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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)

SUPPLEMENTARY ANNOUNCEMENT

Reference is made to the results announcement of the Company dated 30 September 2015 in relation to the annual results of the Group for the year ended 30 June 2015 (the “Announcement”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Announcement.

The Group has recognized an impairment loss of HK\$1,216,618,000 to our mining assets in Western Australia mainly due to the recent downfall of the iron ore price. The Board would like to provide the key assumptions in respect of the valuation model adopted by the Group in arriving at the impairment value.

The Board assessed the following key assumptions adopted in the valuation model:

	As at	
	30-Jun-15	30-Jun-14
Estimated mine life	25 years from 2020	25 years from 2019
Average production	18 million tonnes per year	18 million tonnes per year
Long term iron ore price (per dry metric tonne unit (“dmtu”) <i>(Note a)</i>)	US¢97/dmtu	US¢136/dmtu
Exchange rate of AUD/USD <i>(Note b)</i>	0.72	0.84
Discount rate <i>(Note c)</i>	13%	13%
Valuation Approach	Fair value less cost of disposal approach with reference to discounted cash flow forecasts	Fair value less cost of disposal approach with reference to discounted cashflow forecasts

* *For identification purpose only*

Note a

With reference to price forecast from the Energy & Metal Consensus Forecasts published by Consensus Economics Inc., the Company revised the cash flow projection by adopting the forecast long term price at US¢97/dmtu from US¢136/dmtu.

Note b

With reference to the consensus of broker forecasts and forward curve obtained from Bloomberg, the Company revised the cash flow projection by adopting the forecast AUD to USD long term exchange rate at 0.72. The reference exchange rate at 0.84 at 30 June 2014 was the price applied by the Independent expert in the BOA Steel takeover of Aquila Resources Limited.

Note c

The discount rate adopted based on the assessment of the discount rate analysis independently performed by Ernest & Young during each year.

As a result, an impairment loss of approximately HK\$1,216,618,000 was recognised for the year. Details of the key assumptions used are disclosed in Note 15 Mining Properties of the Annual Results Announcement and Note 18 of our Annual Report.

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

Hong Kong, 8 December 2015

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

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