

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

OVERSEAS REGULATORY ANNOUNCEMENT
QUARTERLY ACTIVITIES REPORT

The following is the text of the quarterly activities report released by Brockman Mining Limited (the “Company”) on ASX Limited on 27 January 2022.

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

Hong Kong, 27 January 2022

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. Choi Yue Chun, Eugene and Mr. David Rolf Welch as independent non-executive directors.

* *For identification purpose only*



BROCKMAN

布萊克萬礦業有限公司
BROCKMAN MINING LIMITED

Incorporated in Bermuda with limited liability

SEHK Stock Code: 159

ASX Stock Code: BCK

QUARTERLY REPORT

For the quarter ended
31 December 2021

Table of Contents

1. HIGHLIGHTS.....	3
2. PROJECT ACTIVITIES.....	4
3. CORPORATE REVIEW	5
4. TENEMENTS.....	6
5. CORPORATE PROFILE	7
6. GLOSSARY.....	8
7. APPENDIX 5B.....	9

1. HIGHLIGHTS

- The Company and MRL continued advancement of the Marillana and Ophthalmia Projects in accordance with the agreed Indicative Development Proposal for the projects.
- Significant advancement on an infrastructure solution for the Marillana and Ophthalmia Projects, with MRL entering into an agreement with Hancock and Roy Hill to jointly investigate the development of a new berth at South-West Creek at Port Hedland. Under the agreement, Roy Hill is to provide rail haulage and port services.
- Studies and preparation (including miscellaneous licence application) for the haul road corridor from Marillana to the Roy Hill rail system are progressing.
- The Joint Venture commenced a bulk sample drilling programme and carried out updated baseline environmental surveys during the quarter.

2. PROJECT ACTIVITIES

Exploration Activities

Marillana

Brockman Iron Pty Ltd ("Brockman Iron") and Polaris Metals Pty Ltd ("Polaris") entered into a farm-in and joint venture agreement ("FJV Agreement") pursuant to which subject to the terms and conditions therein, Polaris may farm-in by satisfying the farm-in obligations and earn a 50% interest in the Marillana Project. For details of the transaction please refer to the Company's announcement dated 26 July 2018.

The FJV Agreement became Unconditional on 21 January 2019, marking the commencement of the Farm-in Period.

On the 22 April 2021, Brockman Iron and Polaris signed an Amended and Restated FJV Agreement and Deed of Amendment and Restatement (collectively the "Agreement"). Both Brockman Iron and Polaris conclude that the Farm-in Obligations under the Agreement have been satisfied and the parties shall form the Joint Venture immediately. As such, 50% interest in Marillana Project ("the Farm-in interest") will be transferred to Polaris.

MRL has submitted indicative Development Proposals, which include the following:

1. Development of the Marillana and Ophthalmia Projects into an iron ore mining hub capable of producing a minimum of 25Mtpa of final product for export.
2. Following the establishment of the Joint Venture, MRL (or its Related Party) agrees to provide the Joint Venturers with funding by way of a project loan sufficient to allow the Joint Venturers to fund the forecast project capital costs for each development.
3. A build own and operate arrangement between the Joint Venturers and MRL for certain non-processing infrastructure at Marillana.
4. A build own and operate arrangement for the crushing plant at Ophthalmia.

5. A proposed logistics system to transport the ore from the mines to the port stockyard at Port Hedland. This logistics system is to be constructed and operated by MRL (or a subsidiary).
6. Construction of a berth at a dedicated location in Port Hedland subject to the approval from the State Government of Western Australia.
7. A current market based estimate for project capital and operating costs, including the logistics services cost for transporting the ore from mine to ship.

Initial Development Works

During the quarter, work commenced on a Bauer drilling programme for the purpose of obtaining bulk samples to support pilot plant test-work and, provide samples of tailings to support co-disposal (dry-stacking) testwork and approvals. The testwork will also support process review and flow sheet design.

Ophthalmia

During the quarter, Brockman received notification from Polaris that the farm-in obligations have been satisfied, and that the Ophthalmia Joint Venture is now operational.

Polaris have commenced a programme of works including mine planning studies, transport corridor studies, environmental surveys and approvals, in order to expedite development of the project.

Infrastructure

On 29 November 2021 MRL entered into an agreement with Hancock Prospecting Pty Limited ("Hancock") and Roy Hill Holdings Pty Limited ("Roy Hill") ("the Agreement") in which MRL and Hancock will jointly investigate the development of a new iron ore export facility at the Port of Port Hedland's Stanley Point Berth 3 in South West Creek, where Roy Hill would provide services to both MRL and Hancock for development and operation of their projects, including rail haulage and port services.

For the Agreement to be effective the following are needed: (i) a grant by the Pilbara Ports Authority ("PPA") of a capacity allocation and all necessary approvals and agreements to develop and operate berth 3 in South West Creek and the other associated supporting port infrastructure; and (ii) MRL and Hancock each electing to take a positive final investment decision to proceed.

Under the FJV Agreement, MRL is to provide the infrastructure solution to transport the ore from the Marillana and Ophthalmia projects to a port stockyard at Port Hedland and loading on to ships for export. The Agreement will facilitate this solution.

MRL are progressing with studies and preparation (including miscellaneous licence application) for the haul road corridor from Marillana to the Roy Hill rail system.

Regional development

There was no field work carried out on the other regional exploration projects.

Mining Production and Development Activities

No mining production and development activities, including expenditure has been undertaken or recognised for the quarter.

3. CORPORATE REVIEW

The consolidated cash position of the Group as at 30 December 2021 was HK\$38.2 million.

Payments to related parties of the entity and their associates

The payment as disclosed in section 6.1 of the Appendix 5B relates to:

Payment of HK\$1.4 million for executive directors' salary and non-executive directors' fees.

4. TENEMENTS

Tenements disposed of during the Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held

Tenements acquired during the Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held

Tenements held at end of Quarter						
Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Duck Creek	West Pilbara	E	47/1725	Iron Ore	Granted	100%
Duck Creek East	West Pilbara	E	47/2994	Iron Ore	Granted	100%
Fig Tree	East Pilbara	E	47/3025	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3363	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3364	Iron Ore	Granted	100%
Madala Bore	West Pilbara	E	47/3285	Iron Ore	Granted	100%
Marillana	East Pilbara	L	45/0238	Iron Ore	Application	100%
Marillana	East Pilbara	M	47/1414	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3170	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/3532	Iron Ore	Granted	100%
Marillana	East Pilbara	E	47/4293	Iron Ore	Application	100%
Mindy	West Pilbara	E	47/3585	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/1598	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/2280	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/2291	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/3549	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/4240	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0013	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0015	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	R	47/0016	Iron Ore	Granted	100%
Punda Spring	West Pilbara	E	47/3575	Iron Ore	Granted	100%
Tom Price	West Pilbara	E	47/3565	Iron Ore	Granted	100%

5. CORPORATE PROFILE

Brockman Mining Limited

ARBN 143 211 867

Non-executive Directors:

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

Executive Directors:

Chan Kam Kwan Jason
(Company Secretary)
Kwai Kwun Lawrence
Colin Paterson

Independent Non-executive Directors:

Yap Fat Suan Henry
Choi Yue Chun Eugene
David Rolf Welch

Registrars

Principal Share Registrars and Transfer Office

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Branch Share Registrars and Transfer Office

- Hong Kong

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Branch Share Registrars and Transfer Office

- Australia

Computershare Investor Services Pty Limited
Reserve Bank Building
Level 11, 172 St George's Terrace
Perth, Western Australia, 6000

Securities on issue at 31 December 2021

Quoted securities

9,279,232,131 fully paid shares on issue

Unquoted securities

105,500,000 unlisted options granted

- 88,500,000 share options, expiring 31 December 2024 exercise price HK\$0.213
- 17,000,000 share options, expiring 12 May 2024 exercise price HK\$0.295

By order of the Board of Directors of
Brockman Mining Limited
Chan Kam Kwan, Jason
Company Secretary, Hong Kong

6. GLOSSARY

“Amended and Restated Date”	means the date the amendments to the FJV Agreement, pursuant to the Deed of Amendment and Restatement, become effective
“Board”	the Board of Directors of the Company
“Brockman” or “Company”	Brockman Mining Limited ARBN 143 211 867, the shares of which are listed on the SEHK and ASX
“Brockman Iron”	Brockman Iron Pty Ltd, a wholly owned subsidiary of the Company
“Deed of Amendment And Restatement”	means the deed of amendment and restatement between the FJV Agreement parties dated 22 April 2021.
“Farm-in Date”	the date the Farm-in Obligations are satisfied by Polaris
“Farm-in Period”	the period commencing on the Unconditional Date and ending on the date that is the later of the date that Polaris satisfies the Farm-in Obligations and the date that is 6 months after the Unconditional Date
“FJV Agreement”	the farm-in and joint venture agreement 26 July 2018 entered into between Brockman Iron and Polaris which has been further varied on 19 July 2019, 14 November 2019, and 27 November 2020
“Joint Venture”	the unincorporated joint venture to be established between Brockman Iron and Polaris pursuant to the terms of the FJV Agreement
“Joint Venturer”	a party which holds a JV interest, which as the date of the FJV Agreement means each Brockman Iron and Polaris
“JV Interest(s)”	the rights, liabilities and obligations under the FJV Agreement in relation to the Joint Venture
“Marillana Project”	the 100% owned iron ore project of the Company located in the Hamersley Iron Province within the Pilbara region of Western Australia
“MRL”	Mineral Resources Limited, the shares of which are listed on the ASX
“Ophthalmia Project”	The iron ore project currently 100% owned by Brockman East Pty Ltd located within the East Pilbara region of Western Australia
“Polaris”	Polaris Metals Pty Ltd, a wholly owned subsidiary of MRL
“Project Loan”	Provision of loan to the Joint Venture from MRL (or its Related Party) for the development of the Marillana Project and Ophthalmia Project.
“Related Party”	In respect of a party, means any of the following: (a) an entity that controls the party; (b) a wholly owned subsidiary of the party; and (c) an entity that is under common control with the party.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BROCKMAN MINING LIMITED

ABN

ARBN 143 211 867

Quarter ended ("current quarter")

31 DECEMBER 2021

Consolidated statement of cash flows		Current quarter HK\$'000	Year to date (12 months) HK\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(277)	(1,468)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(2,878)	(5,796)
	(e) administration and corporate costs	(3,580)	(4,717)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(6,728)	(11,971)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(26)	(26)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter HK\$'000	Year to date (12 months) HK\$'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	5,571
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(26)	5,545
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	44,697	45,667
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,728)	(11,971)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(26)	5,545
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	275	(1,023)
4.6	Cash and cash equivalents at end of period	38,218	38,218

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter HK\$'000	Previous quarter HK\$'000
5.1 Bank balances	35,218	27,200
5.2 Call deposits	3,000	17,497
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	38,218	44,697

6. Payments to related parties of the entity and their associates	Current quarter HK\$'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	1,406
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: If any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end HK\$'000	Amount drawn at quarter end HK\$'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	(A) 11,000 (B) 42,922	(A) 11,000 (B) 42,922
7.2 Credit standby arrangements	10,000	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	63,922	53,922
7.5 Unused financing facilities available at quarter end		10,000
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
(A) Such loan was granted by a substantial shareholder (Ocean Line Holdings Limited). The loan is unsecured, bears interest of 12% per annum and is repayable on 31 October 2023.		
(B) A loan from Polaris Metals Pty Ltd pursuant to the terms of the Farm-In Joint Venture Agreement with Polaris Metals Pty Ltd over the Marillana Iron Ore Project. Interest is not payable and secured under the Deed of Cross Security.		
7.2 On 18 September 2018, a substantial shareholder (Ocean Line Holdings Limited) has undertaken to grant a loan facility of up to HK\$10,000,000 to the Company to satisfy its future working capital requirements. The loan is available for draw down from 18 September 2018. Such loan is unsecured, bears interest at 12% per annum and once drawn down, is repayable on 31 October 2023. As at the date hereof, such loan facility has not been drawn down.		

8. Estimated cash available for future operating activities	HK\$'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(6,728)
8.2 Payments for exploration & evaluation classified as investing activities (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(6,728)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	38,218
8.5 Unused finance facilities available at quarter end (Item 7.5)	10,000
8.6 Total available funding (Item 8.4 + Item 8.5)	48,218
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	7.17
<i>Note: If the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "NA". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 January 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.