INTERIM REPORT
2013/14

BROCKMAN

BROCKMAN MINING LIMITED

布萊克萬礦業有限公司

Incorporated in Bermuda with limited liability

HKEx Stock Code: 159 | ASX Stock Code: BCK

FINANCIAL INFORMATION

For the six months ended 31 December 2013

Results for announcement to the market

The interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Brockman Mining Limited ("Brockman") during the interim reporting period in accordance with the continuous disclosure requirements of The Stock Exchange of Hong Kong Limited (the "SEHK") and Australian Securities Exchange (the "ASX").

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CORPORATE PROFILE

BOARD OF DIRECTORS

Non-Executive Directors

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

Executive Directors

Luk Kin Peter Joseph *(CEO)*
Chan Kam Kwan, Jason
Warren Talbot Beckwith

Independent Non-executive Directors

Yap Fat Suan Henry
(Appointed on 8 Jan 2014)
Uwe Henke Von Parpart
Yip Kwok Cheung, Danny
Lau Kwok Kuen Eddie
(Resigned on 8 Jan 2014)

COMPANY SECRETARY

Chan Kam Kwan, Jason

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

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PRINCIPAL BANKERS

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

WEBSITE

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

STOCK CODE

Main Board of The Stock Exchange of Hong Kong Limited: 159
Australian Securities Exchange: BCK

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 31 December 2013 HK$'000 (Unaudited)	Six months ended 31 December 2012 HK$'000 (Unaudited and restated) (Notes 3(a) and 7)
Continuing operations			
Revenue	5	**29,077**	32,299
Direct costs	8	**(29,621)**	(45,033)
Gross loss		**(544)**	(12,734)
Other income	9	**3,420**	13,097
Other loss, net	10	**(87)**	(56)
Selling and administrative expenses	8	**(55,888)**	(55,732)
Exploration and evaluation expenses		**(50,081)**	(63,505)
Share of loss of a joint venture		**(3,900)**	(8,488)
Finance costs	11	**(427)**	(14,101)
Loss before income tax		**(107,507)**	(141,519)
Income tax expense	12	**—**	—
Loss for the period from continuing operations		**(107,507)**	(141,519)
Discontinued operation			
Profit/(loss) for the period from discontinued operation	7	**578**	(2,431)
Loss for the period		**(106,929)**	(143,950)
Other comprehensive income:			
Item that may be subsequently reclassified to profit or loss			
Exchange differences arising from translation of foreign operations		**(51,898)**	44,103
Other comprehensive (loss)/income for the period		**(51,898)**	44,103
Total comprehensive loss for the period		**(158,827)**	(99,847)

	Note	Six months ended 31 December **2013** **HK$'000** **(Unaudited)**	 2012 HK$'000 (Unaudited and restated) (Notes 3(a) and 7)
Loss for the period attributable to:			
Equity holders of the Company		**(105,268)**	(141,438)
Non-controlling interest		**(1,661)**	(2,512)
		(106,929)	(143,950)
Profit/(loss) for the period attributable to owners of the Company arises from:			
Continuing operations		**(105,846)**	(139,007)
Discontinued operation		**578**	(2,431)
		(105,268)	(141,438)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(157,681)**	(97,709)
Non-controlling interest		**(1,146)**	(2,138)
		(158,827)	(99,847)
Total comprehensive income/(loss) attributable to owners of the Company arises from:			
Continuing operations		**(157,738)**	(94,943)
Discontinued operation		**57**	(2,766)
		(157,681)	(97,709)
Earnings/(loss) per share from continuing and discontinued operations attributable to the equity holders of the Company during the period		**HK cents**	HK cents
Basic earnings/(loss) per share			
Continuing operations	13	**(1.34)**	(1.93)
Discontinued operation	13	**0.01**	(0.03)
		(1.33)	(1.96)
Diluted earnings/(loss) per share			
Continuing operations	13	**(1.34)**	(1.93)
Discontinued operation	13	**0.01**	(0.03)
		(1.33)	(1.96)

The notes on pages 12 to 38 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2013 HK$'000 (Unaudited)	As at 30 June 2013 HK$'000 (Audited and restated) (Note 3(a))
Non-current assets			
Mining properties	14	**3,407,299**	3,494,432
Property, plant and equipment	15	**35,898**	89,316
Interest in a joint venture		**1,730**	1,276
Other non-current assets		**13,940**	15,262
		3,458,867	3,600,286
Current assets			
Inventories		**5,593**	7,286
Trade receivables	16	**—**	21,370
Other receivables, deposits and prepayments		**11,235**	13,271
Amount due from a related party	27	**109**	1,155
Cash and cash equivalents		**203,783**	252,994
		220,720	296,076
Assets of disposal group classified as held for sale	7	**84,955**	—
		305,675	296,076
Total assets		**3,764,542**	3,896,362
Equity			
Share capital	18	**789,448**	789,448
Reserves		**1,780,573**	1,924,023
Equity attributable to the equity holders of the Company		**2,570,021**	2,713,471
Non-controlling interests		**41,780**	43,075
Total equity		**2,611,801**	2,756,546

	Note	As at 31 December 2013 HK$'000 (Unaudited)	As at 30 June 2013 HK$'000 (Audited and restated) (Note 3(a))
Non-current liabilities			
Obligations under finance leases		—	7,615
Amount due to a related party	27	**26,155**	25,846
Deferred income tax liabilities	22	**867,504**	896,062
Provisions		**1,380**	2,122
		895,039	931,645
Current liabilities			
Trade payables	17	**5,791**	14,161
Other payables and accrued charges		**176,563**	172,609
Amounts due to related parties	27	**2,023**	3,800
Bank borrowings	21	—	10,781
Obligations under finance leases		—	6,820
Fixed rate bond	19	**31,627**	—
		216,004	208,171
Liabilities of disposal group classified as held for sale	7	**41,698**	—
		257,702	208,171
Total liabilities		**1,152,741**	1,139,816
Net current assets		**47,973**	87,905
Total assets less current liabilities		**3,506,840**	3,688,191

The notes on pages 12 to 38 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Statutory reserve *(Note)* HK$'000	Convertible bonds reserve HK$'000	Share-based compensation reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Other reserve HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 July 2012 (Audited)	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 income											
Loss for the period	–	–	–	–	–	–	(141,438)	–	(141,438)	(2,512)	(143,950)
Other comprehensive income											
Exchange differences arising on translation of foreign operations	–	–	–	–	–	43,729	–	–	43,729	374	44,103
Total other comprehensive income for the period	–	–	–	–	–	43,729	–	–	43,729	374	44,103
Total comprehensive income/(loss) for the period	–	–	–	–	–	43,729	(141,438)	–	(97,709)	(2,138)	(99,847)
Transactions with equity holders											
Issue of shares	4,905	21,584	–	–	–	–	–	–	26,489	–	26,489
Appropriations to statutory reserve	–	–	1,483	–	–	–	(1,483)	–	–	–	–
Share-based compensation	–	–	–	–	9,607	–	–	–	9,607	–	9,607
Total transactions with equity holders	4,905	21,584	1,483	–	9,607	–	(1,483)	–	36,096	–	36,096
Balance at 31 December 2012 (Unaudited)	722,409	4,026,906	3,911	25,547	68,917	(17,921)	(2,324,461)	462,461	2,967,769	67,496	3,035,265

	Attributable to equity holders of the Company									
	Share capital HK$'000	Share premium HK$'000	Statutory reserve *(Note)* HK$'000	Share-based compensation reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Other reserve HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 July 2013 (Audited)	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 income										
Loss for the period	–	–	–	–	–	(105,268)	–	(105,268)	(1,661)	(106,929)
Other comprehensive income										
Exchange differences arising on translation of foreign operations	–	–	–	–	(52,413)	–	–	(52,413)	515	(51,898)
Total other comprehensive (loss)/ income for the period	–	–	–	–	(52,413)	–	–	(52,413)	515	(51,898)
Total comprehensive loss for the period	–	–	–	–	(52,413)	(105,268)	–	(157,681)	(1,146)	(158,827)
Transactions with equity holders										
Appropriations to statutory reserve	–	–	1,493	–	–	(1,344)	–	149	(149)	–
Share-based compensation	–	–	–	14,082	–	–	–	14,082	–	14,082
Total transactions with equity holders	–	–	1,493	14,082	–	(1,344)	–	14,231	(149)	14,082
Balance at 31 December 2013 (Unaudited)	789,448	4,313,856	6,911	80,721	(343,454)	(2,739,922)	462,461	2,570,021	41,780	2,611,801

Note: The statutory reserve represents the reserve funds provided in relation to the extraction of mineral ores by a subsidiary established in the People's Republic of China (the "PRC") in accordance with the PRC laws and regulations.

The notes on pages 12 to 38 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 December 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited and restated) (Notes 3(a) and 7)
Cash flows from operating activities		
Continuing operations	**(69,675)**	(105,433)
Discontinued operation	**7,067**	11,797
Net cash used in operating activities	**(62,608)**	(93,636)
Cash flows from investing activities		
Continuing operations		
— Interest received	**3,139**	6,358
— Proceeds from disposal of property, plant and equipment	**225**	—
— Purchases of property, plant and equipment	**(1,710)**	(2,013)
— Additions of mining properties	**(141)**	—
— Investment in a joint venture	**(4,405)**	(5,891)
Discontinued operation	**(1,804)**	(7,014)
Net cash used in investing activities	**(4,696)**	(8,560)

	Six months ended 31 December 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited and restated) (Notes 3(a) and 7)
Cash flows from financing activities		
Continuing operations		
— Proceeds from issuance of fixed rate bonds	**31,200**	156,000
— Acquisition of additional interest in a subsidiary	**—**	(33,514)
Discontinued operation	**(6,158)**	(3,603)
Net cash generated from financing activities	**25,042**	118,883
Net (decrease)/increase in cash and cash equivalents	**(42,262)**	16,687
Cash and cash equivalents at beginning of the period	**252,994**	333,252
Effects of foreign exchange rate changes	**4,157**	3,889
Cash and cash equivalents at end of the period, represented by		
Bank balances and cash	**214,889**	353,828
Less: Cash and cash equivalents included in assets of disposal group classified as held for sale	**(11,106)**	—
	203,783	353,828

The notes on pages 12 to 38 form an integral part of this condensed consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL

Brockman Mining Limited (the "Company") and its subsidiaries (collectively, the "Group") principally engage in the acquisition, exploration and development of mineral tenements in Australia; in the exploitation, processing and sales of mineral resources, including copper ore concentrates and other mineral ore products in the People's Republic of China (the "PRC").

The Company is a public 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.

This condensed consolidated financial information is presented in thousands of Hong Kong dollar ("HK$'000"), unless otherwise stated. This condensed consolidated financial information was approved for issue by the Board of Directors on 26 February 2014. This condensed consolidated financial information has not been audited.

Key events

On 24 October 2013, the Company entered into a sale and purchase agreement pursuant to which the Company agreed to sell the entire equity interest in Perryville Group Limited and its subsidiaries ("Perryville Group") and the loan due to the Company at a consideration of HK$45,000,000 ("Disposal"). The Disposal was completed on 19 February 2014 and Perryville Group Limited ceased to be a subsidiary of the Group. Please refer to Note 7 for further details.

On 24 October 2013, the Group also entered into a series of agreements with the minority shareholder of Luchun Xingtai Mining Co., Ltd ("Luchun") to acquire the remaining 10% equity interest in Luchun for a consideration of HK$45,000,000 ("Acquisition"). The Acquisition was completed on 21 February 2014.

On 12 November 2013, the Company issued a fixed rate bond at a rate of 10% per annum with principal amount of HK$31,200,000, maturing on 28 November 2014, to Ocean Line Holdings Limited ("Ocean Line"), a substantial shareholder of the Company. Please refer to Note 19 for further details.

2 BASIS OF PREPARATION

This condensed consolidated financial information has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the SEHK.

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

During the six months ended 31 December 2013, the Group had cash outflows used in operating activities of HK$62,608,000. Based on the directors' review of the Group's cash flow projections, taken into account of the Group's expected cash flows from operations, available financial resources, and the recent shares subscription, 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 condensed consolidated financial information on a going concern basis.

3 PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2013, as described in those annual financial statements.

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

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

In preparing this condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 June 2013, with the exception of changes in estimates that are required in determining the provision for income taxes.

3 PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) New and amended standards adopted by the Group

The Group adopted the following new standards which are mandatory for the financial year beginning on or after 1 July 2013.

- 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.

- 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 of one of these arrangements, it has been assessed that the Group has rights to the net assets relating to the jointly controlled entity and therefore one of the joint arrangements has been classified as a joint venture.

3 PRINCIPAL ACCOUNTING POLICIES (Continued)

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

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 investment in a joint venture at the beginning of the earliest period presented as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated, including any goodwill arising from the acquisition of the investment. This is deemed to be the cost of the Group's investment in a joint venture for applying equity accounting.

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

	At at 30 June 2013 HK$'000
Impact on consolidated balance sheet	
Assets	
— Decrease in property, plant and equipment	**(166)**
— Decrease in other receivables, deposits and prepayments	**(1,378)**
— Decrease in cash and cash equivalents	**(753)**
— Increase in interest in a joint venture	**1,276**
Liabilities	
— Decrease in other payables and accrued charges	**(1,021)**

	Six months ended 31 December 2012 HK$'000
Impact on consolidated statement of comprehensive income	
Decrease in exploration and evaluation expenses	(8,488)
Increase in share of loss of a joint venture	8,488
Impact on consolidated statement of cash flows	
Decrease in cash flows used in operating activities	7,692
Increase in cash flows used in investing activities	(5,823)
Change in net increase in cash and cash equivalents	1,869

There was no effect on the statement of other comprehensive income and the effect on earnings per share was immaterial.

3 PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Amendments and interpretations to existing standards those are effective for the financial year beginning 1 July 2013 but not relevant to the Group

The following new standards, amendments to standards and interpretations are mandatory for accounting periods beginning on or after 1 July 2013. The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

IAS 19 (Amendment)	Employee Benefits
IAS 27 (Revised 2011)	Separate Financial Statements
IAS 28 (Revised 2011)	Investment in Associates and Joint Ventures
IFRS 7 (Amendment)	Disclosures — Offsetting Financial Assets and Financial Liabilities
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement

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

		Effective for annual periods beginning on or after
IAS 19 (Amendment)	Employee Benefits	1 July 2014
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
IFRS 7 and IFRS 9 (Amendment)	Mandatory Effective Date and Transition Disclosures	To be determined
IFRS 9	Financial Instruments	To be determined
IFRS 10, IFRS 12 and IAS 27 (Revised 2011) (Amendment)	Investment Entities	1 January 2014
IFRIC-Int 21	Levies	1 January 2014

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

4 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodities price risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidation financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2013.

There have been no changes in the risk management or in any risk management policies since 30 June 2013.

(b) 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 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 period, the Group issued fixed rate bond of HK$31,200,000 to existing shareholders, which were subsequently redeemed on 13 February 2014 (Note 29), and the Company announced the sale of its transportation services business which was reported as a discontinued operation (Note 7). This has resulted in bank borrowings and finance lease liabilities attributable to transportation services, being reported in liabilities of discontinued operation as at 31 December 2013.

Save for the above, there was no significant change in the working capital structure during the year. The current ratio is measured at 1.19 times compared to 1.42 times as at 30 June 2013.

4 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

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 is required to pay. The table includes both interest and principal cash flows.

	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
31 December 2013						
Non-derivative financial liabilities:						
Trade payables	—	5,791	—	—	5,791	5,791
Other payables	—	55,887	—	—	55,887	55,887
Amounts due to related parties	—	2,023	26,155	—	28,178	28,178
Fixed rate bond	10.00	34,465	—	—	34,465	31,627
		98,166	26,155	—	124,321	121,483
30 June 2013						
Non-derivative financial liabilities:						
Trade payables	—	14,161	—	—	14,161	14,161
Other payables	—	50,204	—	—	50,204	50,204
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
		86,324	31,408	2,332	120,064	119,227

(c) Fair value estimation

As at 31 December 2013 and 30 June 2013, there are no financial assets and liabilities that are measured at fair value.

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

5 REVENUE

Revenue represents the amounts received and receivable for sales of mineral ore products for the six months ended 31 December 2013. An analysis of the Group's revenue for the period is as follows:

	Six months ended 31 December	
	2013 **HK$'000** **(Unaudited)**	2012 HK$'000 (Unaudited and restated)
Continuing operations		
Sales of copper ore concentrates	**29,077**	32,299

6 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reporting provided to executive directors of the Company who is responsible for allocating resources and assessing performance of the operating segments.

The Group's reportable operating segments are revised as follows:

Mineral tenements in Australia — mineral exploration, 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 7)* — 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 statement of comprehensive income and balance sheet.

6 SEGMENT INFORMATION (Continued)

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

	Continuing operations				Discontinued operation	
	Mining operation in the PRC HK$'000	Mineral tenements in Australia HK$'000	Others HK$'000	Sub-total HK$'000	Transportation services HK$'000	Total HK$'000
Six months ended 31 December 2013 (Unaudited)						
Segment revenue from external customers	**29,077**	**—**	**—**	**29,077**	**58,935**	**88,012**
Segment results	**(16,611)**	**(53,362)**	**(33,207)**	**(103,180)**	**1,690**	**(101,490)**
Share of loss of a joint venture				**(3,900)**	**—**	**(3,900)**
Finance costs				**(427)**	**(456)**	**(883)**
(Loss)/profit before income tax				**(107,507)**	**1,234**	**(106,273)**
Other information:						
Depreciation of property, plant and equipment	**(2,688)**	**(400)**	**(378)**	**(3,466)**	**(7,312)**	**(10,778)**
Amortisation of mining properties	**(8,326)**	**—**	**—**	**(8,326)**	**—**	**(8,326)**
Finance costs	**—**	**—**	**(427)**	**(427)**	**(456)**	**(883)**
Income tax expense	**—**	**—**	**—**	**—**	**(656)**	**(656)**
Six months ended 31 December 2012 (Unaudited and restated)						
Segment revenue from external customers	32,299	—	—	32,299	54,529	86,828
Segment results	(25,119)	(60,147)	(33,664)	(118,930)	(1,081)	(120,011)
Share of loss of a joint venture				(8,488)	—	(8,488)
Finance costs				(14,101)	(752)	(14,853)
Loss before income tax				(141,519)	(1,833)	(143,352)
Other information:						
Depreciation of property, plant and equipment	(2,489)	(487)	(376)	(3,352)	(8,631)	(11,983)
Amortisation of intangible assets	—	—	—	—	(360)	(360)
Amortisation of mining properties	(14,851)	—	—	(14,851)	—	(14,851)
Finance costs	—	—	(14,101)	(14,101)	(752)	(14,853)
Income tax expense	—	—	—	—	(598)	(598)

Revenue from a single customer of mining operation in the PRC represents HK$29,077,000 for the period (six months ended 31 December 2012: HK$32,299,000).

6 SEGMENT INFORMATION (Continued)

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

	Continuing operations				Discontinued operation	
	Mining operation in the PRC HK$'000	Mineral tenements in Australia HK$'000	Others HK$'000	Sub-total HK$'000	Transportation services HK$'000	Total HK$'000
As at 31 December 2013 (Unaudited)						
Segment assets	**563,886**	**3,039,713**	**75,988**	**3,679,587**	**84,955**	**3,764,542**
Total assets				**3,679,587**		**3,764,542**
Total segment assets include:						
Additions of property, plant and equipment	**1,358**	**347**	**5**	**1,710**	**2,486**	**4,196**
Additions of mining properties	**—**	**141**	**—**	**141**	**—**	**141**
As at 30 June 2013 (Audited and restated):						
Segment assets	567,372	3,171,115	69,227	3,807,714	88,648	3,896,362
Total assets				3,807,714		3,896,362
Total segment assets include:						
Additions of property, plant and equipment	2,992	676	98	3,766	8,487	12,253
Additions of mining properties	—	7,305	—	7,305	—	7,305

7 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

(a) Discontinued operation

On 24 October 2013, the Company and Mr. Leung Chi Yan, Danny ("Mr. Leung"), a director of Perryville Group Limited ("Perryville"), entered into a sale and purchase agreement pursuant to which the Company agreed to sell the entire equity interest in Perryville Group Limited and its subsidiaries ("Perryville Group") and the loan due to the Company 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.

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

Profit/(loss) from discontinued operation

	Six months ended 31 December	
	2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
Revenue	**58,935**	54,529
Expenses	**(57,701)**	(56,362)
Profit/(loss) before income tax	**1,234**	(1,833)
Income tax expense	**(656)**	(598)
Profit/(loss) for the period and total comprehensive income/(loss) from discontinued operation	**578**	(2,431)
Profit/(loss) for the period and total comprehensive income/(loss) from discontinued operations attributable to:		
— Equity holders of the Company	**578**	(2,431)

7 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALES AND DISCONTINUED OPERATION (Continued)

(b) Assets and liabilities of disposal group

The assets and liabilities related to Perryville Group, transportation services segment, have been presented as held for sale following the proposed Disposal.

Perryville Group's assets and liabilities were measured at the lower of carrying amount and fair value less cost to sell at the date of held for sale classification.

The major classes of assets and liabilities of the disposal group are as follows:

	As at 31 December 2013 HK$'000 (Unaudited)
Assets classified as held for sale	
Property, plant and equipment	46,252
Trade receivables	26,085
Other receivables, deposits and prepayments	4,510
Cash and cash equivalents	8,108
Total assets of the disposal group	84,955
Liabilities directly associated with assets classified as held for sale	
Trade payables	(7,055)
Other payable and accrued charges	(11,105)
Amount due to related parties	(98)
Bank borrowings	(6,460)
Obligation under finance leases	(13,054)
Deferred income tax liabilities	(2,808)
Provisions	(1,118)
Total liabilities of the disposal group	(41,698)
Net assets of the disposal group	43,257

8 EXPENSES BY NATURE

	Six months ended 31 December 2013 HK$'000 (Unaudited)	Six months ended 31 December 2012 HK$'000 (Unaudited and restated)
Amortisation of mining properties (included in direct costs)	**8,326**	14,851
Cost of inventories	**6,776**	11,678
Depreciation of property, plant and equipment	**3,466**	3,352
Equity-settled share-based compensation for consultants	**520**	87
Operating lease rentals in respect of office premises	**5,694**	6,580
Staff costs	**58,146**	64,777

Staff costs include:

	Six months ended 31 December 2013 HK$'000 (Unaudited)	Six months ended 31 December 2012 HK$'000 (Unaudited and restated)
Wages, salaries and welfares	**36,008**	43,665
Directors' emoluments (including share-based compensation)	**11,626**	13,188
Retirement benefit scheme contributions	**1,719**	2,043
Share-based compensation for employees	**8,793**	5,881
	58,146	64,777

9 OTHER INCOME

	Six months ended 31 December 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited and restated)
Interest on bank deposits	**3,139**	6,358
Government grant *(Note)*	**—**	6,724
Others	**281**	15
	3,420	13,097

Note:

Government grant represents research and development incentive credits provided by the Australia Federal government in relation to research and development activities carried out in Australia.

10 OTHER LOSS, NET

	Six months ended 31 December 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited and restated)
Loss on disposal of property, plant and equipment	**87**	56

11 FINANCE COSTS

	Six months ended 31 December 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited and restated)
Effective interest expenses on convertible bonds	**—**	8,870
Interests on fixed rate bond	**427**	5,231
	427	14,101

12 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been provided as the Group has no estimated assessable profits for the period (2012: Nil).

No provision for PRC Enterprise Income Tax has been made as the Company's subsidiaries established in the PRC have no assessable profits arising in the PRC during the period (2012: Nil).

No provision for Australian Income Tax has been made as the Company's subsidiaries established in Australia have no assessable profits arising in Australia during the period (2012: Nil).

13 EARNINGS/(LOSS) PER SHARE

Basic earnings/loss per share is calculated by dividing the earnings/loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings/loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended 31 December	
	2013 **(Unaudited)**	2012 (Unaudited and restated) (Notes 3(a) and 7)
Profit/(loss) for the period attributable to the equity holders of the Company *(HK$'000)*		
— Continuing operations	**(105,846)**	(139,007)
— Discontinued operation	**578**	(2,431)
	(105,268)	(141,438)
Interest expense relating to convertible bonds *(HK$'000)*	**—**	8,870
Adjusted loss for the period attributable to the equity holders of the Company from continuing and discontinued operations *(HK$'000)*	**(105,268)**	(132,568)
Adjusted loss from continuing operations	**(105,846)**	(130,137)
Adjusted profit/(loss) from discontinued operations	**578**	(2,431)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating the basic earnings/(loss) per share *(thousands)*	**7,894,482**	7,215,296

13 EARNINGS/(LOSS) PER SHARE (Continued)

	Six months ended 31 December	
	2013 **(Unaudited)**	2012 (Unaudited and restated) (Notes 3(a) and 7)
Earnings/(loss) per share attributable to the equity holders of the Company		
Basic earnings/(loss) per share: *(HK cents)*		
— Continuing operations	**(1.34)**	(1.93)
— Discontinued operation	**0.01**	(0.03)
	(1.33)	(1.96)
Diluted earnings/(loss) per share: *(HK cents)*		
— Continuing operations	**(1.34)**	(1.93)
— Discontinued operation	**0.01**	(0.03)
	(1.33)	(1.96)

Diluted earnings/loss per share is the same as basic earnings/loss per share for the six months ended 31 December 2013 and 2012 because the effect of the assumed conversion of the convertible bonds of the Company during these periods was anti-dilutive.

14 MINING PROPERTIES

	Mining right in the PRC HK$'000	Mining properties in Australia HK$'000	Total HK$'000
Balance as at 1 July 2012	757,014	3,326,426	4,083,440
Amortisation during the period	(13,505)	—	(13,505)
Exchange differences	4,151	52,033	56,184
Balance as at 31 December 2012 (Unaudited)	747,660	3,378,459	4,126,119
Balance as at 1 July 2013	**510,171**	**2,984,261**	**3,494,432**
Additions	**—**	**141**	**141**
Amortisation during the period	**(7,850)**	**—**	**(7,850)**
Exchange differences	**6,066**	**(85,490)**	**(79,424)**
Balance as at 31 December 2013 (Unaudited)	**508,387**	**2,898,912**	**3,407,299**

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 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. The mining right certificate was renewed in 2007 for a period of five years to September 2012. Yunnan State Land Resources Bureau has granted Luchun an extension of the existing mining certificate for a period of three months to December 2012 and a temporary mining right certificate for one year which will expire in June 2014.

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, subject to the fulfillment of certain statutory reporting requirements.

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 of 7,554,000 tonnes under the assumption that the Group can renew the mining right in the future until all proven and probable reserves have been mined.

As at 31 December 2013, the Group assessed and concluded there was no impairment indicator.

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.

In the opinion of directors, there was no indication of impairment of the mining properties as at 31 December 2013.

15 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2013, the Group acquired assets for continuing operations with a cost of HK$1,710,000 (during the six months ended 31 December 2012: HK$2,013,000, as restated).

16 TRADE RECEIVABLES

	As at	
	31 December 2013 HK$'000 (Unaudited)	30 June 2013 HK$'000 (Audited)
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. 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 invoice date at the respective balance sheet dates are as follows:

	As at	
	31 December 2013 HK$'000 (Unaudited)	30 June 2013 HK$'000 (Audited)
0 — 30 days	—	8,517
31 — 60 days	—	6,611
61 — 90 days	—	3,195
Over 90 days	—	3,584
	—	21,907

Note:

Balances related to discontinued operation have been classified as assets of disposal group classified as held for sale as at 31 December 2013 (Note 7).

17 TRADE PAYABLES

The ageing analysis of trade payables, based on the invoice date at the respective balance sheet dates are as follows:

	As at	
	31 December 2013 HK$'000 (Unaudited)	30 June 2013 HK$'000 (Audited)
0 — 30 days	**4,279**	7,431
31 — 60 days	**—**	1,977
61 — 90 days	**—**	1,919
Over 90 days	**1,512**	2,834
	5,791	14,161

Note:
Balances related to discontinued operation have been classified as liabilities of disposal group classified as held for sale as at 31 December 2013 (Note 7).

18 SHARE CAPITAL

	Number of shares '000	**Share capital** HK$'000
Ordinary shares of HK$0.10 each		
Authorised		
As at 1 July 2013 and 31 December 2013	10,000,000	1,000,000
Issued and fully paid		
As at 1 July 2013 and 31 December 2013	**7,894,482**	**789,448**

Note:
As at 31 December 2013, a total of 15,000,000 units of options (exercise price of A$0.2 per share) were quoted and listed on the ASX.

19 FIXED RATE BOND

	As at 31 December 2013 HK$'000 (Unaudited)	As at 30 June 2013 HK$'000 (Audited)
Principal amount *(Note)*	31,200	—
Accrued interest *(Note 11)*	427	—
	31,627	—

Note:

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 Holdings Limited ("Ocean Line"), a substantial shareholder of the Company. 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 daily basis. The abovementioned fixed rate bond was redeemed in full subsequently after the balance sheet date (Note 29).

20 SHARE OPTION SCHEME

Share option scheme of the Company

The 2012 share option scheme (the "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 Share Option Scheme is to replace the old share option scheme which has expired in August 2012 for the primary purpose of providing incentives or rewards to selected participants for their contribution to the Group. The Share Option Scheme is valid and effective for a period of ten years from the date of its adoption. Share options granted under the old share option scheme prior to its expiry shall continue to be valid and exercisable pursuant to its rule.

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

20 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	3,750,000	18 January 2011 — 17 January 2014	1.164
	18 January 2010	18 January 2010 — 17 January 2012	1,875,000	18 January 2012 — 17 January 2014	1.164
	18 January 2010	18 January 2010 — 17 January 2013	1,875,000	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
2011B	14 December 2011	14 December 2011 — 13 December 2014	600,000	14 December 2014 — 13 December 2015	0.720
	14 December 2011	14 December 2011 — 13 December 2013	600,000	14 December 2013 — 13 December 2015	0.720
	14 December 2011	14 December 2011 — 13 December 2012	2,200,000	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	76,600,000	20 May 2014 — 20 May 2016	0.717
	20 May 2013	20 May 2013 — 20 May 2015	76,600,000	20 May 2015 — 20 May 2016	0.967

20 SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

Movements in the number of share options outstanding are as follows:

	Option type	Outstanding as at 1 July 2013	Granted during the period	Lapsed during the period	Outstanding as at 31 December 2013
Directors					
Luk Kin Peter Joseph	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)	**—**
Sub-total		236,200,000	—	(40,500,000)	**195,700,000**
Employees	2011B	5,400,000	—	—	**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		204,100,000	—	—	**204,100,000**
Consultants	2010A	3,000,000	—	—	**3,000,000**
	2010B*	27,000,000	—	—	**27,000,000**
	2012A	20,000,000	—	—	**20,000,000**
	2013C	5,000,000	—	—	**5,000,000**
		55,000,000	—	—	**55,000,000**
Total		495,300,000	—	(40,500,000)	**454,800,000**

Note:

* Among the 27,000,000 options granted to consultants, a total of 13,500,000 options belong to Mr. Warren Talbot Beckwith. As at 31 December 2013, Mr. Beckwith was in aggregate entitled to 33,500,000 share options of the Company.

20 SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

The fair values of the 2010A, 2010B, 2010C, 2011B, 2012A, 2013A, 2013B and 2013C share options were calculated using the Binomial model prepared by an independent valuer. The inputs into the model were as follows:

	2010A	2010B	2010C	2011B	2012A	2013A	2013B	2013C
Exercise price	HK$1.164	HK$1.24	HK$2.00	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%	55%	49%	57%	56%	56%
Expected option life	4 years	4 years	3 years	4 years	4 years	3 years	3 years	3 years
Annual risk-free rate	1.46%	1.502%	0.570%	0.649%	0.396%	0.170%	0.273%	0.247%
Expected Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%

During the six months ended 31 December 2013, the Company recognised HK$14,082,000 as expenses in relation to the share options granted by the Company.

21 BANK BORROWINGS

	As at 31 December 2013 HK$'000 (Unaudited)	As at 30 June 2013 HK$'000 (Audited)
Current		
Bank borrowings, wholly repayable within 5 years	—	10,781
Variable interest rate	—	1.96% to 3.55%

As at 31 December 2013, guarantees have been given to a bank by the Company in respect of banking facilities extended to a wholly-owned subsidiary of Perryville Group amounted to HK$75,200,000 (30 June 2013: HK$75,200,000). Such facilities were drawn by Perryville Group to the extent of HK$6,460,000 (30 June 2013: HK$10,781,000). The abovementioned corporate guarantees were fully released by the bank on 14 February 2014.

As at 31 December 2013, bank borrowings related to discontinued operation have been classified as liabilities of disposal group classified as held for sale (Note 7).

22 DEFERRED INCOME TAX

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

	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 income statement for the period	7	121	—	128
Exchange difference	—	—	(15,589)	(15,589)
At 31 December 2012 (Unaudited)	(3,083)	(472)	(1,013,541)	(1,017,096)
At 1 July 2013	**(2,975)**	**—**	**(893,087)**	**(896,062)**
Classified as liabilities held for sale *(Note 7)*	**2,975**	**—**	**—**	**2,975**
Exchange difference	**—**	**—**	**25,583**	**25,583**
At 31 December 2013 (Unaudited)	**—**	**—**	**(867,504)**	**(867,504)**

23 CONTINGENCIES

Native title claims

Native title claims have been made with respect to areas which include tenements in which controlled entities of Brockman have interests, and these controlled entities are unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect them or their projects.

24 FINANCIAL GUARANTEES

During the period, the Company has given corporate guarantees to a bank in relation to banking facilities granted by such bank to a wholly-owned subsidiary of Perryville Group. As at 31 December 2013, such facilities were drawn by such subsidiary to the extent of HK$6,460,000 (30 June 2013: HK$10,781,000) and the maximum liability of the Company under the guarantees was HK$75,200,000 (30 June 2013: HK$75,200,000).

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

25 PLEDGE OF ASSETS

As at 31 December 2013, a subsidiary of Perryville Group pledged its motor vehicles with a carrying value of approximately HK$3,565,000 (30 June 2013: HK$5,166,000) to secure general banking facilities granted to a subsidiary of Perryville Group.

As at 31 December 2013, a subsidiary of Perryville Group leased various motor vehicles with a carrying value of approximately HK$18,156,000 (30 June 2013: HK$18,278,000) under the non-cancellable finance lease arrangements. The rights to the leased motor vehicles are reverted to the lessor in the event of default of lease liabilities.

The Company ceased to have any equity interest in the Perryville Group following the completion of the Disposal on 19 February 2014. The Group has no remaining pledge of assets after the completion of the Disposal.

As at 31 December 2013, a subsidiary of the Company has entered into arrangements with its bank to provide guarantees to its lessor and the Department of Mines and Petroleum in Australia. The arrangements were supported by term deposits for the amounts of A$159,000 (equivalent to approximately HK$1,097,000) (30 June 2013: A$444,000, equivalent to approximately HK$3,145,000) which were considered as restricted cash and classified as non-current asset.

26 JOINT ARRANGEMENTS

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

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

Notes:

(a) North West Infrastructure Pty Ltd is incorporated in Australia which is seeking to develop port and related infrastructure on behalf of the North West Iron Ore Alliance ("NWIOA") members. It is classified as joint venture under IFRS 11 as disclosed in Note 3(a).

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

27 RELATED PARTY DISCLOSURES

(a) Material related party transactions

Save as disclosed elsewhere in this condensed consolidated financial information, the Group has the following related party transactions during the period:

	Six months ended 31 December	
	2013 **HK$'000** **(Unaudited)**	2012 HK$'000 (Unaudited)
Administrative expenses paid to a related company *(Note)*	**192**	180

Note:

Administrative expenses were paid to a company in which Mr. Peter Luk has beneficial interest in respect of the administrative services provided to the Group, and were charged at monthly fees agreed by the parties involved.

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 fair market terms mutually agreed between the Group and the respective related party.

(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 twelve months.

(c) Compensation of key management personnel

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

	Six months ended 31 December	
	2013 **HK$'000** **(Unaudited)**	2012 HK$'000 (Unaudited and restated)
Short-term employee benefits	**17,116**	16,366
Post-employment benefits	**599**	496
Termination benefits	**—**	105
Share-based compensation expenses	**5,307**	9,076
	23,022	26,043

28 INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2013 (2012: Nil).

29 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 2 January 2014, the Company has entered into share subscription agreements with two substantial shareholders, China Guoyin Investments (HK) Ltd ("China Guoyin") and Ocean Line for share subscriptions at a total consideration of HK$78,000,000 and HK$117,000,000 respectively. The subscription price was HK$0.40 per share.

Pursuant to the share subscription agreement with Ocean Line, part of the consideration for the share subscription was offset by the redemption of the fixed rate bond (Note 19) in full on 13 February 2014.

On 13 February 2014, a total of 195,000,000 and 292,500,000 ordinary shares were issued to China Guoyin and Ocean Line respectively.

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

On 24 October 2013, the Group has entered into a series of agreements with the minority shareholder of Luchun on acquiring the remaining 10% interest in Luchun for a consideration of HK$45,000,000. The transaction was completed on 21 February 2014 and the Group then owns 100% interest in Luchun.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 4 to 38, which comprises the condensed consolidated balance sheet of Brockman Mining Limited (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2013 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 February 2014

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL HIGHLIGHTS

The Group's consolidated revenue from continuing operations for the six months ended 31 December 2013 decreased by 9.9% to approximately HK$29.1 million (2012: HK$32.3 million). The decrease in revenue reflects lower average realised prices. The commodity market remained volatile in the second half of 2013 which is attributed continuing concerns over global economic growth and long-term sustainable demand for commodities. The transportation services business was classified as asset held-for-sale during the period and delivered revenue of approximately HK$58.9 million (2012: HK$54.5 million). The profit for the period from discontinued operation amounted to approximately HK$578,000.

As at 31 December 2013, the Group's net asset value amounted to HK$2,611.8 million (30 June 2013: HK$2,756.5 million) and cash and bank balances, totalled HK$203.8 million (30 June 2013: HK$253.0 million).

Loss attributable to equity holders of the Company amounted to HK$105.3 million for the six months ended 31 December 2013 (2012: HK$141.4 million). The change was attributable to improved operating result from the Damajianshan mine following the completion of electric power supply upgrade; reduced project mine study expenditure for the Australian operations and the reduction of finance costs due to the conversion of convertible bonds.

The Company announced its intention to dispose the transportation business during October 2013. The re-positioning of the Company as a globally renowned mid-tier mining resources company which concentrates on the mining businesses in Australia and the PRC not only would convey a clear corporate image, it will benefit the Group's overall financial performance in the long run.

Basic loss per share for the period was HK1.33 cents (2012: HK1.96 cents).

During the six months ended 31 December 2013, the Group had cash outflows used in operating activities of HK$62.6 million. The Company issued an unsecured bond to Ocean Line (the "Bond") with an outstanding amount of US$4,000,000 (equivalent to approximately HK$31,200,000) at the date of issue. The Bond was issued on 12 November 2013 to raise funds for the Group's general working capital. The Bond was unsecured, bears an interest rate of 10% per annum and is due on 28 November 2014.

CORPORATE REVIEW

Discontinued Operation — Disposal of Perryville Group

High levels of competition in the transportation services industry and the Group's increasing focus in the mining sector, resulted in the Group choosing to enter into a sale and purchase agreement with a director of Perryville Group Limited to sell its entire interest in the transportation services business on 24 October 2013. Shareholders' resolution for the disposal of Perryville Group was passed on 9 January 2014. The disposal of the transportation services business was completed on 19 February 2014 following the fulfillment of all conditions precedent, and the Group ceased to have any equity interests and control in the Perryville Group and the Group is released from all pledges and guarantees in relation to the Perryville Group.

Acquisition of the remaining 10% interest in Luchun Xingtai

On 24 October 2013, the Board also announced that, Smart Year Investments Limited, a subsidiary of the Company, entered into the Equity Interest Transfer Deed with Ms. Zhangli, being the owner of the remaining 10% interest in Luchun Xingtai Mining Company Limited, which owns the Damajianshan Mine of the Group. A series of agreements were entered for the purpose of ultimately gaining 100% control of the Damajianshan Mine. The Directors expect that the production level of copper from the Damajianshan Mine will increase in coming years, and may help improve the profitability prospects of the Group in the long run. The aforesaid acquisition of 10% interest in Luchun was completed on 21 February 2014.

Re-designation of Executive Director
To strengthen the executive functions of the Group, during the interim period, Mr. Warren Talbot Beckwith, who has been a non-executive director since 2012, was re-designated as an executive director of the Company. Mr. Beckwith has also been appointed as a member of the executive committee of the Board on the same date.

MINERAL TENEMENTS

Iron Ore Operations — Western Australia
This segment of the business is comprised of the 100% owned Marillana Iron Ore Project, the Ophthalmia Iron Ore Project and other regional exploration.

The net operating loss before income tax expense for the period for this segment and attributable to the Group was HK$53.4 million (2012: HK$60.1 million, as restated). Total expenditure associated with mineral exploration for the period to 31 December 2013 amounted to HK$42.2 million (2012: HK$56.3 million, as restated).

Marillana Iron Ore Project
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 km^2 bordering the Hamersley Range, where extensive areas of supergene iron ore mineralisation have developed within the dissected Brockman Iron Formation which caps the Range.

The ultimate delivery of the Marillana iron ore project's first commercial production is dependent upon securing, funding, and developing suitable rail and port infrastructure.

The Company will provide guidance on the timing for delivery of the project once the infrastructure timing is established.

Rail and Port Infrastructure
The key to unlocking the value of the Group's highly prospective iron ore mineral tenements relies on securing a rail and port infrastructure solution and funding.

The Company continues to actively pursue various infrastructure alternatives.

Rail Access
In May 2013, Brockman submitted an Access Proposal under section 8 (1) of the Western Australian Railways (Access) Code 2000, ("Code") to gain access to part of the below-rail infrastructure owned by The Pilbara Infrastructure Pty Ltd ("TPI"), a subsidiary of Fortescue Metals Group ("FMG"). Through this application process, Brockman is seeking to negotiate terms of access with TPI, including prices subject to Floor and ceiling costs to be determined by the Western Australian Economic Regulation Authority ("ERA").

The access rights sought are to TPI's railway infrastructure from approximately the 219 km point on the TPI mainline, from which point Brockman will construct a rail spur to its Marillana Iron Ore Project, to approximately the 23 km point on the TPI mainline near Port Hedland, from which point Brockman will construct a rail spur to connect with the proposed North West Infrastructure ("NWI") facilities in Port Hedland.

MANAGEMENT DISCUSSION AND ANALYSIS

Brockman is seeking access rights to allow it to haul up to 20 Mtpa of hematite iron ore product from Marillana, 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. The proposal does not seek access to TPI's above-rail services, as haulage services would be provided by an experienced haulage operator. 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.

During the period, two significant milestones were achieved. On 14 August 2013, the ERA rejected TPI's assertion that the provision of access to its railway would preclude other entities from accessing that infrastructure, and gave its approval for negotiations to proceed regarding Brockman's Access Proposal lodged with TPI.

On 12 September 2013, the ERA published its final determination of the floor and ceiling costs applicable to Brockman's Access Proposal, which set the floor cost at A$84,742,039 and the ceiling cost of A$316,901,814. Using the ERA's floor and ceiling costs and dividing by the assumed total capacity of the railway line, i.e. 155 Mtpa, the floor cost would equate to A$0.55/tonne and the ceiling cost would equate to A$2.04/tonne. Future negotiation of the price for access is to be conducted within this range.

On 7 October 2013, TPI commenced proceedings in the WA Supreme Court taking issue with the ERA's determination of Floor and ceiling costs for the TPI railway, the ERA's decision to approve negotiations under section 10 in relation to Brockman's Proposal for Access lodged with TPI on 15 May 2013, and the validity of Brockman's proposal for access.

Following the initial directions hearing for these matters, the judge made orders that the parties file defences, counterclaims and position papers, and subsequently determined that TPI should be able to put its case to proof and ordered that Brockman give discovery of relevant documents.

Brockman is vigorously defending the matters put in the two proceedings, whilst continuing to advance the preparation of submissions to satisfy TPI's request regarding Brockman's managerial and financial capability (section 14) and the availability of capacity (section 15) under the Code. As part of that process, Brockman lodged an application with the WA Supreme Court seeking 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.

The next direction hearing is set down on 12 March 2014.

East Pilbara Independent Rail

Aurizon

During the period, Brockman entered into a binding Relationship Agreement appointing Aurizon to provide a long-term haulage and port solution for the Company's Marillana and Ophthalmia Projects.

The Relationship Agreement will support the studies undertaken previously by Aurizon, Brockman and Atlas regarding the development of the proposed East Pilbara Independent Railway and its integration with the proposed NWI port facilities in Port Hedland. In addition it complements the Rail Access Proposal to TPI and the MOU entered into between Brockman and Tianjin Port (Group) Co Ltd.

Despite the fact that the tripartite Alliance Study Agreement with Aurizon and Atlas expired on 1 July 2013, Aurizon continues to consider the integration of further rail studies with those of the proposed NWI port facilities. Brockman fully supports Aurizon's framework for an integrated rail and port solution.

Flinders

During the period, Brockman announced that it has executed a Memorandum of Understanding ("MOU") with Flinders Mines Limited regarding development of their respective iron ore projects in the East Pilbara region of Western Australia.

The MOU outlines the terms on which the parties will work towards an Aggregation Arrangement that would cover iron ore production from the respective companies' projects, and may include infrastructure and transportation solutions. The potential aggregation of tonnages provides a critical mass that could further enhance the viability of any proposed shared infrastructure solutions for junior iron ore miners in the Pilbara.

Port

In August 2008, the WA State Government, in conjunction with the Port Hedland Port Authority (PHPA), allocated 50 Mtpa of iron ore export capacity to North West Infrastructure (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.

NWI has continued to work on the advancement of the Port Hedland lease and agreement of commercial terms with the Port Hedland Port Authority, to govern the development of the proposed NWI port facilities in the Port Hedland harbour. In doing so, NWI has worked with a leading adviser to develop a financing plan which has been presented to the PHPA and the State Government, to support the advancement of the both the lease and the agreement of commercial terms.

Mining and Metallurgy

During the period, results have been received from sinter testing of a representative sample of Marillana product, conducted at CISRI in Beijing. The results confirmed improved performance in the areas of sinter productivity and sinter fuel consumption, with no significant attendant deleterious effects.

In addition, work has been 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 current market conditions, with a focus on inland Chinese mills and alumina constrained coastal Chinese mills.

Ophthalmia Iron Ore Project

The Ophthalmia Project, located north of Newman in the East Pilbara region of Western Australia, is the most significant iron ore project for the company outside of its flagship Marillana project. Since iron ore was discovered in August 2011, Brockman has reported a total of 290 Mt of Indicated and Inferred Mineral Resources from three separate areas/deposits at Ophthalmia, i.e., Sirius, Coondiner and Kalgan Creek (Figure 1 and Table 1).

During the period, a program of reverse circulation (RC) drilling at Ophthalmia was completed, predominantly an infill drilling program at the Sirius Deposit to upgrade existing Inferred Mineral Resources to the Indicated category, and some limited exploration drilling testing targets at Kalgan Creek and Coondiner.

The RC program comprised 16,844 m in 207 holes of which 177 holes for 14,840 m were at Sirius, 17 holes for 1,223 m were at Coondiner and 13 holes for 781 were at Kalgan Creek. Work is continuing on the planned resource upgrade for Sirius expected during the first quarter of 2014.[1]

In addition to the RC drilling, a short programme of HQ and PQ diamond drilling was completed at Sirius in December, comprising 439 m in 8 holes. Drilling was designed to provide a bulk metallurgical sample, geotechnical and structural data and twin hole assay data.

At Coondiner, infill and extension drilling was carried out mainly around the existing Mineral Resource boundary of the Pallas Deposit. Significant intersections were recorded from most of the areas drilled, with the best results from holes CNRC0216 (121 m at 59.5% Fe) and CNRC0222 (86 m at 59.4% Fe), located 200 m and 400 m respectively to the south-east of the existing Mineral Resource boundary.

At Kalgan Creek, several RC holes were drilled to further define the identified drilling target in the east of the tenement. A significant intersection was recorded in hole KRC0115 (38 m at 60.50% Fe).

[1]* Exploration results for Sirius and Coondiner were reported in ASX announcement dated 20 December 2013. Brockman is not aware of any new information or data that materially affects the information included in that report.

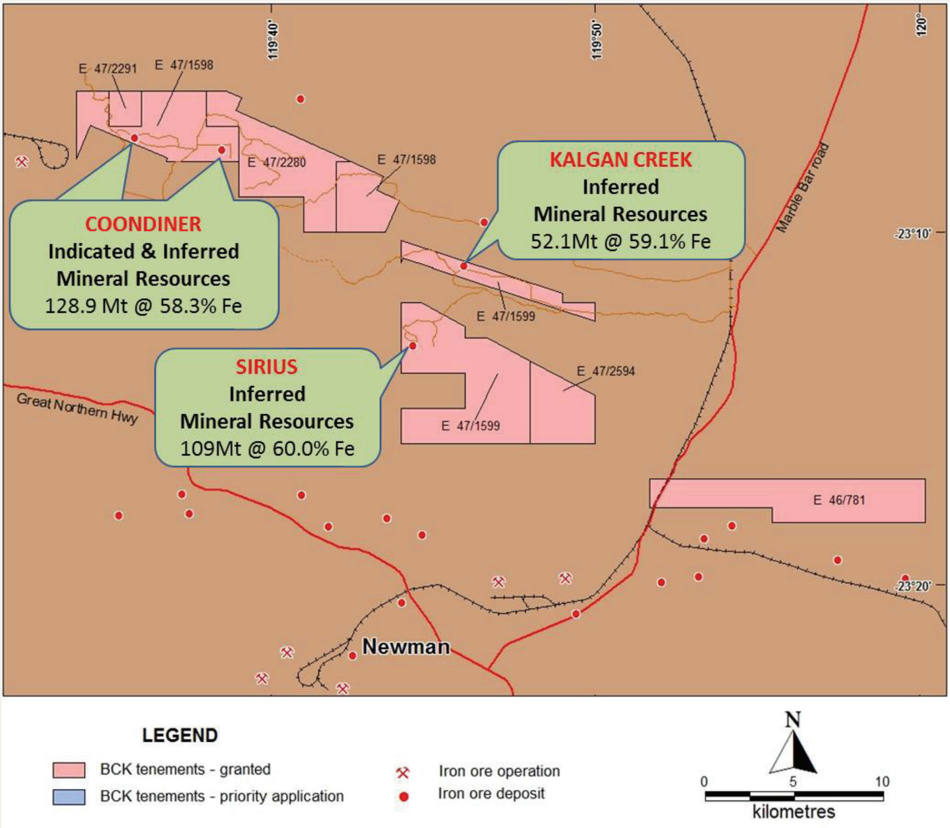

Figure 1: Location of Ophthalmia deposits and prospects

Table 1: Ophthalmia DSO Mineral Resource Summary

Deposit	Class	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO_2 (%)	Al_2O_3 (%)	S (%)	P (%)	LOI (%)
Kalgan Creek	Indicated	12.5	59.3	62.6	4.02	4.79	0.007	0.20	5.41
	Inferred	39.7	59.1	62.5	4.57	4.55	0.005	0.17	5.56
	Subtotal	**52.1**	**59.1**	**62.6**	**4.41**	**4.60**	**0.006**	**0.18**	**5.52**
Coondiner (Pallas and Castor)	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
	Sub total	**128.9**	**58.3**	**61.8**	**5.52**	**4.45**	**0.008**	**0.17**	**5.64**
Sirius	Inferred	109.0	60.0	63.3	4.57	3.78	0.009	0.18	5.16
Total (DSO) – Ophthalmia		**290.0**	**59.1**	**62.5**	**4.97**	**4.23**	**0.008**	**0.17**	**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

Competent Person's Statement

The information in the above Exploration section of this report that relates to Mineral Resources at Marillana and Ophthalmia is based on information compiled by Mr. J Farrell and Mr. A Zhang.

Mr. J Farrell, who is a Chartered Professional and 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 Resource and Ore Reserves". Mr Farrell consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

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

MINING OPERATION

Copper Mine – Yunnan, PRC

The copper mining business of the Company is conducted through Luchun, a 90% owned subsidiary of the Company, the owner and operator of the Damajianshan Mine.

During the interim period, steady ore processing volume was recorded following the completion of electric power supply upgrade.

The slight decrease of revenue recorded for this segment was mainly driven by the decreased copper price.

Production and operation results for the financial periods were summarised as follows:

	Six months ended 31 December	
	2013	2012
Copper ore processed	**112,585 tonnes**	150,576 tonnes
Production of copper ore concentrates	**618 Metal (t)**	649 Metal (t)
Sales of copper ore concentrates	**644 Metal (t)**	640 Metal (t)
Average selling price per Metal (t) (without VAT)	**RMB36,000**	RMB41,000

During the six months ended 31 December 2013, Luchun has contributed revenue of approximately HK$29.1 million (2012: HK$32.3 million), down 9.9%, and the loss before amortisation was approximately HK$8.3 million (2012: HK$10.3 million), representing an improvement of 19.4%.

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 during the six months ended 31 December 2013 amounted to approximately HK$45.7 million (2012: HK$57.4 million).

With the copper plant upgrade carried out in the last few years, production capacity has been improved. The Company recorded solid performance and reduction in cost for mining production, which delivered improved contribution margin.

Sales volume of copper ore concentrates grew slightly, however average price per metal tonne has decreased steadily over the period reflecting the decrease in global metal prices.

DIRECTORS' REPORT

The Directors present their report together with the condensed consolidated financial information for the six months ended 31 December 2013.

DIRECTORS

The Directors of the Company during the six months ended 31 December 2013 and up to the date of this report were:

Name	Period of Directorship
Non-Executive Directors:	
Kwai Sze Hoi *(Chairman)*	Appointed on 15 June 2012
Liu Zhengui *(Vice Chairman)*	Appointed on 27 April 2012
Ross Stewart Norgard	Appointed on 22 August 2012
Executive Directors:	
Luk Kin Peter Joseph *(CEO)*	Appointed on 16 February 2009
Chan Kam Kwan, Jason *(Company Secretary)*	Appointed on 2 January 2008
Warren Talbot Beckwith	Appointed on 15 June 2012 Re-designated as Executive Director on 20 November 2013
Independent non-executive Directors:	
Lau Kwok Kuen, Eddie	Appointed on 14 December 2007 Resigned on 8 January 2014
Yap Fat Suan, Henry	Appointed on 8 January 2014
Uwe Henke Von Parpart	Appointed on 2 January 2008
Yip Kwok Cheung, Danny	Appointed on 5 August 2009

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2013 (2012: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its short-term funding requirement with cash generated from operations, credit facilities from suppliers, banking facilities and equity placement. The Group's ability to advance its iron ore project developments is reliant among other things, on access to appropriate and timely funding.

The current ratio as at 31 December 2013 is measured at 1.19 (30 June 2013: 1.42). The gearing ratio as at 31 December 2013 (long-term debts over equity and long-term debts) is measured at 0.01 as compared to 0.01 recorded as at 30 June 2013. As at 31 December 2013, the Group had bank borrowings and finance lease obligations of approximately HK$6.5 million and HK$13.1 million respectively. The balances related to discontinued operation have been classified as liabilities of disposal group classified as held for sale.

As at 31 December 2013, fixed rate bond amounted to HK$31.2 million was denominated in US dollars (30 June 2013: Nil).

During the period, the Group did not engage in the use of any financial instruments for hedging purposes, and there was no hedging instrument outstanding as at 31 December 2013.

CAPITAL STRUCTURE

The Company has the following movement in the share capital:

On 12 November 2013, a bond was issued by the Company to Ocean Line with principal amount of US$4,000,000 (equivalent to approximately HK$31,200,000) at the date of issue (the "Bond"). The Bond is unsecured, bears an interest rate of 10% per annum and is due on 28 November 2014.

Subsequent to the period-end date, on 2 January 2014, the Company entered into two subscription agreements with Ocean Line and China Guoyin respectively, pursuant to the agreements, Ocean Line agreed to subscribe for 292,500,000 shares at an aggregate subscription price of HK$117 million and China Guoyin agreed to subscribe for 195,000,000 shares at an aggregate subscription price of HK$78 million. Shareholders' approval was sought on 13 February 2014. On the same date, the subscriptions were completed and the Bond was redeemed in full. The remaining proceeds from the issue of the shares will be used for the development of the Group's iron ore mining projects in Western Australia and for the general working capital of the Group.

As at 31 December 2013, the total number of issued shares outstanding for the Company amounted to 7,894,482,131 shares.

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

Shares Details
Shares on issue
As at 31 December 2013:
7,894,482,131 fully paid shares on issue
15,000,000 options quoted, expiring 30 September 2014

Unquoted securities
As at 31 December 2013:
the total number of unlisted options outstanding is 454,800,000, including:
- 7,500,000 share options, expiring on 17 Jan 2014, exercise price HK$1.164
- 27,000,000 share options, expiring on 10 Feb 2014, exercise price HK$1.240
- 83,400,000 share options, expiring on 13 December 2015, exercise price HK$0.72
- 88,100,000 share options, expiring on 14 January 2016, exercise price HK$0.717
- 88,100,000 share options, expiring on 14 January 2016, exercise price HK$0.967
- 3,750,000 share options, expiring on 28 February 2016, exercise price HK$0.717
- 3,750,000 share options, expiring on 28 February 2016, exercise price HK$0.967
- 76,600,000 share options, expiring on 20 May 2016, exercise price HK$0.717
- 76,600,000 share options, expiring on 20 May 2016, exercise price HK$0.967

The following options were lapsed during the period:

- 39,000,000 share options, expired 10 November 2013, exercise price HK$2.00
- 750,000 share options, expired 20 May 2016, exercise price HK$0.717
- 750,000 share options, expired 20 May 2016, exercise price HK$0.967

Fixed Rate Bond
The Bond at an interest rate of 10% per annum, due on or before 28 November 2014 with a principal amount of US$4,000,000 (equivalent to HK$31,200,000) at the date of issue, which was later redeemed on 13 February 2014 upon the share subscription of 292,500,000 ordinary shares being completed.

SHARE OPTION SCHEME

Under the share options scheme renewed, adopted and approved by the shareholders at a special general meeting of the Company held on 13 November 2012 (the "Share Options Schemes"), the Board may, in their sole discretion, grant options to eligible participants to subscribe for fully paid ordinary shares of the Company subject to stipulated terms and conditions.

During the period under review, no options were granted or exercised under the Share Options Schemes.

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 21 January 2014; and

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

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2013, motor vehicles in Perryville Group with an aggregate carrying value of approximately HK$3,565,000 (30 June 2013: HK$5,166,000) were charged to secure general banking facilities granted to a subsidiary of the Company.

Financial guarantees

As at 31 December 2013, guarantees have been given to a bank by the Company in respect of banking facilities extended to a wholly-owned subsidiary of Perryville Group and the maximum liability of the Company under the guarantees was HK$75,200,000 (30 June 2013: HK$75,200,000).

With the disposal of Perryville Group completed on 19 February 2014, the bank guarantees were fully released.

As at 31 December 2013, a subsidiary of the Company has entered into arrangements with its bank to provide guarantees to its lessor and the Department of Mines and Petroleum in Australia. The arrangements were supported by term deposits for the amounts of A$159,000 (equivalent to approximately HK$1,097,000) (30 June 2013: A$444,000 (equivalent to approximately HK$3,145,000)) which were considered as restricted cash and classified as non-current asset.

Contingencies

Native title claims

Native title claims have been made with respect to areas which include tenements in which controlled entities of Brockman have interests, and these controlled entities are unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect them or their projects.

Except for the contingencies disclosed above, there is no material contingent liability of the Group as at 31 December 2013.

MARKET RISK

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

(a) Commodities Price risk

Copper ore concentrate price:

The Group's revenue and results of the mining business during the period, and the fair value of the Group's mining right was affected by fluctuations in the copper ore concentrate price. All of our mining products were sold at market price.

Iron ore price:

The fair value of the Group's intangible assets arising from acquisition of mineral tenements operations in Australia was affected by fluctuations in the iron ore price.

We have not used any commodity derivative instruments or futures for speculation or hedging purpose. The management will review the market condition from time to time and determine the best strategy to deal with the fluctuations of iron ore and copper concentrate prices.

(b) Exchange rate risk

The Group is exposed to exchange rate risk primarily because our mineral tenements are denominated in Australian dollars. Depreciation in Australian dollar may adversely affect our net asset value and earnings when the value of such assets is converted to Hong Kong dollars. During the period, no financial instrument was used for hedging purpose.

STAFF AND REMUNERATION

As at 31 December 2013, the continuing operations of the Group employed 469 full time employees and there were 194 full time employees employed for the discontinued operation (30 June 2013: 386 and 195 respectively), of which approximately 343 employees from continuing operations and 80 employees from discontinued operation were in the PRC and 25 employees were in Australia. The remuneration of employees includes salary and discretionary bonus. The Group also adopted a share option scheme to provide incentives to the employees.

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

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

As at 31 December 2013, the interests and short positions of the directors and chief executives and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register maintained by the Company pursuant to Sections 336 and 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies were as follows:

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

Name of Director	Capacity	Number of issued ordinary shares held	Number of underlying shares held	Number of share options held	Percentage of the issued share capital of the Company
Mr. Kwai Sze Hoi	Jointly *(Note 1)*	60,720,000	—	—	0.77%
	Interests of controlled corporation *(Note 1)*	1,484,460,137	—	—	18.80%
	Beneficial owner *(Note 1)*	—	—	70,000,000	0.89%
Mr. Liu Zhengui	Beneficial owner	—	—	30,000,000	0.38%
	Beneficial owner	64,569,834	—	1,500,000	0.84%
	Interests of controlled corporation	178,484,166	—	—	2.26%
Mr. Warren Talbot Beckwith	Beneficial owner	—	—	33,500,000	0.42%
Mr. Luk Kin Peter Joseph	Beneficial owner	—	—	50,000,000	0.63%
	Interests of controlled corporation *(Note 2)*	387,032,276	—	—	4.90%
Mr. Chan Kam Kwan Jason	Beneficial owner	—	—	13,700,000	0.17%
Mr. Lau Kwok Kuen Eddie	Beneficial owner *(Note 3)*	—	—	3,500,000	0.04%
Mr. Uwe Henke Von Parpart	Beneficial owner	—	—	3,500,000	0.04%
Mr. Yip Kwok Cheung Danny	Beneficial owner	—	—	3,500,000	0.04%

Notes:

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

   Subsequent to 31 December 2013, Ocean Line has subscribed for an additional 292,500,000 shares of the Company on 13 February 2014.

2. The 387,032,276 shares were held by Equity Valley Investments Limited. Equity Valley Investments Limited is wholly-owned by The XSS Group Limited, of which 50%, 20% and 30% of its issued share capital were held by Mr. Luk Kin Peter Joseph, Ms. Cheung Sze Wai, Catherine (Mr. Luk's spouse) and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively.

3. Mr. Lau Kwok Kuen Eddie resigned on 8 January 2014.

Apart from the above, as at 31 December 2013, there was no interest of the Directors or chief executives of the Company in the shares and the underlying shares of the Company and any shares and underlying shares of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of listed issuers.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2013, so far as is known to the Directors, the persons (not being a Director or chief executive of the Company) who had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO were as follows:

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

Name of shareholder	Nature of interest	Number of shares or underlying shares	Percentage of the issued share capital of the Company
Ocean Line Holdings Ltd ("Ocean Line") *(Note 1)*	Beneficial owner	1,484,460,137	18.80%
Cheung Wai Fung *(Note 1)*	Beneficial owner and interest in controlled corporation	1,615,180,137	20.46%
Cheung Sze Wai *(Note 2)*	Interest of spouse and interest in controlled corporation	437,032,276	5.54%
China Guoyin Investments (HK) Ltd *(Note 3)*	Beneficial owner	569,904,972	7.22%
Zhu Yicai *(Note 3)*	Interest in controlled corporations	582,312,972	7.38%

Notes:

1. Ocean Line is owned as to 60% by Mr. Kwai Sze Hoi and as to 40% by Ms. Cheung Wai Fung (Mr. Kwai's spouse). In addition, Mr. Kwai and Ms. Cheung have a joint direct interest in 60,720,000 shares. In addition, Mr. Kwai also held 70,000,000 share options of the Company.

   Subsequent to 31 December 2013, Ocean Line has subscribed for an additional 292,500,000 shares of the Company on 13 February 2014.

2. The 387,032,276 shares were held by Equity Valley Investments Limited. Equity Valley Investments Limited is wholly-owned by The XSS Group Limited, of which 50%, 20% and 30% of its issued share capital were held by Mr. Luk Kin Peter Joseph, Ms. Cheung Sze Wai, Catherine (Mr. Luk's spouse) and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively. In addition, Mr. Luk also held 50,000,000 share options of the Company.

3. China Guoyin is wholly owned by Mr. Zhu Yicai. Mr. Zhu in addition held 12,408,000 shares through Smart Effort Investments Limited, a company wholly owned by him.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is listed on both the Australian Securities Exchange ("ASX") and on the SEHK. The Company's corporate governance policies have been formulated to ensure that it is a responsible corporate citizen. The Company complies with all aspects of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK, except that not all the directors have participated in all general meetings held by the Company in the reporting period.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry to all directors of the Company, all directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 31 December 2013.

AUDIT COMMITTEE

As at 31 December 2013, the audit committee comprises of three independent non-executive directors namely Messrs. Lau Kwok Kuen, Eddie, Uwe Henke Von Parpart and Yip Kwok Cheung, Danny (the "Audit Committee"). Mr. Lau Kwok Kuen, Eddie was the Chairman of the Audit Committee. On 8 January 2014, following the resignation of Mr. Lau Kwok Kuen, Eddie, Mr. Yap Fat Suan Henry was appointed as the Chairman of the Audit Committee to replace Mr. Lau's position. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Audit Committee has reviewed the Group's interim results for the six months ended 31 December 2013.

By Order of the Board

Kwai Sze Hoi
Chairman

Hong Kong, 26 February 2014

DIRECTORS' DECLARATION

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

This declaration is made in accordance with a resolution of the Directors of the Company dated 26 February 2014. In the Directors' opinion:

(a) The condensed consolidated financial information and notes set out on pages 4 to 38 are:

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

  (ii) giving a true and fair view of the Groups' financial position as at 31 December 2013 and of its performance for the six months ended on that date;

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

Kwai Sze Hoi
Chairman

Hong Kong, 26 February 2014

GLOSSARY

"ASX"	ASX Limited ACN 008 624 691, or the financial products market, The Australian Securities Exchange, as the situation requires
"Atlas"	Atlas Iron Limited (ASX:AGO), an iron ore producer and developer in Western Australia listed on the ASX
"Aurizon"	Aurizon Limited (formerly QR National Limited), which is the largest rail freight company in Australia and is listed on the ASX
"Board"	the Board of Directors
"Brockman" or "Company"	Brockman Mining Limited ARBN 143 211 867, a company incorporated in Bermuda
"CG Code"	Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK
"CISRI"	China Iron & Steel Research Institute Group
"China Guoyin"	China Guoyin Investments (HK) Ltd
"Damajianshan mine"	The 90% owned copper mine held by the Company in the Yunnan Province, PRC
"Directors"	the directors of the Company
"DSO"	Direct Shipping Ore
"Golder"	Golder Associates Pty Ltd
"Group"	Brockman Mining Limited, its associates and subsidiaries
"JORC Code"	Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (4th Edition)
"km"	kilometres

"Luchun"	Luchun Xingtai Mining Co., Ltd, a subsidiary of the Company, which is the operator of the Damajianshan Mine
"Marillana Project"	The 100% owned Marillana iron ore project is Brockman's flagship project located in the Hamersley Iron Province
"m"	metre
"Mt"	million tonnes
"NWI"	North West Infrastructure, the joint venture company which represents the interests of its three shareholder companies: Brockman Mining Australia Pty Ltd; Atlas Iron Limited and FerrAus Limited, to facilitate the construction of a port facility capable of annually exporting 50 million tonnes of iron ore from the South-West Creek location at the Inner Harbour at Port Hedland, Western Australia
"Ocean Line"	Ocean Line Holdings Ltd
"PRC"	Peoples Republic of China
"RC"	Reverse circulation
"SEHK"	Hong Kong Exchanges and Clearing Company Limited or the financial products market or the Hong Kong Stock Exchange, as the situation requires