FINANCIAL INFORMATION

For the six months ended 31 December 2016

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 2016 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

Chan Kam Kwan Jason
Kwai Kwun Lawrence
Colin Paterson

Independent non-executive Directors

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

COMPANY SECRETARY

Chan Kam Kwan, Jason

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

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

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

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

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN AUSTRALIA

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace,
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Admiralty,
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 31 December 2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Revenue	6	—	11,788
Cost of sales	8	—	(11,265)
Gross profit		—	523
Other income		—	5
Other gain/(losses), net	9	**611**	(96)
Selling and administrative expenses	8	**(17,017)**	(24,242)
Exploration and evaluation expenses	8	**(7,715)**	(12,785)
Impairment of mining properties	13	—	(477,551)
Operating loss		**(24,121)**	(514,146)
Finance income		**20**	219
Finance costs		**(1,549)**	(52)
Finance (costs)/income, net	10	**(1,529)**	167
Share of loss of joint ventures		**(519)**	(424)
Loss before income tax		**(26,169)**	(514,403)
Income tax credit	11	—	130,905
Loss for the period		**(26,169)**	(383,498)
Other comprehensive loss:			
Item that may be reclassified to profit or loss			
Exchange differences arising from translation of foreign operations		**(6,929)**	(44,961)
Other comprehensive loss for the period		**(6,929)**	(44,961)
Total comprehensive loss for the period		**(33,098)**	(428,459)
Loss for the period attributable to:			
Equity holders of the Company		**(26,169)**	(383,498)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(33,098)**	(428,459)
Loss per share attributable to the equity holders of the Company during the period		**HK cents**	HK cents
Basic loss per share	12	**(0.31)**	(4.58)
Diluted loss per share	12	**(0.31)**	(4.58)

The notes on pages 9 to 25 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
	Note	31 December 2016 HK$'000 (Unaudited)	30 June 2016 HK$'000 (Audited)
Non-current assets			
Mining properties	13	**771,244**	797,807
Property, plant and equipment	14	**444**	653
Interest in joint ventures	20	**232**	242
Other non-current assets		**264**	273
		772,184	798,975
Current assets			
Other receivables, deposits and prepayments		**2,990**	2,030
Amounts due from related parties	21	**2,081**	2,176
Cash and cash equivalents		**49,595**	32,772
		54,666	36,978
Total assets		**826,850**	835,953
Equity			
Share capital	17	**838,198**	838,198
Reserves		**(383,820)**	(350,781)
Total equity attributable to the equity holders of the Company		**454,378**	487,417
Non-current liabilities			
Borrowing	16	**41,140**	8,085
Other payables		**—**	25,540
Deferred income tax liabilities	19	**229,613**	237,521
Provisions		**750**	1,065
		271,503	272,211
Current liabilities			
Trade payables	15	**10,380**	10,872
Other payables and accrued charges		**80,647**	64,208
Borrowing	16	**8,523**	—
Amounts due to related parties	21	**1,419**	1,245
		100,969	76,325
Total liabilities		**372,472**	348,536
Total equity and liabilities		**826,850**	835,953

The notes on pages 9 to 25 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							
	Share capital HK$'000	Share premium HK$'000	Statutory reserve (Note) HK$'000	Share-based compensation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Other reserve HK$'000	Total HK$'000
Balance at 1 July 2015 (Audited)	838,198	4,460,106	9,807	79,813	(611,163)	(4,081,181)	458,225	1,153,805
Comprehensive loss								
Loss for the period	—	—	—	—	—	(383,498)	—	(383,498)
Other comprehensive loss								
Exchange differences arising on translation of foreign operations	—	—	—	—	(44,961)	—	—	(44,961)
Total other comprehensive loss for the period	—	—	—	—	(44,961)	—	—	(44,961)
Total comprehensive loss for the period	—	—	—	—	(44,961)	(383,498)	—	(428,459)
Transactions with equity holders								
Appropriations to statutory reserve	—	—	193	—	43	(236)	—	—
Share-based compensation	—	—	—	177	—	—	—	177
Total transactions with equity holders	—	—	193	177	43	(236)	—	177
Balance at 31 December 2015 (Unaudited)	838,198	4,460,106	10,000	79,990	(656,081)	(4,464,915)	458,225	725,523

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

Note:

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

The notes on pages 9 to 25 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 December	
	2016 **HK$'000** **(Unaudited)**	2015 HK$'000 (Unaudited)
Cash flows from operating activities		
Net cash used in operating activities	**(22,182)**	(31,496)
Cash flows from investing activities		
— Interest received	**20**	219
— Proceeds from disposal of property, plant and equipment	**—**	5
— Purchases of property, plant and equipment	**—**	(1,417)
— Investment in joint ventures	**(496)**	(553)
Net cash used in investing activities	**(476)**	(1,746)
Cash flows from financing activity		
— Drawdown of borrowings	**40,162**	7,388
Net cash generated from financing activity	**40,162**	7,388
Net increase/(decrease) in cash and cash equivalents	**17,504**	(25,854)
Cash and cash equivalents at beginning of the period	**32,772**	98,297
Effects of foreign exchange rate changes	**(681)**	(423)
Cash and cash equivalents at end of the period	**49,595**	72,020

The notes on pages 9 to 25 form an integral part of this condensed consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

The Company is a public company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and Australian Securities Exchange (the "ASX"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

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

Key events

On 1 September 2016, the directors have resolved that the Group will no longer finance the continuing development of its copper mine in the PRC as it is not expected to be commercially justifiable to continue the exploration and production. The Group will focus its resources to develop its core iron ore mining projects in Western Australia.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31 December 2016 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(a) Going concern basis

For the period ended 31 December 2016, the Group recorded a net loss attributable to equity holders of the Company of HK$26,169,000 and had operating cash outflows of HK$22,182,000. The loss for the year was primarily attributable to the exploration costs for the mine in Australia and the administrative expenses incurred by operations in Hong Kong and Australia. As at 31 December 2016, the Group's current liabilities exceeded its current assets by HK$46,303,000 and cash and cash equivalents of the Group amounted to HK$49,595,000.

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

2 BASIS OF PREPARATION (Continued)

The Group intends to focus its resources on developing its core iron ore mining projects in Western Australia (the "Marillana project"), which is currently still at the exploration and evaluation stage. Before commencement of commercial production of the Marillana project, the Group would require significant amounts of financing for its development which are currently yet to be secured.

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

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

(i) On 20 September 2016, the Group obtained a loan from its substantial shareholder amounted to US$5,130,000 (equivalent to HK$40,000,000) which is unsecured, bears interest at 12% per annum and repayable on 19 December 2017. During the period, the substantial shareholder agreed to extend the repayment date to 30 June 2018;

(ii) On 21 February 2017, the Group obtained written agreement from one of the creditors of its copper mine in the PRC to defer the repayment of other payable amounted to HK$23,826,000 until 30 June 2018;

(iii) On 21 September 2016, an individual shareholder has undertaken to grant a loan of up to HK$60,000,000 to the Group. The loan is available for draw down within 14 months from 21 September 2016. Such loan is unsecured, bears interest at 15% per annum and once drawn down, is repayable on 21 December 2017. On 20 February 2017, the individual shareholder agreed to extend the repayment date to 30 June 2018;

(iv) Having secured the port access for its initial mining operation of the Marillana project, the Group is actively pursuing various fund raising alternatives to fund the commencement of the initial mining operation. The Group does not have any commitment for capital expenditure of such developments at this stage and no expenditures in relation to such development will be committed by the Group before securing the necessary funding.

In respect of the ongoing exploration and evaluation activities in the same mine, the directors will continue to maintain the minimum exploration and evaluation activities, by incurring estimated expenditures of approximately HK$9,300,000, required to maintain the current right of tenure to exploration tenements in Australia; and

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

2 BASIS OF PREPARATION (Continued)

The directors of the Company have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 December 2016. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient financial resources to satisfy its future working capital requirements and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2016. Accordingly, the directors of the Company consider that it is appropriate to prepare the Group's interim consolidated financial information on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to obtain the necessary funding and achieve the plans and measures as described in Note (iii) – (v) above. The Group's ability to continue as a going concern would depend upon (i) successful draw down of the loan of HK$60,000,000 from the individual shareholder as and when needed; (ii) successful raising of new financing as and when needed to fund the development of the Marillana project; (iii) successful execution of the development plan of the Marillana project, followed by its successful and economically viable commercial production; and (iv) successful implementation of the operational plans and measures to control costs.

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

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2016, as described in those annual financial statements. New standards and amendments to standards effective for the financial year ending 30 June 2017 do not have material impact on the Group.

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

3 PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) 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 7 (Amendment)	The Disclosure Initiative	1 January 2017
IAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
IFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 10 and IAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

(b) Comparative figures

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

4 ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2016, with the exception of changes in estimates that are required in determining the provision for income taxes.

5 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

The interim condensed consolidated financial information does not include all financial risks management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2016.

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

(b) Liquidity risk

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

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

As at 31 December 2016, there are conditions indicating the existence of liquidity concerns and a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. The directors of the Company has undertaken certain measures to improve the Group's financial position and alleviate its liquidity pressure. For details of these conditions and measures, please refer to Note 2(a).

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

5 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

	Within 1 year of demand HK$'000	1-2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at year end date HK$'000
31 December 2016 (Unaudited)				
Non-derivative financial liabilities:				
Trade payables	10,380	—	10,380	10,380
Other payables	44,655	—	44,655	44,655
Borrowings	8,907	48,284	57,191	49,663
Amounts due to related parties	1,419	—	1,419	1,419
	65,361	48,284	113,645	106,117
30 June 2016 (Audited)				
Non-derivative financial liabilities:				
Trade payables	10,872	—	10,872	10,872
Other payables	22,593	26,853	49,446	48,133
Borrowings	—	8,661	8,661	8,085
Amounts due to related parties	1,245	—	1,245	1,245
	34,710	35,514	70,224	68,335

(c) Fair value estimation

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

6 REVENUE

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

	Six months ended 31 December	
	2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Sales of copper ore concentrates	—	11,788

7 SEGMENT INFORMATION

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

The Group's reportable operating segments are as follows:

Mineral tenements in Australia	— tenement acquisition, exploration and towards future development of iron ore project in Western Australia
Mining operations in the PRC	— exploitation, processing and sales of copper ore concentrates in the PRC

Others primarily relate to the provision of corporate services for investment holding companies. These activities are excluded from the reportable operating segments and are presented to reconcile to the totals included in the Group's condensed consolidated statement of comprehensive income and condensed consolidated balance sheet.

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

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

7 SEGMENT INFORMATION (Continued)

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

	Mineral tenements in Australia HK$'000	Mining operation in the PRC HK$'000	Others HK$'000	Total HK$'000
For the six months ended 31 December 2016 (Unaudited):				
Segment revenue from external customers	**—**	**—**	**—**	**—**
Segment results	**(19,319)**	**1,596**	**(7,927)**	**(25,650)**
Share of loss of joint ventures				**(519)**
Loss before income tax				**(26,169)**
Other information:				
Depreciation of property, plant and equipment	**(175)**	**—**	**(22)**	**(197)**
Reversal of over-provision of social security expenses	**—**	**1,934**	**—**	**1,934**
Exploration and evaluation expenses	**(7,715)**	**—**	**—**	**(7,715)**
For the six months ended 31 December 2015 (Unaudited):				
Segment revenue from external customers	—	11,788	—	11,788
Segment results	(455,683)	(47,093)	(11,203)	(513,979)
Share of loss of joint ventures				(424)
Loss before income tax				(514,403)
Other information:				
Depreciation of property, plant and equipment	(250)	(2,521)	(380)	(3,151)
Impairment of mining properties (Note 13)	(436,351)	(41,200)	—	(477,551)
Amortisation of mining properties	—	(2,100)	—	(2,100)
Reversal of over-provision of social security expenses, net	—	1,729	—	1,729
Exploration and evaluation expenses	(9,492)	(3,293)	—	(12,785)
Income tax credit	130,905	—	—	130,905

For six months ended 31 December 2015, revenue of HK$11,788,000 generated from mining operation in the PRC represents sales of copper ore concentrate to a single customer.

7 SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's assets by business segment as at 31 December 2016:

	Mining tenements in Australia HK$'000	Mineral operation in the PRC HK$'000	Others HK$'000	Total HK$'000
As at 31 December 2016 (Unaudited):				
Segment assets	**775,812**	**3,536**	**47,502**	**826,850**
Total segment assets include:				
Interests in joint ventures	**232**	**—**	**—**	**232**
As at 30 June 2016 (Audited):				
Segment assets	801,992	3,670	30,291	835,953
Total segment assets include:				
Interests in joint ventures	242	—	—	242
Additions to property, plant and equipment	173	1,247	9	1,429

8 EXPENSES BY NATURE

	Six months ended 31 December	
	2016 **HK$'000** **(Unaudited)**	2015 HK$'000 (Unaudited)
Amortisation of mining properties (included in cost of sales)	**—**	2,100
Cost of inventories	**—**	6,725
Depreciation of property, plant and equipment	**197**	3,151
Operating lease rentals	**920**	4,575
Reversal of over-provision of social security expenses, net	**(1,934)**	(1,729)
Staff costs (including directors' emoluments)	**10,655**	14,442
Exploration and evaluation expenses (excluding staff costs and rental expense)	**4,101**	8,774

8 EXPENSES BY NATURE (Continued)

Staff costs include:

	Six months ended 31 December	
	2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Wages, salaries and welfares	**9,930**	13,539
Retirement benefit scheme contributions	**666**	726
Share-based compensation (Note 18)	**59**	177
	10,655	14,442

9 OTHER GAIN/(LOSSES), NET

	Six months ended 31 December	
	2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Loss on disposal of property, plant and equipment	**—**	(96)
Write-back of long outstanding payable	**611**	—
	611	(96)

10 FINANCE (COSTS)/INCOME, NET

	Six months ended 31 December	
	2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Finance income		
Interest income on bank deposits	**20**	219
Finance costs		
Interests on borrowings (Note 16)	**(1,549)**	(52)
Finance (costs)/income, net	**(1,529)**	167

11 INCOME TAX CREDIT

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

	Six months ended 31 December	
	2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Deferred income tax	—	(130,905)

12 LOSS PER SHARE

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

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

	Six months ended 31 December	
	2016 (Unaudited)	2015 (Unaudited)
Loss for the period attributable to the equity holders of the Company (HK$'000)	**(26,169)**	(383,498)
Weighted average number of ordinary shares for the purpose of calculating the basic loss per share (thousands)	**8,381,982**	8,381,982
Loss per share attributable to the equity holders of the Company		
Basic (HK cents)	**(0.31)**	(4.58)
Diluted (HK cents)	**(0.31)**	(4.58)

Diluted loss per share is the same as basic loss per share for the six months ended 31 December 2016 and 2015 because the effect of the assumed exercise of share options of the Company during these periods was anti-dilutive.

13 MINING PROPERTIES

	Mining properties in Australia	Mining right in the PRC	Total
	HK$'000	HK$'000	HK$'000
Balance as at 1 July 2015 (Audited)	1,277,938	226,635	1,504,573
Amortisation during the period	—	(2,100)	(2,100)
Impairment loss	(436,351)	(41,200)	(477,551)
Exchange differences	(59,906)	(11,977)	(71,883)
Balance as at 31 December 2015 (Unaudited)	781,681	171,358	953,039
Balance as at 1 July 2016 (Audited)	**797,807**	**—**	**797,807**
Exchange differences	**(26,563)**	**—**	**(26,563)**
Balance as at 31 December 2016 (Unaudited)	**771,244**	**—**	**771,244**

Mining properties in Australia

The mining properties in Australia represent the carrying value of mining and exploration projects in Australia (including the Marillana iron ore project) acquired by the Group.

As at 31 December 2016, the Group assessed and concluded there were no indications of impairment present, noting that key assumptions utilised in determining the recoverable value of the mining properties in Australia remain consistent with those utilised during the previous assessment.

14 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2016, the Group has not acquired any property, plant and equipment (six months ended 31 December 2015: HK$1,417,000).

15 TRADE PAYABLES

Trade payables of the Group principally represent amounts outstanding to suppliers. The normal credit period is between 30 days and 90 days. In certain circumstances, the credit period has been extended to over 90 days. As at 30 June 2016 and 31 December 2016, all trade payables are due over 90 days.

16 BORROWINGS

	As at 31 December 2016 HK$'000 (Unaudited)	As at 30 June 2016 HK$'000 (Audited)
Current		
Loan from a third party	**8,523**	—
Non-current		
Loan from a substantial shareholder	**41,140**	—
Loan from a third party	**—**	8,085
	49,663	8,085

As at 31 December 2016, the loan from a third party was repayable on 31 December 2017. It is denominated in Renminbi and carries interest at prevailing market interest rates in the PRC. During the six months ended 31 December 2016, the weighted average effective interest rate per annum was 4.83% (six months ended 31 December 2015: 4.84%).

The borrowing from a substantial shareholder is repayable on 30 June 2018. It is denominated in United States dollars, unsecured and bears interest at 12% per annum.

17 SHARE CAPITAL

	Number of shares '000	**Share capital** HK$'000
Ordinary shares of HK$0.1 each		
Authorised		
As at 30 June 2016 (Audited)	10,000,000	1,000,000
Increase in authorised shares	10,000,000	1,000,000
As at 31 December 2016 (Unaudited)	20,000,000	2,000,000
Issued and fully paid		
As at 30 June 2016 (Audited) and 31 December 2016 (Unaudited)	8,381,982	838,198

18 SHARE OPTION SCHEME

Share option scheme of the Company

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

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

Details of specific categories of options are as follows:

Option type	Date of grant	Vesting period	Number of share options granted	Exercise period	Exercise price (HK$)
2015A	19 January 2015	19 January 2015 — 18 January 2016	4,000,000	19 January 2016 – 18 January 2018	0.450
	19 January 2015	19 January 2015 — 18 January 2017	4,000,000	19 January 2017 – 18 January 2018	0.450

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

	2015A
Exercise price	HK$0.45
Volatility	49%
Expected option life	3 years
Annual risk-free rate	0.648%
Expected dividend yield	0%

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

During the six months ended 31 December 2016, the Company recognised HK$59,000 (six months ended 31 December 2015: HK$177,000) as expense in relation to the share options granted by the Company.

18 SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

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

	2016		2015	
	Average exercise price per share option (HK$)	**Number of share options (thousands)**	Average exercise price per share option (HK$)	Number of share options (thousands)
At 1 July	**0.45**	**8,000**	0.81	316,500
Lapsed	—	—	0.84	(75,100)
At 31 December	**0.45**	**8,000**	**0.83**	**241,400**

As at 30 June 2016 and 31 December 2016, all outstanding options were exercisable with weighted average exercise price of HK$0.45 per option.

As at 31 December 2016, the weighted average remaining contractual life of outstanding share options was 1.1 years (30 June 2016: 1.6 years).

No share option had been exercised during the period (six months ended 31 December 2015: Nil).

19 DEFERRED INCOME TAX

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

	Mining properties in Australia
	HK$'000
At 1 July 2015 (Audited)	(381,510)
Credited to consolidated statement of comprehensive income (Note 11)	130,905
Exchange difference	17,885
At 31 December 2015 (Unaudited)	(232,720)
At 1 July 2016 (Audited)	**(237,521)**
Exchange difference	**7,908**
At 31 December 2016 (Unaudited)	**(229,613)**

20 JOINT ARRANGEMENTS

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

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

Notes:

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

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

21 RELATED PARTY DISCLOSURES

(a) Material related party transactions

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

(b) Related party balances

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

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

21 RELATED PARTY DISCLOSURES (Continued)

(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	
	2016 HK$'000 (Unaudited)	2015 HK$'000 (Unaudited)
Wages, salaries and other short-term welfare	**5,987**	6,542
Post-employment benefits	**395**	379
Share-based compensation expenses (Note 18)	**59**	177
	6,441	7,098

22 INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2016 (six months ended 31 December 2015: Nil).

23 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 4 to 25, which comprises the condensed consolidated balance sheet of Brockman Mining Limited (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2016 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".

EMPHASIS OF MATTER

We draw attention to Note 2 to the interim financial information, which states that the Group recorded a net loss attributable to equity holders of the Company of HK$26,169,000 and had operating cash outflows of HK$22,182,000 for the six-month period ended 31 December 2016. As at the same date, the Group's current liabilities exceeded its current assets by HK$46,303,000. In September 2016, the Group announced that it would no longer finance the development of its copper mine in the People's Republic of China, from which the Group extracted and produced its copper ore concentrates and derived all of its revenue for the year ended 30 June 2016. These matters, along with other matters as described in Note 2, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. Our conclusion is not qualified in respect of this matter.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 February 2017

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL HIGHLIGHTS

During the period under review, the directors have resolved that the Company will no longer finance the continuing development of its copper mine in Yunnan, PRC. There was no production and sales recorded during the period. The Company will focus its resources to develop its core iron ore mining project in Western Australia.

As at 31 December 2016, the Group's net asset value amounted to HK$454.4 million (30 June 2016: HK$487.4 million) and cash and bank balances, totalled HK$49.6 million (30 June 2016: HK$32.8 million).

Loss attributable to equity holders of the Company amounted to HK$26.2 million for the six months ended 31 December 2016 (2015: HK$383.5 million). Operation related production costs and exploration expenses have decreased steadily due to reduction in sales and exploration activities and cost saving measures. There was no impairment made to our mining properties during the period (2015: HK$477.5 million).

Basic loss per share for the period was HK$0.31 cents (2015: HK$4.58 cents).

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

OUTLOOK

The Company continues to focus on progressing its initial iron ore development through the production of 2.5Mtpa from Marillana (Project Maverick) utilising performance based standard road trains for transport to Port Hedland and export through the Utah Point Bulk Handling Facility at Port Hedland.

MINERAL TENEMENTS

Iron Ore Operations — Western Australia

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

The net operating loss before income tax expense for the period for this segment and attributable to the Group was HK$19.3 million (2015: HK$455.7 million). Total expenditure associated with mineral exploration and evaluation for the period ended 31 December 2016 amounted to HK$7.7 million (2015: HK$9.5 million).

Total expenditure associated with mineral exploration and evaluation by each of the projects in Western Australia for the financial periods were summarised as follows:

	Six months ended 31 December	
Project	**2016** **HK$'000**	2015 HK$'000
Marillana	**5,658**	6,468
Ophthalmia	**858**	1,392
West Pilbara	**1,199**	1,632
	7,715	9,492

The Group is yet to make a final investment decision toward commencing development of any of its iron ore projects in the Western Australia. Accordingly, no development expenditures have been recognised in the financial information during the half year ended 31 December 2016 and six months period ended 31 December 2015.

Total capital expenditures for each of the projects in Western Australia for the financial periods were summarised as follows:

	Six months ended 31 December			
	2016 **HK$'000**		2015 HK$'000	
Project	**Addition to property, plant and equipment**	**Addition to mining properties**	Addition to property, plant and equipment	Addition to mining properties
Marillana	**—**	**—**	155	—
Ophthalmia	**—**	**—**	—	—
	—	**—**	155	—

Additional Stamp Duty Assessment

The acquisition of Brockman Resources Limited (now Brockman Mining Australia Pty Ltd) in 2012, resulted in Western Australian stamp duty being incurred, primarily relating to the acquisition land value attributable to the iron ore projects acquired. In December 2013, the Office of State Revenue in Western Australia ("OSR") issued an interim assessment notice for A$11,700,000 (equivalent to HK$82,961,000) which was broadly consistent with the Group's self-assessment and independent valuation of the acquired land chattel, which the Company paid in January 2014. In February 2016, the Group received a final assessment from the OSR for an additional A$4,465,000 (equivalent to HK$26,304,000). The Group paid this additional sum in accordance with OSR requirements and lodged an objection seeking to recover this additional sum assessed. In light of the uncertainty surrounding the outcome of the objection, the Group has not raised any receivable and is awaiting the outcome of the objection.

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.

The Project area covers 82 km^2 bordering the Hamersley Range, where extensive areas of supergene iron ore mineralisation have developed within the dissected Brockman Iron Formation that caps the Range.

The Company currently is progressing on a two-phase commercial development strategy for Marillana:

1. A small scale development over a portion of the deposit to produce 2.5 – 3.0Mtpa (wet) of iron ore product (Project Maverick); and

2. The development of larger a tonnage operation underpinned by a long term rail and port infrastructure solution (Project Agincourt). The target production of Project Agincourt is up to 20Mtpa (wet), which is going to be developed in stages, each of 10Mtpa capacity. The development of Project Agincourt Stage-1, as well as timing for Stage-2 are subject to further studies on mine and processing plant design.

The development of Project Maverick is an interim solution to establish Brockman and the high quality Marillana product in the iron ore market.

Project Maverick relates to a very small portion of the total mineralisation at Marillana, with an initial small 2.5 to 3.0Mtpa mining operation at the 100% owned Marillana iron ore deposit. Continued mine planning studies have demonstrated that the Maverick pit can be extended to produce a total of 83.8Mt of ore and 27.8Mt of waste to be mined over 14 years, whilst maintaining the strip ratio at 0.33:1. Beneficiated product will be transported to the Utah Point Bulk Handling Facility (UPBHF) in Port Hedland by road haulage.

Brockman has engaged Engenium as the Project Management Consultant (PMC) for the Maverick Project. Engenium is providing PMC services for Project Maverick, which has been separated into mining, processing, non-process infrastructure and general infrastructure components. The scope of work includes the completion of the feasibility phase, (+/− 10% cost estimation) early engineering development works. Following necessary approval, Brockman may engage Engenium for execution and construction delivery.

Engenium has awarded the detailed study for the processing plant to three separate contractors via a competitive early contractor engagement (ECE) process. The successful tenderer will be awarded an EPC contract for the construction. Parallel discussions with potential mining contractors are progressing. Brockman will shortlist a preferred mining contractor based on cost competitiveness.

The key pre-requisite for the Company before progressing further on Project Maverick has been to secure a stockyard and capacity allocation at the UPBHF to cater for the export of iron ore product from Project Maverick. An EOI was accepted and subsequently in January 2017, Pilbara Port Authority (PPA) and Brockman have entered into a Multi-Users Agreement (MUA) and a stockyard land lease (lease) for the use of facilities at UPBHF. The MUA and the lease are subject to a number of conditions. These conditions (among others) are related to Brockman securing funding for Project Maverick and confirming its intention to commence with the PPA within specified dates.

Following execution of the Heads of Agreement with Qube Bulk Pty Ltd (Qube) in March 2016, the companies have now agreed the terms for Qube's provision of logistics services for the transportation and export through UPBHF for a minimum of seven years.

Brockman has commenced a technical marketing programme to secure offtake agreements for the Maverick product. The results to date have been positive with several Chinese steel mills and international commodity trading houses expressing an interest in the product. Brockman is in the process of dispatching samples to a number of Chinese steel mills for confirmatory sinter testing and value in use determination based on their current blends.

Brockman is targeting commencement of construction in Q2 of calendar year 2017 with commissioning in Q1 calendar year 2018.

Project Agincourt

Project Agincourt is predicated on Brockman securing a long term rail and port solution for the transportation and export of up to 20Mtpa of iron ore product.

The focus during the interim period was on progressing Project Maverick, hence limited progress was made on the independent railway study.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Rail Access

In May 2013, Brockman commenced seeking access rights to The Pilbara Infrastructure Pty Ltd's ("TPI's") below-rail infrastructure under the Western Australian Railways (Access) Code 2000 (WA) ("Code"), to allow it to haul up to 20 Mtpa of hematite iron ore product from its Marillana Project, for a term of 20 years ("Access Proposal"). The access sought proposed to exit the TPI mainline at Port Hedland where North West Infrastructure ("NWI") has a capacity allocation of 50 Mtpa at the proposed SP3 and the SP4 berths for iron ore export from South West Creek in the Inner Harbour.

As part of the Access Proposal, Brockman will 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.

In 4 October 2013, TPI commenced proceedings in the WA Supreme Court challenging the validity of the Access Proposal. The trial was held in August 2014 and on 26 September 2014 the Honorable Justice James Edelman handed down his decision, which supported Brockman's position finding that the Access Proposal was valid and complied with the requirements of s8 of the Access.

On 24 March 2016, TPI made an application for special leave to appeal the Court of Appeal's judgement to the High Court of Australia. On 2 September 2016 the High Court of Australia considered TPI's application for special leave to the High Court, The application was rejected. This means that TPI has no further avenue for appeal.

Port — North West Infrastructure

Brockman continues to study options for development of the port at South West Creek to complement the Company's future rail solution.

Ophthalmia Iron Ore Project

The 100% owned Ophthalmia Iron Ore 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 the discovery of significant occurrences of bedded hematite mineralization by field reconnaissance mapping and surface sampling in August 2011, major exploration drilling programmes have been completed and JORC 2012 compliant Mineral Resources have been estimated and reported for the Sirius, Coondiner, and Kalgan Creek deposits (see announcement dated 28 November 2014). The total Mineral Resources at Ophthalmia now stand at 341 Mt grading 59.3% Fe.

MINING OPERATION

Copper Mine — Damajianshan, Yunnan, PRC

As advised to the market on 1 September 2016 and in our latest annual report, the Company has resolved to no longer finance the continuing development of its copper mine in Yunnan, PRC, and a full impairment against the mining right in the PRC was recorded in the last annual report. During the period, no production or sales have been recorded accordingly.

Summary of Expenditure

Since early 2016, the production of Damajianshan mine has been suspended and there were no mining operations carried during the period. Minimal administrative expenses (HK$0.34 million, excluding reversal of over-provision) were incurred during the period (2015: HK$5.5 million, excluding reversal of over-provision).

DIRECTORS' REPORT

The Directors present their report together with the condensed consolidated financial information for the six months ended 31 December 2016.

DIRECTORS

The Directors of the Company during the six months ended 31 December 2016 and up to the date of this report were:

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

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2016 (2015: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

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

To alleviate the liquidity pressure, the Group has drawn down a loan from its substantial shareholder amounted to US$5,130,000 (equivalent to HK$40,000,000). During the period, the substantial shareholder agreed to extend the repayment date to 30 June 2018.

The current ratio as at 31 December 2016 is measured at 0.54 (30 June 2016: 0.48). The gearing ratio of the Group (long-term debts over equity and long-term debts) is measured at 0.08 (30 June 2016: 0.06).

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 2016.

CAPITAL STRUCTURE

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

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

SHAREHOLDERS' LOAN

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

(i) On 20 September 2016, the Group obtained a loan from its substantial shareholder amounted to US$5,130,000 (equivalent to HK$40,000,000) which is unsecured, bears interest at 12% per annum and is repayable on 19 December 2017. During the period, the substantial shareholder agreed to extend the repayment date to 30 June 2018;

(ii) On 21 September 2016, an individual shareholder has undertaken to grant a loan of up to HK$60,000,000 to the Group. The loan is available for draw down within 14 months from 21 September 2016. Such loan is unsecured, bears interest at 15% per annum and once drawn down, is repayable on 21 December 2017. On 20 February 2017, the individual shareholder agreed to extend the repayment date to 30 June 2018;

INCREASE IN AUTHORISED SHARE CAPITAL

On 16 December 2016, the Company has passed an ordinary resolution in relation to the increase of authorised share capital of the Company from HK$1,000,000,000 divided into 10,000,000,000 Shares to HK$2,000,000,000 divided into 20,000,000,000 Shares by creation of an additional 10,000,000,000 Shares. Such increase will facilitate the Company being able to carry out any future equity-related fund-raising or other share transactions when the right opportunity arises and is in the interests of the Company and Shareholders as a whole.

SHARES DETAILS

Quoted Securities

As at 31 December 2016:
8,381,982,131 fully paid shares on issue

Unquoted securities

8,000,000 unlisted options granted

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

There were no shares or options issued during the period.

SHARE OPTION SCHEME

Under the share options schemes, 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, exercised, lapsed or cancelled under the Share Options Schemes.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

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

Financial guarantees

As at 31 December 2016, the Company did not provide any financial guarantees (30 June 2016: Nil).

Contingent liabilities

There is no material contingent liability of the Group as at 31 December 2016.

MARKET RISK

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

(a) Commodities price risk

Iron ore price:

The fair value of the Group's mining properties 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 price.

(b) Exchange rate risk

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

STAFF AND REMUNERATION

As at 31 December 2016, the Group employed 21 full time employees (30 June 2016: 42), of which 2 employees were in the PRC (30 June 2016: 24 employees), 8 employees were in Australia (30 June 2016: 7), and 11 in Hong Kong (of which includes 6 non-executive directors) (30 June 2016: 11).

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 2016, the interests and short positions of the directors and chief executives and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register maintained by the Company pursuant to Sections 336 and 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies were as follows:

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

Name of Director	Capacity	Number of issued ordinary shares held	Number of options held	Percentage of the issued share capital of the Company
Mr. Kwai Sze Hoi	Jointly *(Note 1)*	60,720,000	—	0.72%
	Interests of controlled corporation *(Note 1)*	1,776,960,137	—	21.20%
Mr. Liu Zhengui	Beneficial owner	—	—	0.00%
Mr. Ross Stewart Norgard	Beneficial owner	64,569,834	—	0.77%
	Interests of controlled corporation	178,484,166	—	2.13%
Mr. Kwai Kwun Lawrence	Beneficial owner	28,658,412	—	0.34%
	Interest of controlled corporation	59,000,000	—	0.70%
Mr. Chan Kam Kwan Jason	Beneficial owner	—	—	0.00%
Mr. Colin Paterson	Beneficial owner	30,173,004	8,000,000	0.46%
	Interest of his spouse	22,625,442	—	0.27%
Mr. Yap Fat Suan, Henry	Beneficial owner	400,000	—	0.00%
Mr. Uwe Henke Von Parpart	Beneficial owner	—	—	0.00%
Mr. Choi Yue Chun, Eugene	Beneficial owner	—	—	0.00%

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.

   Apart from the above, as at 31 December 2016, 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 2016, 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	1,776,960,137	21.20%
Kwai Sze Hoi *(Note 1)*	Interest held by controlled corporations	1,776,960,137	21.20%
	Interest held jointly with another person	60,720,000	0.72%
Cheung Wai Fung *(Note1)*	Interest held by controlled corporations	1,776,960,137	21.20%
	Interest held jointly with another person	60,720,000	0.72%
Equity Valley Investments Limited *(Note 2)*	Beneficial owner	515,574,276	6.15%
The XSS Group Limited *(Note 2)*	Interest held by controlled corporations	515,574,276	6.15%
Cheung Sze Wai *(Note 2)*	Interest held by spouse and interest in controlled corporations	515,574,276	6.15%
Luk Kin Peter Joseph *(Note 2)*	Interest held by controlled corporations	515,574,276	6.15%
KQ Resources Limited	Beneficial owner	442,646,446	5.28%

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.
2. The 515,574,276 shares were held by Equity Valley Investments Limited. Equity Valley Investments Limited is wholly-owned by The XSS Group Limited, of which 50%, 20% and 30% of its issued share capital were held by Mr. Luk Kin Peter Joseph, Ms. Cheung Sze Wai, Catherine (Mr. Luk's spouse) and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively.

   Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2016.

SHARE OPTIONS

The share option scheme (the "Share Option Scheme") of the Company was adopted by the Company pursuant to the resolution of the shareholders passed in the AGM on 13 November 2012. Particulars of the Share Option Scheme are set out in Note 18 to the consolidated financial statements. Details of the options outstanding as at 31 December 2016 which have been granted to Qualified Persons under the Share Option Scheme are as follows:

	Option type	Outstanding as at 1 July 2016	Reclassified during the Period	Lapsed during the year	Outstanding as at 31 December 2016
Directors					
Colin Paterson	2015A	8,000,000	—	—	8,000,000
Total		8,000,000	—	—	8,000,000
Weighted average exercise price		0.45	—	—	0.45

The total number of securities available for issue under the share option scheme amounts to 781,448,213 as at the date of the interim report, representing 9.32% of the issued share capital outstanding

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 31 December 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is listed on both the Australian Securities Exchange Limited ("ASX") and on the SEHK. The Company's corporate governance policies have been formulated to ensure that it is a responsible corporate citizen.

The Company complies with all aspects of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK, except for the deviation from Code Provision A.2.1, which requires the roles of chairman and chief executive should be separate and should not be performed by the same individual. The position for the chief executive officer at the Group level has been vacant during the period. Nonetheless, Mr. Colin Paterson, an executive director of the Company, also serves as the chief executive officer at Brockman Mining Australia Pty Ltd (a wholly-owned subsidiary of the Company), and is responsible for the oversight of the core iron ore business operation.

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 2016.

AUDIT COMMITTEE

As at 31 December 2016, the audit committee comprises of three independent non-executive directors namely Messrs. Yap Fat Suan, Henry, Uwe Henke Von Parpart and Choi Yue Chun, Eugene (the "Audit Committee"). Mr. Yap Fat Suan, Henry was the Chairman of the Audit Committee. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Audit Committee has reviewed the Group's interim results for the six months ended 31 December 2016.

By Order of the Board

Kwai Sze Hoi
Chairman

Hong Kong, 24 February 2017

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 24 February 2017. In the Directors' opinion:

(a) The condensed consolidated financial information and notes set out on pages 4 to 25 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 2016 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, 24 February 2017

GLOSSARY

"ASX"	ASX Limited ACN 008 624 691, or the financial products market, The Australian Securities Exchange, as the situation requires
"Board"	the Board of Directors
"Brockman" or "Company"	Brockman Mining Limited, ARBN 143 211 867, a company incorporated in Bermuda
"CG Code"	Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK
"CISRI"	China Iron & Steel Research Institute Group
"Damajianshan mine"	The 100% owned copper mine held by the Company in the Yunnan Province, PRC
"Directors"	the directors of the Company
"Group"	Brockman Mining Limited, its associates and subsidiaries
"JORC"	Australasian 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
"SEHK"	Hong Kong Exchanges and Clearing Company Limited or the financial products market or the Hong Kong Stock Exchange, as the situation requires