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BROCKMAN

BROCKMAN MINING LIMITED

布萊克萬礦業有限公司*

(incorporated in Bermuda with limited liability)

(SEHK Stock Code: 159)

(ASX Stock Code: BCK)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

The board of directors (the “Board”) of Brockman Mining Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2019, together with the comparative figures for the year ended 30 June 2018.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

		Year ended 30 June	
		2019	2018
	Note	HK\$'000	HK\$'000
Other income	6	142	300
Other gain/(loss)	7	9,526	(208)
Administrative expenses	9	(26,803)	(34,644)
Exploration and evaluation expenses	9	(7,796)	(9,460)
		<u>(24,931)</u>	<u>(44,012)</u>
Operating loss			
Finance income		54	26
Finance costs		(1,320)	(4,511)
		<u>(1,266)</u>	<u>(4,485)</u>
Finance costs, net	8		
Share of profit/(loss) of joint ventures		412	(562)
		<u>(1,266)</u>	<u>(4,485)</u>
Loss before income tax		(25,785)	(49,059)
Income tax benefit		93,373	—
		<u>93,373</u>	<u>—</u>
Profit/(loss) for the year from continuing operations		67,588	(49,059)
		<u>67,588</u>	<u>(49,059)</u>
Discontinued operation			
Profit from discontinued operation		—	157,145
		<u>—</u>	<u>157,145</u>
Profit for the year		67,588	108,086

* For identification purpose only

	<i>Note</i>	Year ended 30 June	
		2019	2018
		<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income/(loss)			
<i>Item that may be reclassified to profit or loss</i>			
Exchange differences arising from translation of foreign operations		<u>(34,045)</u>	<u>(12,451)</u>
Reclassification of translation reserve arising from disposal of subsidiaries		<u>—</u>	<u>(55,578)</u>
Other comprehensive loss for the year		<u>(34,045)</u>	<u>(68,029)</u>
Total comprehensive income for the year		<u>33,543</u>	<u>40,057</u>
Profit/(Loss) for the period attributable to equity holders of the Company:			
Continuing operations		67,588	(49,059)
Discontinued operation		—	157,145
Total comprehensive (loss)/income attributable to equity holders of the Company:			
Continuing operations		33,543	(61,510)
Discontinued operation		—	101,567
(Loss)/earnings per share attributable to the equity holders of the Company during the year			
		<i>HK cents</i>	<i>HK cents</i>
Basic (loss)/earnings per share from:			
Continuing operations	<i>11</i>	0.74	(0.58)
Discontinued operation	<i>11</i>	<u>—</u>	<u>1.85</u>
		<u>0.74</u>	<u>1.27</u>
Diluted (loss)/earnings per share from:			
Continuing operations	<i>11</i>	0.73	(0.58)
Discontinued operation	<i>11</i>	<u>—</u>	<u>1.85</u>
		<u>0.73</u>	<u>1.27</u>

CONSOLIDATED BALANCE SHEET*As at 30 June 2019*

		As at 30 June	
	<i>Note</i>	2019	2018
		HK\$'000	HK\$'000
Non-current assets			
Mining exploration properties	<i>12</i>	757,345	802,617
Property, plant and equipment		144	268
Interest in joint venture		653	126
Other non-current assets		508	538
		758,650	803,549
Current assets			
Other receivables, deposits and prepayments		918	390
Cash and cash equivalents		20,906	34,258
		21,824	34,648
Total assets		780,474	838,197
Equity			
Share capital	<i>14</i>	922,123	916,198
Reserves		3,812,692	4,301,421
Accumulated losses		(4,102,845)	(4,632,894)
Total equity		631,970	584,725
Non-current liabilities			
Deferred income tax liability		134,172	238,954
Borrowings		12,828	11,508
Provisions	<i>13</i>	—	58
		147,000	250,520
Current liabilities			
Trade and other payables	<i>13</i>	1,504	2,952
		1,504	2,952
Total liabilities		148,504	253,472
Total equity and liabilities		780,474	838,197

NOTES TO THE 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 projects in Australia.

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.

These consolidated financial statements are presented in Hong Kong dollars (HK\$), and all values are rounded to the nearest thousand (HK\$’000), except where otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements of Brockman Mining Limited have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The consolidated financial statements have been prepared under the historical cost convention.

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

(a) Going concern basis

For the year ended 30 June 2019, the Group recorded a net loss before tax of HK\$25,785,000 (2018: HK\$49,059,000) and had operating cash outflows of HK\$29,995,000 (30 June 2018: HK\$33,581,000). The Group did not record any revenue during the year and the loss before tax for the period was primarily attributable to the exploration and evaluation of the Company’s iron ore exploration projects and corporate overhead costs. As at 30 June 2019, the Group’s cash and cash equivalents amounted to HK\$20,906,000 (30 June 2018: HK\$34,258,000).

On the 19 July 2019, both Brockman Iron and Polaris agreed that the Farm-in Obligations may take up to a further 12 months to complete and therefore the parties have agreed to extend certain key dates under the FJV.

The directors are confident that the Group can continue to advance the FJV with the aim of unlocking the value of the Marillana Project. Once Polaris fulfils its Farm-in Obligations, an interest-free loan of A\$10,000,000 (equivalent to approx. HK\$58,000,000), which is currently secured in an escrow account will be released to Brockman Iron. The loan proceeds shall be used to meet Brockman Iron’s financial obligations under the FJV Agreement and for working capital in relation to the Group’s iron ore business in the Pilbara region of Western Australia. This loan will only be repaid from net revenue received by Brockman Iron from the sale of its share of product sold from the Marillana Project that is transported under the rail and port system contemplated in the Mine to Ship Services Agreement.

The Group has taken a number of measures to improve its liquidity position, including, but not limited to, the following:

- (i) Extending the repayment date of the existing loans of HK\$12,828,000 from the substantial shareholder to 31 October 2020. These loans bear interest at 12% per annum.
- (ii) On 18 September 2018, the Group secured a standby loan facility from its substantial shareholder amounting to HK\$10,000,000. If drawn down, the loan will be unsecured, bear interest at 12% per annum and be repayable on 31 October 2020.

The directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of approval of these consolidated financial statements. They are of the opinion that, taking into account the above-mentioned 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 the date of approval of these consolidated financial statements.

The directors are confident that the Group can continue to access debt and equity funding to meet medium term working capital requirements and has a history of securing such funding as required in the past to support their confidence. In the event that funding of an amount necessary to meet the future budgeted operational and investing activities of the Group is unavailable, the directors would undertake steps to curtail these operating and investment activities. Accordingly, the directors of the Company consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, there remains material uncertainty as to whether the Group can raise sufficient funding as outlined above which may cast significant doubt about the Group's ability to continue as a going concern and, therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these consolidated financial statements.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of the Group's assets or to the amounts and classification of liabilities which might be necessary should the Group not continue as a going concern.

3. PRINCIPAL ACCOUNTING POLICIES

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

(a) Changes in accounting policy and disclosures

New and amendments to standards adopted by the Group

The following standards and amendments to standards are effective for accounting year beginning on or after 1 July 2018, and have been adopted in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
Annual improvements Project IFRS 1 and IAS 28 (Amendment)	Annual Improvements 2014-2016 Cycle	1 January 2018
IAS 40 (Amendment)	Transfers of Investment Property	1 January 2018
IFRS 2 (Amendment)	Share-based Payment, Classification and Measurement of Share-based Payment Transactions	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 4 (Amendments)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 15 (Amendment)	Clarification to IFRS 15	1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

There has been no material impact from the adoption of these accounting standards.

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

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the year ended 30 June 2019 and have not been early adopted:

		Effective for annual periods beginning on or after
IFRIC 23	Uncertainty Over Income Tax Treatments	1 January 2019
Annual Improvements Project (Amendments)	Annual Improvements 2015-2017 Cycle	1 January 2019
IAS 19 (Amendment)	Plan Amendment, Curtailment or Settlement	1 January 2019
IAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures	1 January 2019
IFRS 9 (Amendment)	Prepayment Features with Negative Compensation	1 January 2019
IFRS 16	Leases	1 January 2019
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
IAS 1 and IAS 8 (Amendments)	Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021
IFRS 3	Definition of a Business	1 January 2020
IFRS 10 and IAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

None of these are expected to have a significant effect on the consolidated financial statements, except for the following as set out below, the effect of which is yet to be determined by the Group:

IFRS 16 Leases

IFRS 16 was issued in May 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use asset over the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The new standard will result in an increase in assets and financial liabilities in the consolidated balance sheet. As for the financial performance impact in the consolidated statement of comprehensive income, operating lease expenses will decrease, while depreciation and amortisation and the interest expense will increase.

The standard is mandatory for financial years beginning on or after 1 January 2019.

IFRIC 23 Uncertainty Over Income Tax Treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

4. REVENUE

There was no revenue during the year ended 30 June 2019 (2018: nil).

5. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reports 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 segment is as follows:

Mineral tenements in Australia – tenement acquisition, exploration and towards future development of iron ore projects in Western Australia

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

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 profit/(losses) of joint ventures.

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

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

	Mineral tenements in Australia <i>HK\$'000</i>	Others <i>HK\$'000</i>	Sub-Total <i>HK\$'000</i>	Discontinued operation Mining operation in the PRC <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 30 June 2019:					
Segments results	<u>(5,147)</u>	<u>(21,050)</u>	<u>(26,197)</u>	<u>—</u>	<u>(26,197)</u>
Share of profit of joint ventures					<u>412</u>
Loss before income tax					<u>(25,785)</u>
Other information:					
Depreciation of property, plant and equipment	(115)	(10)	(125)	—	(125)
Exploration and evaluation expenses	(7,796)	—	(7,796)	—	(7,796)
Income tax benefit	<u>93,373</u>	<u>—</u>	<u>93,373</u>	<u>—</u>	<u>93,373</u>
For the year ended 30 June 2018:					
Segments results	<u>(26,671)</u>	<u>(21,826)</u>	<u>(48,497)</u>	<u>157,145</u>	<u>108,648</u>
Share of loss of joint ventures					<u>(562)</u>
Loss before income tax					<u>108,086</u>
Other information:					
Depreciation of property, plant and equipment	(162)	(10)	(172)	—	(172)
Exploration and evaluation expenses	<u>(9,460)</u>	<u>—</u>	<u>(9,460)</u>	<u>—</u>	<u>(9,460)</u>

(b) The following is an analysis of the Group's total assets by business segment as at 30 June 2019:

	Mineral tenements in Australia HK\$'000	Others HK\$'000	Total HK\$'000
As at 30 June 2019:			
Segment assets	<u>759,905</u>	<u>20,569</u>	<u>780,474</u>
Total segment assets include:			
Interest in joint ventures	653	—	653
Additions to property, plant and equipment	<u>—</u>	<u>13</u>	<u>13</u>
As at 30 June 2018:			
Segment assets	<u>805,684</u>	<u>32,513</u>	<u>838,197</u>
Total segment assets include:			
Interests in joint ventures	126	—	126
Additions to property, plant & equipment	<u>125</u>	<u>1</u>	<u>126</u>

(c) Geographical information

The mineral tenements are located in Australia. The following is an analysis of the carrying amounts of the Group's mining exploration properties, property, plant and equipment, and interests in joint ventures analysed by geographical area in which the assets are located:

	2019 HK\$'000	2018 HK\$'000
Hong Kong	13	11
Australia	<u>758,636</u>	<u>803,000</u>

6. OTHER INCOME

	2019 HK\$'000	2018 HK\$'000
Government grant (<i>Note a</i>)	<u>142</u>	<u>300</u>
	<u>142</u>	<u>300</u>

(a) Government grant mainly represents incentive credits provided by the Australian Federal Government, for research and development activities carried out in Australia.

7. OTHER GAIN (LOSSES)

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Gain on disposal of mineral tenement	9,526	—
Loss on disposal of property, plant and equipment	—	(208)
	<u>9,526</u>	<u>(208)</u>

8. FINANCE COSTS, NET

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Finance income		
Interest income on bank deposits	54	26
Finance costs		
Interest on borrowings	(1,320)	(4,511)
Finance costs, net	<u>(1,266)</u>	<u>(4,485)</u>

9. EXPENSES BY NATURE

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Auditor's remuneration		
— Audit services — EY	785	—
— Audit services — PwC	927	980
— Non-audit services — EY	874	—
— Non-audit services — PwC	450	580
Depreciation of property, plant and equipment	125	172
Operating lease rentals	1,563	2,101
Staff costs (including directors' emoluments)	19,940	20,405
Exchange loss	9	8,608
Exploration and evaluation expenses (excluding staff costs and rental expenses)	<u>5,943</u>	<u>5,639</u>

10. DIVIDEND

No dividend was paid or proposed during the year ended 30 June 2019, nor has any dividend been proposed since the balance sheet date (2018: Nil).

11. (LOSS)/EARNINGS PER SHARE

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

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

	2019	2018
Profit/(Loss) for the period attributable to the equity holders of the Company (<i>HK\$'000</i>)		
— Continuing operations	67,588	(49,059)
— Discontinued operations	—	157,145
	<u>67,588</u>	<u>108,086</u>
Weighted average number of ordinary shares for the purpose for calculating the basic (loss)/earnings per share (thousands)	<u>9,187,642</u>	<u>8,514,475</u>
Effects of dilution from:		
— share options (thousands)	45,250	—
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands)	<u>9,213,953</u>	<u>—</u>
Profit/(Loss) per share attributable to the equity holders of the Company:		
Basic (HK cents)		
— Continuing operations	0.74	(0.58)
— Discontinued operation	—	1.85
	<u>0.74</u>	<u>1.27</u>
Diluted (HK cents)		
— Continuing operations	0.73	(0.58)
— Discontinued operation	—	1.85
	<u>0.73</u>	<u>1.27</u>

12. MINING EXPLORATION PROPERTIES

	Mining exploration properties in Australia HK\$'000
Balance as at 1 July 2017	829,031
Exchange differences	<u>(26,414)</u>
Balance as at 30 June 2018	802,617
Exchange differences	<u>(45,272)</u>
Balance as at 30 June 2019	<u>757,345</u>

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

As at 30 June 2019, the Group assessed whether events or changes in circumstances indicate a potential material change to the recoverable value of the mining properties since 30 June 2018. The Group performed an assessment of impairment indicators.

Based on this assessment, management concluded that as at 30 June 2019, there was no indication that the recoverable value of the mining exploration properties has materially changed and thus impairment assessment was not required.

13. TRADE AND OTHER PAYABLES

Trade payables of the Group principally represent amounts outstanding to suppliers. The normal credit period is between 30 days and 90 days.

	2019 HK\$'000	2018 HK\$'000
Trade and other payables	705	2,038
Provisions	799	972
	<u>1,504</u>	<u>3,010</u>
<i>Less: Non-current portion</i>	<u>—</u>	<u>(58)</u>
Amount shown under current liabilities	<u>1,504</u>	<u>2,952</u>

Amounts classified as non-current liabilities are unsecured, interest-free and not repayable within 12 months.

14. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised		
As at 30 June 2019 and 30 June 2018	<u>20,000,000</u>	<u>2,000,000</u>
Issued and fully paid		
As at 1 July 2016 and 30 June 2017	8,381,982	838,198
Issue of shares	780,000	78,000
Issue of shares (<i>Note a</i>)	<u>59,250</u>	<u>5,925</u>
At 30 June 2019	<u>9,221,232</u>	<u>922,123</u>

Note:

- (a) On the 22 January and 19 March 2019 share options were exercised by directors and employees of the Group.

15. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 19 July 2019, both Brockman Iron and Polaris have agreed that the Farm-in Obligations may take up to a further 12 months to complete (31 July 2020) and therefore the parties have agreed to extend certain key dates under the FJV. Those dates are:

1. The Farm-In Period (for satisfaction of the Farm-in obligations) has been extended to 31 July 2020;
2. Construction commencement of the Rail and Port system has been extended from “on or before 31 December 2019” to “on or before 31 December 2020”;
3. Operation commencement of the Rail and Port System has been extended from “on or before 31 December 2021” to “on or before 31 December 2022”; and
4. The date for satisfaction of the Conditions Precedent for the Mine to Ship Services Agreement has been extended to 31 December 2020.

As a consequence of the above, it is now expected that the production from the Marillana Project will commence by end of calendar year 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

During the year, the Group recorded no revenue and is now focused entirely on the iron ore operations in Western Australia. Loss for the year before income tax from continuing operations was HK\$25.8 million, compared to the previous year HK\$49.0 million.

The Group recorded a profit from continuing operations (after tax) of approximately HK\$67.6 million (2018: loss of approximately HK\$49.0 million), mainly due to the recognition of an income tax credit of HK\$93.4 million. This credit was the result of a partial offset of the deferred tax liability upon recognition of a deferred tax asset in respect of certain of the Group's Australian tax losses. The income tax credit is non-cash in nature. The operating loss was significantly reduced by 43% to HK\$24.9 million (2018: loss of HK\$44.0 million), mainly due to a gain from the disposal of mineral tenements in Australia and the reduction of foreign exchange losses.

Iron Ore Operations – Western Australia

This segment of the business comprises the 100% owned Marillana Iron Ore Project (“Marillana”), the Ophthalmia Iron Ore Project (“Ophthalmia”) and other regional exploration projects.

The loss before income tax and share of losses of joint venture for the year for this segment attributable to the Group was HK\$26.2 million (2018: HK\$27.2 million). Total expenditure associated with mineral exploration for the year ended 30 June 2019 amounted to HK\$7.8 million (2018: HK\$9.5 million).

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

	Year ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Project		
Marillana	4,533	6,669
Ophthalmia	1,926	908
Regional Exploration	1,337	1,883
	<u>7,796</u>	<u>9,460</u>

No development expenditure has been recognised in the financial statements during the year ended 30 June 2019 (year ended 30 June 2018: Nil).

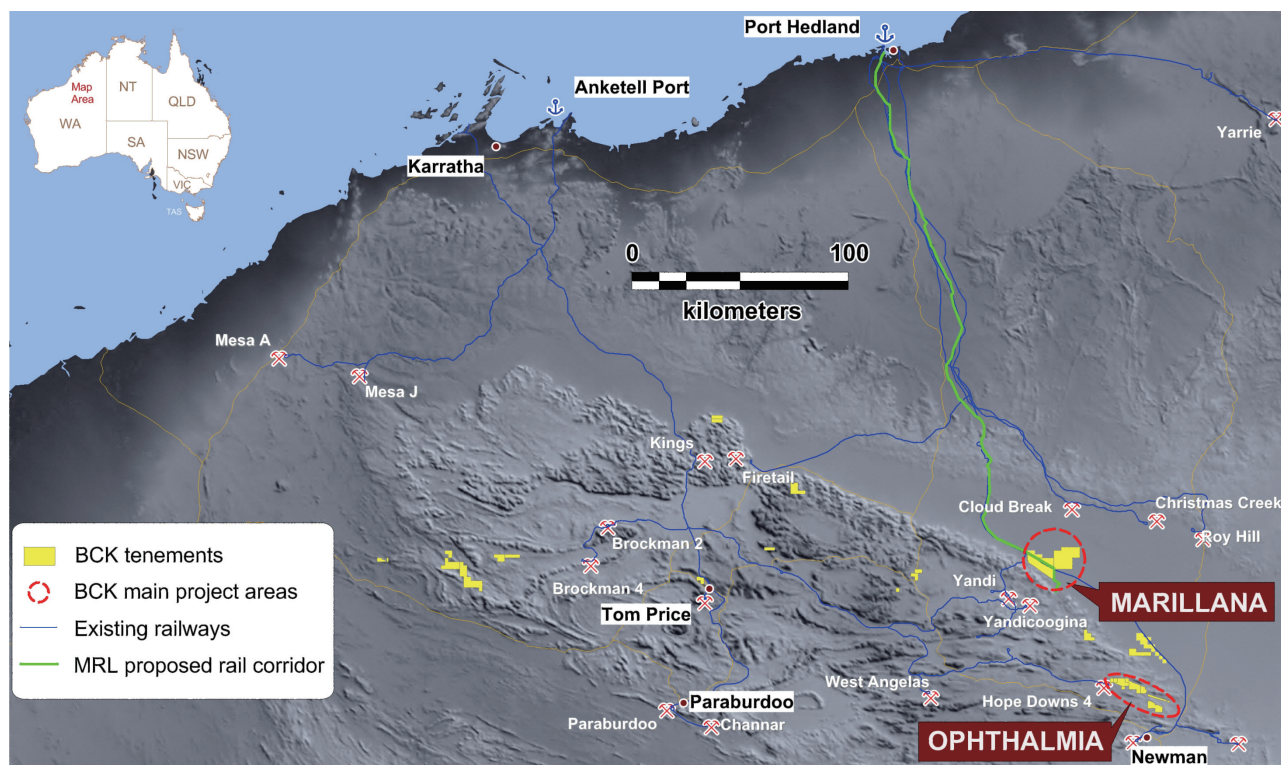
Total capital expenditure for each of the projects in Western Australia for the financial years is summarised as follows:

Project	Year ended 30 June			
	2019 HK\$'000		2018 HK\$'000	
	Addition to property, plant & equipment	Addition to mining properties	Addition to property, plant & equipment	Addition to mining properties
Marillana	—	—	125	—
Ophthalmia	—	—	—	—
	<u>—</u>	<u>—</u>	<u>125</u>	<u>—</u>

Impairment

The Group has assessed whether any indicators of impairment exist with reference to both external and internal sources of information. As at 30 June 2019, the Group assessed and concluded there were no indicators of impairment present.

Figure 1: Project location map – Brockman tenements



Marilliana Project Overview

The 100% owned Marillana is Brockman's flagship project located within mining lease M47/1414 in the Hamersley Iron Province within the Pilbara region of Western Australia. It is located approximately 100 km north-west of the township of Newman.

The project area covers 82 square km bordering the Hamersley Range, where extensive areas of supergene iron ore mineralisation, the source of hematite detrital mineralisation at Marillana, have developed within the dissected Brockman Iron Formation that caps the Range.

Marillana Development

On 26 July 2018 Brockman Iron Pty Ltd ("Brockman Iron") (a wholly-owned subsidiary of the Company) and Polaris Metals Pty Ltd (a wholly-owned subsidiary of MRL) entered into a Farm-in Joint Venture (FJV) Agreement (see announcements dated 27 July 2018 on the HKEX and ASX platforms) pursuant to which and subject to the terms and conditions therein, Polaris may farm-in and earn a 50% interest in Marillana by satisfying certain Farm-in obligations.

On 21 January 2019, the FJV Agreement became Unconditional and Polaris commenced its Farm-In Obligations. Once, Polaris has met its Farm-in Obligations, the farm-in interest will be transferred to Polaris and the Joint Venture will be established with each party holding a 50% interest in Marillana.

Brockman Iron and a SPV (subsidiary of MRL) also entered into a Mine to Ship Services Agreement for the transport of the Marillana iron ore product via a light-rail system from the mine site to Port Hedland.

The Mine to Ship Services Agreement is itself subject to several conditions precedent including execution of an agreement with the State of Western Australia; procuring all the leases and licences for the light rail system and port development; and MRL and SPV obtaining the finance to fund the construction and commissioning of the rail and port infrastructure.

Upon satisfaction of all conditions under the Mine to Ship Services Agreement, MRL will be obliged to construct and commission the rail and port infrastructure needed to establish, operate and provide a service to transport up to 30Mtpa of iron ore from the mine site to Port Hedland and on to vessels for export for the life of the Marillana Project.

Farm-in prior to Joint Venture

Farm-in obligations and interest

Polaris shall earn a 50% interest in Marillana by satisfying the following obligations during the Farm-in Period:

- (i) minimum expenditure of A\$250,000 on exploration and development of Marillana;
- (ii) completion of the following to evaluate the economic feasibility of mining minerals on the tenements under Marillana (or such other areas as the parties may agree):
 - (a) Polaris' process design criteria of the processing plant(s);
 - (b) completion of Polaris' optimised mine plan study; and
 - (c) completion of a mine site layout that illustrates Polaris' preferred location for the processing plant(s) on the tenements under Marillana consistent with the optimised mine plan referred to in (b) above.

During the period, MRL identified that extra time was required to undertake additional drilling and metallurgical testwork to ensure that there are no fatal flaws in the mine plan and process plant design. Such campaign is expected to last 6 to 12 months.

The parties have therefore agreed to vary certain dates within the agreements, as outlined below:

1. The Farm-In Period (for satisfaction of the Farm-In Obligations) has been extended to 31 July 2020;
2. Construction commencement of the rail and port system has been extended from 'on or before 31 December 2019' to 'on or before 31 December 2020'; and
3. Operation commencement of the rail and port system has been extended from 'on or before 31 December 2021' to 'on or before 31 December 2022'.

As a consequence of the variation under the FJV, the date for satisfaction of the Conditions Precedent for the Mine to Ship Services Agreement has been extended to 31 December 2020.

Joint Venture

Formation and scope

The parties have agreed to establish the Joint Venture as an unincorporated joint venture (in which both parties have a 50% interest). The scope of the Joint Venture is to establish a mining and processing operation at Marillana at a minimum 20Mtpa production rate, with the product to be transported to Port Hedland using a light railway to be constructed by a subsidiary of MRL.

Management committee

A management committee comprising a total of six representatives shall be established. Each of the Joint Venturers shall appoint three representatives.

The role of the management committee is to make all strategic decisions relating to the conduct of the activities undertaken by the Joint Venture including the consideration and approval of any work programme and budget in the management of the joint venture.

Development funding

The Joint Venturers will be responsible for funding the development activities of Marillana up to a maximum of A\$300 million in total or A\$150 million by each Joint Venturer. Polaris will use all reasonable endeavours to procure the debt financing to fund the development activities for and behalf of the Joint Venturers. The development activities include all site establishment and non-process infrastructure costs. Brockman shall repay its share of the debt financing, the terms and conditions of which is still subject to Brockman's acceptance.

Manager

Pursuant to the terms of the FJV Agreement, Polaris has agreed to act as the first manager of the Joint Venture.

Loan Agreement

Polaris to provide an interest-free loan of A\$10 million to Brockman Iron to fund Brockman Iron's financial obligations under the FJV Agreement and for working capital in relation to the Group's iron ore business in the Pilbara region of Western Australia. The loan is in an escrow account and upon satisfaction of the Farm-In Obligations the funds will be released from escrow. The loan will be repaid from the net revenue received by Brockman Iron from the sale of its share of Marillana ore sold and transported under the Mine to Ship Services Agreement.

Mine to Ship Services Agreement

Under the Mine to Ship Services Agreement, MRL (or a subsidiary) will construct (at its own cost) and operate a rail and port infrastructure system in accordance with the following timeline:

- (i) construction is to commence on or before 31 December 2020; and
- (ii) operation is to commence on or before 31 December 2022.

The rail and port infrastructure system comprises a light railway connecting Marillana to the port of Port Hedland plus train unloading, product stockpiling, reclaim and ship-loading facilities connected to a deep water cape-size berth at South West Creek in the inner harbour of Port Hedland.

The parties have agreed on a provisional service fee subject to standard escalation clauses typical for an agreement of this nature.

Mineral Resources And Ore Reserves

Brockman reports its Mineral Resources and Ore Reserves on an annual basis, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the 'JORC Code 2012'), unless otherwise noted. Mineral Resources are quoted inclusive of Ore Reserves.

In the previous year, Brockman updated its Marillana Mineral Resources and Ore Reserves to the JORC 2012 Code (refer to announcement dated 25 May 2018). Mineral Resources and Ore Reserves were previously reported under the JORC 2004 Code and released to the market on 9 February 2010 and 9 September 2010 respectively by Brockman Resources Limited, now a wholly owned subsidiary of Brockman Mining Limited.

Marillana has a very significant Mineral Resource estimate of 1.51 billion tonnes (Bt) of hematite Detrital and Channel Iron (CID) mineralisation, comprising 169.5 million tonnes (Mt) of Measured Mineral Resources, 1,046 Mt of Indicated Mineral Resources and 291 Mt of Inferred Mineral Resources (see Tables 1 and 2).

Table 1: Detrital (beneficiation feed) Mineral Resource Summary (cut-off grade: 38% Fe)

Mineralisation type	Resource classification	Tonnes (Mt)	Grade (% Fe)
	Measured	169.5	41.6
	Indicated	961.9	42.3
	Inferred	273.0	42.0
GRAND TOTAL		1,404.4	42.2

Total tonnes may not add up, due to rounding

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

Resource classification	Tonnes (Mt)	Fe (%)	Al₂O₃ (%)	SiO₂ (%)	P (%)	LOI (%)
Indicated	84.2	55.8	3.58	5.0	0.097	9.76
Inferred	17.7	54.4	4.34	6.6	0.080	9.30
TOTAL	101.9	55.6	3.71	5.3	0.094	9.68

The JORC 2012 Ore Reserve estimate is based on the revised JORC 2012 Mineral Resource model, and incorporates a number of factors and assumptions as outlined in the announcement of 25 May 2018.

The base case optimisation was determined with cut-off grades of 38% Fe for DID and 52% Fe for CIDs within the final pit and tenement boundary limits.

Metallurgical testwork results were used to estimate the recoverable fraction from the DID ore component. Recoveries of final product and grades (of iron, silica, alumina and LOI) were estimated in the block model. Based upon dense media separation (DMS) testwork, it is expected that the final product has an average grade of at least 60% Fe and 37.3% in mass recovery.

Table 3: Marillana Project — Ore Reserves *

Reserve classification	Ore type	Tonnes (Mt)
Probable	DID	967
Probable	CID	46
TOTAL		1,013

* Reserves are included within Resources

cut-off grade 52% Fe

cut-off grade 38% Fe

Table 4: Marillana Project – Ore Reserves final product

Reserves Class	Ore Sale Type	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	LOI (%)
Probable	CID Product	46	55.5	5.3	3.7	9.7
Probable	DID Product	358	60.3	6.2	3.0	2.5
Probable	Total Ore	404	59.8	6.1	3.1	3.3

The Marillana project has total estimated Probable Ore Reserves of 967 Mt of DID plus 46 Mt of direct ship CID (Table 3). The total saleable product from the processed iron ore feed is estimated at 404 Mt averaging 59% Fe, 6.1% SiO₂, and 3.1% Al₂O₃ (Table 4). Life of mine strip ratio is 1.0:1 (tonnes of Waste of tonnes of Ore).

The Marillana Ore Reserves are based solely on the Measured and Indicated Mineral Resources. The Mineral Resources also include some 273Mt of Inferred Mineral Resources (DID), comprising 201 Mt based on wide -spaced drilling to the north of the Indicated Mineral Resource boundary and 72 Mt of previously Indicated Mineral Resources that was downgraded to Inferred classification during the Projection Pursuit Multi-variate Transform (PPMT) process. Based on historical conversion of Inferred to Indicated Mineral Resources, it is anticipated that additional drilling may enable some of the Inferred material to be upgraded to Indicated classification.

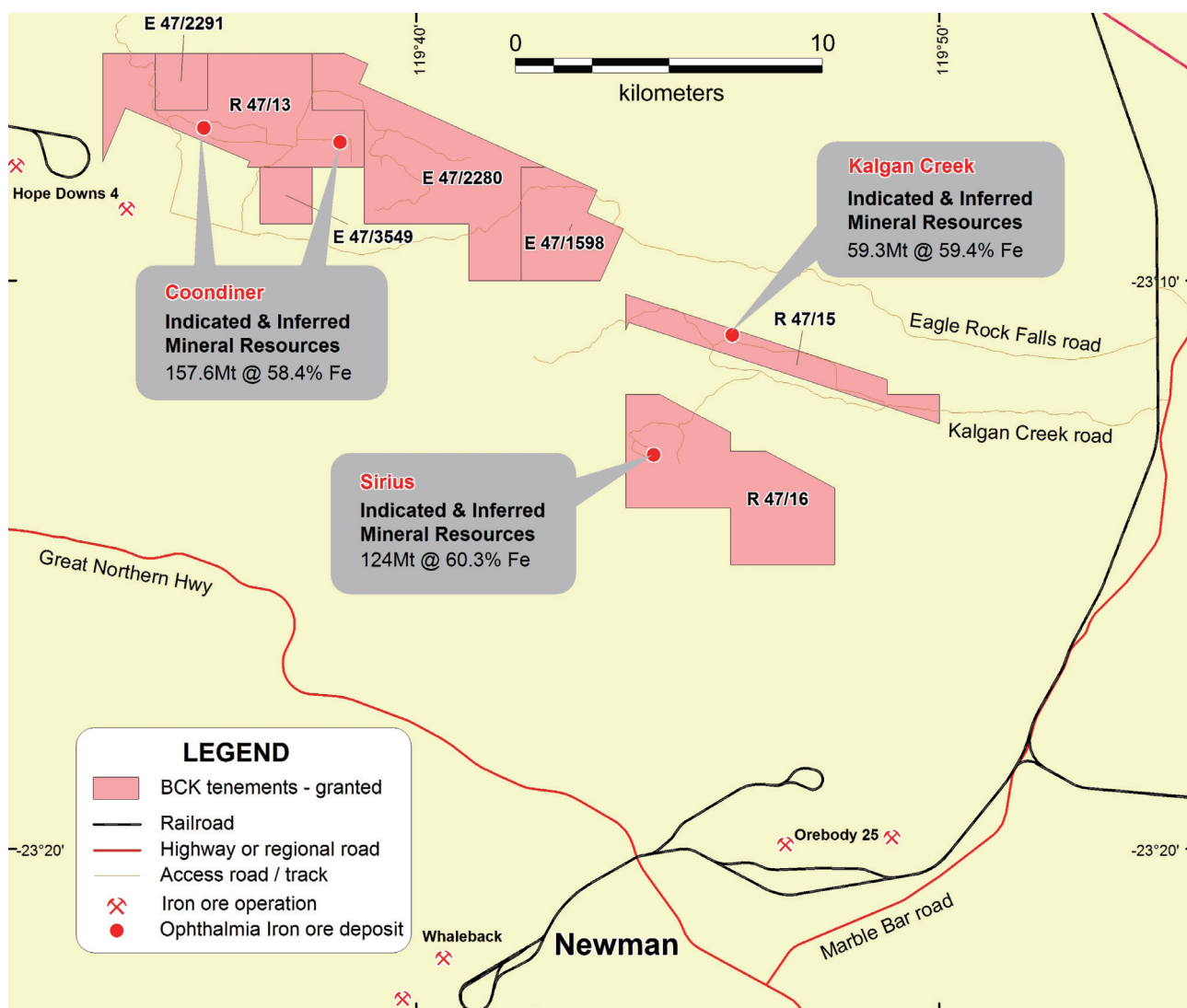
Marillana represents one of the largest published hematite Ore Reserve positions in the Pilbara, outside the three major producers (BHPB, Rio and FMG). The Detrital Ore is upgraded to a high-quality, sinter feed product via simple beneficiation, which is supported by low-cost mining, low waste ratios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

The Mineral Resource and Reserve estimation (see Tables 1 to 4) was prepared by Golder Associates Pty Ltd and has been classified in accordance with the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

Ophthalmia Project Overview

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 mineralisation by field reconnaissance mapping and surface sampling in August 2011, major exploration drilling programmes have been completed and JORC compliant Mineral Resources have been estimated and reported for the Sirius, Coondiner, and Kalgan Creek deposits. The total Mineral Resource at Ophthalmia is 341 Mt grading 59.3% Fe (Table 5).

Figure 3: Location of Ophthalmia Prospects and Resources



Approvals

The Native Title Agreement with the Nyiyaparli people that was executed in May 2015 covers all tenements comprising the Ophthalmia project and was based on the existing agreement with the Nyiyaparli people covering Marillana (signed in 2009). It takes into consideration the Nyiyaparli people's interests with regard to the management of Cultural Heritage and Protection of the land and environment at the Ophthalmia project, as well as providing education and training opportunities for the local Nyiyaparli people.

The signing of this agreement paves the way for the granting of mining leases over the project area once Brockman has established an infrastructure solution to facilitate development of the project.

Metallurgy

In 2016 a bulk sample of ore from the Sirius deposit was sent to CISRI (China Iron and Steel Resources Institute Group) in China for a comprehensive sinter testwork programme. The bulk sample was generated in 2013 by compositing diamond drill core from 7 holes spaced across the entire deposit.

The sinter testwork program showed that there are no fatal flaws in the sintering performance of blends where Sirius fines replaces either Pilbara Blend or MAC (Mining Area C) fines up to 30%. Most parameters show only gradual changes as substitution increases, except that mix moisture and fuel loads do increase significantly. There is little change in sinter productivity or granulation, RDI (Reduction Degradation Index) is similar or improved marginally, as has its softening and melting performance. RI (Reducibility Index) is lower but still well within tolerance.

Mineral Resources

Ophthalmia has a Mineral Resource estimate of 340.9 million tonnes of hematite mineralisation, comprising 280 million tonnes of Indicated Resources and 61 million tonnes classified as Inferred Resources (see Table 5).

The resource estimate was classified in accordance with guidelines provided in the JORC Code 2012. Refer to ASX Announcement dated 1 December 2014.

Table 5: Ophthalmia DSO Mineral Resource Summary

		30 June 2019							
Deposit	Class	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	S (%)	P (%)	LOI (%)
Kalgan Creek	Indicated	34.9	59.3	62.7	4.08	4.57	0.009	0.183	5.49
	Inferred	24.4	59.5	63.2	4.38	3.90	0.007	0.157	5.81
	Sub Total	59.3	59.4	62.9	4.21	4.29	0.009	0.173	5.63
Coondiner (Pallas and Castor)	Indicated	140.5	58.5	62.0	5.18	4.46	0.007	0.176	5.71
	Inferred	17.1	58.1	61.5	6.06	4.45	0.008	0.155	5.47
	Sub Total	157.6	58.4	62.0	5.27	4.46	0.007	0.174	5.68
Sirius	Indicated	105.0	60.4	63.7	3.54	3.97	0.007	0.18	5.22
	Inferred	19.0	60.2	63.4	4.09	3.83	0.009	0.17	5.14
	Sub Total	124.0	60.3	63.6	3.62	3.95	0.007	0.18	5.20
Ophthalmia Project	Indicated	280.4	59.3	62.7	4.43	4.29	0.007	0.178	5.50
	Inferred	60.5	59.3	62.8	4.73	4.03	0.008	0.160	5.50
	Total	340.9	59.3	62.7	4.49	4.24	0.007	0.175	5.50

* 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.

West Pilbara Project

Overview

The West Pilbara project comprises four tenements centred around Duck Creek, located about 100-130 km WNW of Paraburdoo in the West Pilbara region. (Refer to Figure 1).

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

Brockman has completed an Inferred Mineral Resource estimate of 18.3 Mt grading 56.5% Fe, for the channel iron deposit (“CID”) mineralisation at Duck Creek (E47/1725), as detailed in Table 6 below. The Mineral Resource estimate has been classified in accordance with guidelines of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Mineral Resource estimate is based on the results of 45 vertical RC holes drilled on sections varying from approximately 200 to 400 m apart along the long axis of each mesa, supported by surface sampling to confirm the lateral extent of mineralisation.

Table 6: Duck Creek Mineral Resource estimate – (at a lower cut-off grade of 54% Fe)

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

* 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.

Other Projects

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

Following the Group's decision to divest the 40% interest in the Irwin-Coglia nickel laterite project, a competitive sale process was undertaken by PCF Capital Group. The outcome from this process was that the 60% participant in the Irwin Joint Venture Project (Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd) purchased the Company's 40% interest. The consideration received by the Company was A\$1,700,000 (HK\$9,617,000) which was paid in September 2018 following execution of a sale and purchase agreement and satisfaction of all conditions precedent.

Mineral Resources and Ore Reserves

The information in this report that relates to the Mineral Reserve and Mineral Resource estimates of the Marillana project was declared as part of a market announcement issued on 25 May 2018.

The information in this report that relates to the Mineral Resource of Ophthalmia project was declared as part of a market announcement issued on 1 December 2014.

The information in this report that relates to the Inferred Mineral Resource of West Pilbara Project was declared as part of a market announcement issued on 14 May 2013. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements referred to above. All material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Mineral Resources and Ore Reserves Governance of Internal Controls

Brockman ensures that the Mineral Resources and Ore Reserve estimates quoted are subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external review of Marillana Resources and Ore Reserves estimation procedures and results are carried out through a technical review team which is comprised of highly competent and qualified professionals. These reviews have not identified any material issues.

Liquidity and Financial Resources

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

The current ratio as at 30 June 2019 is 14.51 (30 June 2018: 11.73). The gearing ratio of the Group (long-term debt over equity and long-term debt) is measured at 0.02 (30 June 2018: 0.02).

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 30 June 2019.

Capital Structure

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

Exercise of employee options

59,250,000 employee options were exercised by directors and employees.

Pledge of Assets and Contingent Liabilities

As at 30 June 2019 there were no assets that were pledged to secure any debt, and the Company did not provide any financial guarantees and there was no material contingent liability of the Group (30 June 2018: Nil).

RISK DISCLOSURE

Market Risk

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

(a) *Commodities price risk*

Iron ore price:

The fair value of the Group's mining exploration properties in Australia is exposed to fluctuations in expected future iron ore price.

We have not used any commodity derivative instruments or futures for speculation or hedging purposes. Management will review market conditions from time to time and determine the best strategy to deal with the fluctuations of iron ore price as required.

(b) *Funding risk*

The commencement of exploration and potential development of the iron ore projects will depend on whether the Group can secure the necessary funding.

(c) *Risk that the project will not be materialised*

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

Staff And Remuneration

As at 30 June 2019, the Group employed 14 employees (30 June 2018: 17), of which 4 were in Australia (includes 1 non-executive director) (30 June 2018: 5) and 10 in Hong Kong (includes 5 non-executive directors) (30 June 2018: 12).

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

Environmental Policy and Compliance with Relevant Laws and Regulations

Environmental Protection

As a responsible entity, the Group has endeavoured to comply with local laws and regulations in relation to waste disposal and environmental protection. At corporate level, the Group also encourages staff to save energy, minimise the use of natural resources and paper products.

We operate effective and sustainable iron ore business work actively through all areas of the business to minimise the actual and potential environmental impact of the Company's activities, respect the rights of the traditional owners and value the indigenous cultural heritage associated with its operations. Furthermore, with no mining operations to be carried out, disturbance to the environment is expected to be minimal. We will continue to ensure that in the future, we are accountable for our environmental footprint.

Compliance with Laws and Regulations

During the year, the Group has complied with the relevant standards, laws and regulations that have a significant impact on our businesses. At the same time, the Group always maintains a safe working environment for staff in accordance with relevant safety policies.

Relationship with Employees, Customers and Suppliers

The Group believes that human resources are the most important asset for the Group's sustainable development. We offer competitive remuneration packages and a high quality working environment for our employees. It is our custom to respect each other and ensure that fairness is applied to everyone. From time to time, we provide relevant on-the-job training to enhance employees' professional knowledge. The Group also organises different leisure events and frequent group discussions for the participation of employees to enhance the working relationship of the employees and communications with management. We also strive to maintain good working relationships with our suppliers and customers.

Remuneration Policy

The Group's compensation strategy is to promote a pay-for-performance culture to reward employee performance that will maximise shareholder value in the long term. The Group from time to time reviews remuneration packages provided to its employees to ensure that the total compensation is internally equitable, externally competitive and supports the Group's strategy.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

COMPLIANCE OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is listed on both the Australian Securities Exchange (“ASX”) and the Stock Exchange of Hong Kong Limited (“SEHK”). The Company’s Corporate Governance policies have been formulated to ensure that it is a responsible corporate citizen. Unless otherwise noted, the Company complied with all aspects of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK (“the HK Listing Rules”) and the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations 3rd Edition (“the CGPR”)’ which applies for year-ends commencing 1 July 2016, (“the ASX Principles”) during the entire year ended 30 June 2019. Except for the following:

- (i) Under 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 of Chief Executive Officer at the Group level has been vacant during the period. Nonetheless, Mr. Colin Paterson, who serves as the chief executive officer of Brockman Mining Australia Pty Ltd (a wholly-owned subsidiary of the Company), is responsible for the oversight of the core iron ore business operation; and
- (ii) Under the Code Provision A.6.7, non-executive Directors should attend general meetings. During the year, due to directors’ other commitments and schedule conflict, not all of the non-executive directors of the Company attended the general meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Securities Trading Policy which applies, inter alia, to all Directors and Key Management Personnel. The Securities Trading Policy complies with the ASX Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the HK Listing Rules. A copy of the Company’s Securities Trading Policy is available on the website of the Company.

All directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

AUDIT COMMITTEE

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. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee as at 30 June 2019. The Audit Committee has adopted the terms of references which are in line with the Corporate Governance Code. The Audit Committee has reviewed the Group's annual results for the year ended 30 June 2019.

AUDIT OPINION

The auditor of the Group will issue an opinion with an emphasis of matter on going concern on the consolidated financial statements of the Group for the year under audit. An extract of the auditor's report is set out in the section headed "EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT" below.

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

APPRECIATION

The Board wishes to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group. We also thank our shareholders, customers and suppliers for their continuous support.

By order of the board of directors of
Brockman Mining Limited
Kwai Sze Hoi
Chairman

Hong Kong, 25 September 2019

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