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 2013

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 2013, together with the comparative figures for the twelve months and eighteen months ended 30 June 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

		Twelve months ended 30 June		Eighteen months ended 30 June
		2013	2012	2012
	Note	***HK$'000***	*HK$'000*	*HK$'000*
			(note 2(a))	
Revenue	*4*	**158,556**	132,812	200,796
Direct costs	*10*	**(145,033)**	(118,828)	(178,242)
Gross profit		**13,523**	13,984	22,554
Other income	*6*	**20,124**	30,186	32,049
Other (losses)/gains, net	*7*	**(7,777)**	16,363	530,944
Selling and administrative expenses	*10*	**(125,027)**	(205,337)	(253,451)
Exploration and evaluation expenses	*10*	**(111,797)**	(197,918)	(215,596)
Impairment losses	*8*	**(246,657)**	(2,521,714)	(2,521,714)
Finance costs	*9*	**(18,453)**	(11,355)	(12,183)
Loss before income tax		**(476,064)**	(2,875,791)	(2,417,397)
Income tax (expenses)/credit	*11*	**(778)**	719,228	719,310
Loss for the year/period		**(476,842)**	(2,156,563)	(1,698,087)

* *For identification purpose only*

	Note	Twelve months ended 30 June 2013 HK$'000	2012 HK$'000 (note 2(a))	Eighteen months ended 30 June 2012 HK$'000
Other comprehensive income:				
Exchange differences arising on translation of foreign operations		**(227,888)**	(232,856)	(147,056)
Change in fair value on available-for-sale investments, net of tax		—	(51,106)	(226,666)
Release of available-for-sale investments reserve upon step acquisition, net of tax		—	—	(387,684)
Release of available-for-sale investments reserve upon disposal of available-for-sale investments, net of tax		—	(10,481)	(10,481)
Other comprehensive loss for the year/period		**(227,888)**	(294,443)	(771,887)
Total comprehensive loss for the year/period		**(704,730)**	(2,451,006)	(2,469,974)
Loss for the year/period attributable to:				
Equity holders of the Company		**(449,384)**	(2,045,841)	(1,579,652)
Non-controlling interests		**(27,458)**	(110,722)	(118,435)
		(476,842)	(2,156,563)	(1,698,087)
Total comprehensive loss attributable to:				
Equity holders of the Company		**(678,775)**	(2,244,857)	(2,287,277)
Non-controlling interests		**(25,955)**	(206,149)	(182,697)
		(704,730)	(2,451,006)	(2,469,974)
Loss per share attributable to the equity holders of the Company during the year/period		***HK cents***	*HK cents*	*HK cents*
Basic	*13*	**(6.01)**	(35.13)	(29.77)
Diluted	*13*	**(6.01)**	(35.13)	(29.77)

CONSOLIDATED BALANCE SHEET

As at 30 June 2013

		As at 30 June	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Mining properties	*14*	**3,494,432**	4,083,440
Property, plant and equipment		**89,482**	103,838
Goodwill		—	784
Intangible asset		—	3,592
Other non-current assets		**15,262**	13,630
		3,599,176	4,205,284
Current assets			
Inventories		**7,286**	13,209
Trade receivables	*15*	**21,370**	22,983
Other receivables, deposits and prepayments		**14,649**	22,985
Amount due from a related party		**1,155**	1,191
Restricted cash		—	5,200
Cash and cash equivalents		**253,747**	336,395
		298,207	401,963
Current liabilities			
Trade payables	*16*	**14,161**	14,133
Other payables and accrued charges		**173,630**	193,920
Amounts due to non-controlling interests		—	58,939
Amounts due to related parties		**3,800**	5,401
Bank borrowings		**10,781**	26,671
Obligations under finance leases		**6,820**	5,555
		209,192	304,619
Net current assets		**89,015**	97,344
Total assets less current liabilities		**3,688,191**	4,302,628

		As at 30 June	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Equity			
Share capital	*17*	**789,448**	717,504
Reserves		**1,924,023**	2,311,878
Equity attributable to the equity holders of the Company		**2,713,471**	3,029,382
Non-controlling interests		**43,075**	69,634
Total equity		**2,756,546**	3,099,016
Non-current liabilities			
Obligations under finance leases		**7,615**	10,858
Amount due to a related party		**25,846**	35,592
Convertible bonds		**—**	154,401
Deferred income tax liabilities		**896,062**	1,001,635
Provisions		**2,122**	1,126
		931,645	1,203,612
		3,688,191	4,302,628

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

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

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

The consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated. The consolidated financial statements have been approved for issue by the Board of Directors on 11 September 2013.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and with the applicable disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale investments, financial assets and financial liabilities at fair value through profit or loss which are carried at fair value.

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.

(a) Comparative information

Pursuant to a resolution of the Board of Directors dated 8 November 2011, the financial year end date of the Group has been changed from 31 December to 30 June to coincide with the financial year end date of the Company's principal operating subsidiaries, which are mainly situated in Western Australia, and thereby facilitate the preparation of the consolidated financial statements of the Group. Accordingly, the prior financial period covers an eighteen-month period from 1 January 2011 to 30 June 2012 including the consolidated statements of comprehensive income, changes in equity and cash flows and related notes thereto. The Company has also presented the consolidated statements of comprehensive income, changes in equity and cash flows for the twelve months ended 30 June 2012 according to the ASX disclosure requirements in the consolidated financial statements for the eighteen months ended 30 June 2012 of the Group.

The consolidated financial statements cover a twelve-month period from 1 July 2012 to 30 June 2013, therefore, the comparative figures for the consolidated statements of comprehensive income, changes in equity and cash flows and related notes thereto are not comparable. For the purpose of enhancing the comparability of information, the Company has also presented the consolidated statements of comprehensive income, changes in equity and cash flows for the twelve months ended 30 June 2012 as the comparative figures.

(b) Going Concern

During the year ended 30 June 2013, the Group had cash outflows used in operating activities of HK$159,378,000. Based on the directors' review of the Group's cash flow projections, taken into account of the Group's expected cash flows from operations, available financial resources, the Group is expected to have sufficient financial resources to satisfy its future working capital requirements, and to meet its financial obligations as and when required for the next twelve months. Accordingly, the directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Amended standards adopted by the Group

The following amendments to standards are mandatory for the first time for the financial year beginning on 1 July 2012.

IAS 1 (Amendment)	Presentation of Financial Statements
IAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets
IFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
IFRS 7 (Amendment)	Disclosures — Transfers of Financial Assets
IFRS Amendments	Improvements to IFRSs 2011

The adoption of the above amendments to standards has no significant impact to the Group's results and financial position.

(b) New and amended standards have been issued but are not effective for the financial year beginning on 1 July 2012 and have not been early adopted

The following new standards and amendments to standards have been issued, but are not effective for the financial year beginning on 1 July 2012 and have not been early adopted:

		Effective for annual periods beginning on or after
IAS 19 (Amendment)	Employee Benefits	1 January 2013
IAS 27 (revised 2011)	Separate Financial Statements	1 January 2013
IAS 28 (revised 2011)	Investment in Associates and Joint Ventures	1 January 2013
IAS 32 (Amendment)	Financial Instruments: Presentation on Asset and Liability Offsetting	1 January 2014
IAS 36 (Amendment)	Impairments of Assets — Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	1 January 2014
IFRS 7 (Amendment)	Disclosures — Offsetting Financial Assets and Financial Liabilities	1 January 2013
IFRS 9	Financial Instruments	1 January 2015
IFRS 7 and IFRS 9 (Amendment)	Mandatory Effective Date and Transition Disclosures	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013

The Group has assessed that the adoption of IFRS 10 does not have any significant financial impact on the Group as all subsidiaries within the Group satisfy the requirements for control under IFRS 10 and there are no new subsidiaries identified under the new guidance.

Apart from IFRS 10, the Group is in the process of making an assessment of the impact of the above new standards, amendments to standards and interpretations and is not yet in a position to state the impact on the Group's results of operations and financial positions.

4. REVENUE

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

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
Income from transportation services	**108,258**	112,006	172,229
Sales of copper ore concentrates	**50,298**	20,806	28,567
	158,556	132,812	200,796

5. 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.

(a) Business segments

Following the completion of the acquisition of 100% equity interest of Brockman Mining Australia Pty Ltd (formerly known as Brockman Resources Limited), the Company has also put its business focus in the exploration and development of iron ore mining projects in Western Australia. Accordingly, the executive directors of the Company decided to combine the limousine rental services and airport shuttle bus services as a single operating segment "Transportation services". Prior year comparative segment information has been restated accordingly.

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

Transportation services — provision of limousine rental services in Hong Kong and the PRC and provision of airport shuttle bus services in Hong Kong

Mining operations in the PRC — exploitation, processing and sales of copper ore concentrates in the PRC

Mineral tenements in Australia — mineral exploration, evaluation, development and tenements acquisition 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.

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

	Twelve months ended 30 June 2013				
	Transportation services *HK$'000*	**Mining operations in the PRC** *HK$'000*	**Mineral tenements in Australia** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Segment revenue from external customers	**108,258**	**50,298**	**—**	**—**	**158,556**
Segment results	**(7,120)**	**(274,568)**	**(121,902)**	**(54,021)**	**(457,611)**
Finance costs					**(18,453)**
Loss before income tax					**(476,064)**
Other information:					
Depreciation of property, plant and equipment	**(16,036)**	**(5,071)**	**(1,163)**	**(754)**	**(23,024)**
Impairment of mining properties *(note 8)*	**—**	**(243,000)**	**—**	**—**	**(243,000)**
Impairment of goodwill *(note 8)*	**(784)**	**—**	**—**	**—**	**(784)**
Impairment of intangible asset *(note 8)*	**(2,873)**	**—**	**—**	**—**	**(2,873)**
Amortisation of intangible asset	**(719)**	**—**	**—**	**—**	**(719)**
Amortisation of mining properties	**—**	**(22,204)**	**—**	**—**	**(22,204)**
Finance costs	**(1,378)**	**—**	**—**	**(17,075)**	**(18,453)**
Income tax credit/(expense)	**170**	**—**	**(948)**	**—**	**(778)**

	Twelve months ended 30 June 2012 — restated				
	Transportation services	Mining operations in the PRC	Mineral tenements in Australia	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue from external customers	112,006	20,806	—	—	132,812
Segment results	(20,530)	(153,720)	(2,615,528)	(74,658)	(2,864,436)
Finance costs					(11,355)
Loss before income tax					(2,875,791)
Other information:					
Depreciation of property, plant and equipment	(16,022)	(4,362)	(1,015)	(279)	(21,678)
Impairment of mining properties *(note 8)*	—	(114,000)	(2,391,871)	—	(2,505,871)
Impairment of goodwill *(note 8)*	(10,621)	—	—	—	(10,621)
Impairment of intangible asset *(note 8)*	(5,222)	—	—	—	(5,222)
Amortisation of intangible asset	(1,602)	—	—	—	(1,602)
Amortisation of mining properties	—	(9,349)	—	—	(9,349)
Finance costs	(1,780)	—	—	(9,575)	(11,355)
Income tax credit	1,690	—	717,538	—	719,228

	Eighteen months ended 30 June 2012 — restated				
	Transportation services *HK$'000*	Mining operations in the PRC *HK$'000*	Mineral tenements in Australia *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue from external customers	172,229	28,567	—	—	200,796
Segment results	(19,550)	(158,298)	(2,118,686)	(108,680)	(2,405,214)
Finance costs					(12,183)
Loss before income tax					(2,417,397)
Other information:					
Depreciation of property, plant and equipment	(23,496)	(6,045)	(1,041)	(423)	(31,005)
Impairment of mining properties *(note 8)*	—	(114,000)	(2,391,871)	—	(2,505,871)
Impairment of goodwill *(note 8)*	(10,621)	—	—	—	(10,621)
Impairment of intangible asset *(note 8)*	(5,222)	—	—	—	(5,222)
Amortisation of intangible asset	(2,403)	—	—	—	(2,403)
Amortisation of mining properties	—	(13,671)	—	—	(13,671)
Finance costs	(2,608)	—	—	(9,575)	(12,183)
Income tax credit	1,772	—	717,538	—	719,310

	As at 30 June 2013				
	Transportation services ***HK$'000***	**Mining operations in the PRC** ***HK$'000***	**Mineral tenements in Australia** ***HK$'000***	**Others** ***HK$'000***	**Total** ***HK$'000***
Segment assets	**88,648**	**567,372**	**3,172,136**	**69,227**	**3,897,383**
Total assets					**3,897,383**
Other segment information:					
Additions of property, plant and equipment	**8,487**	**2,992**	**750**	**98**	**12,327**
Additions of mining properties	**—**	**—**	**7,305**	**—**	**7,305**

	As at 30 June 2012 — restated				
	Transportation services	Mining operations in the PRC	Mineral tenements in Australia	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	111,320	821,035	3,617,097	57,795	4,607,247
Total assets					4,607,247
Other segment information:					
Additions of non-current assets for eighteen months ended 30 June 2012					
Property, plant and equipment arising from acquisition of subsidiaries	—	—	2,325	—	2,325
Property, plant and equipment	27,803	11,896	2,461	2,949	45,109
Mining properties arising from acquisition of subsidiaries	—	—	5,955,062	—	5,955,062
Additions of non-current assets for twelve months ended 30 June 2012					
Additions of property, plant and equipment	13,930	8,958	2,461	2,947	28,296

(b) Geographical information

The transportation services are provided in Hong Kong and the PRC. The mining operation is located in the PRC and the mineral tenements are in Australia.

The following table provides an analysis of the Group's revenue by geographical market, based on the origin of the services:

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
The PRC	**73,602**	54,347	80,796
Hong Kong	**84,954**	78,465	120,000
	158,556	132,812	200,796

The following is an analysis of the carrying amount of the Group's mining properties, property, plant and equipment, goodwill, intangible asset and other non-current assets (excluding financial assets) analysed by geographical area in which the assets are located:

	As at 30 June	
	2013	2012
	HK$'000	*HK$'000*
The PRC	**579,723**	832,021
Hong Kong	**29,359**	40,649
Australia	**2,986,949**	3,329,670
	3,596,031	4,202,340

6. OTHER INCOME

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
Interest on bank deposits	**11,495**	27,175	28,730
Dividend income from available-for-sale investments	—	2,449	2,449
Government grant *(note)*	**7,997**	—	—
Others	**632**	562	870
	20,124	30,186	32,049

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

7. OTHER (LOSSES)/GAINS, NET

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
Gain on disposal of financial assets at fair value through profit or loss	—	—	1,576
Loss on disposal of property, plant and equipment	**(1,118)**	(766)	(1,004)
Loss on de-recognition of a fixed rate bond	**(6,659)**	—	—
Release of available-for-sale investments reserve upon step acquisition	—	—	513,243
Release of available-for-sale investments reserve upon disposal of available-for-sale investments in FerrAus Limited	—	49,390	49,390
Loss on disposal of available-for-sale investments, net	—	(32,261)	(32,261)
	(7,777)	16,363	530,944

8. IMPAIRMENT LOSSES

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
Impairment of mining properties *(note 14)*	**243,000**	2,505,871	2,505,871
Impairment of goodwill	**784**	10,621	10,621
Impairment of intangible asset	**2,873**	5,222	5,222
	246,657	2,521,714	2,521,714

9. FINANCE COSTS

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
Effective interest expenses on convertible bonds	**11,382**	9,575	9,575
Interest on bank borrowings, wholly repayable within five years	**503**	1,003	1,531
Interest on obligations under finance leases	**875**	777	1,077
Interest on fixed rate bonds	**5,693**	—	—
	18,453	11,355	12,183

10. EXPENSES BY NATURE

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
Amortisation of intangible asset (included in direct costs)	**719**	1,602	2,403
Amortisation of mining properties (included in direct costs)	**22,204**	9,349	13,671
Auditor's remuneration	**3,159**	3,225	3,433
Cost of inventories	**10,273**	7,478	10,747
Depreciation of property, plant and equipment	**23,024**	21,678	31,005
Equity-settled share-based compensation for consultant	**305**	77	2,039
Motor vehicles rental charges	**17,909**	21,524	34,236
Operating lease rentals in respect of premises	**16,068**	10,352	13,178
Professional fees for takeover bids	**—**	12,478	35,554
Staff costs (including directors' emoluments)	**129,060**	128,271	150,975
Exploration and evaluation expenses (excluding staff costs and rental expenses)	**82,475**	167,998	185,676

Staff costs (including directors' emoluments) include:

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
Wages, salaries and welfares	**116,147**	106,549	127,791
Retirement benefit scheme contributions	**5,889**	7,008	7,725
Share-based compensation	**7,024**	14,714	15,459
	129,060	128,271	150,975

11. INCOME TAX EXPENSES/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (Twelve months and eighteen months ended 30 June 2012: 16.5%) on the estimated assessable profit for the year. Overseas income tax has been provided at the prevailing rates ranging from 25% to 30% (Twelve months and eighteen months ended 30 June 2012: 25% to 30%) on the estimated assessable profit applicable to the Company's subsidiaries established in the PRC and Australia.

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
	HK$'000	*HK$'000*	*HK$'000*
Current income tax:			
Hong Kong profits tax			
Current year/period	**218**	266	573
Under/(over) provision in prior year/period	**281**	(499)	(487)
Overseas income tax			
Under provision in prior year/period	**995**	—	—
Deferred income tax	**(716)**	(718,995)	(719,396)
	778	(719,228)	(719,310)

12. DIVIDEND

No dividend was paid or proposed during the year ended 30 June 2013, nor has any dividend been proposed since the balance sheet date (Twelve months and eighteen months ended 30 June 2012: Nil).

13. 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 year/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.

	Twelve months ended 30 June		Eighteen months ended 30 June
	2013	2012	2012
Loss for the year/period attributable to the equity holders of the Company *(HK$'000)*	**(449,384)**	(2,045,841)	(1,579,652)
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share *(thousands)*	**7,483,471**	5,823,047	5,305,614
Loss per share attributable to the equity holders of the Company			
Basic *(HK cents)*	**(6.01)**	(35.13)	(29.77)
Diluted *(HK cents)*	**(6.01)**	(35.13)	(29.77)

Diluted loss per share is the same as basic loss per share for the twelve months ended 30 June 2013 and 2012, and eighteen months ended 30 June 2012 because the effect of the assumed conversion of the convertible bonds and share options of the Company during these year/period was anti-dilutive.

14. MINING PROPERTIES

	Mining right in the PRC	Mining properties in Australia	Total
	HK$'000	*HK$'000*	*HK$'000*
Balance as at 1 January 2011	850,616	—	850,616
Amortisation during the period	(4,930)	—	(4,930)
Acquisition of subsidiaries	—	5,955,062	5,955,062
Exchange differences	20,109	84,965	105,074
Balance as at 30 June 2011 (unaudited)	865,795	6,040,027	6,905,822
Amortisation during the year	(8,107)	—	(8,107)
Impairment losses *(note 8)*	(114,000)	(2,391,871)	(2,505,871)
Exchange differences	13,326	(321,730)	(308,404)
Balance as at 30 June 2012	**757,014**	**3,326,426**	**4,083,440**
Amortisation during the year	**(20,668)**	**—**	**(20,668)**
Additions	**—**	**7,305**	**7,305**
Impairment losses *(note 8)*	**(243,000)**	**—**	**(243,000)**
Exchange differences	**16,825**	**(349,470)**	**(332,645)**
Balance as at 30 June 2013	**510,171**	**2,984,261**	**3,494,432**

Mining right in the PRC

Mining right in the PRC represents the right to conduct mining activities in Damajianshan, Honghe Zhou, Luchun County, Yunnan. The mine is located on land in the PRC to which the Group has no formal title. Yunnan State Land Resources Bureau issued the mining right certificate to Luchun Xingtai Mining Co., Ltd ("Luchun") in January 2005. The mining right certificate was renewed in 2007 for a period of five years to September 2012. Yunnan State Land Resources Bureau has granted Luchun an extension of the existing mining certificate for a period of three months to December 2012 and a temporary mining right certificate expiring in June 2014 has been obtained during the year, pending a long-term certificate to be granted upon fulfillment of certain statutory reporting requirement.

With reference to an independent legal opinion received by Luchun, there is no legal barrier for Luchun to renew its mining right certificate when it expires. The independent legal opinion also confirmed that there was no illegal activity undertaken by Luchun in operating the mine between the expiry of the mining right certificate and the granting of the temporary mining right certificate and there was no penalty exerted by the government regarding Luchun's mining operation.

Accordingly, the directors of the Company are of the opinion that the Group will be able to continuously renew the mining right certificate and the business licenses of respective mining subsidiaries at minimal charges.

The mining right in the PRC is amortised using the units of production method based on the proven and probable mineral reserves of 7,554,000 tonnes under the assumption that the Group can renew the mining right certificate in the future until all proven and probable reserves have been mined.

The volatility of copper price and the revision of production and capital investment plans, are considered to be impairment indicators which triggered the need to perform an impairment assessment. The directors have taken into consideration fair value less costs to sell and value-in-use calculations, to determine the recoverable amount of the mining right as at 30 June 2013.

Key assumptions adopted by management for the year ended 30 June 2012 and 2013 are summarised as follows:

	30 June 2013	30 June 2012
Long-term copper price	**US$6,840 per tonne**	US$6,890 per tonne
Discount rate	**17.3%**	17.3%
Production capacity	**800 tonnes to 1,950 tonnes per day**	650 tonnes to 3,000 tonnes per day

Based on the above assessment, an impairment loss of approximately HK$243,000,000 was recognised for the year (Twelve months and eighteen months ended 30 June 2012: HK$114,000,000).

These calculations use cash flow projections based on financial projections approved by management. If the long-term copper price adopted in the valuation had been 5% lower, the recoverable amount would be reduced by approximately HK$22,749,000 and further impairment loss of HK$22,749,000 would be required. If the discount rate used in discounted cash flow calculation had been 1% higher than management's estimates at 30 June 2013, the recoverable amount of the mining right recognised would be decreased by HK$30,082,000 and further impairment loss of HK$30,082,000 would be recognised.

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.

For the twelve months and eighteen months ended 30 June 2012, the Group impaired the carrying value with reference to an independent valuation. Impairment loss of HK$2,391,871,000 was recognised for the twelve months and eighteen months ended 30 June 2012, the impairment reduced the deferred income tax liability brought to account following the business combination relating to the value attributed to the mining properties acquired. The reduction in the deferred income tax liability as a result of the impairment is HK$717,538,000.

During the year ended 30 June 2013, the Group expanded its mining properties holding, securing exploration licenses E47/2280, E47/2291 and E47/2594(A), which are adjacent to the Group's Ophthalmia tenements, with an upfront cash payment of approximately HK$7.3 million.

At 30 June 2013, the Group assessed and concluded there was no impairment indicator.

Volatility in iron ore pricing and uncertainty in relation to securing infrastructure to deliver the projects continue to present impairment risks.

The ultimate recoupment of the carrying value of mining properties is dependent on the successful development and commercial exploitation of, or sale of interests in, the mining properties.

15. TRADE RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**21,907**	23,356
Less: allowance for doubtful debts	**(537)**	(373)
Trade receivables — net	**21,370**	22,983

The Group's credit terms granted to customers of transportation services range between 60 days and 90 days. Sales from mining operation in PRC are made under contractual arrangement whereby provisional payment is received within 30 to 90 days from delivery date. Before accepting any new customers, the Group will review the potential customer's credit quality and approve its credit limits. Credit limits attributed to customers are reviewed regularly.

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

	2013	2012
	HK$'000	*HK$'000*
0 — 30 days	**8,517**	11,335
31 — 60 days	**6,611**	7,652
61 — 90 days	**3,195**	2,699
Over 90 days	**3,584**	1,670
	21,907	23,356

16. TRADE PAYABLES

Trade payables of the Group principally represent amounts outstanding for direct costs. The normal credit period taken for direct costs is between 30 days and 90 days. In certain circumstances, the credit period has been extended to over 90 days. The following is an ageing analysis of trade payables of the Group at the balance sheet date:

	2013	2012
	HK$'000	*HK$'000*
0 — 30 days	**7,431**	9,077
31 — 60 days	**1,977**	2,045
61 — 90 days	**1,919**	1,279
Over 90 days	**2,834**	1,732
	14,161	14,133

17. SHARE CAPITAL

	Number of shares	**Share capital**
	'000	***HK$'000***
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 January 2011, 30 June 2012 and 30 June 2013	10,000,000	1,000,000
Issued and fully paid:		
At 1 January 2011	3,922,435	392,244
Issue of shares in consideration for the acquisition of a subsidiary	1,432,981	143,298
At 30 June 2011 (unaudited)	5,355,416	535,542
Issue of shares as consideration of advisory fee	3,863	386
Placing of new shares	555,100	55,510
Issue of shares in consideration for the acquisition of additional interests in a subsidiary	1,119,860	111,986
Issue of shares in consideration for the acquisition of options of Brockman Mining Australia Pty Ltd	10,800	1,080
Conversion of convertible bonds	130,000	13,000
At 30 June 2012	**7,175,039**	**717,504**
At 1 July 2012	**7,175,039**	**717,504**
Issue of shares in consideration for the acquisition of additional interests in a subsidiary	**49,055**	**4,906**
Issue of shares in settlement of a fixed rate bond	**190,244**	**19,024**
Conversion of convertible bonds	**480,144**	**48,014**
As at 30 June 2013	**7,894,482**	**789,448**

18. FIXED RATE BONDS

	HK$'000
At 1 January 2011, 1 July 2011 (unaudited) and 1 July 2012	**—**
Issuance of fixed rate bonds	**156,000**
Redemption by way of:	
— issuance of ordinary shares	**(78,000)**
— issuance of convertible bond	**(78,000)**
At 30 June 2013	**—**

19. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There is no significant event occurred subsequently after the balance sheet date.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to a resolution of the Board of Directors dated 8 November 2011, the financial year end date of the Group has been changed from 31 December to 30 June. Accordingly, the current financial period covers a twelve-month period from 1 July 2012 to 30 June 2013 whereas the prior financial period covers an eighteen-month period from 1 January 2011 to 30 June 2012 including the consolidated statements of comprehensive income, changes in equity and cash flows and related notes thereto, which are not comparable. For the purpose of enhancing the comparability of information, the Company has also presented the consolidated statements of comprehensive income, changes in equity and cash flows for the twelve months ended 30 June 2012 as the comparative figures. Comparative financial information and operating data in this section covers twelve-month period from 1 July 2011 to 30 June 2012 for a like comparison.

Iron Ore Operations – Western Australia

Marillana Iron Ore Project (M47/1414, E47/1408) – 100% Interest

Overview

The 100% owned Marillana Iron Ore Project ("Marillana" or "the Project") is Brockman Mining Australia Pty Ltd ("Brockman")'s flagship project located in the Hamersley Iron Province within the Pilbara region of Western Australia, approximately 100 km north-west of the township of Newman. The Project is located within mining lease M47/1414 and exploration licence E47/1408.

The Project area covers 96 km^2 bordering the Hamersley Range, where extensive areas of supergene iron ore mineralisation have developed within the dissected Brockman Iron Formation that caps the Range.

Marillana is surrounded by world-class deposits owned by major iron ore players including BHP Billiton ("BHPB"), Rio Tinto ("Rio") and Fortescue Metals Group ("FMG"). Marillana is in close proximity to existing infrastructure, with FMG's Cloud Break railway accessible via a proposed 80 km spur to the north. The Marillana tenement is also bisected by a gazetted road. Brockman will export its ore through the Port of Port Hedland — the largest bulk commodity ("iron ore") facility in Australia.

Rail and Port Access and Infrastructure

Rail

The Project requires rail infrastructure to haul product to Port Hedland for export.

In August 2012, Brockman executed a tripartite Alliance Study Agreement with QR Limited (which later changed its name to Aurizon Operations Limited ("Aurizon")) and Atlas Iron Limited ("Atlas") in relation to a jointly-funded Pre-Feasibility Study ("PFS") of the development and operation of the

East Pilbara Independent Rail network ("EPIR"), linking Port Hedland to the Marillana Project and several other deposits held by Brockman, Atlas and potentially other third parties. An EPIR Scoping Study identified preferred rail networks and all parties agreed that the PFS must cover an integrated rail and port solution. Brockman is participating in discussions with Aurizon and Atlas regarding the terms of reference for the EPIR PFS and subsequent studies, if appropriate.

The proposed EPIR network will connect the Project to Port Hedland. All required environmental baseline and cultural heritage surveys are close to completion, as are agreements with Native Title claimant groups and affected stakeholders. The Department of State Development ("DSD") is currently finalising the terms of a State Agreement with Aurizon for the rail project, and impact assessment studies will commence in Q3 2013.

Brockman has entered into a Relationship Agreement with Aurizon, for the exclusive provision of rail infrastructure, rail services and port services, where appropriate. Aurizon is Australia's largest rail freight operator (by tonnes hauled), holding medium to long term contracts with global resource companies such as BHP Billiton, Rio Tinto, Xstrata, Vale and Alcoa. Aurizon has extensive experience with iron ore haulage, being Australia's largest hauler of iron ore for export, outside of the Pilbara region.

Brockman has entered into an Aggregation Agreement with Flinders Mines Limited to allow the parties to examine the opportunities to aggregate tonnage from their respective, proposed mine developments and to support the development of independent rail and port infrastructure.

Brockman has also submitted an Access Proposal under section 8(1) of the Western Australia Railways (Access) Code 2000 to The Pilbara Infrastructure Pty Ltd ("TPI"), a wholly-owned subsidiary of Fortescue Metals Group. The Access Rights sought as part of the Access Proposal are to TPI's railway infrastructure (TPI Mainline) from approximately the 219 km point from Port Hedland on the TPI Mainline, from which point Brockman will construct a rail spur to Marillana, to approximately the 23 km point from Port Hedland on the TPI Mainline (a total distance of approximately 196 km), from which point Brockman will construct a rail spur to connect with the proposed North West Infrastructure ("NWI") port facilities in Port Hedland. Brockman is seeking Access Rights to allow it to haul up to 20 Mtpa of hematite iron ore product from Marillana to Port Hedland, for a term of up to 20 years commencing in 2016. The Western Australia Economic Regulation Authority will set the floor and ceiling costs for the route section of rail to which access is sought by Brockman, to enable access negotiations to take place between Brockman and TPI.

Port

In August 2008, the Western Australia State Government, in conjunction with the Port Hedland Port Authority ("PHPA"), allocated 50 Mtpa of iron ore export capacity to North West Infrastructure ("NWI"), which is to be utilised at the proposed South West Creek berths SW3 and SW4 at Port Hedland. NWI, which is an incorporated joint venture between Brockman, Atlas and FerrAus Pty Ltd, is progressing the development of these two new berths.

Having received Ministerial environmental approval for the landside developments of the overall project in April 2012, the required heritage approvals are being advanced via section 18 heritage clearances and ongoing assessment of the contemplated development plans. Environmental approvals for the proposed disposal of dredging spoil material are yet to be finalised.

NWI continues to actively pursue the finalisation of the South West Creek infrastructure tenure documentation with the PHPA, to obtain a Port Lease and related development agreement. Discussions during the period with relevant State Government Ministers and agencies have confirmed support for the establishment of new port facilities in South West Creek, in the inner harbour of Port Hedland, to facilitate the 50 Mtpa iron ore export allocation provided to NWI. NWI has submitted a Preliminary Planning Review to the PHPA as the first stage of preparing a full development proposal, pending the finalisation of the terms of the Port Lease and development agreement.

The Company has entered into a non-binding Memorandum of Understanding with Tianjin Port (Group) Co. Ltd ("TPG") to explore the opportunity for a potential strategic investment by TPG in the infrastructure necessary for the Marillana Project, including the development of Brockman's interest in the NWI development.

Mine Development

Feasibility Study

A Definitive Feasibility Study ("DFS") on the Marillana Project was completed in September 2010. This study will need to be refreshed.

An updated Bankable Feasibility Study ("BFS") will be undertaken as soon as a rail infrastructure solution is secured, to establish the overall economics of the Project, including the development of the supporting port and rail Infrastructure. The BFS will focus on the project economic fundamentals, the business risks, the rationale for development of the Project and the implementation strategy. The BFS will provide the Board with the level of confidence required to assess and establish the basis and conditions for the Project's funding arrangements and will lead to the ultimate Final Investment Decision for the Project.

The BFS will include the outputs from the port and rail feasibility studies currently being carried out by independent parties proposing to develop the required infrastructure solutions. These studies will provide details surrounding the development approach and funding requirements for the jointly-used rail and port infrastructure necessary to support the Marillana operations. A suitably qualified study consultant will be engaged to assist with the compilation of the BFS with the objective of achieving a Final Investment Decision for the Project.

The Company continues to actively pursue various infrastructure alternatives. The projected production commencement date will be further reviewed once the infrastructure solution is confirmed and finalized.

Approvals

The Project, including the entire deposit and all proposed infrastructure areas, is contained with the granted Mining Lease M47/1414 over an area of 82.5 km^2. All required environmental baseline and impact assessment studies and cultural heritage surveys have been completed and key State and Commonwealth environmental approvals have been received for the Project. The remaining secondary approvals will be obtained in parallel with the completion of the BFS.

Metallurgy

During the year, the Company advanced a program of metallurgical testwork directed at the optimisation of project economics. Pilot trials on recovering equivalent grade product (+60% Fe) from the -1 mm size fraction (which has been considered as waste in all studies to date) have demonstrated the viability of this process. Preliminary assessment of the benefits of processing this fraction size indicates a potential three per cent (3%) yield gain, which equates to an approximate increase in product of 1.3 Mt per annum from the same plant feed.

Sinter pot testing was undertaken on Marillana Fines® during the year at the China Iron and Steel Research Institute ("CISRI") in Beijing. The work consists of pot tests where Marillana fines are substituted systematically for various commonly traded Australian ores to produce sinter. Results to date indicate improved performance in the areas of sinter productivity and sinter fuel consumption, with no significant attendant deleterious effects. Further tests are being undertaken to determine the blast furnace properties of the resultant sinter.

Exploration and Resource Development

Resources and Reserves

Marillana has a significant Mineral Resource estimate of 1.63 Bt of hematite Detrital and Channel Iron (CID) mineralisation, comprising 173 Mt of Measured Mineral Resources, 1,238 Mt of Indicated Mineral Resources and 219 Mt of Inferred Mineral Resources (see Tables 1 and 2). In accordance with the requirements of the JORC Code, the Marillana Ore Reserves are based solely on the Measured and Indicated Mineral Resources at Marillana.

The 201 Mt of Inferred Mineral Resources (Non CID) is based on wide-spaced drilling to the north of the Indicated Mineral Resource boundary, which has demonstrated continuity of the detrital mineralisation in this area. In addition to these Inferred Mineral Resources, Brockman has identified further potential detrital mineralisation from isolated drill holes outside of, but adjacent to the current Resource boundary, totaling an estimated 150-250 Mt grading 39-43% Fe. The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Based on the existing high conversion rate of Mineral Resources to Ore Reserves, these areas, in combination with the existing Inferred Mineral Resources provide the potential for an additional 300-400 Mt of plant feed, if infill drilling confirms continuity of mineralisation.

A short reverse circulation drilling programme, carried out in 2012 tested areas north of the BHPBIO railway line considered prospective for accumulations of detrital mineralisation. Results demonstrated that the mineralised subsurface colluvial fans (albeit narrow zones of lower grade mineralisation) extend out to this area, some 3-4 km further north of the currently identified Mineral Resources.

Table 1: Beneficiation Feed Mineral Resource Summary (cut-off grade: 38% Fe)

Mineralisation type	**Resource classification**	**Tonnes (Mt)**	**Grade (% Fe)**
Detrital	Measured	173	41.6
	Indicated	1,036	42.5
	Inferred	201	40.7
Pisolite	Indicated	117	47.4
Total	**Measured**	**173**	**41.6**
	Indicated	**1,154**	**43.0**
	Inferred	**201**	**40.7**
GRAND TOTAL		**1,528**	**42.6**

Total tonnes may not add up, due to rounding

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

Resource classification	**Tonnes** *(Mt)*	**Fe** *(%)*	**CaFe** *(%)*	**AI_2O_3** *(%)*	**SiO_2** *(%)*	**P** *(%)*	**LOI** *(%)*
Indicated	84.2	55.8	61.9	3.6	5.0	0.097	9.8
Inferred	17.7	54.4	60.0	4.3	6.6	0.080	9.3
TOTAL	**101.9**	**55.6**	**61.5**	**3.7**	**5.3**	**0.094**	**9.7**

CaFe represents calcined Fe and is calculated by Brockman using the formula CaFe = Fe%/((100-LOI)/100)

As part of the Marillana DFS, mining studies by Perth-based Golder Associates have demonstrated that the Project contains Proven and Probable Detrital Ore Reserves, within the optimal pit design, in excess of one billion tonnes, as indicated in Table 3. Additionally, the Marillana CID Ore Reserves, within the optimal pit design, are estimated to be in excess of 48 Mt, as shown in Table 4.

*Table 3: Marillana Detrital Ore Reserves**

Reserve classification	Tonnes (Mt)	Fe (%)
Proved	133	41.6
Probable	868	42.5
TOTAL	**1,001**	**42.4**

* *Reserves are included within Resources*

*Table 4: Marillana CID Ore Reserves**

Reserve classification	Tonnes *(Mt)*	Fe *(%)*	CaFe *(%)*	Al_2O_3 *(%)*	SiO_2 *(%)*	P *(%)*	LOI *(%)*
Probable	48.5	55.5	61.5	5.3	3.7	0.09	9.7
TOTAL	**48.5**	**55.5**	**61.5**	**5.3**	**3.7**	**0.09**	**9.7**

* *Reserves are included within Resources*

Based on extensive beneficiation testwork, the Detrital Ore Reserves are expected to produce 378 Mt of final product grading 60.5-61.5% Fe with impurity levels comparable with other West Australian direct shipping hematite ore ("DSO") iron ore products. The CID Ore is a DSO product which would be prepared for export as a separate product. The Marillana Project will produce in excess of 419 Mt of export product (beneficiated detritals plus CID).

The recent metallurgical testwork on improving the product yield by recovering additional -1 mm fines material at +60% Fe could add a further 30 Mt of total product over the life of the mine. This material was considered as waste in the earlier studies.

This 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:ore ratios and large continuous ore zones. The simplicity of the Marillana Project means that the expected cost of mining and processing (final product loaded on trains) will be very comparable, if not lower than many of the newly-commissioned mines in the Pilbara.

Based on existing Reserves and Resources, the Marillana Project will support over 20 years of mining operations, producing at a forecast production rate of up to 20 Mtpa of beneficiated iron ore grading from 60.5-61.5% Fe.

The Mineral Resource estimation (see Tables 1 and 2) was prepared by Golder Associates Pty Ltd and has been classified in accordance with the guidelines of the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("The JORC Code"). It has been estimated within geological boundaries using a 38% Fe cut-off grade for beneficiation feed mineralisation and a 52% Fe cut-off grade for CID mineralisation.

Ophthalmia Project

Overview

The 100% owned Ophthalmia iron ore Project, comprises of five granted exploration licences (E47/1598 E47/1599, E46/781, E47/2280 and E47/2291) and one priority application (E47/2594) is near Newman in Western Australia's Pilbara region. 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 implemented and JORC-compliant Mineral Resources at the Coondiner, Kalgan Creek and Sirius deposits have been estimated and reported. The total Mineral Resources at Ophthalmia now stand at 290 Mt grading 59.1% Fe.

In April 2013, Brockman increased its land holdings in the Ophthalmia area through the purchase of two exploration licences (E47/2280, E47/2291) and a priority application for E47/2594 from Sheffield Resources. Exploration on the tenements, by Sheffield, has identified Exploration Targets of 20-60 Mt grading 56-60% Fe (as detailed in Sheffield's ASX release of 1 December 2011).

The Ophthalmia Project exploration results are particularly significant in supporting Brockman's, Aurizon's and Atlas' ongoing feasibility studies for an Independent East Pilbara Railway. As Ophthalmia is located only 80 km south-east of Marillana, there is the opportunity to either extend the proposed railway to Ophthalmia or to truck material from Ophthalmia to Marillana. Either of these options will result in increased tonnages on the proposed independent railway, enhancing not only its viability, but also that of the proposed NWI facilities in Port Hedland.

Mineral Resources

Based on extensive reverse circulation and diamond drilling programmes carried out in 2011 and 2012, Brockman has identified initial Indicated and Inferred Mineral Resource estimates for the Kalgan Creek, Sirius and Coondiner Deposits, as reported to the ASX on 4 December 2012, 26 February 2013 and 19 April 2013 respectively. The Mineral Resource estimates were prepared by Golder Associates and classified in accordance with the guidelines of the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("The JORC Code"). They have been estimated within geological boundaries using a 54% Fe lower cut-off grade for DSO grade mineralisation.

The DSO Mineral Resources at the Ophthalmia Project total 290 Mt grading 59.1% Fe, as shown in Table 5.

In addition to the Mineral Resources, Exploration Targets for the Ophthalmia Project have increased to 42-93 Mt grading 56-61% Fe, including the 20-60 Mt grading 56-60% Fe estimated within the new Three Pools area (Top Forge and Crucible prospects) within E47/2280 (Table 6).

Table 5: Ophthalmia DSO Mineral Resource Summary

Deposit	**Class**	**Tonnes** *(Mt)*	**Fe** *(%)*	**CaFe*** *(%)*	**SiO_2** *(%)*	**Al_2O_3** *(%)*	**S** *(%)*	**P** *(%)*	**LOI** *(%)*
Kalgan Creek	Indicated	12.5	59.3	62.6	4.02	4.79	0.007	0.20	5.41
	Inferred	39.7	59.1	62.5	4.53	4.55	0.005	0.17	5.56
	Subtotal	**52.1**	**59.1**	**62.6**	**4.41**	**4.60**	**0.006**	**0.18**	**5.52**
Coondiner (Pallas and Castor)	Indicated	82.5	58.1	61.7	5.61	4.48	0.008	0.17	5.76
	Inferred	46.4	58.7	62.1	5.37	4.40	0.006	0.18	5.44
	Subtotal	**128.9**	**58.3**	**61.8**	**5.52**	**4.45**	**0.008**	**0.17**	**5.64**
Sirius	Inferred	109.0	60.0	63.3	4.57	3.78	0.009	0.18	5.16
Total (DSO) — Ophthalmia		**290.0**	**59.1**	**62.5**	**4.97**	**4.23**	**0.008**	**0.17**	**5.44**

* *CaFe represents calcined Fe and is calculated by Brockman using the formula CaFe = Fe%/((100-LOI)/100)*

Total tonnes may not add due to rounding

Table 6: Summary of Ophthalmia project Exploration Targets

Deposit	**Tonnes From (Mt)**	**Tonnes To (Mt)**	**Fe From (%)**	**Fe To (%)**
Kalgan Creek	8	14	56	61
Sirius	14	19	56	61
Three Pools*	20	60	56	60
Ophthalmia	**42**	**93**	**56**	**61**

* *Within the recently acquired tenement E47/2280*

The above targets are based on limited drilling and surface geology and sampling information, which are insufficient for the estimation of Mineral Resources. The potential quantity and grade range quoted above are, therefore, deemed to be conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Mineralisation at all Deposits is hosted by the Boolgeeda Iron Formation and forms a sub-horizontal blanket up to 100 m thick, commencing from shallow depths. For this reason, it is expected that the stripping ratios will be low and that mining will be relatively straightforward.

West Pilbara Project

Overview

The West Pilbara Project comprises a number of exploration tenements (Duck Creek, West Hamersley and Mt Stuart) over a 30 km radius and located about 110-150 km WNW of Paraburdoo in the West Pilbara region.

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.

An initial reconnaissance RC drilling program comprising 1657 m in 45 holes, conducted during late 2010, confirmed significant DSO grade mineralisation at shallow depths (often commencing at surface), in all targets drilled. Mineralisation contains very low levels of the contaminant phosphorous. Other contaminant levels (silica and alumina) are comparable with other West Pilbara CID Mineral Resources reported by aspiring producers. Significant results include:

- 20 m at 56.6% Fe (61.5% CaFe) from 1 m in DRC032
- 17 m at 56.8% Fe (61.8% CaFe) from 0 m in DRC029
- 19 m at 55.3% Fe (62.0% CaFe) from 4 m in DRC008
- 16 m at 54.6% Fe (62.0% CaFe) from 4 m in DRC002

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 7 below. The Mineral Resource estimate been classified in accordance with guidelines provided in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("The JORC Code"). 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 7: Duck Creek Mineral Resource estimate — (at a lower cut-off grade of 54% Fe)

Mesa	Classification	Tonnes *(Mt)*	Fe *(%)*	CaFe* *(%)*	SiO_2 *(%)*	Al_2O_3 *(%)*	P *(%)*	S *(%)*	LOI *(%)*
1	Inferred	4.1	55.8	63.2	4.40	2.69	0.032	0.058	11.8
2	Inferred	5.1	56.6	64.1	3.58	2.44	0.041	0.037	11.7
3	Inferred	2.3	56.4	61.6	5.71	4.53	0.065	0.023	8.4
4	Inferred	1.4	56.4	61.9	6.43	3.34	0.077	0.087	8.9
5	Inferred	3.0	56.3	61.4	6.32	4.07	0.071	0.020	8.4
6	Inferred	2.4	58.0	62.8	5.15	3.25	0.112	0.015	7.6
All	**Inferred**	**18.3**	**56.5**	**62.8**	**4.91**	**3.22**	**0.060**	**0.037**	**10.0**

* *CaFe represents calcined Fe and is calculated by Brockman using the formula CaFe = Fe%/((100-LOI)/100)*

The West Hamersley prospect comprises one granted Exploration Licence (E47/1603) covering 54 km^2 and containing extensive areas of outcropping Brockman Iron Formation.

In late 2012, Brockman drilled two helicopter supported diamond drill holes at West Hamersley. Hole WHDD001 intersected a 17.7 m thick zone of DSO mineralisation grading 57.93% Fe from 1.3 m (0 to 1.3 m no samples recovered due to difficult drilling conditions).

More significantly, the intersection includes a zone of supergene BID (bedded-iron-deposit style) mineralisation of 9.9 m at 57.92% Fe from 9.1 m, immediately beneath the detrital hematite canga (or conglomerate) mineralisation. This is the first intersection of BID mineralisation at West Hamersley and opens up the possibility of more extensive mineralisation at depth. Additional mapping is required to determine the stratigraphy and structural orientation of the BID mineralisation.

The Mt Stuart prospect comprises two Exploration Licences containing outcropping CID mineralisation as mapped by the Geological Survey of Western Australia. A single helicopter supported diamond drill hole at Mt Stuart in late 2012 returned an intersection of 11 m at 56.61% Fe from 7 m, confirming the estimated thickness of DSO grade mineralisation.

The West Pilbara results confirm the prospectivity of Brockman's tenure in the area and support the Company's objective of developing a production hub in the West Pilbara, as part of its broader resource and business development strategy in the Pilbara region.

Other Projects

Irwin–Coglia Ni-Co And Ni-Cu Prospect — 40% Interest

The Group has a 40% interest in the Irwin–Coglia nickel-laterite project, located about 150 km south-east of Laverton in Western Australia. The remaining 60% interest in the Joint Venture is held by Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd, the owners of the Murrin-Murrin Ni-Co laterite mine and high-pressure acid leach treatment plant near Laverton.

Mining studies by Murrin Murrin show that the ore body represents high potential value but this value cannot be currently realised due to chloride in feed constraints. In 2012, Murrin Murrin has carried out further studies on the washing of chloride from its high chloride deposits (including Irwin – Coglia) but limits on the amount of low-chloride wash water available and the cost of installing excess capacity continue to restrict the wash capacity available. Murrin Murrin is continuing to take steps to allow incremental increases in chloride levels in the process plant feed. Desktop investigations indicate low salinity water may be available from an area east of the deposits, which may provide an opportunity for a chloride wash process.

Canning Basin Coal

Brockman has nine exploration licence applications covering approximately 1,270 km^2 within the Canning Basin, considered highly prospective for thermal coal resources. Brockman is in discussion with third parties regarding these properties.

Competent Persons Statements

The information in this report that relates to Mineral Resources and Ore Reserves at Marillana and Ophthalmia is based on information compiled by Mr. I Cooper, Mr. J Farrell and Mr. A Zhang.

The information in this report that relates to Mineral Resources at Duck Creek is based on information compiled by Mr. A Zhang.

The Ore Reserves statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code — 2004 Edition). The Ore Reserves have been compiled by Mr. Iain Cooper, who is a Member of Australasian Institute of Mining and Metallurgy and a full time employee of Golder Associates Pty Ltd. Mr. Cooper has sufficient experiences in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Cooper consents to the inclusion of the matters based on this information in public releases by Brockman, in the form and context in which it appears.

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

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

Exploration Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these tenements and it is uncertain if further exploration will result in determination of a Mineral Resource for the West Hamersley tenements or other prospects on the Company's landholding outside of the currently defined JORC compliant resources at the Company's Marillana Project.

The information in this report that relates to exploration results is based on information compiled by Mr. A Zhang, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Brockman Mining Australia Pty Ltd. Mr. Zhang has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Zhang consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

MINING BUSINESS — YUNNAN, PRC

Our copper mining business comprises the exploitation, processing and sales of copper, silver and other mineral resources in the Yunnan Province of the PRC, through the operation of a 90% owned subsidiary of the Company — Luchun Xingtai Mining Co., Ltd ("Luchun") which is the mine operator of the Damajianshan Mine.

Production and operation results for the year ended 30 June 2013 were summarised as follows:

	Twelve months ended 30 June	
	2013	2012
Copper ore processed	**218,671 tonnes**	77,740 tonnes
Production of Copper Ore Concentrates	**1,042 Metal (t)**	390 Metal (t)
Sales of Copper Ore Concentrates	**1,008 Metal (t)**	431 Metal (t)
Average selling price per Metal (t) (without VAT)	**RMB40,388**	RMB39,497

During the year, the turnover of this segment was approximately HK$50.3 million (2012: HK$20.8 million), and the segment loss before interest, taxes, amortisation and impairment of mining right was approximately HK$9.4 million (2012: HK$30.4 million).

Installation works, re-routing of power supply and copper plant upgraded has occupied our agenda during the year, which aimed to boost production capacity. Production of copper ore was therefore halted on-and-off for such reasons.

With uninterrupted production post the completion of installation works and copper plant expansion operational performance across our Damajianshan Mine was pleasing with 167% increase in copper ore processing production to a total of 1,042 metal(t) from 2012.

Although base metals prices demonstrated a significant fluctuation during 2013, the business segment still recorded an increase in revenue, in which higher total sales volumes have offset the impact of the volatility of copper prices.

A production plan for 2014 has been drawn up for the purpose of optimising efficiency and productivity on our mining site. Management expects that 2014 production will be relatively stable as a result of the additional capacity of 2013 reinstallation of production line and updated electric power supply.

In view of the historical interruption in the production activities, management will continuously monitor and revisit the long-term production and capital investment plans based on the circumstance of the mine and the general economic environment.

Impairment of loss

The volatility of copper price and revision of production and capital investment plans, are considered to be impairment indicators which triggered the need to perform an impairment assessment. Based on the impairment assessment, an impairment loss of approximately HK$243,000,000 was recognised for the year (2012: HK$114,000,000).

Summary of Expenditure

The cost of sales of the mining segment mainly included mining, processing and refining, ore transportation and waste disposal costs.

Total expenditure associated with the mining operation (excluding amortisation and impairment of mining right) in the PRC during the year amounted to approximately HK$60.0 million (2012: HK$51.2 million). Expenditure associated with exploration activities amounted to approximately HK$12.2 million (2012: HK$1.8 million).

Mining License

During the year, the temporary mining right certificate has been extended to June 2014.

The management considers that the Group will be able to renew the mining right certificate continuously at minimal charge.

Exploration

During the reporting period, the Group has carried out a series of measures to enhance production. The electricity pipelines and crushing machines were installed and boosted the production volumes of the Damajianshan Mine. A new design for tailing dams is being developed and is expected to complete in the coming year. Safety, environment and various geotechnical risks are being considered as top priority.

Exploration activities and tunnelling works continued during the reporting period. The exploration activities are aimed to find additional resources in order to support the Group's further expansion plan. New drilling works and detailed prospecting and scoping plans are now being planned to better define the lithology, grade and assemblage within the mining lease.

Transportation Services Business

Provision of transportation services

The transportation services segments are operated by Parklane Limousine Service Limited and Airport Shuttle Services Limited, both operations are wholly owned by Perryville Group Limited (collectively the "Perryville Group").

During the year ended 30 June 2013, this segment has recorded a revenue of approximately HK$108.3 million (2012: HK$112.0 million). This segment recorded a loss before interest, taxes, amortisation and impairments of HK$2.7 million (2012: HK$3.1 million). Hong Kong remains the largest market of this segment and has contributed over 78% of revenue under this segment during the year.

In the reporting period, we continued to face keen competition in the industry as more companies now offer similar services with more competitive pricing. The Group aimed to maintain its leading position in the high-end limousine service industry by providing the best quality services to customers at reasonable prices.

Revenue for the year ended 30 June 2013 were summarised as follows:

	Twelve months ended 30 June	
	2013	2012
Revenue		
— Hong Kong	**84,954**	78,465
— PRC	**23,304**	33,541

In the PRC, we provide limousine rental services in three cities namely Shenzhen, Guangzhou and Shanghai. Overall turnover from the China operations was HK$23.3 million (2012: HK$33.5 million).

Management will continue to monitor the market development and formulate the best business strategy so as to sustain our overall profit margin.

During the reporting period, the loss-making Shenzhen operation of the limousine business was closed down and the limousine business has refocused to more preferred markets in the PRC.

Liquidity and Financial Resources

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group generally finances its short term funding requirement with cash generated from operations, banking facilities, borrowings and equity placement. The Group's ability to achieve its Marillana iron ore project development schedule is reliant on access to appropriate and timely funding.

During the reporting period, the Group has raised cash from the subscription of new shares and the issue of convertible bonds.

The current ratio is measured at 1.43 times as at 30 June 2013 compared to 1.32 times as at 30 June 2012.

The gearing ratio of the Group (long term debts over equity and long term debts) is measured at 0.01 (2012: 0.06). As at 30 June 2013, the Group had total bank and other borrowings amounted to approximately HK$25.2 million, all of which are secured, approximately HK$17.6 million is due within one year and the balance of HK$7.6 million is due more than one year.

During the reporting period, the Group did not engage in the use of any financial instruments for hedging purposes, and there is no outstanding hedging instrument as at 30 June 2013.

Capital Structure

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

(a) Pursuant to the takeover offer launched on 12 December 2011 in relation to the second takeover offer for Brockman Mining Australia Pty Ltd, the last batch of consideration shares totaling 49,054,662 ordinary shares were issued in August 2012, marking 100% ownership of Brockman Mining Australia Pty Ltd.

(b) On 21 September 2012, the Company issued bonds of an aggregate principal amount of HK$156,000,000 with an interest rate of 12%.

(c) Pursuant to a subscription agreement dated 2 November 2012 , a total of 190,243,902 ordinary shares were issued on 9 January 2013 at an issue price of HK$0.41 per share upon shareholders' approval being sought, in which a bond issued by the Company to China Guoyin Investments (HK) Ltd on 21 September 2012 was redeemed in full and the proceeds were applied to the subscription of shares.

(d) Pursuant to a subscription agreement dated 2 November 2012, a bond issued by the Company to Ocean Line was redeemed in full and the proceeds were applied for a subscription of Convertible Bond with a principal amount of HK$78,000,000 and interest rate of 5% by Ocean Line Holdings Ltd.

(e) On 19 February 2013, the following convertible bonds held by Ocean Line Holdings Ltd were converted into a total of 480,143,902 ordinary shares:

— the convertible bond (expiry 10 January 2014) with a principal amount of HK$95,940,000 was converted into 159,900,000 ordinary shares at HK$0.6 per share;

— the convertible bond (expiry 19 April 2015) with a principal amount of HK$78,000,000 was converted into 130,000,000 shares at HK$0.6 per share; and

— the convertible bond (expiry 9 January 2016) with a principal amount of HK$78,000,000 was converted into 190,243,902 shares at HK$0.41 per share. There were no outstanding convertible debts in issue after the conversion.

Pledge of Assets

As at 30 June 2013, motor vehicles with an aggregate carrying value of HK$5,166,000 (2012: HK$8,950,000) were pledged to secure general banking facilities granted to a subsidiary of the Company. At 30 June 2013, a subsidiary of the Company leases various motor vehicles with carrying value of approximately HK$18,278,000 (2012: HK$19,298,000) under non-cancellable finance lease arrangement. The ownership of the assets lies within the Group. The rights to the leased motor vehicles are reverted to the lessor in the event of default of lease liabilities.

Risk Disclosure

Market risk

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

(a) *Commodities Price Risk*

Copper Ore Concentrate Price Risk

The Group's turnover and profit of the mining business during the year were affected by fluctuations in the copper prices. All of our mining products were sold at market prices and the fluctuation of the price were beyond the control of the Group.

Iron Ore Price Risk

The fair value of the Group's mining properties in Australia are exposed to fluctuations in the iron ore price.

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

(b) *Exchange Rate Risk*

The Group is exposed to exchange rate risk primarily in relation to our mineral tenements that 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 year, no financial instrument was used for hedging purpose.

Contingent Liabilities

Financial guarantee

During the year, the Company has given corporate guarantees to several banks in relation to banking facilities granted by those banks to certain wholly-owned subsidiaries. At 30 June 2013, such facilities were drawn by those wholly-owned subsidiaries to the extent of HK$10,781,000 (2012: HK$21,271,000) and the maximum liability of the Company under the guarantees was HK$75,200,000 (2012: HK$75,200,000).

Native title claims

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

Save as disclosed above, the Group does not have other contingent liabilities as at 30 June 2013.

Staff and Remuneration

As at 30 June 2013, the Group employed 581 full time employees (2012: 657 employees), of which 423 employees were in the PRC (2012: 495 employees), and 25 employees were in Australia (2012: 37). The remuneration of employees includes salary, discretionary bonus and share based compensation.

The remuneration policy and packages of the Group's employees, senior management and directors are maintained at market level and reviewed annually and when appropriate by the management and the remuneration committee.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the period, 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 has complied with its own code on corporate governance practices which incorporates all code provisions in the Code on Corporate Governance Practices (the "CGP Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "HK Listing Rules") from time to time.

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 HK Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiries to all Directors of the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the year under review.

AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive directors and a non-executive director namely, Messrs. Lau Kwok Kuen, Eddie, Uwe Henke Von Parpart, Yip Kwok Cheung, Danny and Warren Talbot Beckwith (appointed on 22 August 2012). Mr. Lau is the chairman of the Audit Committee. The Audit Committee has adopted the terms of references which are in line with the CGP Code. The Audit Committee has reviewed the Group's annual results for the year ended 30 June 2013.

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
Brockman Mining Limited
Chan Kam Kwan, Jason
Company Secretary

11 September 2013, Hong Kong

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), Mr. Warren Talbot Beckwith and Mr. Ross Stewart Norgard as non-executive directors; Mr. Luk Kin Peter Joseph (Chief Executive Officer) and Mr. Chan Kam Kwan, Jason as executive directors; and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny as independent non-executive directors.