
Others	624	366
	5,388	19,840

Note: Government grant represents incentive credits provided by the Australia Federal government, mainly for research and development activities carried out in Australia.

11 OTHER GAINS/(LOSSES), NET

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Loss on disposal of property, plant and equipment	(109)	(161)
Loss on de-recognition of a fixed rate bond (Note 28)	—	(6,659)
Effect of discounting on initial recognition of long-term payables (Note)	2,093	—
	1,984	(6,820)

Note: The amount represents the gain arising from discounting the interest-free other payables (classified as non-current liabilities) to present value on the initial recognition date (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 IMPAIRMENT LOSSES

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Impairment of mining properties (Note 18)	40,000	243,000

13 FINANCE COSTS

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Effective interest expenses on convertible bonds	—	11,382
Interests on fixed rate bonds	804	5,693
	804	17,075

14 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year. Overseas income tax has been provided at the prevailing rates ranging from 25% to 30% (2013: 25% to 30%) on the estimated assessable profit applicable to the Company's subsidiaries established in the PRC and Australia.

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Current income tax:		
Overseas income tax		
Under provision in prior year	—	948

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the consolidated entities as follows:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Loss before income tax	(213,074)	(467,566)
Notional tax at the applicable tax rate of 16.5%	(35,157)	(77,148)
Effect of different tax rates of subsidiaries operating overseas	(42,238)	(45,003)
Income not subject to tax	(1,544)	(81)
Expenses not deductible for tax purposes	16,464	50,506
Under provision in prior year	—	948
Tax losses for which no deferred income tax asset was recognised	62,475	71,726
	—	948



15 DIRECTORS AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the twelve (2013: eleven) directors were as follows:

	Luk Kin		Chan		Warren	Yip Kwok		Lau		Choi	Uwe	Ross	Total
	Kwai	Peter	Kwan	Kwai Kwun		Talbot	Liu	Cheung,	Kwok				
Sze Hoi	Joseph	Jason	Lawrence	Beckwith	Zhengui	Danny	Eddie	Henry	Eugene	Parpart	Norgard		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note i)		(Note ii)				(Note iii)	(Note iv)	(Note iv)				
Year ended 30 June 2014													
Fees	—	—	—	—	2,744	240	228	118	110	12	228	600	4,280
Salaries and other benefits	—	5,250	1,167	301	—	—	—	—	—	—	—	—	6,718
Contribution to retirement benefit scheme	—	120	50	15	—	—	—	—	—	—	—	—	185
Share-based compensation	4,558	—	468	266	1,302	1,954	98	98	—	—	98	98	8,940
	4,558	5,370	1,685	582	4,046	2,194	326	216	110	12	326	698	20,123

	Luk Kin		Chan		Warren	Yip Kwok		Lau		Uwe	Ross	David	Total
	Kwai	Peter	Chu	Kam Kwan,		Talbot	Liu	Cheung,	Kwok				
Sze Hoi	Joseph	Howard	Jason	Beckwith	Zhengui	Danny	Eddie	Parpart	Norgard	Spratt			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note i)	(Note v)									(Note vi)	(Note vii)	
Year ended 30 June 2013													
Fees	—	—	—	—	3,060	240	220	220	220	220	612	570	5,142
Salaries and other benefits	—	5,468	1,970	1,800	—	—	—	—	—	—	—	—	9,238
Contribution to retirement benefit scheme	—	120	62	50	—	—	—	—	—	—	9	7	248
Share-based compensation	574	2,981	1,699	404	164	246	103	103	103	103	12	12	6,401
	574	8,569	3,731	2,254	3,224	486	323	323	323	323	633	589	21,029

Note:

- (i) Luk Kin Peter Joseph was also the Chief Executive Officer of the Company. On 5 August 2014, Mr. Luk Kin Peter Joseph resigned as an Executive Director and Chief Executive Officer of the Company.
- (ii) Kwai Kwun, Lawrence was appointed as Executive Director on 13 March 2014.
- (iii) Lau Kwok Kuen, Eddie resigned as Independent Non-executive Director on 8 January 2014.
- (iv) Yap Fat Suan, Henry and Choi Yue Chun, Eugene were appointed as Independent Non-executive Directors on 8 January 2014 and 12 June 2014 respectively.
- (v) Chu Chung Yue, Howard resigned as Executive Director on 1 April 2013.
- (vi) Ross Stewart Norgard was appointed as Non-executive Director on 22 August 2012.
- (vii) David Michael Spratt was appointed as Independent Non-executive Director on 22 August 2012 and resigned on 13 June 2013.

No director waived any emoluments during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 DIRECTORS AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Five highest paid individuals

Of the five individuals who received the highest emoluments in the Group for the year, two (2013: two) are the directors of the Company whose emoluments are disclosed in Note 15(a) above. The emoluments of the remaining three (2013: three) individuals are as follows:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Salaries and other benefits	10,238	12,860
Contribution to retirement benefit scheme	947	384
Share-based compensation	6,173	2,993
	17,358	16,237

The emoluments of the remaining individuals fell within the following bands:

	Number of individuals Year ended 30 June	
	2014	2013
HK\$4,500,001 — HK\$5,000,000	1	2
HK\$5,000,001 — HK\$5,500,000	1	—
HK\$7,000,001 — HK\$7,500,000	—	1
HK\$7,500,001 — HK\$8,000,000	1	—
	3	3

16 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 year. 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.

	Year ended 30 June	
	2014	2013 (Restated)
(Loss)/profit for the year attributable to the equity holders of the Company (HK\$'000)		
— Continuing operations	(211,071)	(441,056)
— Discontinued operation	3,973	(8,328)
	(207,098)	(449,384)



16 LOSS PER SHARE (Continued)

	Year ended 30 June	
	2014	2013 (Restated)
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share (thousands)	8,078,797	7,483,471
(Loss)/earnings per share attributable to the equity holders of the Company		
Basic (HK cents)		
— Continuing operations	(2.61)	(5.90)
— Discontinued operation	0.05	(0.11)
	(2.56)	(6.01)
Diluted (HK cents)		
— Continuing operations	(2.61)	(5.90)
— Discontinued operation	0.05	(0.11)
	(2.56)	(6.01)

Diluted loss per share is the same as basic loss per share for the year ended 30 June 2014 and 2013 because the effect of the assumed conversion of the convertible bonds and share options of the Company during these years was anti-dilutive.

17 DIVIDEND

No dividend was paid or proposed during the year ended 30 June 2014, nor has any dividend been proposed since the balance sheet date (2013: Nil).

18 MINING PROPERTIES

	Mining right in the PRC HK\$'000	Mining properties in Australia HK\$'000	Total HK\$'000
At 1 July 2012	757,014	3,326,426	4,083,440
Amortisation	(20,668)	—	(20,668)
Additions	—	7,305	7,305
Impairment losses (Note 12)	(243,000)	—	(243,000)
Exchange differences	16,825	(349,470)	(332,645)
At 30 June 2013	510,171	2,984,261	3,494,432
Amortisation	(12,382)	—	(12,382)
Additions	—	141	141
Impairment losses (Note 12)	(40,000)	—	(40,000)
Exchange differences	2,266	91,810	94,076
At 30 June 2014	460,055	3,076,212	3,536,267

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 MINING PROPERTIES (Continued)

Mining right in the PRC

Mining right in the PRC represents the right to conduct mining activities in Damajianshan, Honghe Zhou, Luchun County, Yunnan. The mine is located on land in the PRC to which the Group has no formal title. Yunnan State Land Resources Bureau issued the mining right certificate to Luchun in January 2005. In June 2013, Yunnan State Land Resources Bureau granted Luchun a mining right certificate for one year which expired in June 2014. In July 2014, the mining right certificate was renewed for a period of two years expiring in July 2016.

With reference to an independent legal opinion received by Luchun, there is no legal barrier for Luchun to renew its mining right certificate when it expires. The independent legal opinion also confirmed that there was no illegal activity undertaken by Luchun in operating the mine between the expiry of the mining right and the granting of the mining right certificate and there was no penalty exerted or will be exerted by the government regarding Luchun's mining operation.

Accordingly, the directors of the Company are of the opinion that the Group will be able to continuously renew the mining right and the business licenses of respective mining subsidiaries at minimal charges.

The mining right in the PRC is amortised using the units of production method based on the proven and probable mineral reserves under the assumption that the Group can renew the mining right in the future until all proven and probable reserves have been mined.

The volatility of recent copper price and the revision of production and capital investment plans are considered to be the impairment indicators which triggered the need to perform an impairment assessment. The directors have taken into consideration fair value less costs of disposal and value-in-use calculations to determine the recoverable amount of the mining right. As at 30 June 2014, the recoverable amount is determined by the fair value less costs of disposal calculation.

Key assumptions adopted by management are summarised as follows:

	30 June	
	2014	2013
Long-term copper price	US\$7,419 per tonne	US\$6,840 per tonne
Discount rate	17.8%	17.3%
Production capacity	800 tonnes to 1,300 tonnes per day	800 tonnes to 1,950 tonnes per day

Based on the above impairment assessment, an impairment of approximately HK\$40,000,000 was recognised for the year (2013: HK\$243,000,000) due to revision of production plan.

These calculations use cash flow projections based on financial projections approved by management. If the long-term copper price adopted in the valuation had been 5% lower, the recoverable amount would have reduced by approximately HK\$16,797,000 and further impairment of HK\$16,797,000 would be required. If the production volume adopted in discounted cash flow calculation had been 5% lower than management's estimates at 30 June 2014, the recoverable amount of the mining right recognised would have decreased by HK\$28,005,000 and further impairment of HK\$28,005,000 would be recognised.

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. Additions during the year ended 30 June 2014 and 2013 represent additional mineral tenements acquired by the Group.

At 30 June 2014, the Group assessed and concluded there was no impairment indicator.

The ultimate recoupment of the carrying value of mining properties is dependent on the successful development and commercial exploitation of, or sale of interests in, the mining properties.



19 PROPERTY, PLANT AND EQUIPMENT

The Group							
	Buildings	Leasehold	Plants, furniture, fixtures and equipment	Motor vehicles	Subtotal	Construction in progress	Total
	HK\$'000	Improvements HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 30 June 2013 (Restated)							
At 1 July 2012	11,153	2,897	25,216	64,148	103,414	160	103,574
Additions	—	57	3,653	8,404	12,114	207	12,321
Disposals	—	—	(207)	(4,761)	(4,968)	—	(4,968)
Depreciation	(692)	(685)	(5,319)	(16,214)	(22,910)	—	(22,910)
Exchange differences	289	15	290	697	1,291	8	1,299
At 30 June 2013	10,750	2,284	23,633	52,274	88,941	375	89,316
At 30 June 2013 (Restated)							
Cost	14,052	3,560	39,126	99,740	156,478	375	156,853
Accumulated depreciation	(3,302)	(1,276)	(15,493)	(47,466)	(67,537)	—	(67,537)
Net book amount	10,750	2,284	23,633	52,274	88,941	375	89,316

The Group							
	Buildings	Leasehold	Plants, furniture, fixtures and equipment	Motor vehicles	Subtotal	Construction in progress	Total
	HK\$'000	Improvements HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 30 June 2014							
At 1 July 2013 (Restated)	10,750	2,284	23,633	52,274	88,941	375	89,316
Additions	—	—	2,704	2,472	5,176	3	5,179
Disposals	—	—	(50)	(1,158)	(1,208)	—	(1,208)
Disposal of subsidiaries (Note 36)	—	(22)	(169)	(44,047)	(44,238)	—	(44,238)
Depreciation	(707)	(656)	(5,407)	(9,582)	(16,352)	—	(16,352)
Exchange differences	49	3	158	333	543	2	545
At 30 June 2014	10,092	1,609	20,869	292	32,862	380	33,242
At 30 June 2014							
Cost	14,113	3,007	41,589	5,011	63,720	380	64,100
Accumulated depreciation	(4,021)	(1,398)	(20,720)	(4,719)	(30,858)	—	(30,858)
Net book amount	10,092	1,609	20,869	292	32,862	380	33,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company			
	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Total HK\$'000
For the year ended 30 June 2013			
At 1 July 2012	2,287	509	2,796
Additions	57	30	87
Disposals	—	(5)	(5)
Depreciation	(608)	(110)	(718)
At 30 June 2013	1,736	424	2,160
At 30 June 2013			
Cost	2,441	550	2,991
Accumulated depreciation	(705)	(126)	(831)
Net book amount	1,736	424	2,160

The Company			
	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Total HK\$'000
For the year ended 30 June 2014			
At 1 July 2013	1,736	424	2,160
Additions	—	12	12
Depreciation	(610)	(111)	(721)
At 30 June 2014	1,126	325	1,451
At 30 June 2014			
Cost	2,441	562	3,003
Accumulated depreciation	(1,315)	(237)	(1,552)
Net book amount	1,126	325	1,451

20 INVENTORIES

	2014 HK\$'000	2013 HK\$'000
Raw materials	4,704	4,875
Work in progress	6,096	2,220
Finished goods	2,263	1,391
Less: provision for inventories	(1,206)	(1,200)
	11,857	7,286



21 TRADE RECEIVABLES

	2014 HK\$'000	2013 HK\$'000
Trade receivables	—	21,907
Less: allowance for doubtful debts	—	(537)
Trade receivables — net	—	21,370

The Group's credit terms granted to customers of transportation services range between 60 days and 90 days. Sales from mining operation in PRC are made under contractual arrangement whereby provisional payment is received within 30 to 90 days from the delivery date. Before accepting any new customers, the Group will review the potential customer's credit quality and approve its credit limits. Credit limits attributed to customers are reviewed regularly.

The ageing analysis of the trade receivables, based on the revenue recognition date at the respective balance sheet dates are as follows:

	2014 HK\$'000	2013 HK\$'000
0 — 30 days	—	8,517
31 — 60 days	—	6,611
61 — 90 days	—	3,195
Over 90 days	—	3,584
	—	21,907

As at 30 June 2013, the Group's trade receivables of HK\$6,242,000 were past due but not impaired. The directors considered that these relate to a number of customers for whom there is no recent history of default and there was no impairment indicator. The Group does not hold any collateral over these balances.

The ageing analysis of the trade receivables which are past due but not impaired is as follows:

	2014 HK\$'000	2013 HK\$'000
Overdue by:		
0 — 30 days	—	3,195
Over 30 days	—	3,047
	—	6,242

Movements on the Group's allowance for doubtful debts are as follows:

	HK\$'000
At 1 July 2012	373
Provision for doubtful debts	164
At 30 June 2013	537
Provision for doubtful debts	—
Disposal of subsidiaries (<i>Note 36</i>)	(537)
At 30 June 2014	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 TRADE RECEIVABLES (Continued)

The carrying amounts of the Group's trade receivables (net of allowance for doubtful debts) are denominated in the following currencies:

	2014 HK\$'000	2013 HK\$'000
Hong Kong dollar	—	15,496
Renminbi	—	5,874
	—	21,370

22 CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents are denominated in the following currencies:

	The Group	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Hong Kong dollar	76,336	10,874
Australian dollar	37,233	182,779
Renminbi	148	3,720
United States dollar	109,981	55,621
	223,698	252,994

	The Company	
	2014 HK\$'000	2013 HK\$'000
Hong Kong dollar	76,045	2,719
Australian dollar	5,349	5,157
United States dollar	51,616	55,621
	133,010	63,497

23 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. The following is an ageing analysis of trade payables of the Group at the respective balance sheet dates:

	2014 HK\$'000	2013 HK\$'000
0 — 30 days	4,538	7,431
31 — 60 days	157	1,977
61 — 90 days	191	1,919
Over 90 days	4,654	2,834
	9,540	14,161



24 OTHER PAYABLES AND OTHER ACCRUED CHARGES

	2014 HK\$'000	2013 HK\$'000 (Restated)
Acquisition liabilities (<i>Note</i>)	9,568	92,080
Accrued payroll and employee benefits	25,165	30,796
Other payables	61,682	23,378
Other accrued expenses	21,520	26,355
	117,935	172,609
Less: Non-current portion	(26,865)	—
Amount shown under current liabilities	91,070	172,609

Amount classified as non-current liability is unsecured, interest-free and not repayable within next year and is carried at amortised cost using the effective interest method.

Note:

Acquisition liabilities mainly represent stamp duty liabilities arising from the acquisition transactions of Brockman Mining Australia Pty Ltd ("BMA"). The Group has paid A\$11,700,000 (equivalent to approximately HK\$82,967,000) in the year to settle the provisional stamp duty assessment.

25 BANK BORROWINGS

	2014 HK\$'000	2013 HK\$'000
Current:		
Bank borrowings, wholly repayable within 5 years	—	10,781

The bank borrowings are secured by various means as illustrated below:

	2014 HK\$'000	2013 HK\$'000
Bank borrowings secured by		
— Motor vehicles	—	6,781
— Guarantee by the Company	—	4,000
	—	10,781

All of the bank borrowings are denominated in Hong Kong dollars.

As at 30 June 2013, guarantees had been given to a bank by the Company and a former shareholder of Perryville Group Limited and its subsidiaries ("Perryville Group") in respect of banking facilities extended to the Perryville Group amounting to approximately HK\$75,200,000 and HK\$20,200,000 respectively. Such facilities were drawn down by Perryville Group to the extent of HK\$10,781,000. HK\$6,781,000 of such amount was also secured by motor vehicles as disclosed in Note 35. The abovementioned corporate guarantees were fully released by the bank on 14 February 2014.

The bank borrowings carry interest at prevailing market interest rates in Hong Kong. The range of effective annual interest rates on the Group's bank borrowings is as follows:

	2014	2013
Variable rate bank borrowings	N/A	1.96% to 3.55%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
No later than 1 year	—	7,378	—	6,820
Later than 1 year and no later than 5 years	—	7,894	—	7,615
Later than 5 years	—	—	—	—
	—	15,272	—	14,435
Less: Finance charges	—	(837)	—	—
Present value of lease obligations	—	14,435	—	14,435
Less: Amount due for settlement within 12 months (shown under current liabilities)			—	(6,820)
Amount due for settlement after 12 months			—	7,615

As at 30 June 2013, the Perryville Group leases certain of its motor vehicles under finance leases. The lease term ranges from 3 to 4 years. Interest rates underlying all obligations under finance leases are fixed and the interest rate is 2.77% per annum. No arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

Upon disposal of subsidiaries (Note 36) in February 2014, the Group has no obligations under finance leases.

27 SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 30 June 2013 and 30 June 2014	10,000,000	1,000,000
Issued and fully paid:		
At 1 July 2012	7,175,039	717,504
Issue of shares in consideration for the acquisition of additional interest in a subsidiary (Note a)	49,055	4,906
Issue of shares in settlement of a fixed rate bond (Note b)	190,244	19,024
Conversion of convertible bonds (Note c)	480,144	48,014
At 30 June 2013	7,894,482	789,448
Issue of shares (Note d)	409,500	40,950
Issue of shares in settlement of a fixed rate bond (Note e)	78,000	7,800
At 30 June 2014	8,381,982	838,198



27 SHARE CAPITAL (Continued)

Notes:

- (a) On 3 August 2012, a total of 49,054,662 ordinary shares of the Company were issued as consideration for the acquisition of BMA.
- (b) On 9 January 2013, the Company redeemed a fixed rate bond in full by issuing a total of 190,243,902 ordinary shares at the issue price of HK\$0.41 per share.
- (c) On 19 February 2013, all outstanding convertible bonds of the Company converted into ordinary shares and a total of 480,143,902 shares were issued.
- (d) On 13 February 2014, a total of 195,000,000 ordinary shares were issued to China Guoyin Investment (HK) Ltd ("China Guoyin") at an issue price of HK\$0.40 per share, raising net proceeds of approximately HK\$78 million.

On the same day, a total of 214,500,000 ordinary shares were issued to Ocean Line Holdings Limited ("Ocean Line"), a substantial shareholder of the Company, at issue price of HK\$0.40 per share with net proceeds from share subscription at HK\$85.8 million.

- (e) Pursuant to the share subscription agreement with Ocean Line, the Company redeemed a fixed rate bond in full by issuing a total of 78,000,000 ordinary shares to Ocean Line on 13 February 2014 at the issue price of HK\$0.40 per share.

All the new shares issued rank pari passu in respect of the then existing shares.

28 FIXED RATE BONDS

	HK\$'000
At 1 July 2012	—
Issuance of fixed rate bonds (Note a)	156,000
Redemption by way of:	
— issue of ordinary shares (Note a)	(78,000)
— issue of convertible bond (Note a)	(78,000)
At 30 June 2013	—
Issue of a fixed rate bond (Note b)	31,200
Redemption by way of:	
— issue of ordinary shares (Note b)	(31,200)
At 30 June 2014	—

Notes:

- (a) On 21 September 2012, the Company issued fixed rate bonds of aggregate principal amount of HK\$156,000,000. Interest is payable on the date of redemption at the rate of 12% per annum of the outstanding principal amount, accruing from the date of issue of the bonds on daily basis. On 9 January 2013, the Company redeemed the fixed rate bonds in full by issuing a total of 190,243,902 ordinary shares at the issue price of HK\$0.41 per share and convertible bond of principal amount of HK\$78,000,000 with issue price of HK\$0.41 per share.

The redemption by issuing convertible bond with fair value of HK\$84,659,000 was accounted for as an extinguishment of fixed rate bond. Loss on redemption amounting to HK\$6,659,000 was recognised in the consolidated statement of comprehensive income in the previous year. On 19 February 2013, the entire balance of this convertible bond of HK\$78,000,000 was converted into 190,243,902 shares at HK\$0.41 per share.

- (b) On 12 November 2013, the Company issued a fixed rate bond with principal amount of HK\$31,200,000, maturing on 28 November 2014, to Ocean Line. Interest is payable on the date of redemption at a rate of 10% per annum of the outstanding principal amount, accruing from the date of issue of the bond on a daily basis.

The abovementioned fixed rate bond was redeemed in full on 13 February 2014 by issuing a total of 78,000,000 ordinary shares to Ocean Line at the issue price of HK\$0.40 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 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 total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company on the adoption date of the Share Option Scheme unless prior approval from the Company's shareholders in general meeting has been obtained. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time. The total number of shares in respect of which options may be granted to any eligible participant in any twelve-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, unless prior approval from the Company's shareholders in general meeting has been obtained. Options granted to a substantial shareholder or an independent non-executive Director of the Company in excess of 0.1% of the Company's share in issue and with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders in general meeting.

There is no general requirement that an option must be held to any minimum period before it can be exercised but the board of directors is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. Options offered must be taken up not later than 28 days after the date of offer. A non-refundable remittance of HK\$1 is payable as consideration by the grantee upon acceptance of every grant of option under the Share Option Scheme. The period during which an option may be exercised will be determined by the board of directors at its absolute discretion, save that such period of time shall not exceed a period of ten years commencing on the date which the option is granted. The exercise price is determined by the board of directors of the Company, and will not be less than the highest of (i) the closing price of the shares of the SEHK's daily quotation sheet on the date of offer (ii) the average closing price of the shares of the SEHK's daily quotation sheet for the five business days immediately preceding the date of offer and (iii) the nominal value of a share of the Company.

The fair value of the employee services and consultancy services received in exchange for the grant of the share options is recognised as an expense, with a corresponding adjustment to 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 consolidated statement of comprehensive income, with a corresponding adjustment to equity.



29 SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

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 (HK\$)
2010A	18 January 2010	18 January 2010 — 17 January 2011	4,500,000	18 January 2011 — 17 January 2014	1.164
	18 January 2010	18 January 2010 — 17 January 2012	2,250,000	18 January 2012 — 17 January 2014	1.164
	18 January 2010	18 January 2010 — 17 January 2013	2,250,000	18 January 2013 — 17 January 2014	1.164
2010B	11 February 2010	11 February 2010 — 10 February 2011	27,000,000	11 February 2011 — 10 February 2014	1.240
2010C	11 November 2010	Immediate	39,000,000	11 November 2010 — 10 November 2013	2.000
2011A	14 December 2011	14 December 2011 — 13 December 2012	50,000,000	14 December 2012 — 13 December 2014	0.720
2011B	14 December 2011	14 December 2011 — 13 December 2014	1,000,000	14 December 2014 — 13 December 2015	0.720
	14 December 2011	14 December 2011 — 13 December 2013	1,000,000	14 December 2013 — 13 December 2015	0.720
	14 December 2011	14 December 2011 — 13 December 2012	3,000,000	14 December 2012 — 13 December 2015	0.720
	14 December 2011	Immediate	2,000,000	14 December 2011 — 13 December 2015	0.720
2012A	28 March 2012	28 March 2012 — 27 March 2015	5,000,000	28 March 2015 — 13 December 2015	0.720
	28 March 2012	28 March 2012 — 27 March 2014	5,000,000	28 March 2014 — 13 December 2015	0.720
	28 March 2012	28 March 2012 — 27 March 2013	39,000,000	28 March 2013 — 13 December 2015	0.720
	28 March 2012	Immediate	29,000,000	28 March 2012 — 13 December 2015	0.720
2013A	14 January 2013	14 January 2013 — 14 January 2014	88,100,000	14 January 2014 — 14 January 2016	0.717
	14 January 2013	14 January 2013 — 14 January 2015	88,100,000	14 January 2015 — 14 January 2016	0.967
2013B	28 February 2013	28 February 2013 — 28 February 2014	3,750,000	28 February 2014 — 28 February 2016	0.717
	28 February 2013	28 February 2013 — 28 February 2015	3,750,000	28 February 2015 — 28 February 2016	0.967
2013C	20 May 2013	20 May 2013 — 20 May 2014	77,350,000	20 May 2014 — 20 May 2016	0.717
	20 May 2013	20 May 2013 — 20 May 2015	77,350,000	20 May 2015 — 20 May 2016	0.967

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29 SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

Movements in the number of share options outstanding during the year ended 30 June 2014 are as follows:

	Option type	Outstanding as at 1 July 2013	Granted during the year	Reclassified during the year (Note b)	Lapsed during the year	Outstanding as at 30 June 2014
Directors						
Luk Kin Peter Joseph (Note a)	2010C	39,000,000	—	—	(39,000,000)	—
	2012A	50,000,000	—	—	—	50,000,000
Chan Kam Kwan, Jason	2010A	1,500,000	—	—	(1,500,000)	—
	2012A	5,000,000	—	—	—	5,000,000
	2013C	7,200,000	—	—	—	7,200,000
Lau Kwok Kuen, Eddie	2010A	1,000,000	—	—	(1,000,000)	—
	2012A	1,000,000	—	—	—	1,000,000
	2013C	1,500,000	—	—	—	1,500,000
Uwe Henke Von Parpart	2010A	1,000,000	—	—	(1,000,000)	—
	2012A	1,000,000	—	—	—	1,000,000
	2013C	1,500,000	—	—	—	1,500,000
Yip Kwok Cheung, Danny	2010A	1,000,000	—	—	(1,000,000)	—
	2012A	1,000,000	—	—	—	1,000,000
	2013C	1,500,000	—	—	—	1,500,000
Kwai Sze Hoi	2013C	70,000,000	—	—	—	70,000,000
Liu Zhengui	2013C	30,000,000	—	—	—	30,000,000
Warren Talbot Beckwith	2013C	20,000,000	—	—	—	20,000,000
Ross Stewart Norgard	2013C	1,500,000	—	—	—	1,500,000
David Michael Spratt	2013C	1,500,000	—	—	(1,500,000)	—
Kwai Kwun, Lawrence	2013C	—	—	15,000,000	—	15,000,000
Sub-total		236,200,000	—	15,000,000	(45,000,000)	206,200,000
Employees						
	2010A	3,000,000	—	—	(3,000,000)	—
	2011B	5,400,000	—	—	—	5,400,000
	2013A	176,200,000	—	—	—	176,200,000
	2013B	7,500,000	—	—	(300,000)	7,200,000
	2013C	15,000,000	—	(15,000,000)	—	—
Sub-total		207,100,000	—	(15,000,000)	(3,300,000)	188,800,000
Consultants						
	2010B	27,000,000	—	—	(27,000,000)	—
	2012A	20,000,000	—	—	—	20,000,000
	2013C	5,000,000	—	—	—	5,000,000
Sub-total		52,000,000	—	—	(27,000,000)	25,000,000
Total		495,300,000	—	—	(75,300,000)	420,000,000
Weighted average exercise price		0.94	—	—	1.62	0.82

Note:

- (a) Mr. Luk Kin Peter Joseph was Executive Director and Chief Executive Officer of the Company. Subsequently after the balance sheet date, he has resigned as an Executive Director and Chief Executive Officer of the Company on 5 August 2014.
- (b) Mr. Kwai Kwun, Lawrence was appointed as an Executive Director on 13 March 2014. The board offered continuous entitlement to Mr. Kwai Kwun, Lawrence for the previous 15,000,000 share options which were reclassified to options for directors.



29 SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

Movements in the number of share options outstanding during the year ended 30 June 2013 are as follows:

	Option type	Outstanding as at 1 July 2012	Granted during the year	Reclassified during the year (Note)	Lapsed during the year	Outstanding as at 30 June 2013
Directors						
Luk Kin Peter Joseph	2010C	39,000,000	—	—	—	39,000,000
	2012A	50,000,000	—	—	—	50,000,000
Chu Chung Yue, Howard	2012A	20,000,000	—	(20,000,000)	—	—
Chan Kam Kwan, Jason	2010A	1,500,000	—	—	—	1,500,000
	2012A	5,000,000	—	—	—	5,000,000
	2013C	—	7,200,000	—	—	7,200,000
Lau Kwok Kuen, Eddie	2010A	1,000,000	—	—	—	1,000,000
	2012A	1,000,000	—	—	—	1,000,000
	2013C	—	1,500,000	—	—	1,500,000
Uwe Henke Von Parpart	2010A	1,000,000	—	—	—	1,000,000
	2012A	1,000,000	—	—	—	1,000,000
	2013C	—	1,500,000	—	—	1,500,000
Yip Kwok Cheung, Danny	2010A	1,000,000	—	—	—	1,000,000
	2012A	1,000,000	—	—	—	1,000,000
	2013C	—	1,500,000	—	—	1,500,000
Kwai Sze Hoi	2013C	—	70,000,000	—	—	70,000,000
Liu Zhengui	2013C	—	30,000,000	—	—	30,000,000
Warren Talbot Beckwith	2013C	—	20,000,000	—	—	20,000,000
Ross Stewart Norgard	2013C	—	1,500,000	—	—	1,500,000
David Michael Spratt	2013C	—	1,500,000	—	—	1,500,000
Sub-total		121,500,000	134,700,000	(20,000,000)	—	236,200,000
Employees						
	2010A	4,000,000	—	—	(1,000,000)	3,000,000
	2011A	50,000,000	—	—	(50,000,000)	—
	2011B	7,000,000	—	—	(1,600,000)	5,400,000
	2013A	—	176,200,000	—	—	176,200,000
	2013B	—	7,500,000	—	—	7,500,000
	2013C	—	15,000,000	—	—	15,000,000
Sub-total		61,000,000	198,700,000	—	(52,600,000)	207,100,000
Consultants						
	2010B	27,000,000	—	—	—	27,000,000
	2012A	—	—	20,000,000	—	20,000,000
	2013C	—	5,000,000	—	—	5,000,000
Sub-total		27,000,000	5,000,000	20,000,000	—	52,000,000
Total		209,500,000	338,400,000	—	(52,600,000)	495,300,000
Weighted average exercise price		1.04	0.83	—	0.73	0.94

Note:

Mr. Chu Chung Yue, Howard has resigned as an Executive Director of the Company on 1 April 2013. Since 1 April 2013, Mr. Chu continues to be employed as a consultant of the Company. The board offered continuous entitlement to Mr. Chu for the previously granted 20,000,000 share options which were reclassified to options for consultants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

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:

	2010A	2010B	2010C	2011A	2011B	2012A	2013A	2013B	2013C
Exercise price	HK\$1.164	HK\$1.24	HK\$2.00	HK\$0.72	HK\$0.72	HK\$0.72	HK\$0.717 — HK\$0.967	HK\$0.717- HK\$0.967	HK\$0.717— HK\$0.967
Volatility	83%	82%	55%	50%	55%	49%	57%	56%	56%
Expected option life	4 years	4 years	3 years	3 years	4 years	4 years	3 years	3 years	3 years
Annual risk-free rate	1.460%	1.502%	0.570%	0.464%	0.649%	0.396%	0.170%	0.273%	0.247%
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

For the year ended 30 June 2014, the Company recognised the total expense of HK\$21,441,000 (2013: HK\$7,329,000) in relation to the share options granted by the Company.

As at 30 June 2014, out of the 420,000,000 outstanding options (2013: 495,300,000 options), 248,200,000 options (2013: 145,357,142 options) were exercisable, with weighted average exercise price of HK\$0.71 (2013: HK\$1.18) per option.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

	2014		2013	
	Average exercise price per share option HK\$	Options	Average exercise price per share option HK\$	Options
Expiry date — 30 June				
2014	—	—	1.64	73,500,000
2016	0.81	420,000,000	0.82	421,800,000
	0.81	420,000,000	0.94	495,300,000

As at 30 June 2014, the weighted average remaining contractual life of outstanding share options was 1.65 years (2013: 2.33 years).

No share option had been exercised during the year (2013: nil).



30 DEFERRED INCOME TAX

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

	Accelerated tax depreciation HK\$'000	Intangible asset HK\$'000	Mining properties in Australia HK\$'000	Total HK\$'000
At 1 July 2012	(3,090)	(593)	(997,952)	(1,001,635)
Credited to consolidated statement of comprehensive income	123	593	—	716
Exchange differences	(8)	—	104,865	104,857
At 30 June 2013	(2,975)	—	(893,087)	(896,062)
Credited to consolidated statement of comprehensive income	324	—	—	324
Disposal of subsidiaries (<i>Note 36</i>)	2,654	—	—	2,654
Exchange differences	(3)	—	(27,474)	(27,477)
At 30 June 2014	—	—	(920,561)	(920,561)

All deferred tax liabilities are expected to be settled more than twelve months after the balance sheet dates.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets in respect of losses amounting to approximately HK\$1,233 million as at 30 June 2014 (2013: HK\$1,063 million). Tax losses of HK\$1,161 million (2013: HK\$994 million) are available indefinitely to offset against future taxable income, of which HK\$1,002 million (2013: HK\$866 million) is relating to overseas subsidiaries which the utilisation of tax losses is subject to the satisfaction of the loss recoupment rules in respective tax jurisdiction. Tax losses of HK\$72 million (2013: HK\$69 million) will expire in one to five years from 30 June 2014.

Following the acquisition of BMA in August 2012, the Australian subsidiaries of the Company have formed an income tax consolidation group and were taxed as a single entity. BMH, a wholly-owned subsidiary of the Company, is the head company of this Australian tax consolidated group. As a consequence of the acquisition of the iron ore business, BMH is required to assess additional deductions and uplift in tax bases of certain assets brought into this tax group. As at 30 June 2014, the directors of BMH are yet to conclude the tax losses and additional deductions arising from the uplift in tax bases of certain assets with the local tax authorities.

31 PROVISIONS

	HK\$'000
At 1 July 2012	1,126
Provision for the year	1,059
Exchange differences	(63)
At 30 June 2013	2,122
Provision for the year	563
Disposal of subsidiaries (<i>Note 36</i>)	(1,061)
Exchange differences	36
At 30 June 2014	1,660

The balance mainly represents provision for land restoration costs for PRC mine, and provision for long service payment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 CASH USED IN OPERATING ACTIVITIES

		Year ended 30 June	
	Note	2014 HK\$'000	2013 HK\$'000 (Restated)
Cash flows from operating activities			
(Loss)/profit before income tax			
		(213,074)	(467,566)
		3,214	(8,498)
		(209,860)	(476,064)
Adjustments for:			
		40,000	246,657
		1,371	18,453
	19	16,352	22,910
		—	719
	9	12,205	22,204
	29	21,441	7,329
		—	409
		—	164
		(3,901)	(11,495)
	11	—	6,659
		307	1,118
	11	(2,093)	—
	36	(2,822)	—
		8,090	13,234
		(1,047)	11,104
		(119,957)	(136,599)
		(4,373)	4,211
		(833)	5,744
		563	1,059
		(42,172)	(7,595)
		(26,892)	(12,223)
		(1,837)	36
		(195,501)	(145,367)



33 COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

- (i) The Group had commitments mainly for future minimum lease payments under non-cancellable operating lease in respect of office premises which fall due as follows:

	2014 HK\$'000	2013 HK\$'000
Not later than 1 year	11,431	12,429
Later than 1 year and no later than 5 years	6,268	14,464
	17,699	26,893

Leases are negotiated for an average of three years and rentals are fixed for the lease period.

- (ii) The Group had total future minimum sublease receivable under non-cancellable operating lease in respect of the warehouse and office as follows:

	2014 HK\$'000	2013 HK\$'000
Not later than one year	252	407
Later than 1 year and no later than 5 years	—	256
	252	663

(b) Capital commitments

Capital expenditure contracted for at the balance sheet dates but not yet incurred is as follows:

	2014 HK\$'000	2013 HK\$'000
Property, plant and equipment contracted but not provided for	—	430

(c) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements in Australia, the Group is required to perform minimum exploration work to meet the minimum expenditure of A\$1,582,000 (equivalent to approximately HK\$11,550,000) (2013: A\$2,180,000, equivalent to approximately HK\$15,444,000) over the next year.

Third party exploration expenditure related commitments for subsequent years are contingent upon production of iron ore from the area of interest. Obligations are subject to change upon expiry of the existing exploration leases or when application for a mining lease is made and have not been provided for in the consolidated financial statements.

(d) Joint venture commitments

The Group is involved in a number of joint venture arrangements. The Group's share of such commitment is A\$22,000 (equivalent to approximately HK\$162,000) (2013: A\$22,000, equivalent to approximately HK\$158,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 FINANCIAL GUARANTEES

At 30 June 2013, the Company has given corporate guarantees to a bank in relation to banking facilities granted by the bank to a wholly-owned subsidiary of Perryville Group. Such facilities were drawn by the subsidiary to the extent of HK\$10,781,000 and the maximum liability of the Company under the guarantees was HK\$75,200,000. The abovementioned corporate guarantee was fully released by the bank on 14 February 2014 following the disposal of related subsidiary (Note 36).

35 PLEDGE OF ASSETS

At 30 June 2013, a wholly-owned subsidiary of the Perryville Group pledged the motor vehicles with a carrying value of approximately HK\$5,166,000 to secure the banking facilities. It also leases various motor vehicles with carrying value of approximately HK\$18,278,000 under non-cancellable finance lease arrangement.

After the disposal of subsidiaries (Note 36) in February 2014, the Group has no property, plant and equipment pledged or under finance lease arrangement.

36 DISPOSAL OF SUBSIDIARIES

On 24 October 2013, the Company and Mr. Leung Chi Yan, Danny ("Mr. Leung"), a director of Perryville Group Limited, entered into a sale and purchase agreement pursuant to which the Company agreed to sell the entire equity interest in Perryville Group to Mr. Leung at a consideration of HK\$45,000,000 ("Disposal"). Perryville Group is principally engaged in the provision of limousine and airport shuttle transportation services which represents the reportable segment of transportation services.

As part of the Disposal, the payable by Perryville Group to the Company of HK\$11,000,000 was assigned to Mr. Leung, the adjusted consideration amounted to HK\$34,000,000 which represents the consideration for the Company's equity interest in Perryville Group at the date of Disposal in the separate financial statement of the Company.

The Disposal was completed on 19 February 2014 and the Company ceased to have any control and equity interests in Perryville Group.

The results of Perryville Group are presented in the consolidated financial statements as discontinued operation in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The consolidated statement of comprehensive income and consolidated statement of cash flows distinguish discontinued operation from continuing operations. Comparative figures have been restated.

(a) Profit/(loss) from discontinued operation

An analysis of the result of discontinued operation, and the result recognised on the disposal of assets or disposal group, is as follows:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Revenue	73,124	108,258
Cost of sales	(58,644)	(87,684)
	14,480	20,574
Other income	107	284
Other losses, net	(198)	(957)
Selling and administrative expenses	(13,430)	(23,364)
Impairment losses	—	(3,657)
Finance costs	(567)	(1,378)
Profit/(loss) before income tax	392	(8,498)
Income tax credit	759	170
Profit/(loss) for the year from operating activities	1,151	(8,328)
Gain on disposal of subsidiaries	2,822	—
Profit/(loss) for the year from discontinued operation	3,973	(8,328)
Profit/(loss) for the year from discontinued operation attributable to:		
— Equity holders of the Company	3,973	(8,328)



36 DISPOSAL OF SUBSIDIARIES (Continued)

(b) Analysis of the cash flows from discontinued operation

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Net cash generated from operating activities	7,720	21,898
Net cash used in investing activities	(1,807)	(4,654)
Net cash used in financing activities	(7,954)	(14,046)
	(2,041)	3,198

The effects on the consolidated balance sheet, the total consideration received and gain on disposal of subsidiaries are as follows:

	2014 HK\$'000
Net assets of the disposal group:	
Property, plant and equipment	44,238
Trade receivables	23,861
Other receivables, deposits and prepayments	4,549
Cash and cash equivalents	9,112
Trade payables	(7,627)
Other payable and accrued charges	(8,492)
Bank borrowings	(5,623)
Obligations under finance leases	(12,206)
Deferred income tax liabilities	(2,654)
Provisions	(1,061)
Total net assets disposed	44,097
Legal and professional fee paid	798
Release of translation reserve	(2,717)
Gain on disposal	2,822
Total consideration	45,000
Cash consideration	45,000
Legal and professional fee paid	(798)
Cash and bank balances disposed of	(9,112)
Total cash inflows from the disposal	35,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 TRANSACTION WITH NON-CONTROLLING INTERESTS

	2014 HK\$'000
Carrying amount of non-controlling interests acquired	41,417
Consideration paid to non-controlling interests	(45,000)
Transaction costs related to transactions with non-controlling interests	(653)
Excess of consideration paid recognised within equity	4,236

On 21 February 2014, the Group acquired the remaining 10% equity interest in Luchun at a consideration of HK\$45,000,000. After the transaction, Luchun becomes a wholly-owned subsidiary of the Group. This represents a transaction with non-controlling interest. The difference between the consideration paid and the share of net asset value acquired from the non-controlling interest of HK\$4,236,000 is debited to equity in the Group.

38 JOINT ARRANGEMENTS

	2014 HK\$'000	2013 HK\$'000 (Restated)
At 1 July	1,276	4,684
Contributions to the joint ventures	8,043	9,972
Share of losses	(8,090)	(13,234)
Exchange differences	35	(146)
At 30 June	1,264	1,276

Details of the Group's interest in the joint ventures 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 venture operating in Australia for the purpose of exploration activities and holding of tenement interests.

Summarised financial information of the joint ventures is set as below:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Loss after tax	(21,865)	(35,768)
Other comprehensive loss	—	—
Total comprehensive loss	(21,865)	(35,768)
Group's share of loss for the year	(8,090)	(13,234)



39 RETIREMENT BENEFITS SCHEMES — THE GROUP

The Group operates a defined contribution retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. The Group contributes at least 5% of the employees' basic salaries to the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiaries are required to contribute an average 20% of payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The employees of the Group subsidiaries in Australia are entitled to superannuation through a defined contribution plan under which fixed contributions of up to 9.25% are required to be made to a superannuation fund with no further legal or constructive obligation to pay.

The total cost charged to the cost of sales and selling and administrative expenses of approximately HK\$3,345,000 (2013: HK\$3,614,000, as restated) represents contributions to these schemes by the Group in current year.

40 RELATED PARTY DISCLOSURES

(a) Material related party transactions

Save as disclosed elsewhere in this consolidated financial statements, the Group has the following related party transactions during the year:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Administrative expenses paid to related companies (<i>Note</i>)	360	366
Consultancy fees paid to related parties	—	102
Assets purchased from related companies	—	62
	360	530

Note:

Administrative expenses were paid to the companies in which Mr. Luk Kin Peter Joseph, has beneficial interest.

In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually agreed between the Group and the respective related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 RELATED PARTY DISCLOSURES (Continued)

(b) Related party balances

The amounts due from/to related parties included as current assets or current liabilities are unsecured, interest-free and repayable on demand. For the amount due to a related party classified as a non-current liability, it is unsecured, interest-free and is not repayable within the next year.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Year ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Wages, salaries and other short-term welfare	38,373	36,083
Post-employment benefits	2,038	1,377
Termination benefits	67	1,865
Share-based compensation expenses	20,253	12,088
	60,731	51,413

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

41 INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM SUBSIDIARIES — THE COMPANY

	2014 HK\$'000	2013 HK\$'000
Investments in subsidiaries		
Unlisted shares, at cost	—	202,419
Less: provision for impairment	—	(172,527)
	—	29,892
Amounts due from subsidiaries		
Amounts due from subsidiaries	5,535,153	5,206,706
Less: provision for impairment	(2,661,859)	(2,323,418)
	2,873,294	2,883,288
Less: current portion	(133,797)	(39,442)
Non-current portion	2,739,497	2,843,846

The amounts due from subsidiaries included under non-current portion are unsecured, interest-free and have no fixed terms of repayment, except for the amount due from a subsidiary of HK\$2,395,601,000 as at 30 June 2014 (2013: HK\$2,421,105,000) which bears interest at 4.6631% per annum. In the opinion of the directors of the Company, the balance of HK\$343,896,000 (2013: HK\$422,741,000) is considered as quasi-equity loan to the subsidiary. The decrease of balance represents the impairment loss incurred during the year.

The amounts due from subsidiaries included under current portion are unsecured, interest-free and expected to be settled within one year.



41 INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM SUBSIDIARIES — THE COMPANY (Continued)

Details of the principal subsidiaries held by the Company as at 30 June 2014 and 30 June 2013, except otherwise specified, are as follows:

Name of subsidiaries	Country/place of incorporation or establishment	Place of operation	Issued and fully paid share/registered capital	Proportion ownership interest held by the Company		Principal activities
				2014	2013	
Subsidiaries directly held by the Company:						
Brockman Mining (Management) Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Investment holding
Golden Genie Limited	BVI	Hong Kong	US\$1	100%	100%	Investment holding
Perryville Group Limited	BVI	Hong Kong	US\$50,000	N/A (Note 36)	100%	Investment holding
Wah Nam Iron Ore Limited	BVI	Hong Kong	US\$1	100%	100%	Investment holding
Subsidiaries indirectly held by the Company:						
Airport Shuttle Services Limited (Note a)	Hong Kong	Hong Kong	HK\$10,000	N/A (Note 36)	100%	Airport shuttle bus services
Best Resources Developments Limited	BVI	Hong Kong	US\$1	100%	100%	Investment holding
Brockman East Pty Ltd	Australia	Australia	A\$1	100%	100%	Exploration and evaluation
Brockman Exploration Pty Ltd	Australia	Australia	A\$1	100%	100%	Exploration and evaluation
Brockman Infrastructure Pty Ltd	Australia	Australia	A\$1	100%	100%	Rail infrastructure company
Brockman Iron Pty Ltd	Australia	Australia	A\$1	100%	100%	Exploration and evaluation
Brockman Ports Pty Ltd	Australia	Australia	A\$76	100%	100%	Port infrastructure Company
Brockman Mining Australia Pty Ltd	Australia	Australia	A\$145,053,151	100%	100%	Investment holding
Brockman Mining Holdings (Australia) Pty Ltd	Australia	Australia	A\$12	100%	100%	Investment holding
廣州市百聯汽車租賃有限公司 Guangzhou Parklane Limousine Service Ltd (Note b) ¹	PRC	PRC	RMB5,000,000	N/A (Note 36)	100%	Limousine rental services
威信汽車租賃(上海)有限公司 Parklane Limousine Service (Shanghai) Ltd (Note b) ¹	PRC	PRC	US\$5,000,000	N/A (Note 36)	100%	Limousine rental services
Parklane Limousine Service Limited (Note a)	Hong Kong	Hong Kong	HK\$5,000,000	N/A (Note 36)	100%	Limousine rental services
綠春鑫泰礦業有限公司 Luchun Xingtai Mining Company Limited (Note b) ¹	PRC	PRC	RMB20,000,000	100% (Note 37)	90%	Exploration, processing and sales of copper ore concentrates
Smart Year Investments Limited	BVI	Hong Kong	US\$10,000	100%	100%	Investment holding
Wah Nam Australia Finance Pty Ltd	Australia	Australia	A\$3,027,006	100%	100%	Investment holding
Yilgarn Mining (WA) Pty Ltd	Australia	Australia	A\$841,001	100%	100%	Exploration and evaluation

Notes:

- (a) These subsidiaries have accounting year end dates of 31 March. These subsidiaries prepare for the purpose of consolidation, financial statements as at the same date as the Group.
- (b) These subsidiaries have accounting year end date of 31 December. These subsidiaries prepare, for the purpose of consolidation, financial statements as at the same date as the Group.

¹ The English name is for identification purpose only.

None of the subsidiaries had any debt securities outstanding at the end of the year or any time during the year.

In the opinion of the directors, a complete list of the particulars of subsidiaries will be of excessive length and therefore the above list contains only the particulars of those subsidiaries which principally affect the results or net assets of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 RESERVES — THE COMPANY

	Share premium HK\$'000	Convertible bonds reserve HK\$'000	Share-based compensation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 July 2012	4,005,322	25,547	59,310	(1,726,399)	2,363,780
Comprehensive loss:					
Loss for the year	—	—	—	(712,564)	(712,564)
Transactions with equity holders:					
Issue of shares for acquiring additional interest in a subsidiary upon compulsory acquisition	21,583	—	—	—	21,583
Issue of shares upon redemption of a fixed rate bond (Note 27)	58,976	—	—	—	58,976
Issue of convertible bonds (Note 27)	—	84,659	—	—	84,659
Issue of shares upon conversion of convertible bonds (Note 27)	227,975	(110,206)	—	—	117,769
Share-based compensation (Note 29)	—	—	7,329	—	7,329
At 30 June 2013	4,313,856	—	66,639	(2,438,963)	1,941,532
Comprehensive loss:					
Loss for the year	—	—	—	(188,003)	(188,003)
Transactions with equity holders:					
Issue of shares (Note 27)	122,850	—	—	—	122,850
Issue of shares upon redemption of a fixed rate bond (Note 27)	23,400	—	—	—	23,400
Share-based compensation (Note 29)	—	—	21,441	—	21,441
At 30 June 2014	4,460,106	—	88,080	(2,626,966)	1,921,220

43 LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of a loss of approximately HK\$188,003,000 (2013: loss of HK\$712,564,000).

44 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There is no significant event occurred subsequently after the balance sheet date.



FINANCIAL SUMMARY

The Group					
	Year ended 30 June 2014 HK\$'000 <i>(Note a)</i>	Year ended 30 June 2013 HK\$'000 (Restated) <i>(Note a)</i>	18 months ended 30 June 2012 HK\$'000 <i>(Note b)</i>	Year ended 31 December 2010 HK\$'000 <i>(Note b)</i>	Year ended 31 December 2009 HK\$'000 <i>(Note b)</i>
RESULTS					
Revenue	38,739	50,298	200,796	131,996	95,374
Loss before income tax	(213,074)	(467,566)	(2,417,397)	(226,394)	(79,396)
Income tax (expenses)/ credit	—	(948)	719,310	(338)	(608)
Loss for the year/period from continuing operations	(213,074)	(468,514)	(1,698,087)	(226,732)	(80,004)
Profit/(loss) for the year from discontinued operation	3,973	(8,328)	—	—	—
Loss for the year/ period	(209,101)	(476,842)	(1,698,087)	(226,732)	(80,004)
Attribute to:					
Equity holders of the Company	(207,098)	(449,384)	(1,579,652)	(210,644)	(78,935)
Non-controlling interest	(2,003)	(27,458)	(118,435)	(16,088)	(1,069)
	(209,101)	(476,842)	(1,698,087)	(226,732)	(80,004)
Loss per share					
— Basic (HK cents)	(2.56)	(6.01)	(29.77)	(5.99)	(3.44)
— Diluted (HK cents)	(2.56)	(6.01)	(29.77)	(5.99)	(3.44)

	As at 30 June 2014 HK\$'000 <i>(Note a)</i>	As at 30 June 2013 HK\$'000 (Restated) <i>(Note a)</i>	As at 30 June 2012 HK\$'000 (Restated) <i>(Note a)</i>	As at 31 December 2010 HK\$'000 <i>(Note b)</i>	As at 31 December 2009 HK\$'000 <i>(Note b)</i>
ASSETS AND LIABILITIES					
Total assets	3,831,926	3,896,362	4,604,779	2,715,481	1,465,620
Total liabilities	(1,052,530)	(1,139,816)	(1,505,763)	(365,568)	(247,039)
	2,779,396	2,756,546	3,099,016	2,349,913	1,218,581
Equity attributable to equity holders of the Company	2,779,396	2,713,471	3,029,382	2,267,615	1,123,156
Non-controlling interest	—	43,075	69,634	82,298	95,425
Total equity	2,779,396	2,756,546	3,099,016	2,349,913	1,218,581

Notes:

- a) The financial figures were extracted from the Consolidated Financial Statements.
- b) The financial figures were extracted from the 2013 annual report. No separate disclosures of continuing operations and discontinued operation were made on the financial figures for 2009 to 2012.

ASX ADDITIONAL INFORMATION

Additional information in accordance with the listing requirements of the Australian Securities Exchange Limited are as follows:

A. DISTRIBUTION OF SHAREHOLDINGS AT 23 SEPTEMBER 2014

Category	Listed		Unlisted		
	Shares	A\$0.20 options	HK\$0.717 options	HK\$0.967 options	HK\$0.72 options
1 — 1,000	775	—	—	—	—
1,001 — 5,000	225	—	—	—	—
5,001 — 10,000	113	50	—	—	—
10,001 — 100,000	809	118	—	—	—
100,001 and over	437	19	19	19	9
Total number of security holders	2,359	187	19	19	9

The number of shareholders holding less than a marketable parcel of shares as at 23 September 2014 is 1,010.

As at 23 September 2014, a total of 15,000,000 units of options were quoted and listed, expiring 30 September 2014.

Unquoted Securities

As at 23 September 2014, unlisted options amounted to a total of 344,500,000 units, including:

Unquoted securities

344,500,000 unlisted options granted

- 61,400,000 share options, expiring 13 December 2015 EX HK\$0.72
- 64,600,000 share options, expiring 14 January 2016 EX HK\$0.717
- 64,600,000 share options, expiring 14 January 2016 EX HK\$0.967
- 3,600,000 share options, expiring 28 February 2016 EX HK\$0.717
- 3,600,000 share options, expiring 28 February 2016 EX HK\$0.967
- 73,350,000 share options, expiring 20 May 2016 EX HK\$0.717
- 73,350,000 share options, expiring 20 May 2016 EX HK\$0.967



B. TWENTY LARGEST SECURITY HOLDERS

Name	Number of shares	Percentage held
OCEAN LINE HOLDINGS LTD	1,457,743,902	17.39%
THE HONGKONG AND SHANGHAI BANKING	698,540,725	8.33%
BOCI SECURITIES LTD	633,859,804	7.56%
EQUITY VALLEY INVESTMENTS LIMITED	371,520,276	4.43%
REORIENT CAPITAL MARKETS LTD	349,113,020	4.17%
SUN HUNG KAI INVESTMENT SERVICES LTD	324,632,201	3.87%
KINGSTON SECURITIES LTD	317,543,000	3.79%
DELIGHT TIME LIMITED	277,216,000	3.31%
CORNERSTONE PACIFIC LIMITED	250,000,000	2.98%
ROSS STEWART NORGARD/LONGFELLOW NOMINEES PTY LTD	243,054,000	2.90%
DEUTSCHE BANK AG	241,206,617	2.88%
DBS BANK LTD	211,161,070	2.52%
EVERCREST CAPITAL LIMITED	208,000,000	2.48%
HING WONG SECURITIES LTD	189,231,000	2.26%
CITIBANK N.A.	177,434,919	2.12%
BARWICK INVESTMENTS LIMITED	174,668,000	2.08%
GUOYUAN SECURITIES BROKERAGE (HONG KONG)	172,978,800	2.06%
TOP ABLE INVESTMENTS LIMITED	128,452,000	1.53%
STANDARD CHARTERED BANK (HONG KONG) LTD	122,592,844	1.46%
HANG SENG BANK LTD	114,154,455	1.36%
GRAND TOTAL	6,663,102,633	79.49%
TOTAL REMAINING HOLDERS BALANCE	1,718,879,498	20.51%

ASX ADDITIONAL INFORMATION

Twenty largest option holders — Listed Options

Rank	Name	Number of Options	Percentage held
1	ZERO NOMINEES PTY LTD	2,480,000	16.53%
2	MILLETTS PORTFOLIO PTY LTD <JIM MILLETT S/FUND A/C>	2,235,000	14.90%
3	PK PLAN A PTY LTD	1,000,000	6.67%
4	MR GORDON ROGER BARRATT + MRS MARYLEE BARRATT <BARRATT FAMILY A/C>	630,000	4.20%
5	MR GORDON ROGER BARRATT + MRS MARYLEE BARRATT <BARRATT SUPER FUND A/C>	450,000	3.00%
6	GOFFACAN PTY LTD <KMM FAMILY A/C>	403,250	2.69%
7	MRS BEVERLEY JULIA PEPPER	300,000	2.00%
8	KOOKCOM PTY LTD <CORBET FAMILY A/C>	295,000	1.97%
9	CRITICAL HOLDINGS PTY LTD <FELGAR A/C>	250,000	1.67%
10	DADDO BARRATT BROKING PTY LTD	250,000	1.67%
11	MR MARIO GIOSUE FRANCO + MRS IMMACOLATA FRANCO <THE MARIO FRANCO S/F A/C>	250,000	1.67%
12	NEW ENGLAND SPECIALTY POULTRY PTY LTD <SUPER BENEFITS FUND A/C>	225,000	1.50%
13	MR SOW HO CHIN + MRS PATRICIA WHEE LIAN CHIN <THE SOHO SUPER FUND A/C>	200,000	1.33%
14	INVIA CUSTODIAN PTY LIMITED <BARKIN FAMILY A/C>	200,000	1.33%
15	MR VICTOR LAWRENCE JOYCE + MRS SUSAN JOAN ABRA <VICTOR L JOYCE S/F A/C>	200,000	1.33%
16	MR MARIO PAUL DALL'EST	179,750	1.20%
17	MS SALLY JUDITH MOLYNEUX	150,000	1.00%
18	MR JOHN PAUL WELBORN + MS CAROLINE ANNE WELBORN <WELBORN FAMILY A/C>	125,000	0.83%
19	RICHSHAM NOMINEES PTY LTD	112,000	0.75%
20	CAPITAL INVESTMENT PARTNERS PTY LTD	100,000	0.67%
Totals: Top 20 holders of Options Expire 30 September 2014@\$0.20		10,035,000	66.91%
Total Remaining Holders Balance		4,965,000	33.09%



C. SUBSTANTIAL HOLDERS

Name of shareholder	Capacity	Number of shares or underlying shares	Percentage of the issued share capital of the Company
Kwai Sze Hoi <i>(Note)</i>	Interest held by controlled corporations	1,776,960,137	21.20%
	Interest held jointly with another person	60,720,000	0.72%
	Beneficial owner	70,000,000	0.84%
Cheung Wai Fung <i>(Note)</i>	Interest held by controlled corporations	1,776,960,137	21.20%
	Interest held jointly with another person	60,720,000	0.72%
	Interest held by spouse	70,000,000	0.84%
Ocean Line Holdings Ltd. <i>(Note)</i>	Beneficial owner	1,776,960,137	21.20%
Zhu Yi Cai	Interest held by controlled corporations	774,804,972	9.24%
China Guoyin Investments (HK) Ltd	Beneficial owner	764,904,972	9.13%
Cheung Sze Wai, Catherine <i>(Note)</i>	Interest held by controlled corporations	387,032,276	4.62%
	Interest held by spouse	50,000,000	0.60%
Luk Kin Peter Joseph <i>(Note)</i>	Interest held by controlled corporations	387,032,276	4.62%
	Beneficial owner	50,000,000	0.60%

Note: Please refer to Note under section headed: Directors and Chief Executives' Interests on P.40.

ASX ADDITIONAL INFORMATION

D. VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

a) Ordinary shares

Each shareholder present in person or by proxy, attorney or representative in a meeting shall have one vote on a poll for each share held.

b) Options

No voting rights.

E. STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

F. INCOME TAX

Brockman Mining Limited is taxed as a public company.

G. SCHEDULE OF TENEMENTS AS AT — 23 SEPTEMBER 2014

Project	Tenement type	Tenement number	Commodity	Status	Interest held
Cheela Plains	E	08/2264	Iron Ore	Granted	100%
Chichester Range	E	45/3693	Iron Ore	Granted	100%
Duck Creek	E	47/1725	Iron Ore	Granted	100%
Duck Creek	E	47/3151	Iron Ore	Application	100%
Duck Creek	E	47/3152	Iron Ore	Application	100%
Fig Tree	E	47/3023	Iron Ore	Application	100%
Fig Tree	E	47/3024	Iron Ore	Application	100%
Fig Tree	E	47/3025	Iron Ore	Application	100%
Indabiddy Creek	E	47/3164	Iron Ore	Application	100%
Indabiddy Creek	E	52/3123	Iron Ore	Application	100%
Irwin Hills	E	39/1284	Nickel/Cobalt	Granted	40%
Irwin Hills	E	39/1307	Nickel/Cobalt	Granted	40%
Irwin Hills	E	39/1471	Nickel/Cobalt	Granted	40%
Irwin Hills	L	39/0163	Nickel/Cobalt	Granted	40%
Irwin Hills	P	39/4594	Nickel/Cobalt	Granted	40%
Irwin Hills	P	39/4595	Nickel/Cobalt	Granted	40%
Irwin Hills	P	39/4682	Nickel/Cobalt	Granted	40%
Irwin Hills	M	39/1088	Nickel/Cobalt	Application	40%
Irwin Hills	M	39/1090	Nickel/Cobalt	Application	40%
Irwin Hills	M	39/1091	Nickel/Cobalt	Application	40%
Irwin Hills	M	39/1092	Nickel/Cobalt	Application	40%
Lalla Rookh	E	45/3379	Iron Ore	Granted	100%
Lalla Rookh	E	45/3380	Iron Ore	Granted	100%
Marillana	E	47/1408	Iron Ore	Granted	100%
Marillana	E	47/3170	Iron Ore	Application	100%
Marillana	L	45/0236	Iron Ore	Application	100%



Project	Tenement type	Tenement number	Commodity	Status	Interest held
Marillana	L	45/0238	Iron Ore	Application	100%
Marillana	L	46/0097	Iron Ore	Application	100%
Marillana	L	47/0369	Iron Ore	Application	100%
Marillana	L	47/0389	Iron Ore	Application	100%
Marillana	L	47/0408	Iron Ore	Application	100%
Marillana	L	47/0544	Iron Ore	Application	100%
Marillana	L	47/0566	Iron Ore	Application	100%
Marillana	L	47/0567	Iron Ore	Application	100%
Marillana	L	52/0124	Iron Ore	Application	100%
Marillana	M	47/1414	Iron Ore	Granted	100%
Mt Goldsworthy	E	45/3931	Iron Ore	Granted	100%
Mt Stevenson	E	47/3105	Iron Ore	Application	100%
Mt Stuart	E	47/1850	Iron Ore	Granted	100%
Mt Stuart	E	47/2215	Iron Ore	Granted	100%
Mt Stuart	E	47/2976	Iron Ore	Application	100%
Mt Stuart	E	47/2993	Iron Ore	Application	100%
Mt Stuart	E	47/2994	Iron Ore	Application	100%
Mt Stuart	P	47/1711	Iron Ore	Application	100%
Mt Stuart	P	47/1712	Iron Ore	Application	100%
Mt Stuart	P	47/1713	Iron Ore	Application	100%
Mt Stuart	P	47/1714	Iron Ore	Application	100%
Nimingara	E	45/4051	Iron Ore	Granted	100%
Ophthalmia	E	47/1598	Iron Ore	Granted	100%
Ophthalmia	E	47/1599	Iron Ore	Granted	100%
Ophthalmia	E	47/2280	Iron Ore	Granted	100%
Ophthalmia	E	47/2291	Iron Ore	Granted	100%
Ophthalmia	E	47/2594	Iron Ore	Granted	100%
Ophthalmia	P	47/1715	Iron Ore	Application	100%
Pannawonica	E	47/2409	Iron Ore	Granted	100%
Pannawonica	E	47/2410	Iron Ore	Granted	100%
Paraburdoo	E	47/1942	Iron Ore	Granted	100%
Paraburdoo	E	47/2081	Iron Ore	Granted	100%
Pippingarra	E	45/3948	Iron Ore	Granted	100%
Port Hedland	L	45/0296	Iron Ore	Application	100%
Red Hill	E	08/2011	Iron Ore	Granted	100%
Red Hill	E	08/2297	Iron Ore	Granted	100%
Red Hill	P	08/0628	Iron Ore	Granted	100%
Red Hill	P	08/0629	Iron Ore	Granted	100%
Robertson Range	E	45/4410	Iron Ore	Application	100%
Shovelanna	E	52/2238	Iron Ore	Granted	100%
Tom Price	E	47/2098	Iron Ore	Granted	100%
Tom Price	E	47/2455	Iron Ore	Application	100%
Tom Price	E	47/2699	Iron Ore	Application	100%
Tom Price	E	47/2700	Iron Ore	Application	100%

ASX ADDITIONAL INFORMATION

Project	Tenement type	Tenement number	Commodity	Status	Interest held
Vivash	E	47/3064	Iron Ore	Application	100%
Vivash	E	47/3065	Iron Ore	Application	100%
West Hamersley	E	47/1603	Iron Ore	Granted	100%
West Hamersley	E	47/2667	Iron Ore	Application	100%
West Hamersley	E	47/2904	Iron Ore	Application	100%
West Hamersley	E	47/2905	Iron Ore	Application	100%
West Hamersley	E	47/3054	Iron Ore	Application	100%
Western Gate Well	E	45/4240	Iron Ore	Application	100%

