THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Brockman Mining Limited, you should at once hand this circular, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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)

(1) MAJOR TRANSACTION IN RELATION TO TRANSFER OF 50% INTEREST IN MARILLANA PROJECT; (2) VERY SUBSTANTIAL ACQUISITION IN RELATION TO FORMATION OF UNINCORPORATED JOINT VENTURE; AND (3) NOTICE OF SPECIAL GENERAL MEETING

Financial Adviser

YF FINANCIAL
云锋金融

Yunfeng Financial Markets Limited
(A member of Yunfeng Financial Group)

A letter from the Board is set out on pages 6 to 30 of this circular.

A notice convening a special general meeting of the Company to be held at Suite 3903B, 39/F Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Tuesday, 8 January 2019 at 10 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you intend to attend and vote at the special general meeting or any adjourned meeting in person, you are requested to complete and return the relevant enclosed form of proxy in accordance with the instructions printed thereon. **If your shares in the Company are recorded under the Company's Hong Kong branch registrar or the Company's Bermuda principal registrar, please complete the Hong Kong proxy form and return it to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited. Please read and follow the instructions, including the deadline, on the Hong Kong proxy form to lodge the form. If your shares in the Company are recorded under the Company's Australia branch registrar, please complete the Australia proxy form and return it to the Company's branch share registrar in Australia, Computershare Investor Services Pty Limited. Please read and follow the instructions, including the deadline, on the Australia proxy form to lodge the form.** Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting should you so wish.

* *for identification purpose only*

19 December 2018

CONTENTS

In this circular, unless the context requires otherwise, the following terms shall have the following meanings:

"ASX"	ASX Limited (trading as the Australian Securities Exchange)
"AUD"	Australian dollars, the lawful currency of Australia
"Board"	the Board of Directors
"Brockman Exploration"	Brockman Exploration Pty Ltd, a wholly-owned subsidiary of the Company
"Brockman Iron"	Brockman Iron Pty Ltd, a wholly-owned subsidiary of the Company
"Business Day(s)"	a day, other than a Saturday, Sunday or public holiday in Perth, Western Australia
"Buy-Out"	Brockman Iron's acquisition of Polaris' JV Interest in the event the certain timeline in relation to the Rail and Port System is not met pursuant to the FJV Agreement
"Company"	Brockman Mining Limited, the shares of which are cross-listed on the Stock Exchange and ASX
"Corporations Act"	the Corporations Act 2001 (Cth)
"Debt Financing"	the debt funding to be procured by Polaris for and on behalf of the Joint Venturers to finance the costs for the development of the Marillana Project
"Deed of Cross Security"	the deed of cross security under an agreed form to be entered into between Brockman Iron and Polaris upon establishment of the Joint Venture as set out under the section headed "Cross security" in the "Letter from the Board" in this circular

"Development Activities"	the establishment of roads, site offices, amenities, workshops, a power station, an accommodation village, an airport, refuelling facilities, water treatment laboratories, tailings facility (including initial construction, subsequent wall lifts and dam maintenance), tailings pumping station and tailings pipelines (including initial construction and any subsequent expansion and renewal of such tailings related assets) and such other non-process infrastructure required to operate an iron ore mine but does not include any activities carried out under the Process and Loading Agreement or the Mine to Ship Logistics Agreement
"Directors"	the directors of the Company
"Farm-in Date"	the date the Farm-in Obligations are satisfied by Polaris
"Farm-in Interest"	a 50% undivided registered legal interest in the Tenements
"Farm-in Obligations"	the obligations under which Polaris is required to satisfy in order to earn a 50% interest in the Marillana Project under the FJV Agreement
"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 dated 26 July 2018 entered into between Brockman Iron and Polaris in relation to the Transactions
"Golder"	Golder Associates Pty Ltd.
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HOA"	the non-binding heads of agreement entered into by the Company and MRL on 6 June 2018 and the accompanying proposal from MRL dated 20 April 2018 in relation to the Transactions

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"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 at the date of the FJV Agreement means each of Brockman Iron and Polaris, collectively "Joint Venturers"
"JORC Code"	the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources, as amended from time to time
"JV Interest(s)"	the rights, liabilities and obligations under the FJV Agreement in relation to the Joint Venture
"Latest Practicable Date"	12 December 2018, being the latest practicable date prior to printing of this circular for ascertaining certain information in this Circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreement"	the loan agreement dated 26 July 2018 entered into between Brockman Iron and Polaris under which subject to the terms therein Polaris will provide a loan of AUD10 million (equivalent to approximately HK$58 million) to Brockman Iron following the Farm-in Date
"Management Committee"	the management committee to be established in respect of the management of the Joint Venture on the Farm-in Date
"Marillana Project"	the 100% owned iron ore project of the Company located in the Hamersley Iron Province within the Pilbara region of Western Australia
"Mine to Ship Logistics Agreement"	the agreements to be entered into between each of the Joint Venturers and a subsidiary of MRL under the principal terms as set out under the section headed "Mine to Ship Logistics Agreement" in the "Letter from the Board" in this circular

"Mining Act"	the Mining Act 1978 (WA) and includes the Mining Regulations 1981 (WA), where applicable
"MRL"	Mineral Resources Limited, the shares of which are listed on ASX
"Mt"	million tonnes
"Mtpa"	million tonnes per annum
"Polaris"	Polaris Metals Pty Ltd, a wholly-owned subsidiary of MRL
"PPA"	Pilbara Ports Authority, being a corporation owned by the State of Western Australia
"Process and Loading Agreement"	the agreements to be entered into between each of the Joint Venturers and a subsidiary of MRL under the principal terms as set out in the section headed "Process and Loading Agreement" in the "Letter from the Board" in this circular
"Products"	all iron ore or other mineral or metallic ores, concentrates, metals and other mineralised products, and any other mineral resources, processed, smelted or refined from ores extracted from the Marillana Project
"Rail and Port System"	a bulk ore rail and port system to enable Products from the Marillana Project to be transported to Port Hedland
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting to be convened and held by the Company, on Tuesday, 8 January 2019 to seek the approval of the Shareholders for the FJV Agreement and the transactions contemplated thereunder
"Shareholders"	holders of the Shares
"Shares"	ordinary shares of HK$0.10 each in the share capital of the Company

"South West Creek"	an area in Port Hedland, Western Australia, designated for the development of additional port facilities
"State Agreement"	a legal contract between the Western Australian Government and a proponent of a major project within the boundaries of Western Australia setting out the rights, obligations, terms and conditions for the development of the specific project
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sunken Capital Costs"	the actual capital costs incurred by MRL in the period from the Farm-in Date until the Buy-Out
"Tenements"	mining/exploration tenements with numbers M47/1414 (which is held by Brockman Iron) and E47/3170 (which is held by Brockman Exploration Pty Ltd, a wholly owned subsidiary of the Company) and any additional tenements applied for or acquired by the Joint Venturers in connection with the Marillana Project including L45/238 and E47/3532 being applied for by Brockman Iron
"Transactions"	the transactions contemplated under the FJV Agreement including the transfer of the Farm-in Interest to Polaris and the establishment of the Joint Venture
"Unconditional Date"	the date on which notification has been given as to satisfaction of all the conditions precedent of the FJV Agreement which shall be given within 3 Business Days after becoming aware of such satisfaction
"Utah Point"	an operational multi-user bulk-handling facility located in Port Hedland, Western Australia, and owned by the PPA
"VALMIN Code"	the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets, as amended from time to time

For illustration purposes, AUD is converted into HK$ at AUD1 = HK$5.8.

BROCKMAN

BROCKMAN MINING LIMITED
布萊克萬礦業有限公司 *

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(SEHK stock code: 159)
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Non-Executive Directors:
Mr. Kwai Sze Hoi *(Chairman)*
Mr. Liu Zhengui *(Vice Chairman)*
Mr. Ross Stewart Norgard

Executive Directors:
Mr. Kwai Kun, Lawrence
Mr. Chan Kam Kwan, Jason *(Company Secretary)*
Mr. Colin Paterson

Independent Non-Executive Directors:
Mr. Yap Fat Suan, Henry
Mr. Uwe Henke Von Parpart
Mr. Choi Yue Chun, Eugene

Registered office:
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2 Church Street
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Head office and principal office of business in Hong Kong:
Suite 3903B
39/F Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

19 December 2018

To the Shareholders

Dear Sirs,

(1) MAJOR TRANSACTION IN RELATION TO TRANSFER OF 50% INTEREST IN MARILLANA PROJECT; (2) VERY SUBSTANTIAL ACQUISITION IN RELATION TO FORMATION OF UNINCORPORATED JOINT VENTURE; AND (3) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 26 July 2018 and 5 October 2018.

* *for identification purpose only*

The Company and Mineral Resources Limited (MRL) entered into a non-binding heads of agreement (HOA) dated 6 June 2018 setting out the principles for the cooperation between the two companies to develop the Marillana Project. The HOA sets out the indicative terms of the Farm-in and Joint Venture (FJV) Agreement covering among others the Farm-in Obligations, establishment of the Joint Venture, the Joint Venture's Management Committee, funding for the Development Activities, the Rail and Port System as well as the principal terms of the Process and Loading Agreement and the Mine to Ship Logistics Agreement. On 26 July 2018, Brockman Iron (a wholly-owned subsidiary of the Company) and Polaris (a wholly-owned subsidiary of MRL) entered into the 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. Following Polaris having met its Farm-in Obligations, the Farm-in Interest will be transferred to Polaris and an unincorporated joint venture (Joint Venture) for the development of the Marillana Project will be established with each party holding a 50% interest.

The transfer of the Farm-in Interest constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and the establishment of the Joint Venture constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. The Company will seek Shareholders' approval for the FJV Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with among other things (i) details of the Transactions; (ii) financial information of the Group; (iii) further information on the Marillana Project including the competent person's report and independent expert valuation report as required under Chapter 18 of the Listing Rules; (iv) unaudited pro forma financial information of the Group following the Transactions; and (v) the notice convening the SGM at which a resolution is proposed to consider and if thought fit approve the Transactions.

FJV AGREEMENT

On 26 July 2018 (after trading hours), the parties entered into the FJV Agreement (as amended by a variation agreement dated 3 October 2018), the principal terms of which are set out below.

Date:	26 July 2018 (as amended by a variation agreement dated 3 October 2018)

Parties:

(i) Brockman Iron (a wholly-owned subsidiary of the Company); and

(ii) Polaris (a wholly-owned subsidiary of MRL)

Other parties under the FJV Agreement are the Company, Brockman Exploration (a wholly-owned subsidiary of the Company) and MRL. The Company and MRL are each parties in their capacity as guarantors for Brockman Iron and Polaris respectively. Brockman Exploration is the holder of tenement E47/3170 ("**Exploration Tenement**"). The tenements held by Brockman Iron, and the Exploration Tenement, collectively comprise the "Tenements" for the Marillana Project.

MRL is a company whose shares are listed on ASX. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Polaris, MRL and its substantial shareholders are third parties independent of the Company and its connected persons (as defined under the Listing Rules). Further information on MRL is set out under the section headed "Reasons for and benefits of the Transactions" below.

Conditions precedent: The FJV Agreement will become effective subject to the satisfaction of the following conditions precedent within 180 days of execution, unless otherwise agreed by the parties acting reasonably:

(i) the Company obtaining the necessary regulatory approvals required in Australia and Hong Kong to proceed with the transactions contemplated by the FJV Agreement;

(ii) the Company obtaining approval from a majority vote of the Shareholders to enter into the FJV Agreement and proceed with the transactions contemplated thereunder;

(iii) the parties executing the Process and Loading Agreement and the Mine to Ship Logistics Agreement on terms consistent with the HOA and otherwise on terms acceptable to both parties; and

(iv) the parties executing the Loan Agreement.

None of the above conditions are waivable. As at the Latest Practicable Date, the Loan Agreement has been executed by the parties while the remaining conditions have not been fulfilled.

Loan: Polaris will provide an interest-free loan of AUD10 million (equivalent to approximately HK$58 million) to Brockman Iron following the Farm-in Date (as referred to below) under the Loan Agreement, on following principal terms.

Purpose: The loan shall be used to meet Brockman Iron's financial obligations under the FJV Agreement and for working capital in relation to the Group's iron ore business in the Pilbara region of Western Australia.

Principal amount: AUD10 million

Repayment: Unless a default event as specified in the Loan Agreement occurs in which case the Loan will become due for repayment on demand, such Loan will be repaid from net revenue received by Brockman Iron from the sale of its share of Products sold from the Marillana Project which is transported under the Mine to Ship Logistics Agreement in accordance with the Loan Agreement. However, if the Rail and Port System described below is delayed and the Company exercises its option to Buy-Out Polaris' interest in the Marillana Project, Brockman Iron will no longer be obliged to repay the Loan.

Security: Each Joint Venturer will enter into a deed of cross security in relation to among others the obligations under the Loan Agreement. Further details are set out under the section headed "Cross security" below.

Guarantors: The Company shall be the guarantor for Brockman Iron's obligations under the FJV Agreement while MRL shall be the guarantor for Polaris' obligations under the FJV Agreement.

Farm-in prior to Joint Venture

Farm-in: Polaris shall earn a 50% interest in the Marillana Project by satisfying the following obligations (Farm-in-Obligations) within 6 months of the Unconditional Date (Farm-in Period):

(i) expenditure of AUD250,000 (equivalent to approximately HK$1.45 million) on exploration and development of the Marillana Project;

(ii) completion of the following to evaluate the economic feasibility of mining minerals on the tenements under the Marillana Project (or such other areas as the parties may agree):

(a) Polaris' process design criteria of the processing plant(s);

(b) completion of Polaris' optimised mine plan study; and

(c) completion of a mine site layout that illustrates Polaris' preferred location for the processing plant(s) on the tenements under the Marillana Project consistent with the optimized mine plan referred to in paragraph (b) above.

Satisfaction of Farm-in Obligations: Upon Polaris satisfying the Farm-in Obligations on or before expiry of the Farm-in Period, the Joint Venture shall be established (Farm-in Date). Following the Farm-in Date, the Farm-in Interest will be transferred to Polaris.

Failure of Farm-in Obligations: If Polaris fails to satisfy the Farm-in Obligations on or before the expiry of the Farm-in Period, Brockman Iron may by notice to Polaris terminate the FJV Agreement with immediate effect and upon such termination:

(i) Polaris will not incur any further liability in respect of the tenements under the Marillana Project;

(ii) Polaris will not be entitled to any right, title or interest in the 50% interest in Marillana Project; and

(iii) within 7 days following termination, Polaris must provide Brockman Iron with copies of all mining information (if any) generated by Polaris (or its related parties) during the Farm-in Period.

Joint Venture

Formation:	With effect on the Farm-in Date, the parties agree to establish the Joint Venture as an unincorporated joint venture to undertake the activities as set out in the FJV Agreement in accordance with the terms and conditions contained therein.
Joint Venture Interests:	Upon establishment of the Joint Venture on the Farm-in Date, the Joint Venturers' rights, liabilities and obligations under the FJV Agreement are several (not joint nor joint and several) in proportion to the following interest percentage: (i) Brockman Iron — 50% (ii) Polaris — 50%
Scope:	The scope of the Joint Venture is to undertake activities (including exploration, development, mining, treatment rehabilitation and mine closure) associated with the tenements under the Marillana Project as set out in the FJV Agreement.
Development funding:	Following establishment of the Joint Venture, the Management Committee will consider and determine whether it is in the best interests of the Joint Venture for Polaris or a third party subcontractor to carry out the Development Activities. Based on the total estimated cost of the Development Activities which is provided by MRL drawing upon its considerable experience in developing mining projects in Western Australia and considered to be reasonable by the Company, it is agreed that the Joint Venturers will be responsible for funding the Development Activities of the Marillana Project of a maximum of AUD300 million (equivalent to approximately HK$1.74 billion) in total or AUD150 million (equivalent to approximately HK$870 million) by each Joint Venturer. Polaris will use all reasonable endeavours to procure the Debt Financing to fund the aforesaid Development Activities for and behalf of the Joint Venturers. Brockman Iron shall repay its share of the Debt Financing over a loan term to be agreed, which will take priority over Brockman Iron's profits from the Marillana Project.

Rail and Port System: Under the Mine to Ship Logistics Agreement, a subsidiary of MRL will be endeavouring to construct (at its own cost, and not Joint Venturer's) the Rail and Port System in accordance with the following timeline:

(i) construction of the Rail and Port System is to commence on or before 31 December 2019; and

(ii) operation of the Rail and Port System is to commence on or before 31 December 2021.

Unless extended by the agreement of the parties, if any of the above dates is not met, Brockman Iron may (within 30 days) give notice to Polaris to acquire the whole (but not part) of Polaris' JV Interest either with an immediate acquisition or a delayed acquisition.

If Brockman Iron elects to proceed with an immediate acquisition of Polaris' interest, it must pay an amount equal to the actual capital costs incurred by Polaris in the period from the Farm-in Date until such Buy-Out less any actual profit derived by Polaris from its share of the sale of Products from the Marillana Project as at the date of completion of the Buy-Out.

If Brockman Iron elects to proceed with a delayed acquisition, the Joint Venture will continue until Polaris has recovered all its Sunken Capital Costs from the actual profit derived by Polaris from its share of the sale of Products from the Marillana Project.

The Company will comply with the applicable requirements under the Listing Rules if and when Brockman Iron elects to proceed with the Buy-Out in the event that the above timeline relating to the Rail and Port System is not met.

Management Committee: A management committee comprising a total of six representatives shall be established on the Farm-in Date. Each of the Joint Venturers shall appoint 3 representatives.

The role of the Management Committee is to make all strategic decisions relating to the conduct of the activities undertaken by the Joint Venture including the consideration and approval of any work programme and budget and to supervise the Manager (as defined below) in the management of the Joint Venture.

All decisions of the Management Committee shall be determined by majority vote (being 65%) ("**Majority Vote**"), save for the following specific matters ("**Fundamental Matter(s)**") which require a unanimous vote of the Management Committee. The Fundamental Matters among others include: (i) materially changing the nature of the activities to be undertaken by the Joint Venture, (ii) entering into a related party contract (being a contract between the Joint Venturers (or the Manager) and a related party (as defined in the Corporations Act) of the Joint Venturer) and (iii) entering into Debt Financing.

Unless otherwise specified in the FJV Agreement, if the Management Committee is unable to pass a Majority Vote on a non-Fundamental Matter or a unanimous vote on a Fundamental Matter, a Joint Venturer may send the other Joint Venturer a notice setting out the matter in issue, its position and its reasons for adopting such position. Following the issue of the notice, the Joint Venturer must procure that their respective chief executive officers (or equivalent) meet and use all reasonable endeavours in good faith to resolve the deadlock as soon as possible. If the deadlock cannot be resolved within 10 days from the issue of the notice, then the Management Committee shall be deemed to have resolved that the non-Fundamental Matter or Fundamental Matter is not passed, unless the matter is capable of being determined by an independent expert in which case, either party may refer the matter for determination by such expert.

Manager:

Pursuant to the terms of the FJV Agreement, Polaris has agreed to act as the first manager of the Joint Venture. The Manager shall report to the Management Committee. Under the overall supervision and control of the Management Committee, the Manager (by itself or through contractors) manages, directs and controls the activities of the Joint Venture including exploration, development and mining, among other duties of the Manager.

The Manager shall be paid a management fee payable monthly by the Joint Venturers in proportion to their JV Interests, based solely on cost recovery by the Manager.

Assignment: A Joint Venturer may not assign the whole or any part of its JV Interest otherwise than:

(i) with the consent of the other Joint Venturer, which it may give or refuse in its absolute discretion;

(ii) to its related party; or

(iii) first offering the other Joint Venturer a last right of refusal over such JV Interest in accordance with the terms of the FJV Agreement.

An assignment is not effective unless and until the assignee obtains all relevant approvals and a form of assumption deed approved by the Joint Venturer under which the assignee agrees to assume the obligations of the assignor under the FJV Agreement and be bound by the terms and conditions thereof.

The Company will comply with any applicable requirements under the Listing Rules in respect of any assignment of the JV Interest involving the Group.

Change of control: If a change of control occurs in respect of a Joint Venturer which results in a competitor taking control (as defined under the Corporations Act) of a Joint Venturer, any other Joint Venturer may by notice given to all the Joint Venturers and the Manager cause the Joint Venturer under the change of control to make a deemed sale offer to the other Joint Venturers. If, within 30 days after notice of the deemed sale offer is given, the Joint Venturers have not agreed on the transfer price, an independent expert must determine the transfer price. On agreement or determination of the transfer price, the deemed sale offer is open for acceptance by all the other Joint Venturers pro rata in proportion to their respective JV Interests or such other proportions as they may agree and is irrevocable for a period of 60 days.

"Change of control" (a) in relation to Brockman Iron and Polaris means (i) either Brockman Iron or Polaris becomes a subsidiary (as defined in the Corporations Act) of a competitor; (ii) where there is a change in the person or persons who have or can exert effective control over the board of Brockman Iron or Polaris and the person or persons who have or can exert that control are members or officers of a competitor; or (iii) if a competitor directly or indirectly acquires 50% or more of the shares in Brockman Iron or Polaris; and (b) in relation to the Company and MRL (being the respective guarantors of Brockman Iron and Polaris) means (i) where there is a change in the person or persons who have or can exert effective control over the board of the Company or MRL and the person or persons who have or can exert that control are members of officers of a competitor; or (ii) if a competitor directly or indirectly acquires 50% or more of the shares in the Company or MRL.

A "competitor" means an iron ore producer, an entity associated with an iron ore producer or an entity associated with any substantial shareholder of an iron ore producer located in the Pilbara region of Western Australia or otherwise an entity that is, or related to, any competitor of Polaris.

Cross security

Upon establishment of the Joint Venture, each Joint Venturer will execute the Deed of Cross Security under which each participant (being Brockman Iron and Polaris) will grant security in favour of the other participant and the Manager severally. The Deed of Cross Security will secure each participant's obligations under the FJV Agreement and the Loan Agreement.

Each participant will grant security over its secured property, being its interest in the Joint Venture, its rights and benefits under the FJV Agreement, its interest in the property of the Joint Venture and its interest in any insurance proceeds taken out under the FJV Agreement, Products, sales contracts of the Products and sales proceeds arising from the sale of the Products (each as defined in the FJV Agreement).

The Deed of Cross Security is intended to take priority over all other encumbrances over the secured property, other than certain permitted encumbrances (e.g. certain royalties, liens in favour of government agencies, native title rights). As between the participants, the security created under the Deed of Cross Security will rank pari passu.

Until a default occurs as set out in the Deed of Cross Security, the parties may deal with the secured property (other than equipment valued at over AUD1 million and land) in the ordinary course of business as contemplated in the FJV Agreement. In respect of any land (titles, freehold or leasehold) or any single item of plant, machinery or equipment valued at over AUD1 million, the relevant participant would need to seek consent from the other participant before it would be permitted to dispose of that property.

Process and Loading Agreement

Before the Unconditional Date, the Joint Venturers and a subsidiary of MRL (as contractor) shall enter into the Process and Loading Agreement based on the principal terms set out in the HOA including:

Contractor's services:	The contractor is granted the exclusive right to provide process and loading services to build, own and operate the Marillana Project's processing (crushing and beneficiation) plants, product stockpiling, management of tailings facility, and reclaiming and loading of products on to trains.
Duration:	Life of mine, which is estimated to be approximately 20 years.
Service fee:	In consideration of the services provided under the Process and Loading Agreement, the Joint Venturers shall pay to the contractor a service fee. The parties have agreed on a provisional service fee subject to standard escalation clauses typical for an agreement of this nature and annual adjustment to be agreed between the parties. The service fee will be finalised in the Process and Loading Agreement on the basis of the operational cost plus capital return of the contractor.

The aggregate service fee under the Process and Loading Agreement will be based on the volume of the Products being processed by the contractor under the agreement. It is anticipated that the Process and Loading Agreement will come into effect subject to (but not limited to) the following conditions precedent: (i) execution of State Agreement with the government of Western Australia relating to the Rail and Port System and (ii) execution of the Mine to Ship Logistics Agreement. The construction of the processing plant is expected to commence by the second half of 2020 and be completed by the fourth quarter of 2021. The Process and Loading Agreement will contain standard terms regarding events of default customary to the kind of agreement of this nature.

Mine to Ship Logistics Agreement

Before the Unconditional Date, the Joint Venturers and a subsidiary of MRL (as contractor) shall enter into the Mine to Ship Logistics Agreement based on the principal terms set out in the HOA including:

Contractor's services:	The contractor is granted an exclusive right to provide the transport of the Products by train from the Marillana Project site to the inner harbor of Port Hedland under the Rail and Port System, unloading and stockpiling of product at port, and reclaim and ship loading.
Duration:	Life of mine, which is estimated to be approximately 20 years.
Service fee:	In consideration of the services provided under the Mine to Ship Logistics Agreement, the Joint Venturers shall pay to the contractor a service fee. The parties have agreed on a provisional service fee subject to standard escalation clauses typical for an agreement of this nature and annual adjustment to be agreed between the parties. The service fee will be finalised in the Mine to Ship Logistics Agreement on the basis of the operational cost plus capital return of the contractor.

The aggregate service fee under the Mine to Ship Agreement will be based on the volume of the Products being shipped by the contractor under the agreement. It is anticipated that the Mine to Ship Logistics Agreement will come into effect subject to (but not limited to) the following conditions precedent: (i) execution of State Agreement with the government of Western Australia relating to the Rail and Port System, and (ii) construction completion of the railway under the Rail and Port System. The construction of the railway is to commence on or before 31 December 2019 and operation of the Rail and Port System is to commence on or before 31 December 2021. The Mine to Ship Logistics Agreement will contain standard terms regarding events of default customary to the kind of agreement of this nature.

INFORMATION ON THE MARILLANA PROJECT

The Marillana Project is 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 area covers 82 square km bordering the Hamersley Range, where extensive areas of supergene iron ore mineralization, the source of hematite detrital mineralization at Marillana, have developed within the dissected Brockman Iron Formation that caps the Range. The project comprises a single granted Mining Lease (M47/1414). The Company has the Mining Lease granted until 22 December 2030 and can be extended further for two periods of 21 years. All expenditures requirements in respect to the Mining Lease have been satisfied. Please refer to Appendix VI to this circular, Confirmation of Good Standing – Brockman Iron's Mining Lease 47/1414. As at the Latest Practicable Date, native title mining agreement and key environmental approvals have been procured.

As set out in the competent person's report on the mineral assets of Marillana Project in Appendix IV to this circular, as at 1 August 2018, the Marillana Project had total Mineral Resources of iron ore amounting to 1.51 billion tonnes (1,404 million tonnes, grading 42.2% Fe and 102 million tonnes, grading 55.6% Fe), including Ore Reserves amounting to 1.01 billion tonnes as further set out in Tables 1 to 4 below. Furthermore, as at the Latest Practicable Date, no material changes have occurred since 1 August 2018 (the effective date of the competent person's report) and no legal claims or proceedings are in place with regards to the Marillana Project and the Company's Mining Licence (M47/1414).

Previous exploration at the Marillana Project has predominantly been carried out using reverse circulation (RC) drilling, with selected drill holes twinned using sonic core to confirm the RC drill results and Calweld bucket drilling techniques to provide samples for metallurgical test work. Between mid-2006 and the end of 2009, the Group completed 1,292 RC drill holes for 75,494 m, 59 sonic core holes for 2,595 m, 34 diamond drill holes for 1,708 m, 13 Bauer holes for 548 m and 15 Calweld bucket drill holes for 220 m within the Marillana Project area.

As at the Latest Practicable Date, in respect of the Marillana Project, there is no non-compliance with the applicable rules and regulation in Western Australia where the Marillana Project is located. Apart from business development and support staff from the Hong Kong head office, the Company's operation in Australia is managed and led by experienced local Australian staff. It should be noted that the Company has had 100% control of the Marillana Project since 2012. With regard to the Marillana Project, the Company has adopted the high standards for social, health and safety issues in its project and business activities.

As at the Latest Practicable Date, there is no existing environmental liability in respect of the Marllana Project and the key environmental approvals for the Marillana Project remain effective. The Company has factored in progressive rehabilitation costs in its financial evaluation including the independent valuation performed by the competent evaluator under Valmin 2015 Code attached with this circular as Appendix V.

Table 1: Marillana Detrital Iron Deposit (DID) in *situ* mineral resource at a cut-off grade of 38% Fe

Classification	Tonnes (Mt)	Fe%	Al_2O_3%	SiO_2%	P%	LOI%	Mass Recovery %
Measured	170	41.6	4.8	30.4	0.06	4.1	36.6
Indicated	962	42.3	5.2	29.7	0.06	3.4	37.8
Inferred	273	42.0	5.8	29.5	0.06	3.4	36.0
Total	**1,404**	**42.2**	**5.3**	**29.7**	**0.06**	**3.5**	**37.3**

Total tonnes may not add up, due to rounding.

Table 2: Marillana Channel Iron Deposit (CID) in *situ* mineral resource at a cut-off grade of 52% Fe

Classification	Tonnes (Mt)	Fe%	Al_2O_3%	SiO_2%	P%	LOI%
Indicated	84	55.8	3.6	5.0	0.10	9.8
Inferred	18	54.4	4.3	6.6	0.08	9.3
Total	**102**	**55.6**	**3.7**	**5.3**	**0.09**	**9.7**

Table 3: Marillana Project Ore Reserves*

Reserves Class	Ore Type	Tonnes (million)
Probable	CID[#]	46
Probable	DID[##]	967
Probable	**Total Ore**	**1,013**

[#] *cut-off grade 52% Fe*

[##] *cut-off grade 38% Fe*

* *the ore reserves form part of the mineral resources of the Marillana Project*

Table 4: Marillana Project Ore Reserves final product

Reserves Class	Ore Sale Type	Tonnes (million)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	LOI (%)
Probable	CID Product	46	55.5	5.3	3.7	9.7
Probable	DID Product	358	60.3	6.2	3.0	2.5
Probable	**Total Ore**	**404**	**59.8**	**6.1**	**3.1**	**3.3**

Table 3 shows the Ore Reserves as Run of Mine (ROM) ore to be extracted from the ground and fed into processing plants. The Ore Reserves reported in Table 3 are the in-situ Ore Reserve tonnages, based on the cut off grades of 38% Fe for detrital (DID) and 52% Fe for channel iron (CID) iron ore mineralisation. The DID mineralisation at the Marillana Project will be further processed to upgrade to a product grade acceptable to steel mills for sintering process. Currently such processing will produce a final product of ~60.3% Fe, a grading of which is widely accepted by steel mills globally. Extensive bench and pilot scale metallurgical test-work during the various study phases of the Marillana Project have resulted in the development of a processing flow sheet that achieves this objective. Processing results in the rejection of lower grade material whilst retaining the high-grade hematite-rich parts (i.e. 60.3% Fe) of the original DID gravels. The CID mineralisation requires no processing (except crushing) and can be shipped directly as a final product to the steel mills.

Table 4 shows the Ore Reserves as the tonnes and grade of the materials shown in Table 3 after they have been processed and are available for export. In the determination of the JORC 2012 Ore Reserves by the competent person, estimation of the mass recovery and final product grades was based on a geostatistical technique called Projection Pursuit Multi-variate Transform (PPMT), which uses the actual test results from the extensive metallurgical test-work programmes carried out during the studies of the Marillana Project, based on the processing flow sheet selected during those studies. The Ore Reserves shown in Table 4 are the final product tonnes and grade based on this PPMT analysis. The Marillana Project nameplate capacity of 20Mtpa is derived from such Ore Reserves Final Product of 404 million tonnes.

Details of the mineral assets of Marillana Project are set out in the competent person's report on the mineral assets of Marillana Project in Appendix IV to this circular. The report was prepared by Glenn Turnbull and Dr Sia Khosrowshahi, qualified as competent person under the Listing Rules, on behalf of Golder.

Each of Glenn Turnbull and Dr Sia Khosrowshahi has confirmed that he is not an officer, employee or proposed officer of Brockman or any group, holding or associated company of Brockman as required under Rule 18.22(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Financial information

The Marillana Project had an audited carrying value of HK$802.6 million as at 30 June 2018. The Group incurred exploration and evaluation expenses of HK$9.5 million for the Marillana Project for the year ended 30 June 2018 while it does not yet have an identifiable income stream generating any revenue.

As set out in the independent expert valuation report on the mineral assets of Marillana Project in Appendix V to this circular, as at 30 September 2018, the mineral assets of Marillana Project were valued at AUD1,086 million (equivalent to approximately HK$6,299 million) with 50% of that value of AUD543 million (equivalent to approximately HK$3,149 million) applicable to the Company's 50% ownership on Marillana Project upon establishment of the Joint Venture. Details of the valuation are set out in the appendix. The report was prepared by Allan Blair and Peter Onley, qualified as competent evaluator under the Listing Rules, on behalf of Golder.

Each of Allan Blair and Peter Onley has confirmed that he is not an officer, employee or proposed officer of Brockman or any group, holding or associated company of Brockman as required under Rule 18.22(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Risk assessment

The establishment of the Joint Venture has significantly reduced any project development and operational risks attached to the Marillana Project. The Joint Venture partner, MRL (and its subsidiaries) is a financially strong, experienced and competent project constructor and operator, that also has other mining operations nearby. Set out below in Table 5 is a project risk assessment listing the key risks associated with the Marillana Project. Risks have been classified from Minor to Major, which are further clarified as:

- Major Risk: the factor poses a risk (unless mitigated by corrective action) which could have a material effect (>15% to 20%) on the project cash flow and performance and could potentially lead to project failure.

- Moderate Risk: the factor poses a risk (unless mitigated) which could have a significant effect (10% to 15%) on the project cash flow.

- Minor Risk: the factor, if uncorrected, will have little or no effect (<10%) on project cash flow and performance.

The likelihood of a risk is also considered in the overall risk assessment and classification. Likelihood within a seven year timeframe has been considered as:

- Likely: will probably occur;

- Possible: may occur; and

- Unlikely: unlikely to occur.

The degrees of consequence of a risk and its likelihood are combined into an overall risk assessment matrix as presented in the following table:

	Consequence of risk		
Likelihood of risk	**Minor**	**Moderate**	**Major**
Unlikely	Low	Low	Medium
Possible	Low	Medium	High
Likely	Medium	High	High

Table 5 – Marillana Project Risk Assessment

	Risk issue	**Likelihood**	**Consequence rating**	**Risk**
1	Inability to develop management strategy to manage scale and complexity of project	Unlikely	Moderate	Low
2	Mine is unable to deliver target production schedule	Possible	Moderate	Medium
3	Delay in State and Commonwealth environmental approvals resulting in project delays	Unlikely	Moderate	Low
4	A significant occupational health and safety event that results in temporary suspension of operation	Unlikely	Moderate	Low

5	Delayed start-up of operation (commissioning)	Possible	Moderate	Medium
6	Plant production fails to achieve target rates	Possible	Moderate	Medium
7	Natural event such as major flooding of open pit/haul roads	Unlikely	Moderate	Low
8	Mining contractor unable to make production schedule	Possible	Minor	Low
9	Unable to establish water reserves adequate to support plant production rates	Possible	Moderate	Medium
10	Inability to sell and market the product	Unlikely	Major	Medium

Based on the above, there are no high risk areas identified.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group is engaged in the exploration and development of iron ore mining projects in Western Australia and the Marillana Project is its flagship project. The Ophthalmia Project is the most significant iron ore project for the Company outside its flagship Marillana Project.

MRL is an Australian based, ASX listed, diversified mining and mining services company with a market capitalization of approximately AUD2.7 billion, equivalent to approximately HK$15.7 billion, as at the Latest Practicable Date. Its mining services cover mining construction, mining, mineral processing, and mining infrastructure services. MRL has a portfolio of iron ore and lithium mining operations across Western Australia. It employs a workforce of over 3,000 mining and mining construction personnel across Australia.

The key to unlocking the value of the Group's highly prospective iron ore mineral tenements relies on securing a rail and port infrastructure solution and funding. The Directors consider that under the Joint Venture, the Company would partner with an established mining corporation based in Australia as well as obtaining the necessary funding and access to the much-needed rail infrastructure for the Marillana Project to realise its full potential value.

The formation of the Joint Venture carries no specific financial consideration for the Company. Instead, it carries an intangible benefit through unlocking the currently stranded deposit of the Marillana Project. The transfer of 50% interest in the Marillana Project is the result of an arm's length negotiation with MRL. MRL in return will:

1. construct (at its own cost) and operate the Rail and Port system, that is capable of handling more than 20Mtpa of iron ore.

2. construct (at its own cost) and operate the Plant Construction, that is capable of producing 20Mtpa of the Marillana Project's final product.

3. perform its farm-in obligations which include:

    a. an expenditure of AUD250,000 (equivalent to approximately HK$1.45 million) on exploration and development of the Marillana Project; and

    b. completion of the following:

        i. process design criteria of the Plant Construction;

        ii. completion of optimised mine plan study; and

        iii. completion of a mine site layout that illustrates preferred location for the Plant Construction on the tenements under the Marillana Project.

4. provide a AUD10 million loan to the Group which carries no interest and is only repayable from the Group's net revenue received from the sale of its share of Products sold from the Marillana Project and transported under the Rail and Port System of MRL.

5. use its best endeavor to procure the Debt Financing of up to AUD150 million to fund the Company's share of capital contribution on the Marillana Project.

The above is the foundation of MRL's proposal to the Company that was initially captured in the Heads of Agreement (HOA) dated 6 June 2018 and further formalized by a legally binding FJV Agreement dated 26 July 2018.

Based on the Company's internal assessment on the proposal, it indicated that even with 50% interest in the Marillana Project, but with the Marillana Project benefitting from the significant cost advantages of rail haulage transportation for its product, the value of this 50% ownership outweighs the current book value of the Marillana Project which was valued based on a stranded asset approach. In today's highly competitive mining environment, logistics plays a pivotal role. Access to an effective logistics system, particularly the Rail and Port System, would be a game-changing factor in respect of the Marillana Project. The Directors (including the independent non-executive Directors) consider that the internal assessment is supported by the independent valuation performed by the competent evaluator under Valmin 2015 Code and that MRL's proposal can create a significant long-term value for the Company and the Shareholders.

Implementation plan

Processing plant

Following execution of the Process and Loading Agreement, a subsidiary of MRL will construct (at its own cost) the processing (crushing and beneficiation) plants for the Marillana Project (the "**Plant Construction**"). The Plant Construction is expected to commence by the second half of 2020 and be completed and commissioned by the fourth quarter of 2021. The Plant Construction will aim for target production from the Marillana Project of 20-30 Mtpa in line with the availability of the Rail and Port System. The Plant Construction may start earlier than the second half of 2020 if the Joint Venturers decided to implement a small-scale road haulage operation of 3 to 5 Mtpa. However, at this stage the Joint Venturers are still reviewing the costs and benefits of such an operation.

Rail and Port System

Following the rail proponent signing of the State Agreement with the government of Western Australia regarding the Rail and Port System, construction of the railway under the Rail and Port System is expected to commence in the second half of 2019. The railway under the Rail and Port System is expected to be operational by the fourth quarter of 2021. Construction of the port facilities at South West Creek is also expected to commence in the second half of 2019 and be operational by the fourth quarter of 2021 serving 20-30 Mtpa export of Marillana Project.

Overall, under the FJV Agreement, iron ore from Marillana Project is estimated to be in the global seaborne iron ore market by the fourth quarter of 2021 (within around 2.5 years from the Unconditional Date) assuming the small-scale road haulage operation is not implemented.

Mining

Following establishment of the Joint Venture, the Management Committee will consider and determine whether it is in the best interests of the Joint Venture to carry out the mining operation to extract the iron ores itself or appoint a third party which may be a subsidiary of MRL or an independent contractor to carry out the mining operation. Taking into account the schedule for the construction and completion of the construction of the processing plant and the railway under the Rail and Port System, it is estimated that mining of iron ores will commence in the third quarter of 2021.

Financing

During the course of operation of the Joint Venture, Polaris will use all reasonable endeavours to procure the Debt Financing to fund the aforesaid Development Activities for and behalf of the Joint Venturers.

BBIG Proposal

As set out in the Company's announcement dated 17 November 2017 (in relation to execution of a non-binding termsheet for farm-in and joint venture cooperation with BBI Group Pty Ltd in respect of the Marillana Project), the Group had previously intended to cooperate with BBI Group Pty Ltd (the "**BBIG Proposal**") for potential development of the Marillana Project underpinned by BBI Infrastructure as defined and set out in the aforesaid announcement. The BBIG Proposal, while very attractive in many respects, does not allow Marillana Project to be in commercial production as early as the projected timetable under the Joint Venture with Polaris and MRL. In the event that the Transactions fail to materialise, the Company will continue to look for other infrastructure cooperation alternatives with mutually beneficial arrangements to fully develop the Marillana Project and realise its potential value. The Company has no doubt that Marillana Project, being the largest single deposit outside the control of the major producers in the Pilbara, will land a mutually beneficial infrastructure cooperation with a reliable and capable counterpart. The Marillana Project's resource comprises around 1.51 billion tonnes of Mineral Resources, of which over 1 billion tonnes comprises JORC compliant Ore Reserves (see Tables 3 and 4 above). Importantly, Marillana Project's exceptional quality – it produces a beneficiated grade of 60.5% to 61.5% Fe – will see its products placed attractively in the seaborne iron ore market as China seeks higher quality ores.

For many years, the Company has been looking for an infrastructure solution to unlock the value of the Marillana Project and as the foundation to bring the high-grade product of the Marillana Project to the market. Since 2012, the Company has worked, negotiated and entered into agreements (mostly non-binding) with various parties to establish an infrastructure cooperation to facilitate commencement of production from the Marillana Project, whether a rail haulage and port solution or a road haulage and port solution.

Nevertheless, in view of the efforts made by the Company for the past years, the Company has decided not to proceed with any of the previous plans for infrastructure cooperation and production strategies following the receipt of MRL's proposal. The Company considers that the FJV Agreement entered into with MRL provides clarity on the timing and economic feasibility of the Marillana Project. With clarity of deliverables of infrastructure and capital from MRL, the Board is of the view that the Company has reasonable foundation to start production and generating cash flow towards the end of calendar year 2021.

In conclusion, the Company considers that the key benefits of the FJV Agreement include:

1. Faster timing to production as compared to BBIG Proposal

2. Lower transportation cost on MRL's rail as compared with previously contemplated road haulage

3. Minimal capital spending (as MRL is also going to be responsible for the construction (at its own cost) and operation of the processing plants).

4. For the Company to achieve 10Mtpa of its share of production from the Marillana Project (50% of 20Mtpa, which is the nameplate capacity for the Marillana Project), the Company only needs to commit up to AUD150 million in capital commitment under the FJV Agreement. To fund the Company's capital commitment, MRL has agreed to use its best endeavours to procure debt financing to fund for and on behalf of the Company for such amount.

5. MRL has agreed to extend a loan of AUD10 million to the Company which carries no interest and is only repayable from the Company's net revenue received from the sale of its share of Products sold from the Marillana Project and transported under the rail and port infrastructure of MRL. Such amount will be utilised by the Company to support its ongoing working capital.

Having considered the aforesaid, the Directors (including the independent non-executive Directors) consider that the terms of the FJV Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Other mineral projects of the Group

Apart from the Marillana Project, the Group also owns the following mineral projects in Australia.

Ophthalmia Project

The 100% owned Ophthalmia Project, located north of Newman in the East Pilbara region of Western Australia, is the most significant iron ore project for the Company outside of its flagship Marillana Project. The Ophthalmia Project has a Mineral Resource estimate of 340.9 Mt of hematite mineralisation (grading 59.3% Fe), comprising 280 Mt of Indicated Mineral Resources and 61 Mt classified as Inferred Mineral Resources (estimated in accordance with the JORC Code, 2012 Edition, see the Company's announcement dated 1 December 2014).

As at the Latest Practicable Date, the Ophthalmia Project had not yet commenced commercial production and the Group is continuing its studies on processing and metallurgy while looking for possible infrastructure solution. As the Ophthalmia Project is located less than 100 km south of Marillana, the Company believes that it could leverage on the prospective infrastructure for the Marillana Project in finding an infrastructure solution for the Ophthalmia Project. This would unlock further value for the Company. A native title mining agreement between Brockman East Pty Ltd (a wholly-owned subsidiary of the Company) and the Nyiyaparli people was executed in May 2015 in relation to any future mining operations to be conducted over the project tenements paving the way for obtaining mining leases over the project area, should the Company establish an infrastructure solution for the project.

West Pilbara Project

The West Pilbara Project comprises four tenements centred around Duck Creek, located about 100-130 km west-northwest of Paraburdoo in the West Pilbara region. 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 (estimated in accordance with the JORC Code, 2004 Edition, see the Company's announcement dated 14 May 2013). As at the Latest Practicable Date, the West Pilbara Project had not yet commenced commercial production and the Company continues looking for a transport infrastructure cooperation with other project owners around the area to unlock the project's potential.

FINANCIAL EFFECT OF THE TRANSACTION

Upon satisfaction of the Farm-in Obligations, 50% of the registered legal interest in the Tenements that make up the Marillana Project (Farm-in Interest) will be transferred to Polaris, and the Company's interest in the Marillana Project will be reduced from 100% to 50%. Upon completion of such transfer, an unincorporated joint venture (otherwise known as a joint arrangement) between Polaris and Brockman will be established. The joint arrangement will be accounted for as a joint operation in accordance with International Financial Reporting Standards 11, "Joint Arrangement", with all rights, titles, interests, claims, benefits and liabilities of Marillana Project being owned by the joint operators, ie the Joint Venturers, severally in proportions of their respective interests, ie the JV Interests. The joint arrangement will neither be accounted for as a subsidiary nor as an associate in the Company's consolidated financial statements. As such, the Company will recognise its share of mineral rights under the Marillana Project and any jointly held or incurred assets and liabilities individually according to its JV Interest percentage. Similarly the Company shall recognise the revenue from the sales of its share of products exploited from Marillana Project along with its share of all costs associated with such exploitation according to its JV Interest percentage.

As set out in the unaudited pro forma financial information in Appendix III to this circular, as if the establishment of the Joint Venture took place on 30 June 2018, the mining properties of approximately HK$802.6 million and the deferred tax liabilities arising from the mining properties of approximately HK$238.9 million as at 30 June 2018 would be de-recognised and a net amount of approximately HK$563.7 million of mining properties would be recognised. Further information in relation to the financial impacts of the establishment of the Joint Venture on the consolidated financial statements of the Company is set out in Appendix III to this circular.

LISTING RULES IMPLICATIONS

Given the Farm-in Interest will be transferred to MRL upon satisfaction of the Farm-in Obligations resulting in the Company's interest in the Marillana Project to be reduced from 100% to 50% and based on the applicable percentage ratios, such transfer constitutes a major transaction for the Company. Furthermore, taking into account the Marillana Project to be put under the Joint Venture and the maximum capital commitment by the Company of AUD150 million (equivalent to HK$870 million) and based on the applicable percentage ratios, the establishment of the Joint Venture constitutes a very substantial acquisition for the Company. The Transactions are therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM will be held at Suite 3903B, 39/F Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Tuesday, 8 January 2019 at Hong Kong time 10 a.m. to consider and if thought fit approve the Transactions. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders had a material interest in the Transactions (other than being a Shareholder) as at the Latest Practicable Date and therefore no Shareholder would be required to abstain from voting on the ordinary resolution at the SGM. None of the Directors have a material interest in the Transactions and as such none of the Directors abstained from voting on the relevant board resolution in relation to the Transactions.

RECOMMENDATION

The Board considers the terms of the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution to approve the FJV Agreement and the transactions contemplated thereunder.

GENERAL

Completion of the Transactions is subject to the satisfaction of the conditions set out under the section headed "FJV Agreement — Conditions precedent" above, and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Your attention is drawn to the additional information set out in the appendices to this circular.

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

AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR THE THREE YEARS ENDED 30 JUNE 2018

Financial information of the Group for each of the three years ended 30 June 2016, 2017 and 2018 is disclosed on pages 45 to 91 of the Company's annual report for the year ended 30 June 2016, pages 50 to 92 of the Company's annual report for the year ended 30 June 2017 and pages 46 to 87 of the Company's annual report for the year ended 30 June 2018, all of which are available on the website of the Stock Exchange (www.hkexnewshk.hk) and the Company's website (www.brockmanmining.com).

INDEBTEDNESS

As at the close of business on 31 October 2018, being the latest practicable date for the purpose of this statement of indebtedness, the Group had outstanding borrowings of approximately HK$11.95 million which represented loans from a substantial shareholder of approximately HK$11.95 million.

Save as disclosed above and apart from intra-group liabilities, the Group did not have, at the close of business on 31 October 2018, any outstanding mortgages, charges, debentures, bank loans and overdrafts, debt securities or loan notes or other similar indebtedness, loan capital issued, finance leases, liabilities under acceptances or acceptance credits or any finance leases commitments, or any guarantees or other material contingent liabilities.

WORKING CAPITAL

Following the conditions precedent of the FJV Agreement having been satisfied, Polaris will commence to carry out its Farm-in Obligations. Once Polaris has fulfilled its Farm-in Obligations, the Farm-in Interest will be transferred to Polaris and the Joint Venture for the development of Marillana will be established with each party holding a 50% interest.

At the same time, an interest-free loan of A$10,000,000 (equivalent to approximately HK$57,900,000, and which currently sits in an escrow account) will be released to the Group. The loan proceeds shall be used to meet Brockman Iron's financial obligations under the FJV Agreement and for working capital in relation to the Group's iron ore business in the Pilbara region of Western Australia. Such loan will only be repaid from net revenue received by Brockman Iron from the sale of its share of products sold from the Marillana Project that is transported under the rail and port system contemplated in the Mine to Ship Logistics Agreement.

* *for identification purpose only*

Based on the total estimated cost of the development activities which is provided by MRL drawing upon its considerable experience in developing mining projects in Western Australia and considered to be reasonable by the Company, it is agreed that the Joint Venturers will be responsible for funding the development activities of the Marillana Project for a maximum amount of A$300,000,000 (equivalent to approximately HK$1,740,000,000) in total or A$150,000,000 (equivalent to approximately HK$870,000,000) by each Joint Venturer. In accordance with the FJV Agreement, Polaris has committed to use its best endeavor to secure debt financing for the development activities for the Joint Venturers. Pursuant to the Process and Loading Agreement and Mine to Ship Logistics Agreement, MRL will be responsible for building and operating a processing plant and a bulk ore rail and port system to be utilised by the Marillana Project.

In respect of the funding of the development activities of Marillana Project, the Group does not have any commitment until such time when the Joint Venture is established and the budget for the development activities is approved by the management committee of the Joint Venture; and no expenditure in respect of such development activities will be committed by the Joint Venture or the Group before the relevant financing is secured. Polaris will use all reasonable endeavours to procure debt financing to fund the aforesaid development activities for and behalf of the Joint Venturers. The directors do not expect that there will be any cash outflows for development activities within the next 12 months from the date of the circular based on the current project development timetable and the Group has not made any definitive arrangement in relation to such financing as of the Latest Practicable Date.

Besides, with respect to existing loans from the substantial shareholder with a principal amount of HK$11,000,000 which mature on 31 October 2019, and another standby loan facility amounting to HK$10,000,000 that is interest bearing at 12% per annum and available for drawdown until 31 October 2019, the directors expect that: (a) the standby loan facility amount can be further increased to HK$13,000,000 as confirmed in a confirmation received from the substantial shareholder dated 3 December 2018; and (b) the maturity date and drawdown date of both the loans and standby loan can be further extended for another 12 months upon current maturity.

The Directors are of the opinion that in the absence of unforeseeable circumstances, and after taking into account the Group's business prospects, the estimated timetable for the formation of the Joint Venture and project development, internal resources and available facility, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular. However, if the following matters become unsuccessful, the Group will not have sufficient working capital for at least the next twelve months from the date of this circular. These include: (a) drawdown of the loan of HK$13,000,000 from the substantial shareholder as and when required; (b) successful

fulfillment of the conditions precedent of the FJV Agreement, including obtaining the relevant approvals from the shareholders and regulators; and upon Polaris duly completing its Farm-In Obligations, release of the loan from the escrow account and raising of debt financing for the development activities of Marillana Project as and when needed to fund the Group's share of the obligations to the Joint Venture; and (c) successful execution of the development plan by the Joint Venture to result in economically viable commercial production of the Marillana Project.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Brockman Iron on 26 July 2018 entered into the FJV Agreement with Polaris under which the parties agreed to establish the Joint Venture to develop the Group's flagship project, Marillana Project. Pursuant to the FJV Agreement, Polaris shall earn a 50% interest in the Marillana Project by satisfying the Farm-in Obligations. The MRL Group will construct (at its own cost) the processing (crushing and beneficiation) plants for the Marillana Project and provide process and loading services, product stockpiling, management of tailings facility, and reclaiming and loading of products on trains under the Process and Loading Agreement to be entered. The MRL Group will also construct (at its own cost) the Rail and Port System to be used to ship the Products under the Mine to Ship Logistics Agreement. Further information on the implementation plan and timing of the development of the Marillana Project is set out under the paragraph headed "Implementation plan" in the "Letter from the Board" section of this circular. Details of the status of the Group's other mining projects are set out under the paragraph headed "Other mineral projects of the Group" in the "Letter from the Board" section of this circular.

Set out below is the management discussion and analysis of the Group's results for the year ended 30 June 2018 based on the Company's Annual Report for the year ended 30 June 2018. Terms used below follow the meanings as set out in the aforesaid annual report.

1 OVERVIEW

During the year, the Group recorded no revenue and has put all its resources in the ore operation in Western Australia. Loss for the year from continuing operations was HK$49.0 million, a significant increase compared to HK$37.5 million of last corresponding year. The increase mainly arose from exchange rate fluctuation. The closing rate of Australian dollars decreased from 5.99 to 5.8 resulted in an accounting translation loss of HK$8.6 million.

2 IRON ORE OPERATIONS — WESTERN AUSTRALIA

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

The net operating loss before income tax expense for the period for this segment and attributable to the Group was HK$27.2 million (2017: HK$20.4 million). Total expenditure associated with mineral exploration and evaluation for the period ended 30 June 2018 amounted to HK$9.5 million (2016: HK$20.7 million).

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

	Year ended 30 June	
	2018	**2017**
	HK$'000	*HK$'000*
Project		
Marillana	6,669	17,182
Ophthalmia	908	1,494
Regional exploration	1,883	2,055
	9,460	20,731

The Group was yet to make a final investment decision toward commencing development of any of its iron ore projects in Western Australia during the periods. Accordingly, no development expenditures have been recognised in the financial information during the years ended 30 June 2018 and 30 June 2017.

3 MARILLANA PROJECT

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

The Marillana Project area covers 82 km² bordering the Hamersley Range, where extensive areas of supergene iron ore mineralization the source of hematite detrital mineralization at Marillana Project have developed within the dissected Brockman Iron Formation that caps the Range.

3.1 Development of Marillana Project

Brockman and Mineral Resources Limited (MRL) entered into a non-binding Heads of Agreement (HOA) dated 6 June 2018 setting out the principles for the cooperation between the two companies to develop Marillana Project. The HOA sets out indicative terms and key principals for a farm-in and joint venture (FJV) agreement covering among others the farm-in obligations, establishment of an unincorporated joint venture (Joint Venture), the Joint Venture's management committee, funding for the development activities, mainly for the non-processing infrastructure. The HOA also sets out the principal terms of the Process and Loading Agreement and the Mine to Ship Logistics Agreement.

Subsequent to the Group's financial year end, on 26 July 2018 Brockman Iron and Polaris (a wholly-owned subsidiary of MRL) entered into the FJV Agreement (as set out in the Company's announcement dated 27 July 2018 on the Stock Exchange and ASX platforms) pursuant to which and subject to the terms and conditions therein, Polaris may farm-in by satisfying certain Farm-in Obligations and earn a 50% interest in Marillana Project. Once the conditions precedent of the FJV Agreement have been satisfied, Polaris will commence to carry out its Farm-in Obligations. Following Polaris having met its Farm-in Obligations, the Farm-in Interest will be transferred to Polaris. The Joint Venture will be established with each party holding a 50% interest to develop Marillana Project.

Details of the FJV Agreement and the transactions thereunder are set out in the Letter from the Board in this circular.

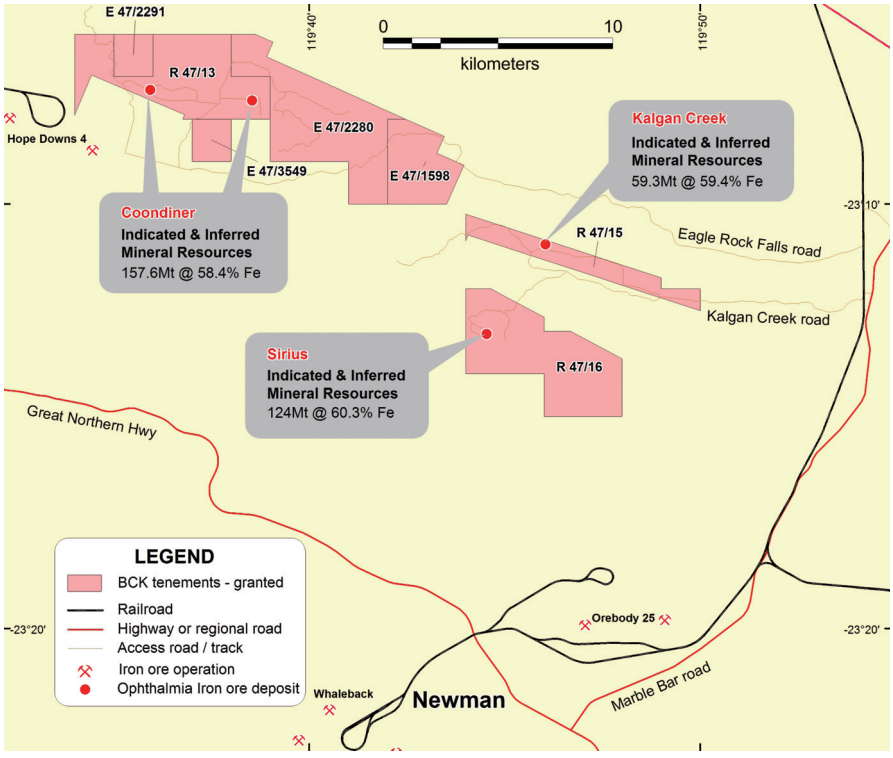
3.2 Mineral Resources and Reserves

Details of the updated mineral resources and reserves of the Marillana Project are set out in the Competent Person's report on the mineral assets of Marillana Project in Appendix IV to this circular

4 OPHTHALMIA PROJECT

The 100% owned Ophthalmia Project located north of Newman in the East Pilbara of Western Australia is the most significant iron ore project for the Company outside of its flagship Marillana Project. Since the discovery of significant occurrences of bedded hematite mineralisation by field reconnaissance mapping and surface sampling in August 2011, major exploration drilling programmes have been completed and JORC compliant mineral resources have been estimated and reported for the Sirius, Coondiner, and Kalgan Creek deposits (see the Company's announcement dated 1 December 2014). The total mineral resources at Ophthalmia Project is 341 Mt grading 59.3% Fe.

Figure 3: Location of Ophthalmia Prospects and Resources



4.1 Approvals

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

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

4.2 Metallurgy

A bulk sample of ore from the Sirius deposit was sent to China lron & Steel Resources Institute Group in China for a comprehensive sinter testwork programme. The bulk sample was generated in 2013 by compositing diamond drill core from 7 holes spaced across the entire deposit.

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

4.3 Mineral Resources

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

The resource estimate was classified in accordance with guidelines provided in the JORC Code 2012, as set out in the Company's announcement dated 1 December 2014.

Table 5: Ophthalmia DSO Mineral Resource Summary

30 June 2017 (1)									
Deposit	**Class**	**Tonnes (Mt)**	**Fe (%)**	**CaFe* (%)**	**SiO2 (%)**	**AI2O3 (%)**	**S (%)**	**P (%)**	**LOI (%)**
Kalgan Creek[1]	Indicated	34.9	59.3	62.7	4.08	4.57	0.009	0.183	5.49
	Inferred	24.4	59.5	63.2	4.38	3.90	0.007	0.157	5.81
	Sub Total	**59.3**	**59.4**	**62.9**	**4.21**	**4.29**	**0.009**	**0.173**	**5.63**
Coondiner[1] (Pallas and Castor)	Indicated	140.5	58.5	62.0	5.18	4.46	0.007	0.176	5.71
	Inferred	17.1	58.1	61.5	6.06	4.45	0.008	0.155	5.47
	Sub Total	**157.6**	**58.4**	**62.0**	**5.27**	**4.46**	**0.007**	**0.174**	**5.68**
Sirius[1]	Indicated	105.0	60.4	63.7	3.54	3.97	0.007	0.18	5.22
	Inferred	19.0	60.2	63.4	4.09	3.83	0.009	0.17	5.14
	Sub Total	**124.0**	**60.3**	**63.6**	**3.62**	**3.95**	**0.007**	**0.18**	**5.20**
Ophthalmia Project	Indicated	280.4	59.3	62.7	4.43	4.29	0.007	0.178	5.50
	Inferred	60.5	59.3	62.8	4.73	4.03	0.008	0.160	5.50
	Total	**340.9**	**59.3**	**62.7**	**4.49**	**4.24**	**0.007**	**0.175**	**5.50**

* CaFe represents calcined Fe and is calculated by Brockman using the formula CaFe = Fe%/((100-LOI)/100). Total tonnes may not add due to rounding.

(1) No changes since 30 June 2017.

5 OTHER PROJECTS

5.1 West Pilbara Project

The West Pilbara Project comprises four tenements centred around Duck Creek, located about 100-130 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.

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

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

Mesa	Classification	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO2 (%)	AI2O3 (%)	S (%)	P (%)	LOI (%)
1	Inferred	4.1	55.8	63.2	4.40	2.69	0.058	0.032	11.8
2	Inferred	5.1	56.6	64.1	3.58	2.44	0.037	0.041	11.7
3	Inferred	2.3	56.4	61.6	5.71	4.53	0.023	0.065	8.4
4	Inferred	1.4	56.4	61.9	6.43	3.34	0.087	0.077	8.9
5	Inferred	3.0	56.3	61.4	6.32	4.07	0.020	0.071	8.4
6	Inferred	2.4	58.0	62.8	5.15	3.25	0.015	0.112	7.6
All	**Inferred**	**18.3**	**56.5**	**62.8**	**4.91**	**3.22**	**0.037**	**0.060**	**10.0**

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

Total tonnes may not add due to rounding.

5.2 Irwin-Coglia Ni-Co and Ni-Cu Prospect — 40% Interest

Following a competitive sale process undertaken by PCF Capital Group the Company received an offer from a third party for the 40% interest in the Irwin Project Joint Venture (held by Yilgarn Mining (WA) Pty Ltd, a wholly owned subsidiary). However, this offer from a third party was not materialised as the 60% participant in the Irwin joint venture project, Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd exercised their pre-emptive rights under the joint venture agreement.

A sale and purchase agreement has been executed and on satisfaction of the conditions in that agreement, Brockman will receive A$1,700,000.

6 MINERAL RESOURCES AND ORE RESERVES

The information in this report that relates to the Mineral Reserve and Mineral Resource estimates of the Marillana Project was declared as part of the Company's announcement dated 25 May 2018.

The information in this report that relates to the Mineral Resource of Ophthalmia Project was declared as part of the Company's announcement dated 1 December 2014.

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

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

6.1 Mineral Resources and Ore Reserves Governance of Internal Controls

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

7 MINING PROPERTIES IN AUSTRALIA

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

As at 30 June 2018, the Group assessed whether events or changes in circumstances indicate a potential material change to the recoverable value of the mining properties since 31 December 2017.

The Group has assessed whether any indicators of impairment exist with reference to both external and internal sources of information.

As at 30 June 2018, the Group assessed and concluded there was no impairment to the mine properties in Australia and the associated deferred tax liability.

8 LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 June 2018, the Group had a loan with a principal amount of HK$11 million from its substantial shareholder. Such loan bears an interest rate of 12% per annum and is repayable on 31 October 2019.

The current ratio as at 30 June 2018 is measured at 11.73 (30 June 2017: 0.41). The gearing ratio of the Group (long-term debts over equity and long-term debts) is measured at 0.02 as at 30 June 2018 (30 June 2017: 0.16).

During the period, the Group did not engage in the use of any financial instruments for hedging purposes, and there was no hedging instrument outstanding as at 30 June 2018.

9 RISK DISCLOSURE

(a) Commodities price risk iron ore price:

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

(b) Exchange rate risk

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

(c) Funding risk

The commencement of exploration and production of the iron ore projects depend on whether the Group can secure the necessary funding. The management is exploring all the feasible alternatives and is actively seeking investors and partners to procure the funding.

(d) Risk of the project will not be materialised

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

10 PLEDGE OF ASSETS

As at 30 June 2018, no assets were pledged to secure any debts (30 June 2017: Nil).

11 CONTINGENT LIABILITIES

There is no material contingent liability of the Group as at 30 June 2018.

12 STAFF AND REMUNERATION

As at 30 June 2018, the Group employed 17 full time employees (30 June 2017: 34), of which no employees were in the PRC (30 June 2017: 14 employees), 5 employees were in Australia (of which includes one Non-executive Director) (30 June 2017: 8), and 12 in Hong Kong (of which includes 5 executive and non-executive directors) (30 June 2017: 12).

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.

Set out below is the management discussion and analysis on the Group's results for the year ended 30 June 2017 based on the Company's annual report for the year ended 30 June 2017. Terms used below follow the meanings as set out in the aforesaid annual report.

1 OVERVIEW

During the year, the Group recorded no revenue and has put all its resources in the iron ore operation in Western Australia. Loss for the year was HK$38.3 million, a significant decrease compared to HK$627.2 million of last corresponding year. The decrease is due to the impairment loss of HK$678.4 million recorded last year while this year there was not any impairment loss. Administrative expenses was also reduced significantly from HK$36.8 million for the year ended 30 June 2016 to HK$10.9 million for current year, due to a series of costs saving measures including reduction of number of employees and operating lease expenses.

2 IRON ORE OPERATIONS – WESTERN AUSTRALIA

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

The loss before income tax expense for the year for this segment and attributable to the Group was HK$20.4 million (2016: HK$482.4 million). Total expenditure associated with mineral exploration for the year ended 30 June 2017 amounted to HK$20.7 million (2016: $16.6 million).

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

	Year ended 30 June	
	2017	**2016**
	HK$'000	*HK$'000*
Project		
Marillana	17,182	12,106
Ophthalmia	1,494	2,000
Regional Exploration	2,054	2,509
	20,730	16,615

No development expenditures have been recognised in the financial statements during the year ended 30 June 2017 (year ended 30 June 2016: Nil).

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

	Year ended 30 June			
	2017		**2016**	
	HK$'000		***HK$'000***	
	Addition to property, plant & equipment	**Addition to mining properties**	**Addition to property, plant & equipment**	**Addition to mining properties**
Project				
Marillana	3,263	—	173	—
Ophthalmia	—	—	—	—
	3,263	—	173	—

3 IMPAIRMENT

The Group has assessed whether any indicators of impairment exist with reference to both external and internal sources of information. As at 30 June 2017, the Group assessed and concluded there were no indicators for impairment present. Key assumptions utilised in determining the recoverable value of the properties in Australia are not materially different from those utilised during the previous assessment.

4 MARILLANA DEVELOPMENT

During the 2017 year the Group was progressing a two-phase commercial development strategy for Marillana:

1. A small-scale development over a small portion of the deposit to produce 2.5 – 3.0Mtpa (wet) of iron ore product ("**Project Maverick**"). The development of Project Maverick is an interim solution to establish the Group and its high quality Marillana product (~61.5% Fe) in the iron ore market, and generate cash flow as the Company continues to progress development for the larger Marillana Project.

2. The development of larger tonnage operation underpinned by a long-term rail and port infrastructure solution ("**Project Agincourt**"). The target production of Project Agincourt is more than 20Mtpa (wet), which is going to be developed in stages along with the infrastructure solution development. The development of Project Agincourt is subject to further studies on mine scheduling as well as infrastructure logistics.

To facilitate Project Agincourt, the Company had commenced studies to build its own railway line, while at the same time continuing to pursue other viable infrastructure cooperation options. Despite the protracted historical and expected future legal challenges, the Company has never wavered in establishing its right to regulated Access on the TPI railway line. The rail access to the TPI railway line remains one of the options for an infrastructure solution contemplated by the Group.

4.1 Project Maverick

Project Maverick was an interim solution to establish Brockman as a producer and introduce the high quality Marillana product to the iron ore market. The development of an operating mine at the Marillana mining lease was

anticipated to be major step towards commercialising an infrastructure solution for the future larger scale 20+ Mtpa operations Project Agincourt.

Project Maverick relates to a very small portion of the total mineralisation at Marillana, with an initial planned production rate of 2.5 to 3.0Mtpa of final product. Mine planning studies have demonstrated that the Maverick pit can be extended to produce a total of 83.8Mt of ore and 27.8Mt of waste to be mined over 14 years, whilst maintaining the strip ratio at 0.33:1. Beneficiated product would be transported to Port Hedland by road haulage.

4.1.1 Funding and Feasibility Study

During the year, Brockman engaged a Project Management Consultant ("**PMC**") for the Maverick Project. The PMC services for Project Maverick were separated into mining, processing, non-process infrastructure and general infrastructure components.

The PMC carried out a competitive early contractor engagement ("**ECE**") process with several mining contractors and process plant designers/ constructors, following which Brockman selected preferred contractors. Continued engagement with the preferred contractors has enabled refinement of the process plant design, the mine schedule, non-process infrastructure requirements and early earthworks. These refinements have enabled the Company to reduce forecast capital and operating costs whilst not impacting on the productivity and product quality.

The development of Project Maverick is able to draw on the results and information received from over six years of detailed study over the Marillana deposit.

4.1.2 Metallurgy and Marketing

Extensive beneficiation test work has been completed as part of the DFS and FEED studies on ore samples taken from the "Maverick" deposit.

During the year, Brockman completed a technical marketing programme to secure offtake agreements for the Maverick product. The results were positive with several Chinese steel mills and international commodity trading houses expressing an interest in the product. Brockman despatched samples to a number of Chinese steel mills for confirmatory sinter testing and value in use determination, based on their current blends. To date those tests have provided positive results and confirmation of Maverick's product quality.

4.2 Project Agincourt

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

4.2.1 Studies

Brockman continues to focus its efforts on optimisation studies for Project Agincourt including cost savings opportunities for the capital and operating cost estimates, in readiness for when an infrastructure solution is secured.

This includes, the Company re-evaluating the mine plan to reduce haul distances, increase product yields in the early mine life and minimise rehandling of waste materials, all of which is anticipated to have a positive impact on mining costs.

4.2.2 Approvals

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 Marillana.

4.3 Rail and Port Infrastructure

The key to unlocking the value of the Group's highly prospective iron ore mineral tenements relies on securing a rail and port infrastructure solution and funding.

The Company continues to actively pursue various viable infrastructure alternatives.

4.3.1 Independent Railway

An independent railway is one of a number of logistic solutions being considered by the Company. In 2016 the Company completed a study of a 26 tonne axle load (light rail) railway which significantly reduces capital costs when compared to traditional Pilbara heavy haul railway systems.

4.3.2 Access

Despite the protracted historical and expected future legal challenges, the Company has never wavered in establishing its right to regulated Access on the TPI railway line. This remains a viable railway infrastructure alternative for the facilitation of Project Agincourt.

4.3.3 Port

Brockman, as a foundation member of the North West Infrastructure joint venture ("**NWI**"), has a potential port solution through the Western Australian State Government conferral of 50Mtpa export capacity to NWI and the related potential port stock yards and berth locations (SP3 and SP4 in South West Creek in the Port Hedland inner harbour). NWI is focused on developing SP3 and SP4 into a multi-user port facility to support export from its foundation members as well as other junior iron ore mining companies. This focus is in line with State Government's policy. Currently, the development of the port facility is reliant on securing a viable rail solution to connect potential users mines with the port.

4.4 Resources and Reserves

Details of the updated resources and reserves for the Marillana Project are set out in the Competent person's report on the mineral assets of the Marillana Project in Appendix IV to this circular.

5 OPHTHALMIA PROJECT OVERVIEW

Details of the Ophthalmia Iron Ore Project are set out in the section headed "1.4 Ophthalmia Project" above. Limited work was carried out in respect of the Ophthalmia Project during the period.

6 OTHER PROJECTS

6.1 West Pilbara Project

Details of the West Pilbara Project are set out the section headed "1.5.1 West Pilbara Project" above. Limited work was carried out in respect of the West Pilbara Project during the period.

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

More information of the Irwin-Coglia Project is set out section headed "1.5.2 Irwin-Coglia Ni-Co and Ni-Cu Prospect – 40% Interest" above. Limited work has been carried out since 2012 in respect of the Irwin-Coglia Project.

7 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 currently finances its short term funding requirement with borrowings. The Group's ability to achieve its Marillana iron ore project development schedule is reliant on access to appropriate and timely funding.

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

The current ratio is measured at 0.41 times as at 30 June 2017 compared to 0.48 times as at 30 June 2016.

The gearing ratio of the Group (long term debts over equity and long term debts) is measured at 0.16 (2016: 0.06).

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 2017.

8 RISK DISCLOSURE

(a) Commodities Price Risk — Iron Ore Price Risk

The fair value of the Group's mining properties in Australia are exposed to fluctuations in the expected future 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 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 dollar. 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.

(c) Funding Risk

The commencement of exploration and production of the Iron Ore project depends on whether the Group can secure the necessary funding. The management is exploring all the feasible alternatives and is actively seeking investors and partners to procure the funding.

(d) Risk of the project will not be materialised

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

9 FINANCIAL GUARANTEE

At 30 June 2016 and 2017, the Company did not have any financial guarantees.

10 CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 30 June 2017.

11 STAFF AND REMUNERATION

As at 30 June 2017, the Group employed 34 full time employees (2016: 42 employees), of which 14 employees were in the PRC (2016: 24 employees), 8 employees were in Australia (2016: 7 employees) and 12 in Hong Kong (of which includes 7 non-executive directors) (2016: 11 employees).

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.

Set out below is the management discussion and analysis on the Group's results for the year ended 30 June 2016 based on the Company's annual report for the year ended 30 June 2016. Terms used below follow the meanings as set out in the aforesaid annual report.

1 IRON ORE OPERATIONS — WESTERN AUSTRALIA

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

The loss before income tax expense and share of losses of joint ventures for the year for this segment and attributable to the Group was HK$481.5 million (2015: HK$1,326.3 million). Total expenditure associated with mineral exploration for the year ended 30 June 2016 amounted to HK$16.6 million (2015: HK$60.6 million).

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

	Year ended 30 June	
	2016	**2015**
	HK$'000	*HK$'000*
Project		
Marillana	12,106	24,357
Ophthalmia	2,000	28,494
West Pilbara	2,509	7,789
	16,615	60,640

The Group is yet to make a final investment decision toward commencing development of any of its iron ore projects in Western Australia. Accordingly, no development expenditures have been recognised in the financial statements during the year ended 30 June 2016 (year ended 30 June 2015: Nil).

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

	Year ended 30 June			
	2016		**2015**	
	HK$'000		***HK$'000***	
	Addition to property, plant & equipment	**Addition to mining properties**	**Addition to property, plant & equipment**	**Addition to mining properties**
Project				
Marillana	173	—	252	—
Ophthalmia	—	—	—	—
	173	—	252	—

1.1 Impairment Loss

In response to the sustained iron ore price weakness and taking advantage of recent improvement in mining and infrastructure technologies, the Group is progressing with studies based on a revised mine plan and production strategy. Nevertheless, at 31 December 2015, considering the significant decline in iron ore price from the previous reporting period, an impairment assessment was conducted and impairment of HK$436,351,000 was recognised for the first half of the year. The impairment reduces 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$130,905,000 (2015: HK$364,986,000). In the second half of the year, the Group has continued to assess whether any indications of impairment exist with reference to both external and internal sources of information. As at 30 June 2016, the Group assessed and concluded there were no indications of impairment present, noting that key assumptions utilised in determining the recoverable value of the mining properties in Australia remain consistent with those utilised during the previous assessment.

There is no material change of the long-term iron ore price between 31 December 2015 and 30 June 2016. Hence, the Company is not considering any impairment to its iron ore assets.

2 MARILLANA PROJECT DEVELOPMENT

During the 2016 year, the Company commenced a two-phase commercial development strategy for Marillana:

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

2. The development of larger tonnage operation underpinned by a long term rail and port infrastructure solution (Project Agincourt). The target production of Project Agincourt is up to 20Mtpa (wet), which was going to be developed in stages. Stage-1, a 10Mtpa production operation, bringing Brockman's total targeted annual production to 12.5Mtpa (together with Project Maverick). Upon progressing on Stage-1, Brockman intends to progress with Stage-2 for another 10Mtpa production. The development of Project Agincourt Stage-1, as well as timing for Stage-2 were subject to further studies on mine and processing plant design.

The initial development phase will establish the Company as a producer introducing its high-grade product (~61%Fe) to the seaborne iron ore market, and generate cash flow as the Company continued to progress Project Agincourt.

To facilitate Project Agincourt, the Company commenced studies to build its own railway line, while at the same time continued to pursue other viable infrastructure cooperation. Despite the continuous legal challenge, the Company has never ceased on establishing its right to apply for regulated Access on the TPI railway line.

2.1 Project Maverick

Project Maverick will establish Brockman as a global producer of iron ore and will introduce the Marillana high-grade product to the seaborne iron ore market. The cash flows generated from Project Maverick will be used to develop the larger Marillana deposit, which in turn will provide significant financial and social benefits to the Pilbara region through employment opportunities as well as numerous benefits to other sectors.

Details of the proposed Project Maverick development are provided in section "2.4.1 Project Maverick" above.

2.2 Project Agincourt

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

The current economic climate has presented cost saving opportunities and the project team is investigating the likely beneficial impact on previous capital and operating cost estimates for Marillana under the existing cost environment, in readiness for when an infrastructure solution is secured. The Company is also re-evaluating the mine plan to reduce haul distances, increase product yields in the early mine life and minimise rehandling of waste materials, all of which is anticipated to have a positive impact on mining costs. As part of this work, Brockman is considering the development of two processing plants (nominally 10Mtpa product each) spaced along the 14.5km strike length of the deposit.

2.3 Rail and Port Infrastructure

The key to unlocking the value of the Group's highly prospective iron ore mineral tenements relies on securing a rail and port infrastructure solution and funding.

The Company continues to actively pursue various viable infrastructure alternatives which are discussed in section "2.4.3 Rail and Port Infrastructure" above.

2.4 Resources and Reserves

Details of the updated resources and reserves for the Marillana Project are set out in the Competent person's report on the mineral assets of the Marillana Project in Appendix IV to this circular.

3 OPHTHALMIA PROJECT

Details of the Ophthalmia Iron Ore Project are set out in the section headed "1.4 Ophthalmia Project" above. Limited work was carried out in respect of the Ophthalmia Project during the period.

4 WEST PILBARA PROJECT

Details of the West Pilbara Project are set out the section headed "1.5.1 West Pilbara Project" above. Limited work was carried out in respect of the West Pilbara Project during the period.

5 OTHER PROJECT

More information of the other project of the Group is set out in the section headed "1.5.2 Irwin-Coglia Ni-Co and Ni-Cu Prospect-40% Interest". Limited work was carried out in respect of the project during the period.

6 MINING BUSINESS — YUNNAN, THE PRC

Our copper mining business comprises processing and sales of copper, silver and other mineral resources in the Yunnan Province of the PRC, through the operation of a subsidiary of the Company — Luchun Xingtai Mining Co., Ltd ("**Luchun**") which is the mine operator of the Damajianshan Mine. The Damajianshan Mine is located in Qimaba Township, Luchun County of Yunnan Province in the PRC. It is near the border between the PRC and Vietnam.

Production and operation results for the year ended 30 June 2015 and 2016 were summarised as follows:

	Year ended 30 June	
	2016	**2015**
	HK$'000	*HK$'000*
Copper ore processed (tonnes)	83,189	182,485
Production of Copper Ore Concentrates (Metal tonnes)	429	794
Sales of Copper Ore Concentrates (Metal tonnes)	433	884
Average selling price per Metal (t) (without VAT) (RMB)	22,283	32,746

During the year, turnover of this segment was approximately HK$11.6 million (2015: HK$36.5 million), and the segment loss before finance costs, tax, write-off of inventory, impairment of property, plant and equipment, other non-current assets, amortisation and impairment of mining right was approximately HK$8.0 million (2015: HK$16.8 million).

During the second half of the year, the production of Damajianshan mine has been put on hold to reduce losses due to the continuous drop in copper price.

Copper ore processed decreased by 54% to 83,189 tonnes in 2016, mainly due to uncertainty in copper price and production was put on halt.

In 2016, global copper supply continued to outstrip demand. This, together with concerns about the growth of the Chinese economy continued to weigh on copper prices. The average realised copper price decreased by 32% to RMB22,283 in 2016. (10% to RMB32,746 in 2015). Given such difficult business environment in the industry, the directors have resolved that the Group will no longer finance the continuing development of the copper mine as it is not expected to be commercially justifiable to continue the exploration and production in the near future.

6.1 Impairment Loss

As at 31 December 2015, the Group has assessed and concluded the recent sustained copper price weakness to be impairment indicator and therefore an impairment assessment was concluded. Based on the impairment assessment, an impairment of approximately HK$41,200,000 was recognised during six-month period ended 31 December 2015.

Subsequent to the impairment recognised for the period ended 31 December 2015, the Group has continued to assess whether any indications of impairment exist. In view of sustained copper price weakness, and the potential increase in capital expenditure to meet the new local requirements for environmental protection, the Group has recognised a full impairment against the mining right in the PRC. The total impairment loss for the year ended 30 June 2016 is HK$208,801,000 (2015: HK$225,000,000). Other non-current assets related to the mine (including deposits for land restoration costs and property, plant and equipment) amounting to HK$33,239,000 were fully written off.

6.2 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 write-off of inventory, impairment of property, plant and equipment, impairment of other non-current assets, amortisation and impairment of mining right) in the PRC during the year amounted to approximately HK$19.6 million (2015: HK$53.5 million). Expenditure associated with exploration activities amounted to approximately HK$3.3 million (2015: HK$15.9 million).

During the year ended 30 June 2016, capital expenditures of HK$1.2 million has been capitalised as property, plant and equipment (30 June 2015: HK$1.6 million).

6.3 Exploration

There is no material change to the resources and reserves in the Damajianshan Mine during the year.

Exploration activities and tunneling works continued until 31 December 2015.

7 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, equity funding and borrowings. The Group's ability to achieve its Marillana iron ore project development schedule is reliant on access to appropriate and timely funding.

On 19 September 2016, the Group obtained a loan from its substantial shareholder amounted to US$5,130,000 (equivalent to HK$40,000,000). The loan was drawn down on 20 September 2016 and such loan is unsecured, bears interest at 12% per annum and is repayable on 19 December 2017.

The current ratio is measured at 0.48 times as at 30 June 2016 compared to 1.17 times as at 30 June 2015.

The gearing ratio of the Group (long term debts over equity and long term debts) is measured at 0.06 (2015: 0.02).

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 2016.

8 RISK DISCLOSURE

(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 expected future 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 dollar. 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.

(c) Renewal of mining license

The mining license of the Group's copper mine has expired in July 2016 and application to renew the license had been submitted. Although the renewal of such mining license is currently in progress, there is still uncertainty that the authority will impose new requirements for the renewal or such renewal is rejected.

9 FINANCIAL GUARANTEE

At 30 June 2015 and 2016, the Company did not have any financial guarantees.

10 CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 30 June 2016.

11 STAFF AND REMUNERATION

As at 30 June 2016, the Group employed 42 full time employees (2015: 238 employees), of which 24 employees were in the PRC (2015: 212 employees), 7 employees were in Australia (2015: 9 employees) and 11 in Hong Kong (of which includes 6 non-executive directors) (2015: 17 employees).

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.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following unaudited pro forma consolidated balance sheet, the unaudited pro forma consolidated statement of comprehensive income, the unaudited pro forma consolidated statement of cash flows and related notes of Brockman Mining Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), and the unincorporated joint venture (the "**UJV**") to be established (collectively the "**Enlarged Group**") (the "**Unaudited Pro Forma Financial Information**") has been prepared based on the consolidated balance sheet, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group as set out the annual report of the Company for the year ended 30 June 2018 after making pro forma adjustments as set out below.

This Unaudited Pro Forma Financial Information has been prepared to illustrate the impact on the Group's financial position, financial performance and cash flows, where relevant, regarding the formation of the unincorporated joint venture as if the formation had taken place at 30 June 2018 for the unaudited pro forma consolidated balance sheet and as if the formation had taken place on 1 July 2017 for the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information contained in this circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Proposed Transaction been completed as at 30 June 2018 or any future date.

Unaudited pro forma consolidated balance sheet of the Enlarged Group as at 30 June 2018

	Audited consolidated balance sheet of the Group At 30 June 2018	Pro forma adjustments				Unaudited pro forma consolidated balance sheet of the Enlarged Group At 30 June 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	
Non-current assets						
Mining properties	802,617	(802,617)	563,663			563,663
Property, plant and equipment	268					268
Interests in joint ventures	126	563,663	(563,663)			126
Other non-current assets	538					538
	803,549					564,595
Current assets						
Other receivables, deposits and prepayments	390					390
Cash and cash equivalents	34,258			57,900		92,158
	34,648					92,548
Total Assets	838,197					657,143
Equity						
Share capital	916,198					916,198
Reserves	(331,473)				(1,200)	(332,673)
Total equity	584,725					583,525

	Audited consolidated balance sheet of the Group At 30 June 2018	Pro forma adjustments				Unaudited pro forma consolidated balance sheet of the Enlarged Group At 30 June 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	
Non-current liabilities						
Deferred income tax liabilities	238,954	(238,954)				—
Borrowings	11,508			57,900		69,408
Provisions	58					58
	250,520					69,466
Current liabilities						
Other payables and accrued charges	2,952				1,200	4,152
Total liabilities	253,472					73,618
Total equity and liabilities	838,197					657,143

Unaudited pro forma consolidated statement of comprehensive income of the Enlarged Group

	Audited consolidated statement of comprehensive income of the Group for the year ended 30 June 2018	Pro forma adjustment	Unaudited Pro Forma consolidated statement of comprehensive income of the Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*
	Note 1	*Note 5*	
Continuing operations			
Revenue	—		—
Cost of sales	—		—
Gross profit	—		—
Other income	300		300
Other losses	(208)		(208)
Selling and administrative expenses	(34,644)	(1,200)	(35,844)
Exploration and evaluation expenses	(9,460)		(9,460)
Operating loss	(44,012)		(45,212)
Finance income	26		26
Finance costs	(4,511)		(4,511)
Finance costs, net	(4,485)		(4,485)
Share of losses of joint ventures	(562)		(562)
Loss before income tax	(49,059)		(50,259)
Income tax expense	—		—
Loss for the year from continuing operations	(49,059)		(50,259)
Discontinuing operation			—
Profit for the year from discontinued operation	157,145		157,145
Profit/(loss) for the year	108,086		106,486

	Audited consolidated statement of comprehensive income of the Group for the year ended 30 June 2018	Pro forma adjustment	Unaudited Pro Forma consolidated statement of comprehensive income of the Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*
	Note 1	*Note 5*	
Other comprehensive loss			
Item that may be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations	(12,451)		(12,451)
Reclassification of translation reserve arising from disposal of subsidiaries	(55,578)		(55,578)
Other comprehensive loss for the year	(68,029)		(68,029)
Total comprehensive income for the year	40,057		38,457
(Loss)/profit for the year attributable to equity holders of the Company			
Continuing operations	(49,059)	(1,200)	(50,459)
Discontinued operation	157,145		157,145
Total comprehensive (loss)/income attributable to equity holders of the Company			
Continuing operations	(61,510)	(1,200)	(62,710)
Discontinued operation	101,567		101,567

Unaudited pro forma consolidated statement of cash flows of the Enlarged Group

	Audited consolidated statement of cash flows of the Group for the year ended 30 June 2018	Pro forma adjustments		Unaudited Pro Forma consolidated statement of cash flows of the Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 4*	*Note 5*	
Cash flows from operating activities				
(Loss)/profit before income tax				
Continuing operations	(49,059)		(1,200)	(50,259)
Discontinued operation	157,145			157,145
Adjustments for:				
Depreciation of property, plant and equipment	172			172
Share-based compensation	2,705			2,705
Finance income	(26)			(26)
Finance costs	4,938			4,938
Loss on disposal of property, plant and equipment	208			208
Gain on disposal of subsidiaries	(156,201)			(156,201)
Share of losses of joint ventures	562			562
Exchange loss	8,608			8,608
Operating cash flows before movements in working capital	(30,948)			(30,948)
Decrease in other receivables and deposits	554			554
Decrease in provisions	(307)			(307)
Decrease in trade and other payables	(3,262)			(3,262)
Increase in amounts due to related parties	382			382
Net cash used in operating activities	(33,581)			(34,781)

	Audited consolidated statement of cash flows of the Group for the year ended 30 June 2018	Pro forma adjustments		Unaudited Pro Forma consolidated statement of cash flows of the Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 4*	*Note 5*	
Cash flows from investing activities				
Interest received	26			26
Proceeds from disposal of property, plant and equipment	3,160			3,160
Purchases of property, plant and equipment	(126)			(126)
Investments in joint ventures	(249)			(249)
Net cash outflows arising from disposal of subsidiaries	(140)			(140)
Net cash generated from in investing activities	2,671			2,671
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	32,158			32,158
Proceeds from borrowings	11,000	57,900		68,900
Interest paid	(1,908)			(1,908)
Net cash generated from financing activities	41,250			99,150
Net increase in cash and cash equivalents	10,340			67,040
Cash and cash equivalents at beginning of the year	23,995			23,995
Effects of foreign exchange rate changes	(77)			(77)
Cash and cash equivalents at end of the year	34,258			90,958

Notes to the unaudited pro forma financial information of the Group as at 30 June 2018

1. The amounts are derived from the audited consolidated balance sheet of the Group as at 30 June 2018 as set out in its published announcement in relation to the consolidated financial statements for the year ended 30 June 2018. The auditor has included an emphasis of matter paragraph with respect to the going concern matter in the auditor's report for the year ended 30 June 2018. The auditor's opinion is not qualified in respect of this matter.

2. The Group de-recognises the carrying value of mining properties of the Marillana Project and related deferred tax liabilities arising from the mining properties at the point the UJV is established, upon the farm in obligations being met by Polaris Metals Pty Ltd ("**Polaris**") and the mining properties are transferred to the UJV.

   For the purpose of unaudited pro forma financial information, the directors have made an assessment on whether there is any impairment in respect of the mining properties in Australia as at 30 June 2018 with reference to International Accounting Standards 36 "Impairment of Assets"

   The directors performed assessment of impairment indicators for mining properties in Australia as at 30 June 2018, taking into account of long-term iron ore price and long-term exchange rate of Australian dollars to United States dollars, estimated mine life, production volumes and capital and operating costs, and concluded that there was no indication that the recoverable value of the mining properties had changed adversely, and thus, there is no impairment in the carrying amount of mining properties in Australia.

3. The UJV is accounted for as a joint operation in accordance with International Financial Reporting Standards 11, "Joint Arrangement". On the basis of recognising the Group's 50% share of assets and liabilities individually, the Group will recognise its 50% share of mining properties in the UJV in the amount of HK$563 million which is equivalent to the book value of the Group's mining properties net of the related deferred income tax liabilities as at 30 June 2018 being de-recognised in pro forma adjustment 2 above. This amount represents the expected value of the mining properties contributed and intangible assets relevant to the potential infrastructure solution from Polaris that cannot be separately measured.

4. Pursuant to the loan agreement entered with Polaris dated 26 July 2018, following the UJV is formed, an interest free loan of AUD10 million (equivalent to approximately HK$57.9 million) will be received from Polaris.

5. The pro forma adjustment represents the estimated transaction costs of approximately HK$1.2 million. For the purpose of the unaudited pro forma consolidated balance sheet of the Enlarged Group, the amount of approximately HK$1.2 million is payable by the Company in connection with the acquisition at the completion date.

   For the purpose of unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Enlarged Group, the estimated transaction costs of approximately HK$1.2 million is assumed to be paid by the Company upon establishment of the UJV. This pro forma adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated statement of comprehensive income or unaudited pro forma consolidated statement of cash flows of the Enlarged Group.

6. No other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2018 for the purpose of preparation of the Unaudited Pro Forma Financial Information. In particular, the payment of transaction costs shall also be reflected in the pro forma cash flow.

7. For the purpose of this Unaudited Pro Forma Financial Information, the amounts stated in AUD are converted into Hong Kong dollars at a rate of AUD1.00 to HK$5.79. No representation is made that AUD amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO-FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF BROCKMAN MINING LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Brockman Mining Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") and the proposed formation of unincorporated joint venture (collectively the "**Enlarged Group**") by directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated balance sheet of the Enlarged Group as at 30 June 2018, the unaudited pro forma consolidated statement of comprehensive income of the Enlarged Group for the year ended 30 June 2018, the unaudited pro forma consolidated statement of cash flows of the Enlarged Group for the year ended 30 June 2018 and the related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages III-1 to III-9 of the Company's circular dated 19 December 2018, in connection with the proposed transfer of 50% of Marillana project to Polaris Metals Pty Ltd. (the "**Polaris**") and formation of the unincorporated joint venture between Polaris and the Company (the "**Proposed Transaction**"). The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-9.

The unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the Group's financial position as at 30 June 2018 as if the Proposed Transaction had taken place at 30 June 2018; and the Group's financial performance and cash flows for the year ended 30 June 2018 as if the Proposed Transaction had taken place at 1 July 2017, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors from the Group's audited consolidated financial statements for the year ended 30 June 2018, on which an audit report has been published with an emphasis of matter being issued.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to the Accounting Guideline 7 **Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars** ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, **Assurance Engagements to Report on the Compilation of Pro Forma Information Included in a Prospectus**, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Transaction at 30 June 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro-forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 19 December 2018

GOLDER

REPORT

Brockman Mining Ltd

Marillana Iron Ore Project – Mineral Resource and Ore Reserve Statement

Submitted to:

Mr Colin Patterson
Brockman Mining Australia Pty Ltd
on behalf of Brockman Mining Ltd

Submitted by:

Golder Associates Pty Ltd
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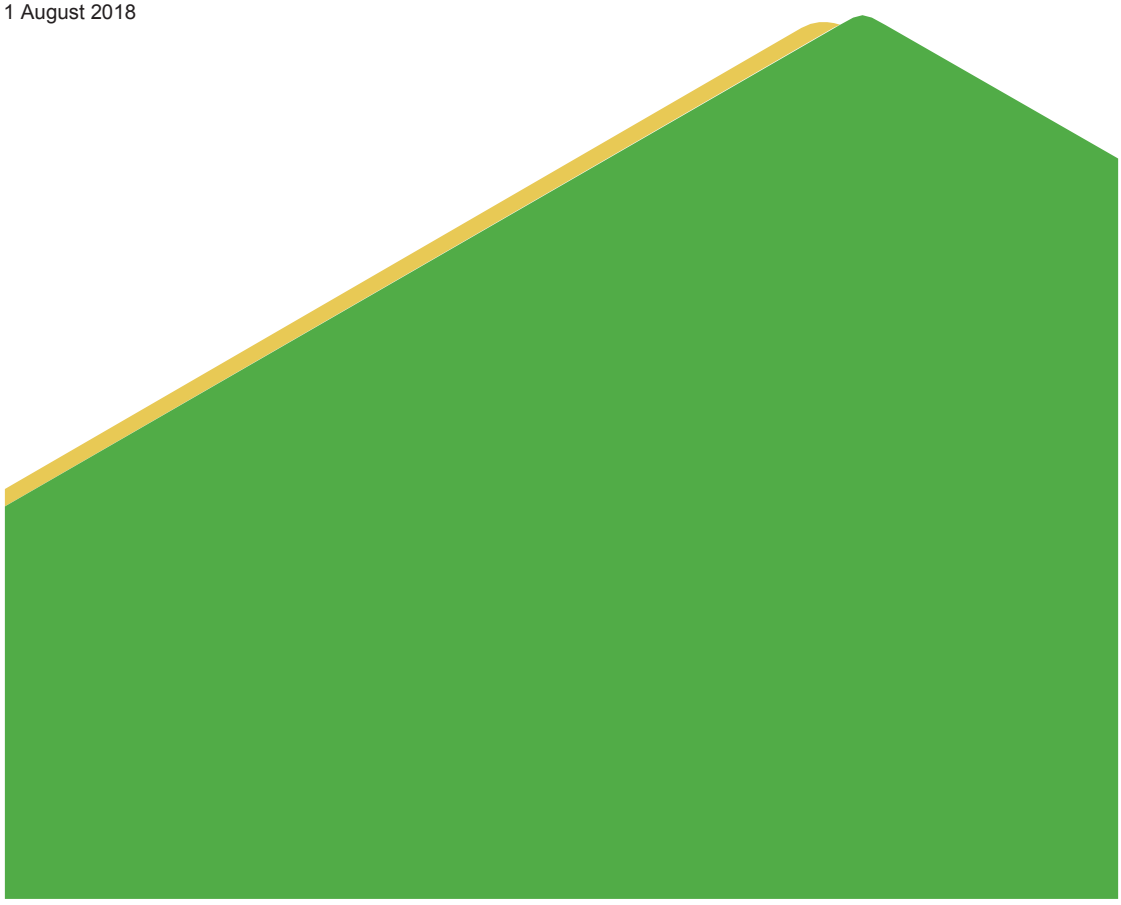
1662211-003-R-Rev1

1 August 2018



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1.0 INTRODUCTION

Brockman Mining Australia Pty Ltd (Brockman) commissioned Golder Associates Pty Ltd (Golder) to assist with updating the Mineral Resource and Ore Reserve estimates for the Marillana Project in Western Australia.

Golder completed the previous resource estimate in August 2010 (Golder report "*097641377-005-R-Rev0 Marillana Resource Report.pdf*", dated August 2010). Ore Reserves have been previously declared for the Marillana Project on completion of a Definitive Feasibility Study in 2010 (DFS). The Mineral Resources and Ore Reserves were previously estimated under the JORC 2004 guidelines. The project did not proceed at the time due to a softening of the Iron Ore price and general global market downturn of the time.

An updated estimate of the Mineral Resources has been prepared in accordance with the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition) and incorporates metallurgical knowledge acquired by Brockman since 2010.

An updated estimate of the Ore Reserves has been prepared in accordance with the JORC 2012 guidelines using the updated Mineral Resource model whilst constraining the mining area to within the DFS defined pit outline and adjusted for revised tenement boundaries. Revised input costs and Iron Ore price forecast have been used with the Mineral Resource providing a basis for the 2018 Ore Reserves.

1.1 Liabilities

Brockman has informed Golder that there are no material liabilities associated with the Marillana Project beyond those set out in this report.

1.2 Sources of information and responsibility

The report relies upon various reports and other material prepared by Golder, Brockman and Brockman's staff and consultants. The directors of Brockman have informed Golder that they have provided full access to all data available to them and have provided a guarantee of Golder's independence prior to issue of the report. Further, Brockman has warranted to Golder that all material information is, to the best of Brockman's knowledge and belief (including where it would reasonably be expected to be aware, even if it does not have actual knowledge) is complete and accurate in all material respects.

While Golder has reviewed the data and other information contained in the reports and other material provided to it and is not aware of any reason to doubt that such data and information is complete and accurate, Golder was not responsible for the preparation of those reports and other material. Brockman has reviewed a draft version of this report and advised Golder that all information contained herein fairly and accurately reflects the information provided to Golder by Brockman.

The report is also based on statutory tenement reports and information in the public domain. That information and the reports and other material provided by Brockman has been combined with information gathered independently by Golder during the course of the study.

Golder has taken reasonable care to ensure that the information contained in this report is in accordance with the facts and information available to it and is unaware of any omission likely to affect its import. Subject to the information provided above in this section and the statement of Important Information in Section 10.0 of the report, Golder accepts responsibility for the report provided that Golder does not accept responsibility for any loss or damage suffered by any person other than Golder's client as a result of any reliance (whether actual or claimed) upon any part of this report, decisions made based upon this report or any other use of it. In this regard, the attention of any reader of the report is specifically drawn to Section 10.0 and Appendix A of the report.

2.0 PROJECT LOCATION AND LAND HOLDING

The Marillana Project is located in the Pilbara region of Western Australia, approximately 100 km north-north-west of the township of Newman. The project comprises a single granted Mining Licence (M47/1414) covering an area of approximately 82 km^2 (Figure 1 and Figure 2).

Exploration at the Marillana Project has predominantly been carried out using reverse circulation (RC) drilling, with selected drill holes twinned using sonic core to confirm the RC drill results and Calweld bucket drilling techniques to provide samples for metallurgical test work. Between mid-2006 and the end of 2009, Brockman completed 1292 RC drill holes for 75,494 m, 59 sonic core holes for 2,595 m, 34 diamond drill holes for 1,708 m, and 15 Calweld bucket drill holes for 220 m within the Marillana Project area.

Prior to the work by Brockman, limited reconnaissance drilling was carried out by Hamersley Iron (a subsidiary of Rio Tinto). A total of 31 holes were drilled within the current resource area and 19 other drill holes were completed within Brockman's tenement and did not intersect mineralisation.

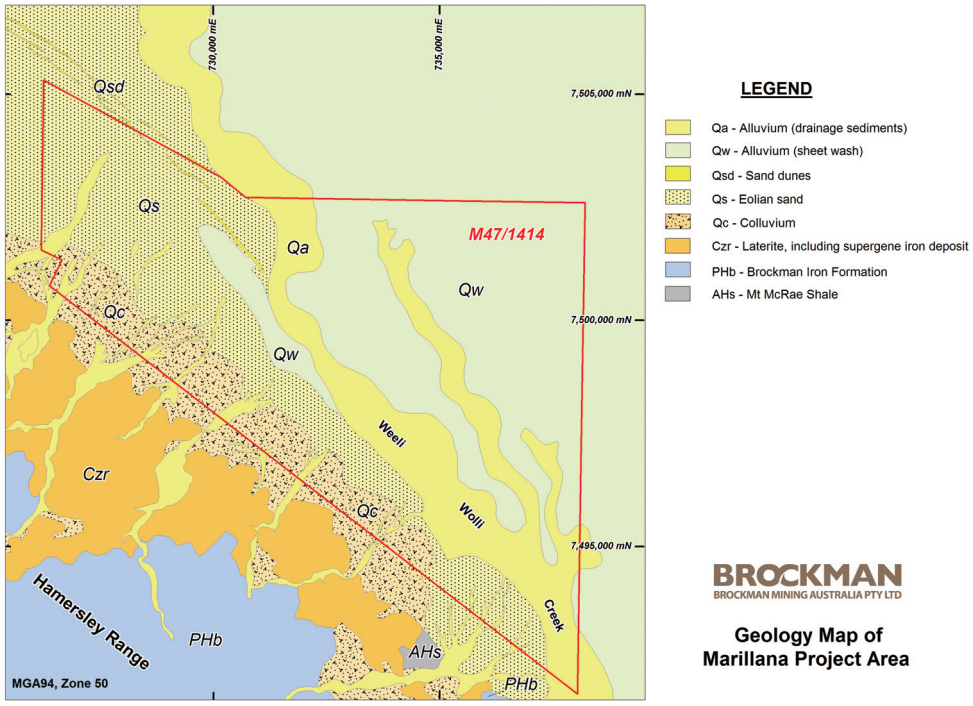

Figure 1: Regional Geology Plan showing the Project Tenement Boundary.

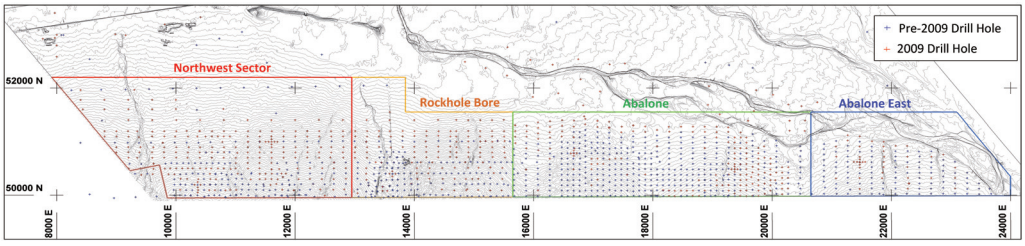

Figure 2: Drill Hole Locations, Deposits and 0.5 m Topographic Contours

3.0 GEOLOGY

The Marillana Project is located within the Hamersley Province on the southern Pilbara Craton of Western Australia (Figure 1). The Province is characterised by a thick succession of low grade metamorphic, late Archaean to early Paleoproterozoic rocks, known as the Mt Bruce Supergroup. The Mt Bruce Supergroup is composed of volcanic rocks, banded iron formations (BIFs), carbonate and clastic rocks, which unconformably overly an Archaean granite and greenstone basement. The Mt Bruce Supergroup is subdivided into four Groups; the basal Fortescue Group, which is overlain by the Hamersley Group, the Turee Creek Group and the uppermost Wyloo Group.

The Hamersley Group is approximately 2,500 m thick sequence of BIF, shale, dolomite, mafic volcanics and dolerite sills, and is Archaean to Paleoproterozoic in age. A notable feature of this Group is the presence of five major BIF units that are laterally continuous throughout the Province with no apparent facies change. Two of these BIF units, the Marra Mamba Iron Formation and the Brockman Iron Formation host the major iron ore deposits in the Pilbara, and are the source for most detrital iron deposits.

The detrital deposits at Marillana are correlated with the regional Cenozoic detrital sequence consisting of the following units:

- CzD1: Palaeogene basal ferruginous silts and clays with DID gravels capped by DID hardcap zones.

- CzD2: Oligocene – Miocene mottled clays, silts conglomerates and sideritic-pyritic-organic horizons capped with a thin CID equivalent that is overlain by calcrete and silcrete.

- CzD3: Pliocene DID and Quaternary alluvials.

The Marillana stratigraphy consists of an upper sequence of alluvium and colluvium which contain the impure haematite detritals (correlated with CzD3) and a lower sequence of CID and calcrete (correlated with CzD2). The detrital sequence is contained within a series of colluvial fans.

Brockman have subdivided CzD3 and CzD2 into the following units:

- **Aeolian sand and gravels (TOB)** – The TOB consists of wind-blown sand, loose gravely sand or sandy gravels with rapid phase changes. It is composed of angular, totally unsorted, mainly chert, some BIF fragments and minor detrital hematite or goethite, in a silty matrix of varied proportion of sand and gravel ratios.

- **Siliceous Hematite Detritals (HDS)** – HDS is a low-grade or impure unconsolidated hematite detrital that contains up to 50% detrital hematite (including maghemite and goethitic hematite). The contact with the overlying TOB is gradational, and is recognisable due to the significant increase in hematite. The term 'siliceous' implies that this zone has significant siliceous fragments (mainly chert).

- **Hematite Detritals (HD)** – HD is characterised by its dark red brown colour and abundant (>70%) detrital hematite (including maghemite and goethitic hematite) and goethite. It is unconsolidated, moderately sorted, with sub to well-rounded granules of hematite. The pisolith content is generally less than 30%.

- **Pisolitic Hematite Detritals (HDP)** – HDP is similar to HD, but with significant increase of pisoliths, ranging from 30% to 70%.

- **Loose Pisolite & Pisolitic Clay (LPC)** – Loose Pisolite is underneath the HD or HDP zones. It is characterised by unconsolidated, well-sorted, well rounded 1-3 mm pelletoids (or ooids) in fine sand or clays. LP may grade into Pisolitic Clay (LPC) as a result of a lateral facies change. The latter is essentially clays with minor fine grained (often <1 mm) pisoliths.

- **Channel Iron Deposit (CID)** – Buried CID occur at Northwest Sector, Rockhole Bore and Abalone (Figure 2). The CID varies from a weathered (or decomposed) siliceous CID (SCID) which may contain minor quartz grains, to red brown hard CID, and to an ochreous basal CID (BCID). The CID may be partly cemented in some locations.

- **Calcrete** – An extensive calcrete zone occurs below the hematite detrital (and loose pisolite) sequence in the northern part of the deposit. At Abalone, a poorly mineralised lower CID zone occurs below or the main calcrete zone.

The contacts between the detrital stratigraphic units (i.e. TOB, HDS, HD, HDP and LP) are gradational with pisolite content (and Fe) increasing proportionally with depth. The TOB and HDS/HDS zones are mostly present and vary in thickness more rapidly in a north-south direction than the E-W direction. The HD zone is usually graded into the underlying pisolite zone. By comparison, the occurrence of buried CIDs is much more localised.

The haematite detrital (DID) mineralisation which comprises the HDS, HD, and HDP zones is the basis of the estimated Mineral Resources for the Marillana Project.

4.0 MINERAL RESOURCE ESTIMATION

This Mineral Resource estimate is based on a number of factors and assumptions as outlined in the sections below.

4.1 General

- All of the available drilling data was used for the Mineral Resource estimation.

- The survey control for collar positions was considered adequate for the purposes of this study.

- Stratigraphic horizons were interpreted on cross-section and modelled in three dimensions to define geological domains that were used to flag the sample data for statistical analysis and limit the resource estimation.

- A review of the analytical quality assurance and quality control (QA/QC) data was completed. The QA/QC program included company certified reference materials, field duplicates and laboratory repeats. No apparent discrepancies that would impact were identified.

- A comparison of the analytical results and sample recoveries from twin reverse circulation and diamond drill holes as well as twin reverse circulation and sonic drill holes was completed. The results of this review allowed Measured Resources to be classified for detrital mineralisation above the water table only.

- Statistical and geostatistical analysis was carried out on drilling data composited to 2 m downhole. This included variography to model spatial continuity relationships in the geological domains.

- The Ordinary Kriging interpolation method was used for the estimation of Fe, SiO_2, Al_2O_3, P and LOI, using variogram parameters defined from the geostatistical analysis.

- Dry bulk density was assigned to each of the geological domains. The density values were derived from geophysical logging of 22 diamond drill holes.

4.2 Mining and geometallurgical considerations

- The geometry of the deposit is amenable to open pit mining and Brockman have completed a significant body of work that demonstrates the feasibility of a mining operation at the site.

- Included in the studies has been a substantial metallurgical test work programme. From these studies, Brockman has chosen a preferred processing option using Dense Media Separation (DMS) for DID ores. CID ore is expected to be direct shipping ore (DSO).

- Estimation of geometallurgical parameters is based on 44 samples collected throughout the ore zone stratigraphy. Samples were collected using PQ triple-tube drilling techniques.

- Estimation of mass recovery and concentrate grades for Fe, Al_2O_3, SiO_2, and LOI was by a geostatistical technique called Projection Pursuit Multi-variate Transform (PPMT). This uses actual test work results to estimate block model metallurgical parameters. Where estimation is not possible due to outlier Al_2O_3 and SiO_2 grades, a regression formula developed by Brockman is used. Blocks assigned grades are downgraded in classification due to the uncertainty in the estimate of metallurgical parameters.

- Mineral Resources for the DID require beneficiation and are reported at a cut-off grade of 38% Fe. This cut-off grade is selected based on the Mineral Resources having sufficient mass recovery to warrant processing and achieve an acceptable product grade of at least 60% Fe, ~3% Al_2O_3, and 6.5% SiO_2.

- Brockman have undertaken metallurgical test work and determined that additional yield may be possible via processing the naturally occurring fines reject stream through a reflux classification circuit or by reducing the screen cut size to enable some of the fines reject stream to be processed through the DMS circuit. Yield estimates in the Mineral Resource exclude estimates of secondary product streams.

- The CID Mineral Resources are reported at a cut-off grade of 52% Fe. This cut-off grade is selected based on the Mineral Resources achieving an acceptable product grade.

4.3 Resource classification

- The Mineral Resources on the Marillana Project are classified in accordance with the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

- The classification of Mineral Resources is on the basis of data density and quality, representativeness of sampling, geological confidence criteria, the position of the water table, estimation performance parameters, and confidence in the estimates of metallurgical parameters.

5.0 MINERAL RESOURCE STATEMENT

The Mineral Resources on the Marillana Project are classified in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

The classification of Mineral Resources is considered appropriate on the basis of data density and quality, representativeness of sampling, geological confidence criteria, the position of the water table, estimation performance parameters, and metallurgical performance.

The resource is based on an Ordinary Kriging interpolated block model. The Mineral Resource has been defined using geological boundaries and a cut-off of 38% Fe for DID mineralisation and a cut-off of 52% Fe for the CID mineralisation. The cut-off grades were selected based on the Mineral Resources achieving an acceptable product recovery and grade.

Table 1 and Table 2 present the Mineral Resources for the Project as at 1 August 2018.

Table 1: Marillana DID *in situ* Mineral Resource at a cut-off grade of 38% Fe

Classification	Tonnes (Mt)	Fe%	Al_2O_3%	SiO_2%	P%	LOI%	Mass Recovery %
Measured	170	41.6	4.8	30.4	0.06	4.1	36.6
Indicated	962	42.3	5.2	29.7	0.06	3.4	37.8
Inferred	273	42.0	5.8	29.5	0.06	3.4	36.0
Total	**1,404**	**42.2**	**5.3**	**29.7**	**0.06**	**3.5**	**37.3**

Total tonnes may not add up, due to rounding.

Table 2: Marillana CID *in situ* Mineral Resource at a cut-off grade of 52% Fe

Classification	Tonnes (Mt)	Fe%	Al_2O_3%	SiO_2%	P%	LOI%
Indicated	84	55.8	3.6	5.0	0.10	9.8
Inferred	18	54.4	4.3	6.6	0.08	9.3
Total	**102**	**55.6**	**3.7**	**5.3**	**0.09**	**9.7**

6.0 ORE RESERVES ESTIMATION

This Ore Reserve estimate is based on a number of factors and assumptions as outlined in the sections below.

6.1 Mining model

- The updated mineral resource model is the basis for the mining model used for Life of Mine (LOM) planning and assessment reporting.

- The mining input model has been re-blocked from the Mineral Resource model (Section 5.0) using a re-block size of 20 m × 20 m × 6 m. The 6 m vertical height is deemed the minimum practical flitch height for bulk-mining with the proposed mining method. A comparison of re-blocked model compared to the parent mineral resources model indicated a 5.1% ore loss (4.7% on DID and 11.7% on the CID ore fraction). The use of the re-blocked mining model provides fair representation of the anticipated ore loss and dilution with the proposed mining method.

- Iron Ore grades have been supplied with the resource model and are estimated for recovered 61% Fe product for the DID ore and In-Situ grades for the CID direct ship ore.

- An estimated marginal cut-off grade has been used at 38% Fe for the DID and 52% Fe for the CID ore.

- Iron Ore royalties of 5% of the CFR price were considered for LOM planning and assessment purposes.

- Metallurgical test work was used to estimate the recoverable fraction from the DID ore component, with iron grade, silica and alumina estimates being coded in the block model based upon dense media separation (DMS) test work expected outputs for a 60% Fe product.

- An input process cost has been estimated at $4.52/t for DID ore processing and $4.91/t for CID ore processing plus an additional $1.50/t has been allowed for stockpile (s/p) reclaim – all tonnes are assumed to be on a dry basis. Process costs, and mining costs have been derived from the initial DFS with appropriate allowance for cost inflation since completion of the DFS.

6.2 Pit optimisation

- The base case optimisation was determined as part of the DFS study and was ran using Measured and Indicated Resources only, with cut-off grades of 38% Fe for DID and 52% Fe for CIDs.

- No cut-off has been applied for Al_2O_3, SiO_2 or P.

6.3 Mine scheduling

Mine scheduling aims to maximise value through the deferring of larger strip-ratio cut backs until later in the mine life. A commercial linear programming software package (Minemax Scheduler) is used to model the mining sequence, the processing plant, and different ore feeds to maximise Net Present Value (NPV) for the nominated parameters and constraints. Major constraints include the process plant throughput, ore and total rock mining limits. The material selection to satisfy processing requirements is based on a cut-off grade, ore definition derived from mining, processing and selling costs.

- The maximum value pit was selected using a discounted average Net Present Value and determined to align with a 0.8 revenue factor shell using estimated LOM input prices and costs.

- The LOM final pit was staged such that there are three identified phases operating over multiple pit areas within the LOM pit. Though the general mining removal method using Bucket Wheel Excavators remains as an option, it is likely that a trade-off with large electric rope shovels may show similar costing and volume capacity equivalence.

- Three mining systems have been incorporated in the mine plan with the second system becoming operational in year 7 and the third mining system becoming operational in year 16. The planned mining operational movement is shown in Figure 3.

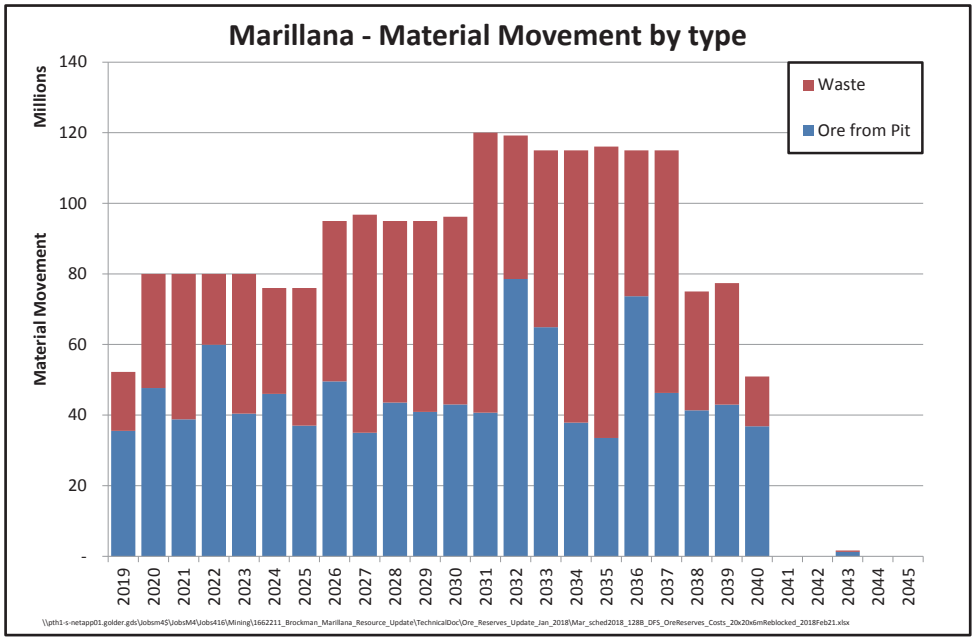

Figure 3: Marillana planned annual material movement

- The material movement profile is aimed at producing a targeted maximum 15 Mtpa of DID ore product, with supplemental CID product being limited to an additional 3.5 Mtpa, giving a total annual maximum movement of 18.5 Mt. The annual material movement of exported ore products from the Marillana project can be seen in Figure 4.

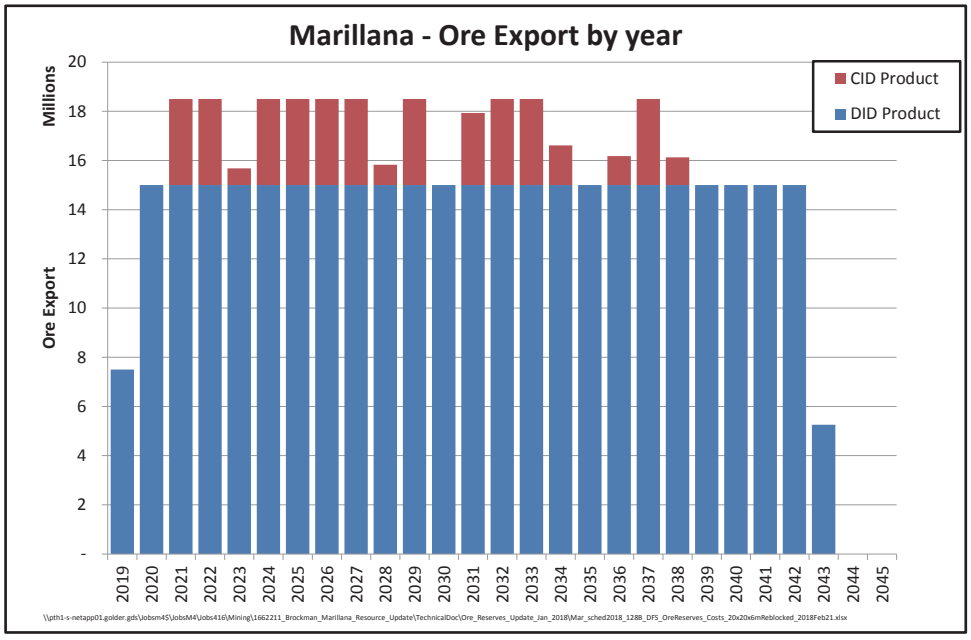

Figure 4: Marillana planned annual ore export

6.4 Ore reserve classification

All of the Ore Reserves at Marillana are derived from Measured and Indicated Resources. The Mineral Resource estimate reported is inclusive of the Ore Reserves. Inferred Mineral Resource is treated as waste in the pit optimisation process.

A final decision on the transportation method and costing for exporting the iron ore product from site to port and port handling with trans-shipment is to be completed. The project remains sensitive to material transport costs and the effective implementation of a suitable rail transport solution is an important aspect of the project value.

The Ore Reserves have been classified as Probable in that several aspects of the DFS study although technically valid will require cost estimate updates or confirmation.

The project has been determined to be economically viable and technically feasible under the stated assumptions used in the study.

7.0 ORE RESERVES STATEMENT

The Ore Reserves for the Marillana Project are classified in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

The classification of Ore Reserves is considered appropriate on the basis of Mineral Resource confidence and likely precision of modifying factors.

The Ore Reserves have been defined using a cut-off of 38% Fe for DID mineralisation and a cut-off of 52% Fe for the CID mineralisation within the final pit and tenement boundary limits.

As of 1 August 2018, the Marillana project has a total estimated Probable Ore Reserves of 967 Mt of DID plus 46 Mt of direct ship CID (Table 3). The total saleable product from the processed iron ore feed is estimated at 404 Mt at 60% Fe, with an average SiO_2 grade of 6.1% and an Al_2O_3 grade of 3.1% (Table 4).

Table 3: Marillana Project – Ore Reserves – 1 August 2018

Reserves Class	Ore Type	Fe Cut-Off Grade (%)	Tonnes (Mt)
Probable	CID	52%	46
Probable	DID	38%	967
Probable	Total Ore		1,013
Waste			1,007

LOM Strip ratio = 1.0:1 (W:O t:t)

Some 70 Mt of Inferred material is included within the total waste reported above.

Table 4: Marillana Project – Ore Reserves export product – 1 August 2018

Reserves Class	Ore Sale Type	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	LOI (%)
Probable	CID Product	46	55.5	5.3	3.7	9.7
Probable	DID Product	358	60.3	6.2	3.0	2.5
Probable	Total Ore	404	59.8	6.1	3.1	3.3

8.0 THE JORC CODE ASSESSMENT CRITERIA

The JORC Code, 2012 Edition describes a number of criteria, which must be addressed in the Public Reporting of Mineral Resource estimates. These criteria provide a means of assessing whether or not parts of or the entire data inventory used in the estimate are adequate for that purpose. The Mineral Resource estimates stated in this document were based on the criteria set out in Table 1 of that Code. These criteria are discussed in Table 5 as follows.

Table 5: JORC Code Table 1

JORC Code Assessment Criteria	Comment
Section 1 Sampling Techniques And Data	
Sampling Techniques *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Exploration at the Marillana Project has predominantly been carried out using reverse circulation (RC) drilling, with selected drill holes twinned using sonic core to confirm the RC drill results and Calweld bucket drilling techniques to provide samples for metallurgical test work. • Between mid-2006 and the end of 2009, Brockman completed 1292 RC drill holes for 75,494 m, 59 sonic core holes for 2,595 m, 34 diamond drill holes for 1,708 m, and 15 Calweld bucket drill holes for 220 m within the Marillana Project area.

JORC Code Assessment Criteria	Comment
Drilling Techniques *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.), and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling has been completed using the RC technique. A limited number of holes have been drilled using diamond, sonic and Caldwell techniques to collect bulk samples and for comparative purposes with the RC drill holes.
Drill Sample Recovery *Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drill sample recovery has been recorded predominantly as estimated percentage recovery. Sample recoveries for RC samples logged as dry, moist and wet are (on average) approximately 65%, 55% and 45%, respectively. Lower RC sample recoveries and the potential loss of fine material has resulted in lower Al_2O_3 and LOI values below the water table. A relationship is apparent between sample loss and Al_2O_3 grade. When sample recovery is poor, the Al_2O_3 grade is lower. This may be due to loss of fines in the recovered material.
Logging *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.), photography.* *The total length and percentage of the relevant intersections logged.*	• All Brockman drill holes were geologically logged for colour, shade, weathering, lithology, grainsize percentage in each fine, medium, course and very course fraction, roundness and pisolite percentage. • Logging information from the 65 Hamersley Iron drill holes is included in the Marillana database. The logging includes colour and shade information as well as a historical code for lithology that has not been converted to the current database format.

JORC Code Assessment Criteria	Comment
Sub-Sampling Techniques and Sample Preparation *If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc., and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples from RC drilling were collected in calico bags at the drill rig from a fixed cone splitter. The samples have been collected on one, two and four metre intervals. The one metre length samples were used for the majority of the hematite detrital and CID. The two metre length samples were primarily used for the Tertiary overburden. • Sample preparation, including drying, crushing, splitting, etc., was completed by the analytical laboratory (Ultra Trace).
Quality of Assay Data and Laboratory Tests *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Certified Reference Materials were routinely inserted at a rate of one standard for every 30 routine samples. Precision and accuracy of the analytical results were considered to be acceptable. Mislabelling of approximately 5% of standards and inadequate follow up of spurious standard results was noted by Golder. • Reasonable correlation between the routine and duplicated sample is observed for the field duplicates, and excellent correlation is observed for the laboratory duplicates. However, there is evidence of sample swaps and assay errors that have not been corrected or followed-up by Brockman.

JORC Code Assessment Criteria	Comment
Verification of Sampling and Assaying *The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	• Twinned holes are drilled next to pre-existing holes to enable checks on repeatability of drilling results and to enable assessment of very short scale geology and grade variability. 54 pairs of drill holes have been identified that are less than 5 m apart. • When analysing the grade profile down each pair of twinned holes, it was found that while the twinned diamond drill holes and RC drill holes have similar grade profiles, RC appear to return a lower grade of detrital fines below the water table. • No adjustments are made to data, but differences below the water table are considered during resource classification.
Location of Data Points *Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	• The majority of the recent drill holes have collar surveys completed by DGPS and GPS. The historical drill hole collars were also surveyed, however, the surveying technique is not known by Golder. Golder believes there may be a degree of uncertainty (possibly ±20 m) for the collar coordinates for historical drill holes. • Downhole surveying has not been completed for any of the drill holes. For the current resource estimate which is based on drill holes on 100 m by 100 m and 100 m and 200 m centres, the confidence in classification has not been materially impacted by the lack of downhole surveying. For definition of channel margins for the CID, downhole surveying may be required for future resource estimations. • Topographic contours at 0.5 m intervals cover the majority of Brockman's tenement. The accuracy of the topographic data is appropriate for the current resource estimate.

JORC Code Assessment Criteria	Comment

Data Spacing and Distribution
 	
Data spacing for reporting of Exploration Results.
 	
Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.
 	
Whether sample compositing has been applied.
	• Drill holes have been completed at several different patterns; an overview of these patterns is as follows:
	  • Abalone East: 200 m spaced cross-sections, with drill holes at 100 m centres on each cross-section.
	  • Abalone: 100 m by 100 m spaced drilling. The northern and western extensions to Abalone are drilled on 200 m spaced cross-sections, with drill holes at 100 m centres on each cross-section.
	  • Rockhole Bore: 200 m by 100 m spaced drilling on east-west and north-south orientated sections (northern extensions). A small area has been drilled using a 100 m by 100 m pattern.
	  • North-west Sector: 200 m spaced cross-sections, with drill holes at 100 m centres on each cross-section as well as an area of 100 m by 100 m spaced drilling in the south. The northern extensions of North-west Sector has 400 m spaced cross-sections, with drill holes at 200 m centres on each cross-section.
	• Each area also contains an east-west and north-south orientated cross of five drill holes on 50 m centres in each direction.
	• The geological continuity for the detrital sequence has been established by the current drilling density and is supported by the variography.
	• The geological continuity for the CID has been established with a lower level of confidence. Infill drilling is required to improve the confidence in the geological continuity for the CID.
	• All samples have been composited to a 2 m length.

JORC Code Assessment Criteria	Comment
Orientation of Data in Relation to Geological Structure *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of drill holes is approximately perpendicular to the orientation of the mineralisation and is considered to be unbiased.
Sample Security *The measures taken to ensure sample security.*	• Brockman state that all sample collection was supervised by Brockman staff and that samples were transported to the Ultra Trace laboratory (Perth) via regular courier and freight services.

Audits and Reviews
The results of any audits or reviews of sampling techniques and data.
	• An independent review of the Snowden (2008b) and Coffey (2009a) resource estimates was completed by CSA Global (2009). The purpose of the review was to assess the classification approaches adopted by Snowden and Coffey and to address any issues raised. The review also provided recommendations for appropriate drill densities for classification of Measured and Indicated Resources for the Marillana.
	• CSA Global (2009) identified and investigated numerous items that should be addressed for classification of Mineral Resources. These included:
	  • Appropriateness of drilling style for this style of mineralisation.
	  • Appropriateness of physical sampling technique.
	  • Sampling recovery.
	  • Geological interpretation, logging vs. Chemistry.
	  • Analytical QA/QC.
	  • Appropriateness of drill spacing.
	  • Continuity of geological interpretation.
	  • Estimation method.
	  • Bulk density.

JORC Code Assessment Criteria	Comment
	• CSA Global (2009) concluded that the appropriateness of drilling and sampling is confirmed, and assuming the conservative bulk density values, a significant portion of the Marillana project should be classified at least Indicated level, with the peripheral and more sparsely drilled areas classified as Inferred. CSA Global (2009) also concluded that several issues identified by Snowden (2008b) and Coffey (2009a) were not sufficient to downgrade resources from Indicated to Inferred.
Section 2 Reporting of Exploration Results	
Mineral Tenement and Land Tenure Status *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Marillana Project is located in the Pilbara region of Western Australia, approximately 100 km north north-west of the township of Newman. The project comprises a single granted Mining License (M47/1414) covering an area of approximately 82 km^2 • To Golder's knowledge, there are no historical sites, National Parks and environmentally sensitive area within the lease or within any such distance to form any impediment to the development to the project.
Exploration Done by Other Parties *Acknowledgment and appraisal of exploration by other parties.*	• Limited reconnaissance drilling was carried out by Hamersley Iron (a subsidiary of Rio Tinto). A total of 31 holes were drilled within the current resource area and 19 other drill holes were completed within Brockman's tenement and did not intersect mineralisation.
Geology *Deposit type, geological setting and style of mineralisation.*	• The Marillana stratigraphy consists of an upper sequence of alluvium and colluvium which contains the impure haematite detrital iron ore (DID) and a lower sequence of channel iron deposits (CID)

JORC Code Assessment Criteria	Comment
Drill hole information	• Not applicable. This Table relates to the reporting of the Mineral Resource estimates.
Data aggregation methods	• Not applicable. This Table relates to the reporting of the Mineral Resource estimates.
Relationship between mineralisation widths and intercept lengths	• Drill intersections are not reported as true widths.
Diagrams	• Not applicable. This Table relates to the reporting of the Mineral Resource estimates.
Balance reporting	• Not applicable. This Table relates to the reporting of the Mineral Resource estimates.
Other substantive exploration data	• Not applicable. This Table relates to the reporting of the Mineral Resource estimates.
Further work	• Brockman plan further detailed engineering and feasibility studies. This resource update also suggests that further metallurgical sampling is required to adequately cover all potential feed quality variation.
Section 3 Estimation and Reporting of Mineral Resources	

Database Integrity
Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.
 	
Data validation procedures used.
	• The drill hole database for Marillana was managed by St Arnaud Data Management (Expedio). Data validation has periodically been completed by Expedio and Brockman
	• On loading the database for modelling, Golder performed additional data checks. These checked included the verification of:
	  • Collar depth with final sample depth.
	  • Collar RLs with topographic data where possible.
	  • Any overlapping intervals or gaps in the downhole data.
	  • Grid survey problems.
	  • Duplicate drill hole numbers and coordinates.
	  • Duplicate geological and assay intervals.
	  • Nominal surveys vs. precise surveys.

JORC Code Assessment Criteria	Comment
Site Visits *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	• Golder did not visit site for this resource update. Previously, Golder has visited the site and as this update only involves inclusion of additional metallurgical test work, no further visit was considered necessary at this stage.
Geological Interpretation *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	• The geology interpretation for Marillana was completed by Brockman personnel on hardcopy cross-sections and long-sections. The geology interpretation was based on a combination of logged lithology, Fe, SiO_2, Al_2O_3 and LOI geochemistry as well as the mass recovery for the >1 mm fraction (B sample). • The interpretation parameters have been progressively updated and improved as geological knowledge has increased with each infill drilling campaign. The major updates for 2010 interpretation include changing the nominal lower Fe cut-off grade to 36% and the nominal upper cut-off grade for Al_2O_3 to 7% for detrital mineralisation. • The geological continuity for the detrital sequence has been established by the current drilling density and is supported by the variography. • The geological continuity for the CID has been established with a lower level of confidence. Infill drilling is required to improve the confidence in the geological continuity for the CID. • The grade estimation was subdivided based on the agreement of the geological domains with the historical data wherever such data were available.

JORC Code Assessment Criteria	Comment
Dimensions *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Marillana Project is separated into four deposits, North-west Sector, Rockhole Bore, Abalone and Abalone East. • The modelled stratigraphy has a strike length of 14.7 km and a maximum plan width of 2.3 km. The deposits are thinner toward the north, with a minimum thickness of approximately 10 m. The thickness along the southern boundary may be up to 40 m, or approximately 60 m thick when the CID is present. The CID has a maximum thickness of approximately 30 m. • The Mineral Resources estimates have been constrained by stratigraphic boundaries within the overall mineralised sequence.

JORC Code Assessment Criteria	Comment
Estimation and Modelling Techniques *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulfur for acid mine drainage characterisation).* *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *Description of how the geological interpretation was used to control the resource estimates.* *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The block dimensions for the Marillana Project were determined on the basis of drilling density, geological controls and mining assumptions. • Grade estimation was completed using Ordinary Kriging (OK) and Golder proprietary software. Grades were estimated for Fe, Al_2O_3, SiO_2, P, S, LOI400, LOI600, LOI1000, CaO, Mg, MnO and TiO_2 using 2 m composites. Grade estimation was completed in three passes. • Geometallurgical parameters have been estimated using a geostatistical technique that matches testwork results to block model head grade estimates. • All domains were estimated using hard boundaries for all variables with the exception of STRAT=45 (hematite detrital) and STRAT=55 (upper hematite Detrital) both of which used a soft boundary and used composites from the other hematite detrital domains (STRAT=43, 46 and 55) in addition to the data within each domain. STRAT=5 (basal sequence) was not estimated. The estimation for each stratigraphy was run on a global basis with a soft boundary (i.e. no partitioning) between individual deposits or the water table. • Grade estimates were made to the parent block volume of 50 × 50 × 6 m and sub-cells within the model received the parent cell estimate. The 2 m composite dataset were weighted by their length to account for any short samples created in the compositing process (e.g. end of hole composites). • No high-grade cutting or spatial restraining was applied to the grade estimation process for any variable. • Pass 1 search ellipsoid distances were defined as the distance equal to 80% of the average variogram range of influence for each variography group. Passes 2 and 3 were defined by using an expansion factor of the Pass 1 and Pass2 ellipsoid of 1.3.

JORC Code Assessment Criteria	Comment
Moisture *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages were estimated using dry bulk density. • Moisture determinations were completed on 172 samples from 11 sonic drill holes submitted to Ammtec Limited. For calculation of dry bulk density from in situ wireline density data, Golder used the mean moisture determinations, 4.5% moisture above the water table and 8.5% moisture below the water table.
Cut-off Parameters *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Mineral Resources for DID were reported at a cut-off grade of 38% Fe. • Mineral Resources for CID were reported at a cut-off grade of 52% Fe. • These cut-off grades were selected based on the Mineral Resources achieving an acceptable product grade.
Mining Factors or Assumptions *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution.* *It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• This Mineral Resource statement assumes mining by conventional open pit techniques.

JORC Code Assessment Criteria	Comment
Metallurgical Factors or Assumptions *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Brockman has completed substantial metallurgical studies of the Project which have shown the potential viability of DMS processing. • Estimates of mass recovery and concentrate grades for Fe, Al_2O_3, SiO_2, and LOI for Brockman's selected flowsheet are derived from 44 samples collected spatially over the deposit and within the most important ore domains. • Where block model grades are beyond the limits of the test work sample ranges, metallurgical parameters are assigned using regression formulae developed by Brockman.
Environmental Factors or Assumptions *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Golder is not aware of any environmental issues that would affect the eventual economic extraction of the deposit.

JORC Code Assessment Criteria	Comment
Bulk Density	
Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Golder assigned the moisture corrected wireline dry bulk densities to the block model by geological domain. The wireline bulk densities were derived from 22 diamond drill holes across the Marillana Project. • Density data was not available for three domains (18, 65 and 99). These domains were assigned dry bulk densities from geologically similar units.
Classification	
The basis for the classification of the Mineral Resources into varying confidence categories. *Whether appropriate account has been taken of all relevant factors, i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data.* *Whether the result appropriately reflects the Competent Person(s)' view of the deposit.*	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). • The classification of the Mineral Resource was completed by Golder geologists'. The classification of Mineral Resources was considered appropriate on the basis of data density and quality, representativeness of sampling, geological confidence criteria, the position of the water table, estimation performance parameters, and confidence in the estimates of metallurgical parameters.
Audits or Reviews *The results of any audits or reviews of Mineral Resource estimates.*	• No audits or reviews have been undertaken on this Mineral Resource estimate.

JORC Code Assessment Criteria	Comment

Discussion of Relative Accuracy/ Confidence
 	
Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.
 	
The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.
 	
These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.
	• The Marillana Mineral Resources are an estimate of the global *in situ* grades and metallurgical recovery. No production data or tests are available to compare with this resource estimate.
	• The quality of the mineralisation model and the resource estimate is directly associated with the risks inherent to the deposit.
	• The relative accuracy is reflected in the Mineral Resource classification discussed above that is in line with industry acceptable standards.
	• Recommendations to improve the quality of future model updates are:
	  • Infill drilling of the Inferred portions.
	  • Additional metallurgical test work on samples with SiO_2<17% and Al_2O_3>8%.

Section 4 Estimation and Reporting of Ore Reserves	
Mineral Resource estimate for conversion to Ore Reserves • *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• Mineral Resources for DID were reported at a cut-off of 38% Fe. • Mineral Resources for CID were reported at a cut-off grade of 52% Fe. • Mineral Resources are wholly inclusive of Ore Reserves estimated tonnes.

JORC Code Assessment Criteria	Comment
Site visits • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	Iain Cooper, Aleks Mihailovic and James Holme of Golder undertook a site visit to Marillana on 6 November 2009, no site-based work has been carried out in relation to the feasibility study since that time.
Study status • *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• The Marillana project has been the subject of a Definitive Feasibility study (2010) and has been the subject of ongoing investigations to determine optimum transport solutions for ore export since that time. • Suitable material modifying factors have been incorporated into the mining model prior to scheduling to determine a mine plan that is technically achievable and economically viable.
Cut-off parameters *The basis of the cut-off grade(s) or quality parameters applied.*	• Mineral Resources for DID were reported at a cut-off of 38% Fe. • Mineral Resources for CID were reported at a cut-off grade of 52% Fe. • Any inferred resources included within the mine plan have been regarded as waste.

JORC Code Assessment Criteria	Comment
Mining factors or assumptions	• The Marillana Resource model was regularised to a block size of 20 m by 20 m by 6 m. The regularisation introduced a gross 4.7% DID ore loss and a gross 11.7% CID ore loss. The 20 × 20 × 6 m re-blocked mining model is deemed representative for the bulk mining operation planned for the Marillana project.
• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).*	• The Ore Reserves are reported within pit outline which are based on open pit optimisations. The optimisations were carried out including Measured and Indicated Mineral Resource categories.
• *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.*	• The overall pit slopes used are 37° as per DFS Geotechnical Report supplied by Brockman.
• *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.*	• Re-blocking of the mineral resource model to 6 m minimum mining flitch heights resulted in a mining ore loss of 5% ore loss and 2.3% dilution
• *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).*	• No further loss and dilution have been applied during the scheduling estimate, the application of the minimum vertical flitch height of 6 m controls the possible selectivity within the laminar nature of the detrital ore zones.
• *The mining dilution factors used.*	• Any Inferred resource material within the mining model is regarded as waste material.
• *The mining recovery factors used.*	• The mining operation will require conventional infrastructure as well as electrical power requirements for powering the IPCC and mining excavators. Workshops, offices, stores, and change rooms have been identified within the DFS.
• *Any minimum mining widths used.*	
• *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.*	
• *The infrastructure requirements of the selected mining methods.*	

JORC Code Assessment Criteria	Comment
Metallurgical factors or assumptions • *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The metallurgical recoveries for the detritals are based on test work, and are based on beneficiation of the detrital ore. • The CID ore is a direct shipping ore (DSO) and will be crushed and blended with the detrital product. • Extensive testwork was completed under the direction of Ausenco as part of the Marillana DFS project. • Definitive metallurgical testing yielded significant insight into the metallurgy of the Marillana deposit. The DFS test work program consisted of phases 4, 5 and 6, which followed on from previous (PFS and earlier) test work phases 1, 2 and 3. • Pricing estimates for the product have allowed for the expected silica and alumina in the product specification, no other deleterious elements are notable in the product specification. • The phase 5 component included the production of some 2 t of product used for vendor testing and CSIRO sinter testwork. • The Ore Reserve has been based upon a targeted 60% Fe product with a maximum 6.5% Silica and maximum 5.5% Alumina in product. • The Direct Ship Ore (CSO) has been estimated based upon a 56% Fe product with maximum 6.5% Silica and maximum 5.5% Alumina.
Environmental *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• An environmental impact assessment was completed as part of the Marillana DFS study by Ecologia under the direction of Ausenco. • The mine waste geochemistry (Graeme Campbell & Associates Pty Ltd, 2009) has been evaluated and indicates a very low risk of any acid mine drainage issues would exist at closure. No special allowance has been made for selective placement of any waste.

JORC Code Assessment Criteria	Comment
Infrastructure *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	On-site infrastructure including accommodation village, mine operations centre, main site access road, pit access ramps, ROM pad and crusher area, stockpile areas, product stockpiling and load out yard, waste dumps, weighbridge area, contractors laydown yard, power station, workshops and explosives storage have been identified as requirements within the DFS
Costs • *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• The production rates and operating costs have been applied from factored estimates provided in the DFS. • Operating costs include allowances for mining, processing, administration, haulage to the port and shipping. Port and shipping costs are developed from existing contracts. • All costs and revenues are in AUD, with exchange rates derived from external market analysts forecasts. • Exchange rates used are AUD0.75: USD1.00 over the life of the mine. • The application of product quality penalties are based on historic and current prices public information. • Allowances have been made for royalties payable including Government and private parties.

JORC Code Assessment Criteria	Comment

Revenue factors
• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.*
• *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*
	• Forecast sales price are based on the average of three external forecasting analysts, Platts forecast, the 2017 WA Treasury forecast and the LFJ Consulting forecast over the life of mine based on the CFR 62% Platts index of USD62/t CFR (A$82.67/t).
	• In generating the sales price applicable to the Marillana product, the sales price is discounted by:
	  • Government and other stakeholder royalties and
	  • Shipping costs.
	• Where necessary all revenues are converted from USD to AUD based on exchange rates derived from external market analysts.
	• Exchange rates of 0.75 have been assumed over the life of the mine.
	• Within the life of mine schedule for Marillana, the element grades of ore to be sold are forecast to stay within the contracted specifications.

Market assessment • *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• Brockman have provided a market assessment forecast and pricing estimate from April 2017 conducted by LFJ Consulting. • At project volumes of up 20 Mt per annum of iron ore product no anticipated volume price change is expected as a result of the Marillana project output. • Price forecast estimates have been taken from the PLATTS and WA Treasury Forecast public documents.

JORC Code Assessment Criteria	Comment
Economic • *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The high-level economic assessments have used a discount rate of 8%, with the NPV also estimated at 10% and 12%. • Sensitivity estimates have been carried out on the primary cost drivers iron ore input costs, capital cost, process plant operating costs, mining costs and ore transport and shipping costs. • The project is considered financially viable under the stated assumptions of price, costs and exchange rate forecasts.
Social *The status of agreements with key stakeholders and matters leading to social licence to operate.*	Continued negotiations with the native title holders and state authorities have been undertaken since completion of the DFS. Pending a decision on the final project configuration and timing, further negotiations will be undertaken to ensure full compliance with the license to operate.
Other • *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• As the cost estimates undertaken for the DFS are now considered to be dated being some 8 years old, it is recommended that the configuration and cost estimate revisions would form any planned progression of the Marillana project. • Transport costs and rail access remain a key component to the financial value of the project, port and rail capacity being a fundamental part of the export options for the project. • Government approvals and permissions remain valid however confirmation of the timing and final configuration will require resubmission to the WA DMIRS on completion of a feasibility study update.

JORC Code Assessment Criteria	Comment
Classification • *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	The Ore Reserves for the Marillana project have been classified as Probable in that there remain some key aspects to the off-mine handling and export of the Iron Ore product that require further study. Costing aspects related to the existing DFS will require confirmation or amendment; it is acknowledged that the majority of the cost estimates were completed for the Marillana project in 2009 at a time of very high project cost demand in Australia. It is anticipated that many costs will have reduced, whilst some other costs will have increased. Detailed understanding of the total project cost requires updating prior to a commitment for development of the project into an operating mine
Audits or reviews *The results of any audits or reviews of Ore Reserve estimates.*	The DFS and Ore Reserves have been the subject of several independent audits since completion of the DFS in 2010.
Discussion of relative accuracy/ confidence • *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*	• The DFS relating to the Marillana project is considered detailed and relatively complete; however, given the lengthy period since completion of the DFS, it is expected that the cost estimates will require updating with some negative and some positive cost changes anticipated. • Rail and Port access with the attendant cost of handling and transport of the ore ex-mine to the port remains a key value driver to the project.

JORC Code Assessment Criteria	Comment
• *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

9.0 QUALIFICATIONS AND BASIS OF OPINION

9.1 Competent person and corporation

The information in this report which relates to Exploration results, geological interpretation, and drill hole data is based on information provided by Mr Aning Zhang. Mr Zhang is a full-time employee of Brockman Resources Ltd, is a Member of the Australasian Institute of Mining and Metallurgy. Mr Zhang has sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition). Mr Zhang consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

The information in this report which relates to Mineral Resources is based on information provided to and compiled by Dr Sia Khosrowshahi, who is a full-time employee of Golder Associates Pty Ltd, and a Member of the Australasian Institute of Mining and Metallurgy. Dr Khosrowshahi has sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition).

The information in this report which relates to Ore Reserves is based on information provided to and compiled by Mr Glenn Turnbull, who is a part-time employee of Golder Associates Pty Ltd, and a Member of the Australasian Institute of Mining and Metallurgy. Mr Turnbull has sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition).

9.2 Statement of independence

Golder is an independent consulting company that provides a range of services to the minerals industry, including feasibility studies. Our integrated consulting, design and construction solutions can be applied to every stage of a mining project and are provided by teams with experience in mine planning and ore evaluation, integrated tailings and waste management, rock mechanics and mine geotechnical engineering, mine environment, mine water, and mine infrastructure.

The authors do not hold any interest in Brockman or their subsidiaries and/or associated parties or in any of the assets which are the subject of this report.

Fees for the preparation of this report are being charged at Golder's standard schedule of rates, with expenses being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions of this report.

Based on the information provided to Golder and to the best of its knowledge, Golder has not become aware of any material change or matter affecting the validity of the report.

10.0 IMPORTANT INFORMATION

Your attention is drawn to the document titled – "Important Information Relating to this Report", which is included in Appendix A of this report. The statements presented in that document are intended to inform a reader of the report about its proper use. There are important limitations as to who can use the report and how it can be used. It is important that a reader of the report understands and has realistic expectations about those matters. The Important Information document does not alter the obligations Golder Associates has under the contract between it and its client.

Signature Page

Golder Associates Pty Ltd

Glenn Turnbull
Principal Mining Engineer

Dr Sia Khosrowshahi
Principal Geostatistician

GT,AW/SK/hsl

APPENDIX A — IMPORTANT INFORMATION

The document ("Report") to which this page is attached and which this page forms a part of, has been issued by Golder Associates Pty Ltd ("Golder") subject to the important limitations and other qualifications set out below.

This Report constitutes or is part of services ("Services") provided by Golder to its client ("Client") under and subject to a contract between Golder and its Client ("Contract"). The contents of this page are not intended to and do not alter Golder's obligations (including any limits on those obligations) to its Client under the Contract.

This Report is provided for use solely by Golder's Client and persons acting on the Client's behalf, such as its professional advisers. Golder is responsible only to its Client for this Report. Golder has no responsibility to any other person who relies or makes decisions based upon this Report or who makes any other use of this Report. Golder accepts no responsibility for any loss or damage suffered by any person other than its Client as a result of any reliance upon any part of this Report, decisions made based upon this Report or any other use of it.

This Report has been prepared in the context of the circumstances and purposes referred to in, or derived from, the Contract and Golder accepts no responsibility for use of the Report, in whole or in part, in any other context or circumstance or for any other purpose.

The scope of Golder's Services and the period of time they relate to are determined by the Contract and are subject to restrictions and limitations set out in the Contract. If a service or other work is not expressly referred to in this Report, do not assume that it has been provided or performed. If a matter is not addressed in this Report, do not assume that any determination has been made by Golder in regards to it.

At any location relevant to the Services conditions may exist which were not detected by Golder, in particular due to the specific scope of the investigation Golder has been engaged to undertake. Conditions can only be verified at the exact location of any tests undertaken. Variations in conditions may occur between tested locations and there may be conditions which have not been revealed by the investigation and which have not therefore been taken into account in this Report.

Golder accepts no responsibility for and makes no representation as to the accuracy or completeness of the information provided to it by or on behalf of the Client or sourced from any third party. Golder has assumed that such information is correct unless otherwise

stated and no responsibility is accepted by Golder for incomplete or inaccurate data supplied by its Client or any other person for whom Golder is not responsible. Golder has not taken account of matters that may have existed when the Report was prepared but which were only later disclosed to Golder.

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By date, or revision, the Report supersedes any prior report or other document issued by Golder dealing with any matter that is addressed in the Report.

Any uncertainty as to the extent to which this Report can be used or relied upon in any respect should be referred to Golder for clarification

GOLDER

REPORT

Brockman Mining Limited

Marillana Iron Ore Project - Independent Assessment

Submitted to:

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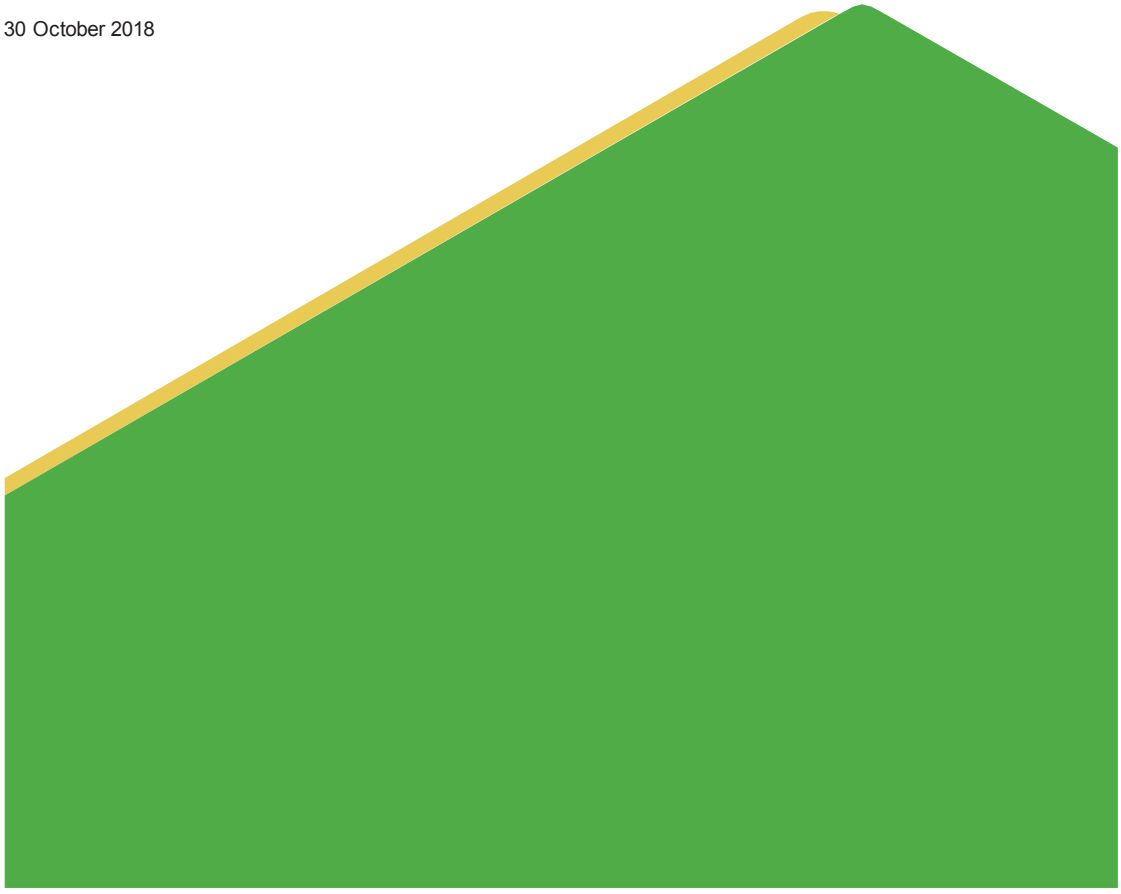
18108435-006-R-Rev0

30 October 2018



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APPENDICES

1.0 INTRODUCTION

Brockman Mining Limited ("Brockman" or "Company"), a company listed on the Stock Exchange of Hong Kong and the Australian Securities Exchange ("ASX"), commissioned Golder Associates Pty Ltd ("Golder") to prepare an Independent Valuation of the Marillana Iron Ore Project in Western Australia as at 30 September 2018. The Independent Valuation Report has been prepared by Golder to be incorporated by Brockman into its Circular to be distributed to its shareholders for the purpose of approving the transfer of 50% of Marillana project to, and the formation of an unincorporated Joint Venture ("JV") with, Polaris Metals Pty Ltd.

1.1 Scope

Brockman, through its wholly owned subsidiary, Brockman Iron Pty Ltd ("Brockman Iron") and Mineral Resources Limited ("MRL"), through its wholly owned subsidiary, Polaris Metals Pty Ltd ("Polaris") have entered into a Farm-In and Joint Venture ("JV") agreement subject to satisfaction of conditions precedent to develop the Marillana Project. Golder has been engaged to provide an Independent Valuation of the Marillana project in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (VALMIN Code, 2015 Edition). (VALMIN 2015)

The valuation arises as a consequence of the JV between Brockman and MRL announced to the ASX on 27 July 2018, in which the parties have agreed to form a 50/50 unincorporated joint venture to develop the Marillana Iron Ore Project (Appendix A). Under the terms of the JV agreement, MRL and Brockman will enter into "Process and Loading" and "Mine to Ship Logistics" agreements as the foundation for the construction of a 20 to 30 Mtpa mine operation at Marillana. The Mine to Ship Logistics agreement will be underpinned by MRL's Pilbara Infrastructure Project consisting of automated and integrated light rail, stockyard and berth facilities currently under planning and design. For valuation purposes, Golder has been advised that this will mean the project will be charged a third party process, logistics and port handling fee per unit iron ore product inclusive of capital and operating costs. Contract mining will be undertaken based on conventional shovel and truck mining methods.

The process plant, port handling facilities and rail capacity will be provided by MRL on a unit cost basis to the JV. Golder has prepared a mining schedule with capital and operating cost estimate based upon previously available information from the updated ore reserves as well as input cost data regarding the processing, railing and port handling costs provided by MRL.

The mine planning assistance work and valuation undertaken by Golder has been based on rescheduling of the existing mining inventory prepared by Golder (May 2018, updated August 2018) for the purpose of Ore Reserve estimation in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (JORC 2012). This earlier work was based on a standalone 15 Mtpa iron ore operation. The rescheduling work has revised the mining schedule of physical quantities, operating and capital costs based on inputs provided by Brockman, MRL and other parties at throughput rates of 15 Mtpa and 20 Mtpa DID product plus up to 3.5 Mtpa CID product as available in the mining schedule. The schedules have been based on the existing Ore Reserves. Using revised cost inputs, throughput rates and input parameters provided by Brockman, Golder has prepared a Discounted Cash Flow ("DCF") analysis of the project on a 100% interest basis.

The valuation of the Marillana Project by Allan Blair and Golder has been prepared using the Guidelines attached to VALMIN 2015. This report has used Mineral Resources and Ore Reserves stated as at 1 August 2018 and reported to the ASX by Brockman as the basis for our valuation.

We understand and agree that Brockman may rely on our report notwithstanding any conditions to the contrary in Golder's "Terms and Conditions". A copy of the Golder report will be appended to the Brockman corporate valuation report as part of its Circular to be provided to shareholders of Brockman.

1.2 Limitations

This Report has been prepared for Brockman by Golder based on assumptions as identified throughout the text and Golder has also relied upon information and data supplied by others.

The Report is to be read in the context of the methodology, procedures and techniques used, Golder's assumptions, and the circumstances and constraints under which the Report was written. The Report is to be read as a whole, and sections or parts thereof should therefore not be read or relied upon out of context.

Golder has, in preparing the Report, followed relevant mining industry codes VALMIN 2015 and JORC 2012 methodology and procedures and exercised due care consistent with the intended level of accuracy, using its professional judgment. The level of accuracy of the valuation outlined herein is estimated at ±30% given the use of Ore Reserves, and a scoping level of assessment of technical and economic factors.

Parts of the Report have been prepared or arranged by Brockman, MRL or third party contributors, as set out in the document. While the contents of those parts have been generally reviewed by Golder for inclusion in the Report, they have not been fully audited or verified by Golder and Golder has relied on the expertise of the contributors.

In respect of all parts of the Report, whether or not prepared by Golder, no express or implied representation or warranty is made by Golder or by any person acting for and/or on behalf of Golder to any third party that the contents of the Report are verified, accurate, suitably qualified, reasonable or free from errors, omissions or other defects of any kind or nature. Third parties who rely upon the Report do so at their own risk and Golder disclaims all liability, damages or loss with respect to such reliance.

Golder disclaims any liability, damage and loss to Brockman and to third parties in respect of the publication, reference, quoting or distribution of the Report or any of its contents to and reliance thereon by any third party.

This disclaimer must accompany every copy of this Report, which is an integral document and must be read in its entirety.

1.3 Indemnities

Golder holds an indemnity (Appendix B) from Brockman to compensate for any liability:

a) resulting from Golder's reliance on information provided by Brockman that is materially inaccurate or incomplete; and

b) relating to any consequential extension of workload through queries, questions or public hearings arising from public reporting.

1.4 Resource and Reserve Basis

Golder completed the previous resource estimate in August 2010 (Golder report *"097641377-005-R-Rev0 Marillana Resource Report.pdf"*, dated August 2010). Ore Reserves were previously declared for the Marillana Project on completion of a Definitive Feasibility Study in 2010 (DFS). The Mineral Resources and Ore Reserves were previously estimated under the JORC 2004 guidelines. The project did not proceed at the time due to a softening of the iron ore price and general global market downturn.

During 2017 Golder completed an updated estimate of the Mineral Resources, prepared in accordance with JORC 2012 and incorporating metallurgical knowledge acquired by Brockman since 2010.

Subsequently Golder updated the estimate of the Ore Reserves (August 2018) in accordance with the JORC 2012 guidelines using the updated Mineral Resource model whilst constraining the mining area within the original 2010 Definitive Feasibility Study (DFS) defined pit outline and adjusted for revised tenement boundaries. Revised input costs and iron ore price forecast were used with the 2017 Mineral Resource providing a basis for the 2018 Ore Reserves.

1.5 Liabilities

Brockman has informed Golder that there are no material liabilities associated with the Marillana Project beyond those set out in this report.

1.6 Sources of Information and Responsibility

The Report relies upon relevant reports and other material prepared by Golder, Brockman, MRL and their staff and consultants. The directors of Brockman informed Golder that they have provided full access to all data available to them and have provided a guarantee of Golder's independence prior to issue of the report. Further, Brockman has warranted to Golder that all material information is, to the best of Brockman's knowledge and belief (including where it would reasonably be expected to be aware, even if it does not have actual knowledge) is complete and accurate in all material respects.

Golder has reviewed the data and other information contained in the reports and other material prepared by other parties and provided by Brockman and is not aware of any reason to doubt that such data and information is complete and accurate. Brockman has reviewed a draft version of this report for material errors and/or omissions of fact and advised Golder that all information contained herein fairly and accurately reflects the information provided to Golder by Brockman.

The report is also based on statutory tenement reports and information in the public domain. That information and the reports and other material provided by Brockman has been combined with information gathered independently by Golder during the course of the study.

Golder has taken reasonable care to ensure that the information contained in this report is in accordance with the facts and information available to it and is unaware of any errors or omissions likely to affect its import.

1.7 Rounding to Significant Figures

Estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the mineral occurrence and on the available sampling results. Reporting of figures in this report reflects the relative uncertainty of the estimate by rounding off to appropriately significant figures and to emphasise the imprecise nature of a Mineral Asset Valuation.

1.8 Reporting Codes

Declaration – VALMIN 2015 Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Allan Blair and Peter Onley, both employees of Golder and members of The Australasian Institute of Mining and Metallurgy. Allan Blair is a full-time employee and Peter Onley is a part-time employee of Golder and both are independent of Brockman and MRL. Both have sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which they are undertaking to qualify as Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Allan Blair and Peter Onley consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Competent Persons Statement – JORC 2012 Code: The information in this report that relates to Exploration Results and Mineral Resources of the Company is based on, and fairly represents, information and supporting documentation reviewed by Allan Blair, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Blair has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as an Expert and Competent Person as defined under the VALMIN (2015) Code and in the JORC (2012) Code. Mr Blair consents to the inclusion in this report of the matters based on the information and supporting documentation in the form and context in which they appear.

Neither Brockman nor Golder is aware of any new information or data, other than that disclosed in this Report, that materially affects the assessments included in this Report and that all material assumptions and parameters underpinning Exploration Results and Mineral Resource Estimates continue to apply and have not materially changed.

1.9 Experience

Golder is a private, employee-owned global company headquartered in Mississauga, Canada. The company was founded in 1960 and has been providing services to the mining industry for more than 50 years and has been operating in Australia since 1971. Golder employs some 7000 people globally.

This report was prepared on behalf of Golder by Allan Blair MBA, BAppSc (Mining Engineering), BSc, MAusIMM and Peter Onley MBA, MSc, BSc (Hons), FAusIMM.

Allan Blair MBA, BAppSc (Mining Engineering), BSc, MAusIMM is an Australian mining engineer with wide industry experience, encompassing senior operational, management, technical, consulting and production experience in underground and open pit operations throughout the world, covering a wide variety of mineral commodities. Equipped with an International MBA from the University of WA that supports a keen technical and financial focus, Allan has worked in senior consulting, operations and corporate roles for the past 30 years. This experience has included a wide array of underground and open pit studies and project management, ranging from due diligence, audit, contract tendering, change management, bankable feasibility studies, scoping studies, underground and open pit design and optimisation, reserve estimation, valuation and Competent Person reports. Allan has been a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") since 1983. He has provided advice on litigation matters and appeared as an expert witness in legal cases. Allan's experience in feasibility evaluation, reserve estimation and valuation of iron ore assets includes work on more than 25 iron ore projects located in Western Australia, Brazil and elsewhere throughout the world with a number of major iron ore producers including Rio Tinto and BHP.

Peter Onley MBA, MSc, BSc (Hons) FAusIMM has more than 45 years' post graduate experience in the mining industry having graduated with Honours in Geology from Exeter University, UK, in 1969, gained the degree of Master of Science in Engineering Geology and Geotechnics from Leeds University, UK, in 1970 and a Master of Business Administration from the University of Western Australia in 1994.

Peter Onley is a Fellow of the Australasian Institute of Mining & Metallurgy ("AusIMM"). He was formerly Chairman of the Perth branch of the AusIMM, a former committee member of the AusIMM Geoscience Society and was a long-standing member of the Western Australian Geological Survey Liaison Committee that provides input to the program of the Geological Survey of Western Australia. He has extensive experience in mineral exploration and project evaluation and in 2001 was appointed by the Board of AusIMM as a member of the three-man Taskforce commissioned to review the workings of the Valmin Code.

Recent experience within the past five years in valuation of iron ore assets has included a previous valuation of the Marillana deposit and Atlas Iron. Earlier valuations have included Ausquest, several of the Midwest Iron and Steel Project assets and Koolyanobbing.

During his career, Peter has operated in the industry as an exploration geologist, mining geologist, exploration manager, mineral industry consultant, and business manager. He was formerly a director of two Australian listed companies and is currently chairman of the Australian subsidiaries of a company listed on the main board of the London Stock Exchange. He has worked and consulted in both technical and management fields in Australia and developing countries, particularly in Asia, Asia-Pacific (China, central Asian republics, Indonesia, the Philippines, and Papua New Guinea), Africa and South America. As a consultant, he has prepared numerous expert geologist's reports for inclusion in IPOs on the Australian, Toronto, Vancouver, London Main Board and London AIM Board securities exchanges and technical specialist valuation reports for inclusion in takeover documents, company transactions, company liquidations, project acquisitions and disposal and for litigation purposes in Australia.

Peter has also provided mineral industry advice on the basis of specific enquiries from state and national regulators in Australia, New Zealand and Papua New Guinea.

He has provided advice on litigation matters and appeared as an expert witness in the WA Warden's Court, Supreme Court and Federal Court.

Peter Onley has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which is undertaking to qualify as a Practitioner as defined in the 2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets. Peter Onley consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

Each of Allan Blair and Peter Onley has confirmed that he is not an officer, employee or proposed officer of Brockman or any group, holding or associated company of Brockman as required under Rule 18.22(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1.10 Site Visits

No site visit was made for the purpose of this valuation.

1.11 Materiality

In undertaking the assessment of value, we have considered the materiality of the value of Marillana Iron Ore Project solely as an operating entity on a 100% basis assuming existing Ore Reserves (August 2018), costs and operating parameters as advised by Brockman 50% of the resulting value was allocated to Brockman in line with its beneficial interest under the JV.

We have chosen to value the Marillana Project, without reference to the value of individual tenements. Therefore, in this case we have considered that the value of any associated exploration or special purpose tenements or tenement applications associated with the single Mining Lease securing the Marillana Project have no material impact on the value of the Project as determined.

1.12 Abbreviations and Conventions

Throughout this report, Australian dollars are designated "AUD" and United States dollars are designated "USD". All references to planned exploration and or development expenditures and valuations are quoted in Australian dollars unless otherwise specified.

This document reports standard units in accordance with the international system of units, the Système Internationale ("SI").

Mineral Resources and Ore Reserves, where quoted formally, are stated in accordance with JORC 2012, unless otherwise stated.

2.0 MARILLANA PROJECT

2.1 Project Description

The following description of the Marillana project was provided by Brockman.

The Marillana Project is located approximately 130 km north-northwest of the town of Newman in the Pilbara region of Western Australia. The Project is located within mining lease M47/1414 (Figure 1).

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

The development of the Marillana Project is contingent on the company securing suitable rail and port infrastructure, either supplied by a third party or developing their own. While the project is surrounded by world-class deposits, owned by major iron ore companies including BHP, Rio Tinto and Fortescue Metals Group, the Company does not have access to rail transport or port facilities to facilitate development of the project. The JV agreement with MRL is intended to provide a means of securing this access enabling the value of the asset to be realised.

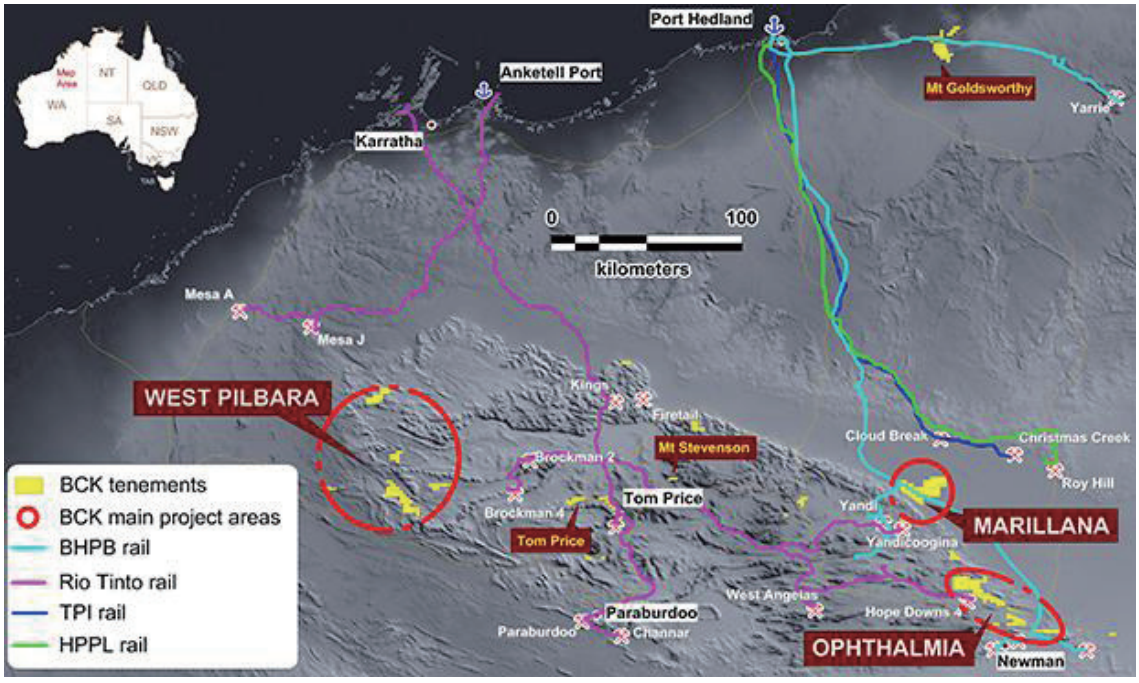

Figure 1: Marillana Project Locality Plan

2.2 Project Location and Land Holding

The project comprises a single granted Mining Licence (M47/1414) covering an area of approximately 82 km^2 (Figure 2 and Figure 3).

Exploration at the Marillana Project has predominantly been carried out using reverse circulation (RC) drilling, with selected drill holes twinned using sonic core to confirm the RC drill results and Caldwell and Bauer bucket drilling techniques to provide samples for metallurgical test work. Between mid-2006 and the end of 2009, Brockman completed 1292 RC drill holes for 75 494 m, 59 sonic core holes for 2595 m, 34 diamond drill holes for 1708 m, 13 Bauer holes for 548 m and 15 Caldwell bucket drill holes for 220 m within the Marillana Project area.

Prior to the work by Brockman, limited reconnaissance drilling was carried out by Hamersley Iron (a subsidiary of Rio Tinto). A total of 31 holes were drilled within the current resource area and 19 other drill holes were completed within Brockman's tenement and did not intersect mineralisation.

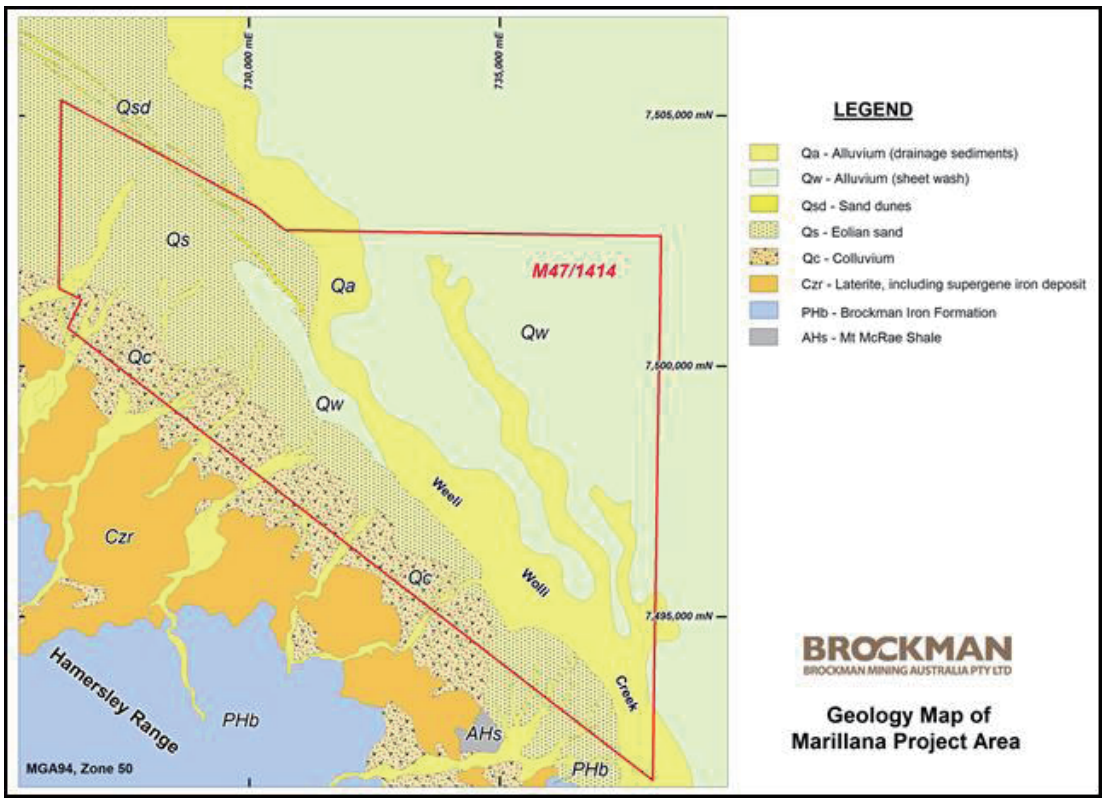

Figure 2: Regional Geology Plan showing Project Tenement Boundary

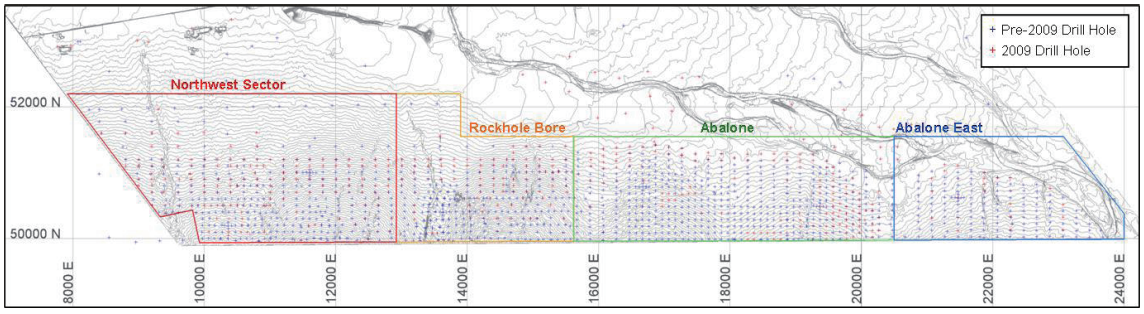

Figure 3: Drill Hole Locations, Deposits and 0.5 m Topographic Contours

2.3 Geology

The Marillana Project is located within the Hamersley Province on the southern Pilbara Craton of Western Australia (Figure 2). The Province is characterised by a thick succession of low grade metamorphic, late Archaean to early Paleoproterozoic rocks, known as the Mt Bruce Supergroup. The Mt Bruce Supergroup is composed of volcanic rocks, banded iron formations (BIFs), carbonate and clastic rocks, which unconformably overly an Archaean granite and greenstone basement. The Mt Bruce Supergroup is subdivided into four Groups; the basal Fortescue Group, which is overlain by the Hamersley Group, the Turee Creek Group and the uppermost Wyloo Group.

The Hamersley Group is approximately 2500 m thick sequence of BIF, shale, dolomite, mafic volcanics and dolerite sills, and is Archaean to Paleoproterozoic in age. A notable feature of this Group is the presence of five major BIF units that are laterally continuous throughout the Province with no apparent facies change. Two of these BIF units, the Marra Mamba Iron Formation and the Brockman Iron Formation host the major iron ore deposits in the Pilbara and are the source for most detrital iron deposits.

The detrital deposits at Marillana are correlated with the regional Cenozoic detrital sequence consisting of the following units:

- CzD1: Palaeogene basal ferruginous silts and clays with DID gravels capped by DID hardcap zones.

- CzD2: Oligocene – Miocene mottled clays, silts conglomerates and sideritic-pyritic-organic horizons capped with a thin CID equivalent that is overlain by calcrete and silcrete.

- CzD3: Pliocene DID and Quaternary alluvials.

The Marillana stratigraphy consists of an upper sequence of alluvium and colluvium which contain the impure haematite detritals (correlated with CzD3) and a lower sequence of CID and calcrete (correlated with CzD2). The detrital sequence is contained within a series of colluvial fans.

Brockman has subdivided CzD3 and CzD2 into the following units:

- **Aeolian sand and gravels (TOB)** – The TOB consists of wind-blown sand, loose gravely sand or sandy gravels with rapid phase changes. It is composed of angular, totally unsorted, mainly chert, some BIF fragments and minor detrital hematite or goethite, in a silty matrix of varied proportion of sand and gravel ratios.

- **Siliceous Hematite Detritals (HDS)** – HDS is a low-grade or impure unconsolidated hematite detrital that contains up to 50% detrital hematite (including maghemite and goethitic hematite). The contact with the overlying TOB is gradational and is recognisable due to the significant increase in hematite. The term ‘siliceous’ implies that this zone has significant siliceous fragments (mainly chert).

- **Hematite Detritals (HD)** – HD is characterised by its dark red brown colour and abundant (>70%) detrital hematite (including maghemite and goethitic hematite) and goethite. It is unconsolidated, moderately sorted, with sub to well-rounded granules of hematite. The pisolith content is generally less than 30%.

- **Pisolitic Hematite Detritals (HDP)** – HDP is similar to HD, but with significant increase of pisoliths, ranging from 30% to 70%.

- **Loose Pisolite & Pisolitic Clay (LPC)** – Loose Pisolite is underneath the HD or HDP zones. It is characterised by unconsolidated, well-sorted, well rounded 1-3 mm pelletoids (or ooids) in fine sand or clays. LP may grade into Pisolitic Clay (LPC) as a result of a lateral facies change. The latter is essentially clays with minor fine grained (often <1 mm) pisoliths.

- **Channel Iron Deposit (CID)** – Buried CID occur at Northwest Sector, Rockhole Bore and Abalone (Figure 3). The CID varies from a weathered (or decomposed) siliceous CID (SCID) which may contain minor quartz grains, to red brown hard CID, and to an ochreous basal CID (BCID). The CID may be partly cemented in some locations.

- **Calcrete** – An extensive calcrete zone occurs below the hematite detrital (and loose pisolite) sequence in the northern part of the deposit. At Abalone, a poorly mineralised lower CID zone occurs below or the main calcrete zone.

The contacts between the detrital stratigraphic units (i.e. TOB, HDS, HD, HDP and LP) are gradational with pisolite content (and Fe) increasing proportionally with depth. The TOB and HDS/HDS zones are mostly present and vary in thickness more rapidly in a north-south direction than the east-west direction. The HD zone is usually graded into the underlying pisolite zone. By comparison, the occurrence of buried CIDs is much more localised.

The haematite detrital (DID) mineralisation which comprises the HDS, HD, and HDP zones is the basis of the estimated Mineral Resources for the Marillana Project. This material is beneficiated to upgrade to a >61% Fe product. A smaller proportion of channel iron deposit (CID) material also forms part of the Mineral Resources as a direct shipping product depending on grade (>52% Fe grade).

2.4 Mineral Resource Estimation

This Mineral Resource estimate was prepared by Golder and is based on a number of factors and assumptions as outlined in the sections below.

2.4.1 General

All the available drilling data were used for the Mineral Resource estimation.

The survey control for collar positions was considered adequate for the purposes of the estimate.

Stratigraphic horizons were interpreted on cross-section and modelled in three dimensions to define geological domains that were used to flag the sample data for statistical analysis and limit the resource estimation.

A review of the analytical quality assurance and quality control (QA/QC) data was completed. The QA/QC program included company certified reference materials, field duplicates and laboratory repeats. No apparent discrepancies that would impact the resource were identified.

A comparison of the analytical results and sample recoveries from twin reverse circulation and diamond drill holes as well as twin reverse circulation and sonic drill holes was completed. The results of this review allowed Measured Resources to be classified for detrital mineralisation above the water table only.

Statistical and geostatistical analysis was carried out on drilling data composited to 2 m downhole. This included variography to model spatial continuity relationships in the geological domains.

The Ordinary Kriging interpolation method was used for the estimation of Fe, SiO_2, Al_2O_3, P and LOI, using variogram parameters defined from the geostatistical analysis.

Dry bulk density was assigned to each of the geological domains. The density values were derived from geophysical logging of 22 diamond drill holes. While density data is more limited than assay data it was considered adequate.

2.4.2 Mining and Geometallurgical Considerations

The geometry of the deposit is amenable to open pit mining and Brockman has completed a significant body of work that demonstrates the feasibility of a mining operation at the site.

Included in the studies has been a substantial metallurgical test work programme. From these studies, Brockman has chosen a preferred processing option using Dense Media Separation (DMS) for DID ores. CID ore is expected to be direct shipping ore (DSO).

Estimation of geometallurgical parameters is based on 44 samples collected throughout the ore zone stratigraphy. Samples were collected using PQ triple-tube drilling techniques.

Estimation of mass recovery and concentrate grades for Fe, Al_2O_3, SiO_2, and LOI was by a geostatistical technique called Projection Pursuit Multi-variate Transform (PPMT). This uses actual test work results to estimate block model metallurgical parameters. Where estimation is not possible due to outlier Al_2O_3 and SiO_2 grades, a regression formula developed by Brockman is used. Blocks assigned grades are downgraded in classification due to the uncertainty in the estimate of metallurgical parameters.

Mineral Resources for the DID require beneficiation and are reported at a cut-off grade of 38% Fe. This cut-off grade is selected based on the Mineral Resources having sufficient mass recovery to warrant processing and achieve an acceptable product grade of at least 60% Fe, ~3% Al_2O_3, and 6.5% SiO_2.

Brockman have undertaken metallurgical test work and determined that additional yield may be possible via processing the naturally occurring fines reject stream through a reflux classification circuit or by reducing the screen cut size to enable some of the fines reject stream to be processed through the DMS circuit. Yield estimates in the Mineral Resource exclude estimates of secondary product streams.

The CID Mineral Resources are reported at a cut-off grade of 52% Fe. This cut-off grade is selected based on the Mineral Resources achieving an acceptable product grade.

2.4.3 Resource Classification

The Mineral Resources on the Marillana Project are classified in accordance with JORC 2012.

The classification of Mineral Resources is on the basis of data density and quality, representativeness of sampling, geological confidence criteria, the position of the water table, estimation performance parameters, and confidence in the estimates of metallurgical parameters.

2.4.4 Mineral Resource Statement

The Mineral Resources on the Marillana Project are classified in accordance with JORC 2012.

The classification of Mineral Resources is considered appropriate on the basis of data density and quality, representativeness of sampling, geological confidence criteria, the position of the water table, estimation performance parameters, and metallurgical performance.

The resource is based on an Ordinary Kriging interpolated block model. The Mineral Resource was defined using geological boundaries and a cut-off of 38% Fe for DID mineralisation and a cut-off of 52% Fe for the CID mineralisation. The cut-off grades were selected based on the Mineral Resources achieving an acceptable product recovery and grade.

Table 1 and Table 2 present the Mineral Resources for the Project as at 1 August 2018.

Table 1: Marillana DID *in situ* Mineral Resource at a cut-off grade of 38% Fe

Classification	Tonnes (Mt)	Fe%	Al_2O_3%	SiO_2%	P%	LOI%	% Mass Recovery	Product (Mt)
Measured	170	41.6	4.8	30.4	0.06	4.1	36.6	62
Indicated	962	42.3	5.2	29.7	0.06	3.4	37.8	364
Inferred	273	42.0	5.8	29.5	0.06	3.4	36.0	98
Total	**1,404**	**42.2**	**5.3**	**29.7**	**0.06**	**3.5**	**37.3**	**524**

Table 2: Marillana CID *in situ* Mineral Resource at a cut-off grade of 52% Fe

Classification	Tonnes (Mt)	Fe%	Al_2O_3%	SiO_2%	P%	LOI%
Indicated	84	55.8	3.6	5.0	0.10	9.8
Inferred	18	54.4	4.3	6.6	0.08	9.3
Total	**102**	**55.6**	**3.7**	**5.3**	**0.09**	**9.7**

2.5 Ore Reserve Estimation

This Ore Reserve estimate was prepared by Golder and is based on a number of factors and assumptions as outlined in the sections below.

2.5.1 Mining Model

The updated August 2018 Mineral Resource model is the basis for the mining model used for Life of Mine (LOM) planning and assessment reporting.

The mining input model has been re-blocked from the Mineral Resource model (Section 2.4.4) using a re-block size of 20 m × 20 m × 6 m. The 6 m vertical height is deemed the minimum practical flitch height for bulk mining with the proposed mining method. A comparison of re-blocked model compared with the parent mineral resources model indicated a 5.1% ore loss (4.7% on DID and 11.7% on the CID ore fraction). The use of the re-blocked mining model provides fair representation of the anticipated ore loss and dilution with the proposed mining method.

Iron Ore grades have been supplied with the resource model and are estimated for recovered 61% Fe product for the DID ore and In-Situ grades for the CID direct ship ore.

An estimated marginal cut-off grade has been used at 38% Fe for the DID and 52% Fe for the CID ore.

Iron Ore royalties of 5.75% of the netFOB price were considered for LOM planning and assessment purposes.

Metallurgical test work was used to estimate the recoverable fraction from the DID ore component, with iron grade, silica and alumina estimates being coded in the block model based upon dense media separation (DMS) test work expected outputs for a 61% Fe product.

An input process cost has been estimated at AUD6.50/t for both CID and DID ore processing has been advised. A further allowance of an additional AUD1.50/t has been allowed for stockpile (s/p) reclaim – all tonnes are assumed to be on a dry basis. Mining costs have been derived from the initial DFS with appropriate allowance for cost inflation since completion of the DFS and allowance for moisture content.

2.5.2 Pit Optimisation

The base case optimisation was determined as part of the DFS study and was run using Measured and Indicated Resources only, with cut-off grades of 38% Fe for DID and 52% Fe for CIDs.

No minimum cut-off has been applied for Al_2O_3, SiO_2 or P.

2.5.3 Mine Scheduling

Mine scheduling aims to maximise value through deferring larger strip-ratio cut backs until later in the mine life. A commercial linear programming software package (Minemax Scheduler) is used to model the mining sequence, the processing plant, and different ore feeds to maximise Net Present Value (NPV) for the nominated parameters and constraints. Major constraints include the process plant throughput, ore and total rock mining limits. The material selection to satisfy processing requirements is based on a cut-off grade, ore definition derived from mining, processing and selling costs.

The maximum value pit was selected using a discounted average Net Present Value and determined to align with a 0.8 revenue factor shell using estimated LOM input prices and costs.

The LOM final pit was staged such that there were three identified phases operating over multiple pit areas within the LOM pit. Though the general mining removal method using Bucket Wheel Excavators remains as an option, it is likely that a trade-off with large electric rope shovels may show similar costing and volume capacity equivalence. The current valuation has assumed conventional shovel and truck operation using an earthmoving contractor.

2.5.4 Ore Reserves Statement

The Ore Reserves for the Marillana Project are classified in accordance with JORC 2012.

The classification of Ore Reserves is considered appropriate on the basis of Mineral Resource confidence and likely precision of modifying factors.

The Ore Reserves were defined using a cut-off of 38% Fe for DID mineralisation and a cut-off of 52% Fe for the CID mineralisation within the final pit and tenement boundary limits.

As of 1 August 2018, the Marillana project has a total estimated Probable Ore Reserves of 967 Mt of DID plus 46 Mt of direct ship CID (Table 3). The total saleable product from the processed iron ore feed is estimated at 404 Mt at 60% Fe, with an average SiO_2 grade of 6.1% and an Al_2O_3 grade of 3.1% (Table 4).

Table 3: Marillana Project – Ore Reserves – 1 August 2018

Reserves Class	Ore Type	Fe Cut-Off Grade (%)	Tonnes (Mt)
Probable	CID	52%	46
Probable	DID	38%	967
Probable	Total Ore		1,013
Waste			1,007

LOM Strip ratio = 1.0:1 (W:O t:t)

Some 70 Mt of Inferred material is included within the total waste reported above.

Table 4: Marillana Project – Ore Reserves export product – 1 August 2018

Reserves Class	Ore Sale Type	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	LOI (%)
Probable	CID Product	46	55.5	5.3	3.7	9.7
Probable	DID Product	358	60.3	6.2	3.0	2.5
Probable	Total Ore	404	59.8	6.1	3.1	3.3

3.0 VALUATION OF MARILLANA PROJECT

3.1 Introduction

Golder was commissioned by Brockman to provide an Independent Valuation of the Marillana Project in the context of providing a basis for corporate valuation.

3.2 Material Agreements

Golder was commissioned by Brockman to provide an Independent Valuation Report. The valuation report encompasses Brockman's Marillana Project. The Independent Valuation report provides an assessment of Brockman's Pre-development Project Mineral Asset being the Marillana Project.

Golder is not expert in mineral tenement administration and has relied on advice from Brockman that the mining and exploration permits that are granted are in good standing.

The valuation is based on a 50/50 unincorporated JV agreement between Brockman and MRL for which Brockman and MRL have provided project operating assumptions, costs and revenue assumptions. On this basis, a valuation has been determined based on a 100% interest for which each party will share in half the valuation. The valuation has been prepared on a pre-tax basis and also assuming a simple 30% tax basis to provide a post-tax estimate of value. It is recognised that the post-tax valuation only represents an approximation as each of the JV partners will be in a different position with respect to its taxable income. For this reason, the post-tax estimates have not been stated herein.

3.3 Valuation Methods

The VALMIN Code recognises several stages of project development from exploration through to operating mines:

- Exploration Areas – mineralisation may or may not have been identified but no mineral resource defined

- Advanced Exploration Areas – extensive exploration possibly leading to resource identification

- Pre-Development Projects – mineral resource identified and estimated but no development decision

- Development Projects – project committed to development but not commissioned or in development

- Operating Mines – fully commissioned and in production.

There are a number of established valuation techniques, some of which are more appropriate to some stages of project development than others.

For a project such as Marillana which is classified for the purposes of this report as a Pre-Development Project, the most appropriate method of valuation would employ a DCF analysis supported by a comparable market valuation.

3.4 Previous Valuations

A previous DCF valuation was prepared as part of the 2010 DFS, based on significantly different operating, business, cost and pricing regimes. Refer to the Brockman ASX release issued 29 September 2010 (Appendix C). Due to the very different operating environment and project development approach, Golder judges the 2010 valuation to be not relevant to the current assessment.

3.5 Valuation Methodology

The current approach to project valuation is based on a DCF analysis assuming the following project development approach:

- Unincorporated JV agreement with MRL
- Third party supply of processing, rail and port services on a per unit tonne of product facilitated by the Process and Loading and Mine to Ship Logistics agreements
- Input costs, operating parameters and iron ore prices supplied by MRL and Brockman
- Contract mining using conventional shovel and truck methods
- Throughput rate of 20 Mtpa DID product and up to 3.5 Mtpa CID product, as available
- Contract power supply via a "Build Own Operate" agreement.

3.6 Cost and Revenue Assumptions

Project capital and operating costs have been derived as described in the following sections based on the proposed JV development methodology, a recent August 2018 Ore Reserve update by Golder, the original DFS (2010) and information provided by Brockman and third parties.

Escalation factors for inflation and scale have been applied as appropriate to operating and capital costs as follows:

- Inflation applied at 2% per annum or 17.2% over eight years

- Scale factor for increase from 15 Mtpa to 20 Mtpa DID product applied by "power of 0.6" or factor $(20/15)^{0.6}$.

Iron pricing and revenue assumptions have been derived from a marketing report and discount assumptions provided by Brockman.

3.6.1 Operating Costs

Key operating unit costs have been assumed for mining, site processing by crushing and screening, loading, rail and port handling as provided in Table 5.

Table 5: Operating Costs

Description	Units	Rate	Basis
Ore Mining	AUD/dmt ore	3.03	Base price of $2.95/dmt plus AUD 0.08/dmt for AUD 5M per year sustaining capex
Waste Mining	AUD/dmt waste	3.18	Base price plus allowance for AUD 0.23/dmt for sustaining capex and AUD 151 M closure
Process	AUD/dmt ore	6.50	Brockman estimate: crush, screen, return reject to waste/tailings
Load/Rail/Port	AUD/dmt product	22.88	Brockman estimate for DID and CID product
Power	AUD/dmt DID	1.26	Brockman estimate for a "Build Own Operate" (BOO) contract
Stockpile/Reclaim	AUD/dmt	1.50	Escalated from DFS
General & Admin	M AUD/year	31	Escalated from DFS, Years 1 to 3
	M AUD/year	24	Escalated from DFS, From Year 4 onwards
Marketing	M AUD/year	20	Brockman estimate

The operation will be mined under a contract mining operation, with all mining related costs provided as a unit mining cost. The mining costs have allowed for a sustaining capital component (AUD 5 M per annum) to cover ancillary capital (non-mining capital) as well as an allowance to cover final closure costs estimated at AUD 151 M at the end of life of mine. The closure cost allocation has been incorporated into the cost of mining the waste rock material. The ore mining cost has been applied at the rate of AUD 3.03/dmt while the waste mining cost has been applied at the higher rate of AUD 3.18/dmt due to a longer haul and differential allocation of sustaining and closure costs.

Port handling costs and rail costs inclusive of ship loading and berthing costs have been applied at a cost of AUD 22.88 per tonne product as supplied by Brockman. An additional AUD 1.26 per tonne DID product has been applied to account for a "Build Own Operate" ("BOO") contract for power supply to the site for a nominal 17 MW capacity diesel power station, equivalent to a price of AUD 0.22/kWhr.

3.6.2 Capital Costs

Marillana non-process infrastructure capital costs have been derived from the DFS (2010) with appropriate escalation included to those components of the project not covered by the MRL provided process plant, railing and port facilities. A breakdown of initial capital costs for onsite project development totalling AUD 386 M incurred in the two years prior to commencement of production in 2022 is provided in Table 6. For the DCF analysis, capital has been scheduled at 40% of spend in Year -2 and 60% of spend in Year -1.

Table 6: Capital Costs

Description	Capital Cost M AUD	Basis
Mining	23	Contractor mobilisation, pit dewatering
Process Plant — Detritals	13	Water services only
Process Plant — CID	0	Included under third party agreement
Process Plant Infrastructure	34	Escalated DFS, excluding plant mobile equipment
Other Infrastructure	129	Escalated DFS, excluding rail loadout/loop, power stn & dist.
Off Site Infrastructure	87	Escalated DFS, excluding gas pipeline provision
Indirect Costs	61	Escalated DFS, partial covered by third party agreement
Owners Costs	39	Escalated DFS, partial covered by third party agreement
Total Capital Cost	**386**	

3.6.3 Pricing and Revenue

Golder has relied on an August 2018 marketing report by LFJ Consulting Pty Ltd ("LFJ") on behalf of Brockman as the basis for discounted DID product pricing and advice from Brockman for discounted CID product pricing.

The selling price for the DID Iron Ore is based upon a forward PLATTS (62% Fe) price of USD67.33 CFR per tonne, at a forward exchange rate of USD0.75:AUD1.00. A further 7% discount on this price has been applied by LFJ Consulting to reflect impurities and average grade (60.5 – 61.5%). A shipping cost of USD7.50 per tonne has been applied as advised by Brockman. State Royalties at 5% of the FOB price (CFR less 7% discount and shipping cost) plus an additional 0.75% land-owner royalty have been allowed for in the net iron ore price. The resulting average net price received for DID product was estimated at AUD1.14 per dry metric tonne unit ("dmtu") or per 1% iron.

Brockman advised it expected to receive a higher discount of 30% for the lower grade, lower market demand, CID product. Applying a similar methodology, the resulting average net price received for CID product was estimated at AUD0.90 per dmtu.

The basis for product pricing is provided in Table 7.

Table 7: Marillana Product Pricing

Marillana 20Mtpa option		DID Pricing		CID Pricing	
		USD	AUD	USD	AUD
PLATTS CFR 62% Fe 6 August 2018	$/t prod.	67.33	89.77	67.33	89.77
Discount (DID 7%, CID 30%)	$/t prod.	62.62	83.49	47.13	62.84
Freight (USD7.50/t)	$/t prod.	55.12	73.49	39.63	52.84
Royalties (State 5%, Local 0.75%)	$/t prod.	51.95	69.26	37.35	49.80
Price received	$/dmtu	0.85	**1.135**	0.67	**0.897**

The price received is based upon a nominal 61.0% iron for DID product (assumed by LFJ) and 55.5% iron for CID product. The average grade over the life of mine is slightly lower at 60.3% for DID product resulting in a slightly lower average price received estimated at USD 49.75 per tonne product, DID plus CID.

Marillana non-process and infrastructure capital costs have been derived from the DFS study (2010) with appropriate escalation included to those components of the project not covered by the MRL provided process plant, railing and port facilities.

Marillana capital costs are inclusive of all life of mine staged costs incurred over the life of the operation.

Additional allowances have been made for Marketing AUD 20 M per annum and Corporate charges AUD 4 M per annum.

A processing and railing capacity of 20 Mtpa product for the DID material with a further allowance of an additional 3.5 Mtpa of CID product has been advised from MRL. Processing, Rail and port handling costs have been estimated by MRL that incorporate both a capital amortisation and sustaining capital component. The process, rail and port costs are provided as 'all-in' costs.

3.7 Mining and Production Scheduling

The mining model used previously for updating the Marillana Ore Reserves in March 2018 has been used to form the inputs to the revised mining and processing schedule. All tonnages stated are equivalent dry metric tonnes (dmt) but for rail and port handling purposes an allowance of an additional 3.5% moisture has been assumed. The schedule has used the dmt basis for all costs and pricing.

The input costs and ore price as previously noted were used in the MineMax Scheduler model with appropriate material movement and product tonnage constraints applied to optimise the value of the mining and processing sequence for the life of mine for the Marillana project. No inferred material has been included in the processing. Any Inferred Resource material within the mining model is regarded as waste material within the mining schedule.

A lower grade limit target for the DID product was applied at 60% Fe for the first fifteen years of the project and then relaxed to 58% minimum for the remaining five years of the project life.

The schedule produces a total DID product of 361 Mt at an average grade of 60.3% Fe and an annual export railing rate of 20 Mtpa. A further 48 Mt of CID product at an average grade of 55.5% Fe is exported over the life of the schedule at an annual maximum rate of 3.5 Mt. The total tonnage scheduled for valuation amounts 409 Mt of DID plus CID product, approximately 1% higher than the Ore Reserve of 404 Mt due to relaxation of grade constraints towards the end of mine life, but the impact of this on the valuation is not regarded by Golder as material.

An allowance of 50% reduction in the annual rated capacity was allowed for the first year of processing. Thereafter the schedule was primarily targeted to achieving 20 Mtpa of product at a minimum iron ore grade of 60%.

In the last five years of the project where the 60% Fe grade could not be achieved a lower Fe limit of 58% was applied. Pricing for revenue estimation was applied using the discounted rates per dmtu for each of DID (AUD1.14/dmtu) and CID products (AUD0.90/dmtu). This approach takes account of both iron content and quality. The schedule of material movements is shown in Figure 4.

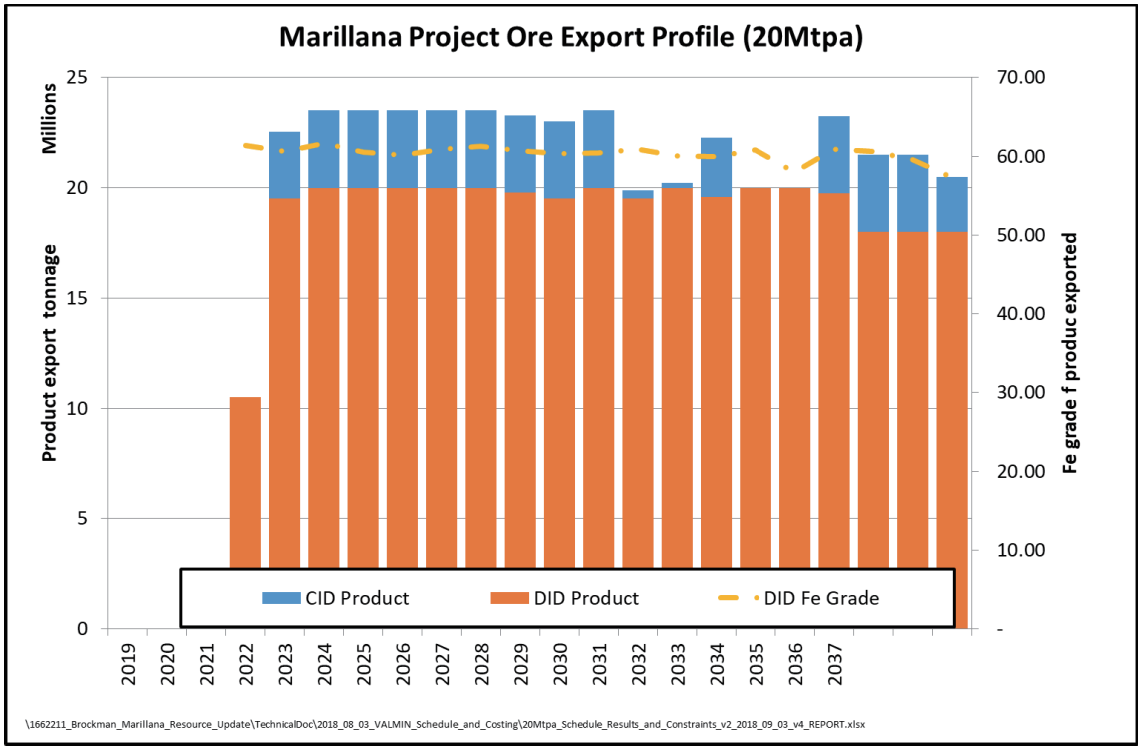

Figure 4: Marillana product export profile – 20 Mtpa VALMIN study

3.8 DCF Valuation Model

Golder prepared a DCF model using the mining schedule physical quantities, supplied costs, pricing and operating assumptions to estimate project value over a 22-year mine life comprising a three-year pre-development period and 19 years of production. The three-year pre-development period comprises one year until JV capital commitment by 31 December 2019 and two years required for rail, port and infrastructure development. The first year of mine production in 2022 is scheduled at 50% of the nominal 20 Mtpa capacity achieved from 2023 onwards.

Project net present value ("NPV") has been estimated at a discount rate of 10% with further allowance of a 20% discount on the NPV to reflect project JV risk, which is the risk that the JV will not proceed to production in accordance with the timeline as anticipated in the JV Agreement.

3.8.1.1 Base Case

A summary of the total schedule metrics for the Base Case valuation is provided below for a 50% interest, showing the life of mine iron ore export and the high-level schedule financial estimates.

Table 8: Marillana schedule for 20 Mtpa export option

Marillana schedule for 20 Mtpa export option ITEM	Units	20 Mtpa
		Base Case
Initial Capex (Year 1)	AUD (M)	386
Total Capex*[1]	AUD (M)	462
Mining cost — ore	AUD/t ore	3.03
Mining cost — waste	AUD/t waste	3.18
Annual DID product target	Mtpa	20
Annual CID product target	Mtpa	3.5
Processing cost	AUD/t processed	6.5
Rail & Port and Power*[2]	AUD/t product	24.14
Average net iron ore price received*[3]	USD/t product	49.75
State and local royalties	%	5.75
Waste rock mined	Mt	1 017
DID Ore Processed	Mt	979
DID Product Yield	%	37%
DID Export Product	Mt	362
CID Export Product	Mt	47
NPV discount factor	%	10
Project NPV at 10%	AUD (M)	1 086
NPV at 10% (pre-tax, 50% interest)*[4]	AUD (M)	543
IRR (pre-tax)	%	55%

Notes:

*[1] Including non-process mine and infrastructure, excluding sustaining (AUD5M/yr) and mine closure (AUD151M) incorporated to mining cost.

*[2] BOO for power (AUD1.26/t DID product, 21c/kwhr) incorporated to Rail/Port/Power cost.

*[3] Assumes PLATTS 62% Fe CFR pricing of USD67.33/dmt, USD7.50/t shipping, 7% discount on DID Pricing per LFJ marketing report, 30% discount on CID pricing per Brockman.

*[4] Assumes 50% JV interest, 3 years to first production in 2022, further 20% discount to account for JV risk.

3.8.1.2 Sensitivity Analysis

Using the DCF model, Golder has undertaken a high-level sensitivity analysis of key drivers:

- Operating cost
- Capital cost
- Pricing

The sensitivity analysis tests costs in the range +15% corresponding to accuracy limits provided in the JV provisional pricing agreement per MRL. The results are given in Table 9 and shown in the Spider Graph in Figure 5.

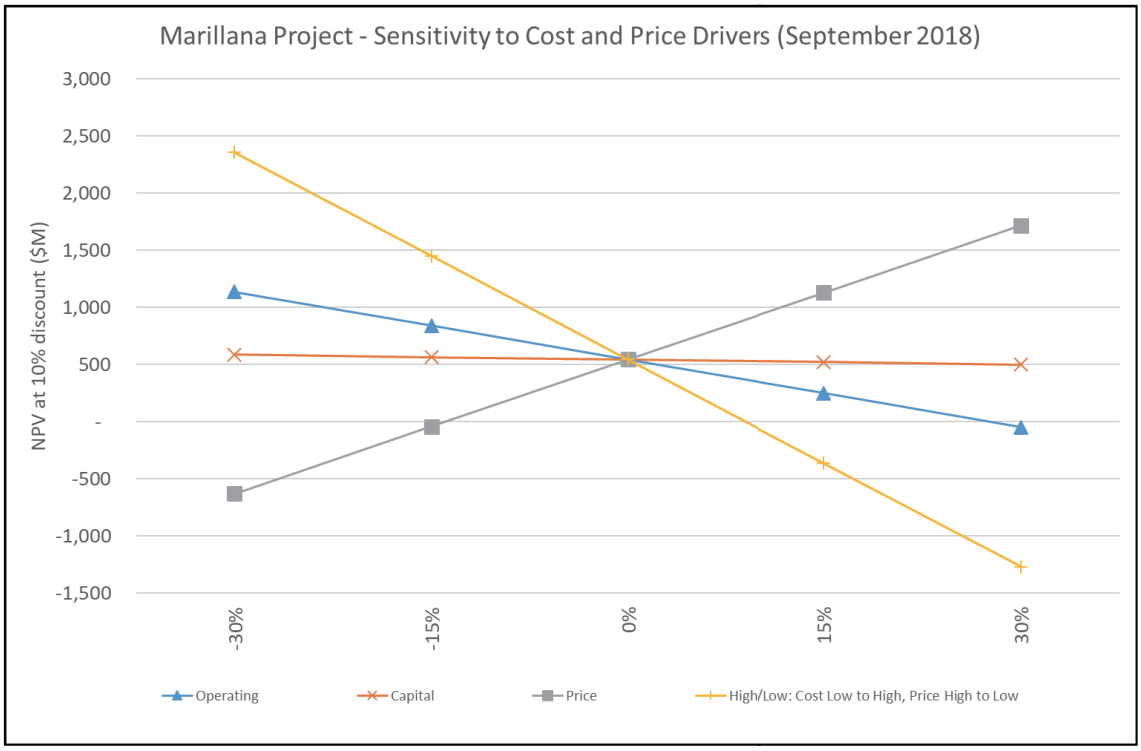

Figure 5: Marillana Project – sensitivity to cost and price drivers ±30%

The Marillana project appears financially robust at the cost and price assumptions stated. The project is moderately sensitive to the iron ore price and exchange rate and is relatively less sensitive to operating expenditure costs related to process or mining.

Table 9: Sensitivity Analysis - Marillana VALMIN Option - 20 Mtpa, 30 September 2018

Item	Units	Base Case	+15% Opex	-15% Opex	+15% Capex	-15% Capex	+15% Cost	-15% Cost	+15% Price	-15% Price	High*[4]	Low*[5]
Initial Capex (Year 1)	AUD (M)	386	386	386	444	328	444	328	386	386	328	444
Total Capex*[1]	AUD (M)	462	462	462	531	393	531	393	462	462	393	531
Mining cost - ore	/t ore	3.03	3.48	2.58	3.03	3.03	3.48	2.58	3.03	3.03	2.58	3.48
Mining cost - waste	/t waste	3.18	3.66	2.70	3.18	3.18	3.66	2.70	3.18	3.18	2.70	3.66
Annual DID product target	Mtpa	20	20	20	20	20	20	20	20	20	20	20
Annual CID product target	Mtpa	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Processing cost	/t processed	6.5	7.47	5.525	6.50	6.50	7.47	5.53	6.50	6.50	5.53	7.47
Rail & Port and Power*[2]	/t product	24.14	24.14	24.14	24.14	24.14	24.14	24.14	24.14	24.14	24.14	24.14
Average net iron ore price received*[3]	USD/t product	49.75	49.75	49.75	49.75	49.75	49.75	49.75	57.21	42.28	57.21	42.28
State and local royalties	%	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Waste rock mined	Mt	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017
DID Ore Processed	Mt	979	979	979	979	979	979	979	979	979	979	979
DID Product Yield	%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%

Item	Units	Base Case	+15% Opex	-15% Opex	+15% Capex	-15% Capex	+15% Cost	-15% Cost	+15% Price	-15% Price	High*[4]	Low*[5]
DID Export Product	Mt	362	362	362	362	362	362	362	362	362	362	362
CID Export Product	Mt	47	47	47	47	47	47	47	47	47	47	47
NPV discount factor	%	10	10	10	10	10	10	10	10	10	10	10
NPV at 10% (pre-tax, 50% interest)*[6]	AUD (M)	543	247	839	521	564	225	860	1,129	-44	1,447	-361
IRR (pre-tax)	%	54%	37%	68%	48%	61%	32%	76%	81%	na	103%	na

Notes:

*[1] Including non-process, mine and infrastructure, excluding sustaining ($5M/yr) and mine closure ($151M) incorporated to mining cost.

*[2] BOO for power ($1.26/t DID product, 21c/kwhr) incorporated to Rail/Port/Power cost.

*[3] Assumes PLATTS 62% Fe CFR pricing of USD67.33/dmt, USD7.50/t shipping, 7% discount on DID pricing per LFJ marketing report, 30% discount on CID pricing per Brockman.

*[4] -15% Capex and Opex, +15% iron price

*[5] +15% Capex and Opex, -15% iron price

*[6] Assumes 50% JV interest, 3 years to first production in 2022, further 20% discount to account for JV risk.

4.0 VALUATION STATEMENT

Golder's opinion based on a pre-tax, DCF analysis for a 50% share as at end September 2018 was that the fair value of the Marillana Project was considered to range from AUD 223 million to AUD 863 million with an estimated fair value of AUD 543 million.

Golder has selected the range for valuation corresponding to a +15% variation in total operating and capital costs for the project, while the fair value has been selected for the base case reflecting:

- Estimated costs provided by Brockman as referenced in the JV agreement
- Mining and other operating and capital costs as escalated for scale (15 Mtpa to 20 Mtpa) and inflation (17.2%) from the 2010 DFS
- Non-process and infrastructure capital costs excluded from the third party rail and port logistics costs as highlighted by Brockman and MRL, reviewed and escalated as appropriate by Golder
- Iron ore pricing based on discount of an August 2018 marketing report by LFJ consulting
- A discount rate of 10% applied for NPV estimation
- A 50% JV interest factor
- A 20% discount applied to take account of JV risk.

The opinions expressed and conclusions drawn with respect to this valuation of the mineral assets are appropriate at the valuation date of 30 September 2018. The valuation is only valid for this date and may change with time in response to variations in economic, market, legal or political conditions, in addition to future exploration results.

5.0 QUALIFICATIONS AND BASIS OF OPINION

5.1 Competent Person and Corporation

The information in this report which relates to Exploration results, geological interpretation, and drill hole data is based on information provided by Mr Aning Zhang. Mr Zhang is a full-time employee of Brockman Resources Ltd, is a Member of the Australasian Institute of Mining and Metallurgy. Mr Zhang has sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition). Mr Zhang consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

The information in this report which relates to Mineral Resources is based on information provided to and compiled by Dr Sia Khosrowshahi, who is a full-time employee of Golder Associates Pty Ltd, and a Member of the Australasian Institute of Mining and Metallurgy. Dr Khosrowshahi has sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition).

The information in this report which relates to Ore Reserves is based on information provided to and compiled by Mr Glenn Turnbull, who is a part-time employee of Golder Associates Pty Ltd, and a Member of the Australasian Institute of Mining and Metallurgy. Mr Turnbull has sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition).

5.2 Statement of Independence

Golder has provided and continues to provide technical consulting services to Brockman with respect to its mineral assets; some of that work is referred to in this report. The work is carried out independently on a fee for service basis. Fees generated from Brockman are not material to Golder either locally or globally. Allan Blair and Peter Onley have not previously worked on projects for Brockman and in our opinion, Golder's association with Brockman does not impact on the independence of this valuation. Furthermore:

- Golder and the authors of this report have no material present or contingent interest in or association with Brockman, MRL and their subsidiaries or the assets under review. Individual employees of Golder may hold non-material securities holdings in these entities either directly or indirectly.

- Golder has had no material association during the previous two years with the owners/promoters of the mineral assets, the company acquiring the assets or any of the assets to be acquired and has no material interest in the projects;

- There are no business relationships between Golder and Brockman. Golder or its employees and associates are not, nor intend to be a director, officer or other direct employee of Brockman. The relationship with Brockman is solely one of professional association between client and independent consultant;

- Golder does not hold and has no interest in the securities of Brockman, MRL and its subsidiaries under review;

- Golder has no relevant pecuniary interest, association or employment relationship with Brockman, MRL, and its subsidiaries;

- Golder has no interest in the material tenements, the subject of the Report;

- Golder is not a substantial creditor of an interested party, or has a financial interest in the outcome of the proposal. The review work and this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

- The Report has been prepared in compliance with the Corporations Act and ASIC Regulatory Guide 112 with respect to Golder's independence as experts.

- Fees for the preparation of this report are being charged at Golder's standard schedule of rates, with expenses being reimbursed at cost plus a handling charge. Payment of fees and expenses is in no way contingent upon the conclusions of this report.

- Based on the information provided to Golder and to the best of its knowledge, Golder has not become aware of any material change or matter affecting the validity of the report.

5.3 Important Information

Your attention is drawn to the document titled – "Important Information Relating to this Report", which is included in Appendix D of this report. The statements presented in that document are intended to inform a reader of the report about its proper use. There are important limitations as to who can use the report and how it can be used. It is important that a reader of the report understands and has realistic expectations about those matters. The Important Information document does not alter the obligations Golder has under the contract between it and its client.

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www.brockmanmining.com various technical and financial reports, ASX releases, new items.

SIGNATURE PAGE

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Valuations Expert

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APPENDIX A

Brockman ASX News Release JV Agreement 27 July 2018

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)

(1) MAJOR TRANSACTION IN RELATION TO TRANSFER OF 50% INTEREST IN MARILLANA PROJECT AND (2) VERY SUBSTANTIAL ACQUISITION IN RELATION TO FORMATION OF UNINCORPORATED JOINT VENTURE

On 26 July 2018 (after trading hours), Brockman Iron (a wholly-owned subsidiary of the Company) and Polaris (a wholly-owned subsidiary of Mineral Resources Limited (MRL)) entered into a Farm-in and Joint Venture (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. Following the conditions precedent of the FJV Agreement having been satisfied including among others execution of the Process and Loading Agreement and the Mine to Ship Logistics Agreement, Polaris will commence to carry out its Farm-in Obligations. Following Polaris having met its Farm-in Obligations, the Farm-in Interest will be transferred to Polaris and an unincorporated joint venture (Joint Venture) for the development of Marillana will be established with each party holding a 50% interest as detailed in this announcement.

Given the Farm-in Interest will be transferred to Polaris upon satisfaction of the Farm-in Obligations resulting in the Company's interest in the Marillana Project to be reduced from 100% to 50% and based on the applicable percentage ratios, such transfer constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Furthermore, taking into account the Marillana Project to be put under the Joint Venture and the maximum capital commitment for the Development Activities by the Company of AUD150 million (equivalent to HK$870 million) and based on the applicable percentage ratios, the establishment of the Joint Venture constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. The Transactions are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A Special General Meeting (SGM) will be convened and held for the Shareholders to consider and, if thought fit, approve the FJV Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Transaction; (ii) financial information of the Group; (iii) further information on the Marillana Project including a competent person's report and a valuation report on the mineral assets of the Marillana Project as required under Chapter 18 of the Listing Rules; (iv) unaudited pro-forma financial information of the Group following the Transactions; and (v) the notice convening the SGM is expected to be despatched to the Shareholders on or before 16 August 2018.

Completion of the Transactions is subject to the satisfaction of the conditions set out under the section headed "FJV Agreement — Conditions precedent" in this announcement, including the approval of the FJV Agreement and the transactions contemplated thereunder by the Shareholders at the SGM, and the satisfaction of the Farm-in Obligations set out in the section headed "FJV Agreement — Farm-in" in this announcement. The Transactions therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

THE TRANSACTION

The Company and MRL entered into a non-binding heads of agreement (HOA) dated 6 June 2018 setting out the principles for the cooperation between the two companies to develop the Marillana Project. The HOA sets out the indicative terms of the FJV Agreement covering among others the Farm-in Obligations, establishment of an unincorporated joint venture (Joint Venture), the Joint Venture's Management Committee, funding for the Development Activities, the Rail and Port System as well as the principal terms of the Process and Loading Agreement and the Mine to Ship Logistics Agreement.

On 26 July 2018 (after trading hours), Brockman Iron (a wholly-owned subsidiary of the Company) and Polaris (a wholly-owned subsidiary of MRL) entered into the FJV Agreement, pursuant to which subject to Polaris meeting the Farm-in Obligations, the parties agree to establish the Joint Venture to develop the Marillana Project. The principal terms of the FJV Agreement are set out below.

FJV AGREEMENT

Date:	26 July 2018
Parties:	(i) Brockman Iron (a wholly-owned subsidiary of the Company); and (ii) Polaris (a wholly-owned subsidiary of MRL) MRL is a company whose shares are listed on ASX. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Polaris, MRL and its substantial shareholders are third parties independent of the Company and its connected persons (as defined under the Listing Rules). Further information on MRL is set out under the section headed "Reasons for the Transactions" in this announcement below.
Conditions precedent:	The FJV Agreement will become effective subject to the satisfaction of the following conditions precedent within 90 days of execution, unless otherwise agreed by the parties acting reasonably: (i) the Company obtaining the necessary regulatory approvals required in Australia and Hong Kong to proceed with the transactions contemplated by the FJV Agreement; (ii) the Company obtaining approval from a majority vote of the Shareholders to enter into the FJV Agreement and proceed with the transactions contemplated thereunder; (iii) the parties executing the Process and Loading Agreement and the Mine to Ship Logistics Agreement on terms consistent with the HOA and otherwise on terms acceptable to both parties; and (iv) the parties executing the Loan Agreement. None of the above conditions are waivable. As at the date of this announcement, none of the above conditions precedent have been fulfilled.

Loan:	Polaris will provide an interest-free loan of AUD10 million to Brockman Iron following the Farm-in Date (as referred to below) under the Loan Agreement to be executed on or before the Unconditional Date on following principal terms.	
	Purpose:	The loan shall be used to meet Brockman Iron's financial obligations under the FJV Agreement and for working capital in relation to the Group's iron ore business in the Pilbara region of Western Australia.
	Principal amount:	AUD10 million
	Repayment:	Unless a default event as specified in the Loan Agreement occurs in which case the Loan will become due for repayment on demand, such Loan will be repaid from net revenue received by Brockman Iron from the sale of its share of Products sold from the Marillana Project which is transported under the Mine to Ship Logistics Agreement in accordance with the Loan Agreement. However, if the Rail and Port System described below is delayed and the Company exercises its option to Buy-Out Polaris' interest in the Marillana Project, Brockman Iron will no longer be obliged to repay the Loan.
	Security:	Each Joint Venturer will enter into a deed of cross security in relation to among others the obligations under the Loan Agreement. Further details are set out under the section headed "Cross security" below.
Guarantors:	The Company shall be the guarantor for Brockman Iron's obligations under the FJV Agreement while MRL shall be the guarantor for Polaris' obligations under the FJV Agreement.	

Farm-in prior to Joint Venture

Farm-in:	Polaris shall earn a 50% interest in the Marillana Project by satisfying the following obligations within 6 months of the Unconditional Date (Farm-in Period): (i) expenditure of AUD250,000 (equivalent to approximately HK$1.45 million) on exploration and development of the Marillana Project; (ii) completion of the following to evaluate the economic feasibility of mining minerals on the tenements under the Marillana Project (or such other areas as the parties may agree): (a) Polaris' process design criteria of the processing plant(s); (b) completion of Polaris' optimised mine plan study; and (c) completion of a mine site layout that illustrates Polaris' preferred location for the processing plant(s) on the tenements under the Marillana Project consistent with the optimized mine plan referred to in paragraph (b) above.
Satisfaction of Farm-in Obligations:	Upon Polaris satisfying the Farm-in Obligations on or before expiry of the Farm-in Period, the Joint Venture shall be established (Farm-in Date). Following the Farm-in Date, the Farm-in Interest will be transferred to Polaris.
Failure of Farm-in Obligations:	If Polaris fails to satisfy the Farm-in Obligations on or before the expiry of the Farm-in Period, Brockman Iron may by notice to Polaris terminate the FJV Agreement with immediate effect and upon such termination: (i) Polaris will not incur any further liability in respect of the tenements under the Marillana Project; (ii) Polaris will not be entitled to any right, title or interest in the 50% interest in Marillana Project; and (iii) within 7 days following termination, Polaris must provide Brockman Iron with copies of all mining information (if any) generated by Polaris (or its related parties) during the Farm-in Period.

Joint Venture

Formation:	With effect on the Farm-in Date, the parties agree to establish the Joint Venture as an unincorporated joint venture to undertake the activities as set out in the FJV Agreement in accordance with the terms and conditions contained therein.
Joint Venture Interests:	Upon establishment of the Joint Venture on the Farm-in Date, the Joint Venturers' rights, liabilities and obligations under the FJV Agreement are several (not joint nor joint and several) in proportion to the following interest percentage: (i) Brockman Iron — 50% (ii) Polaris — 50%
Scope:	The scope of the Joint Venture is to undertake activities (including exploration, development, mining, treatment rehabilitation and mine closure) associated with the tenements under the Marillana Project as set out in the FJV Agreement.
Development funding:	Following establishment of the Joint Venture, the Management Committee will consider and determine whether it is in the best interests of the Joint Venture for Polaris or a third party subcontractor to carry out the Development Activities. Based on the total estimated cost of the Development Activities which is provided by MRL drawing upon its considerable experience in developing mining projects in Western Australia and considered to be reasonable by the Company, it is agreed that the Joint Venturers will be responsible for funding the Development Activities of the Marillana Project of a maximum of AUD300 million (equivalent to approximately HK$1.74 billion) in total or AUD150 million (equivalent to approximately HK$870 million) by each Joint Venturer. Polaris will use all reasonable endeavours to procure the Debt Financing to fund the aforesaid Development Activities for and behalf of the Joint Venturers. Brockman Iron shall repay its share of the Debt Financing over a loan term to be agreed, which will take priority over Brockman Iron's profits from the Marillana Project.

Rail and Port System: Under the Mine to Ship Logistics Agreement, a subsidiary of MRL will be endeavouring to construct (at its own cost, and not Joint Venturer's) the Rail and Port System in accordance with the following timeline:

(i) construction of the Rail and Port System is to commence on or before 31 December 2019; and

(ii) operation of the Rail and Port System is to commence on or before 31 December 2021.

Unless extended by the agreement of the parties, if any of the above dates is not met, Brockman Iron may (within 30 days) give notice to Polaris to acquire the whole (but not part) of Polaris' JV Interest either with an immediate acquisition or a delayed acquisition.

If Brockman Iron elects to proceed with an immediate acquisition of Polaris' interest, it must pay an amount equal to the actual capital costs incurred by Polaris in the period from the Farm-in Date until such Buy-Out less any actual profit derived by Polaris from its share of the sale of Products from the Marillana Project as at the date of completion of the Buy-Out.

If Brockman Iron elects to proceed with a delayed acquisition, the Joint Venture will continue until Polaris has recovered all its Sunken Capital Costs from the actual profit derived by Polaris from its share of the sale of Products from the Marillana Project.

The Company will comply with the applicable requirements under the Listing Rules if and when Brockman Iron elects to proceed with the Buy-Out in the event that the above timeline relating to the Rail and Port System is not met.

Management Committee: A management committee comprising a total of six representatives shall be established on the Farm-in Date. Each of the Joint Venturers shall appoint 3 representatives.

The role of the Management Committee is to make all strategic decisions relating to the conduct of the activities undertaken by the Joint Venture including the consideration and approval of any work programme and budget and to supervise the Manager (as defined below) in the management of the Joint Venture.

All decisions of the Management Committee shall be determined by majority vote (being 65%) ("**Majority Vote**"), save for the following specific matters ("**Fundamental Matter(s)**") which require a unanimous vote of the Management Committee. The Fundamental Matters among others include: (i) materially changing the nature of the activities to be undertaken by the Joint Venture, (ii) entering into a related party contract (being a contract between the Joint Venturers (or the Manager) and a related party (as defined in the Corporations Act) of the Joint Venturer) and (iii) entering into Debt Financing.

Unless otherwise specified in the FJV Agreement, if the Management Committee is unable to pass a Majority Vote on a non-Fundamental Matter or a unanimous vote on a Fundamental Matter, a Joint Venturer may send the other Joint Venturer a notice setting out the matter in issue, its position and its reasons for adopting such position. Following the issue of the Notice, the Joint Venturer must procure that their respective chief executive officers (or equivalent) meet and use all reasonable endeavours in good faith to resolve the deadlock as soon as possible. If the deadlock cannot be resolved within 10 days from the issue of the notice, then the Management Committee shall be deemed to have resolved that the non-Fundamental Matter or Fundamental Matter is not passed, unless the matter is capable of being determined by an independent expert in which case, either party may refer the matter for determination by such expert.

Manager: Pursuant to the terms of the FJV Agreement, Polaris has agreed to act as the first manager of the Joint Venture. The Manager shall report to the Management Committee. Under the overall supervision and control of the Management Committee, the Manager (by itself or through contractors) manages, directs and controls the activities of the Joint Venture including exploration, development and mining, among other duties of the Manager.

The Manager shall be paid a management fee payable monthly by the Joint Venturers in proportion to their JV Interests, based solely on cost recovery by the Manager.

Assignment: A Joint Venturer may not assign the whole or any part of its JV Interest otherwise than:

(i) with the consent of the other Joint Venturer, which it may give or refuse in its absolute discretion;

(ii) to its related party; or

(iii) first offering the other Joint Venturer a last right of refusal over such JV Interest in accordance with the terms of the FJV Agreement.

An assignment is not effective unless and until the assignee obtains all relevant approvals and a form of assumption deed approved by the Joint Venturer under which the assignee agrees to assume the obligations of the assignor under the FJV Agreement and be bound by the terms and conditions thereof.

The Company will comply with any applicable requirements under the Listing Rules in respect of any assignment of the JV Interest involving the Group.

Change of control: If a change of control occurs in respect of a Joint Venturer which results in a competitor taking control (as defined under the Corporations Act) of a Joint Venturer, any other Joint Venturer may by notice given to all the Joint Venturers and the Manager cause the Joint Venturer under the change of control to make a deemed sale offer to the other Joint Venturers. If, within 30 days after notice of the deemed sale offer is given, the Joint Venturers have not agreed on the transfer price, an independent expert must determine the transfer price. On agreement or determination of the transfer price, the deemed sale offer is open for acceptance by all the other Joint Venturers pro rata in proportion to their respective JV Interests or such other proportions as they may agree and is irrevocable for a period of 60 days.

"Change of control" (a) in relation to Brockman Iron and Polaris means (i) either Brockman Iron or Polaris becomes a subsidiary (as defined in the Corporations Act) of a competitor; (ii) where there is a change in the person or persons who have or can exert effective control over the board of Brockman Iron or Polaris and the person or persons who have or can exert that control are members or officers of a competitor; or (iii) if a competitor directly or indirectly acquires 50% or more of the shares in Brockman Iron or Polaris; and (b) in relation to the Company and MRL (being the respective guarantors of Brockman Iron and Polaris) means (i) where there is a change in the person or persons who have or can exert effective control over the board of the Company or MRL and the person or persons who have or can exert that control are members of officers of a competitor; or (ii) if a competitor directly or indirectly acquires 50% or more of the shares in the Company or MRL.

A "competitor" means an iron ore producer, an entity associated with an iron ore producer or an entity associated with any substantial shareholder of an iron ore producer located in the Pilbara region of Western Australia or otherwise an entity that is, or related to, any competitor of Polaris.

Cross security

Upon establishment of the Joint Venture, each Joint Venturer will execute the Deed of Cross Security under which each participant (being Brockman Iron and Polaris) will grant security in favour of the other participant and the Manager severally. The Deed of Cross Security will secure each participant's obligations under the FJV Agreement and the Loan Agreement.

Each participant will grant security over its secured property, being its interest in the Joint Venture, its rights and benefits under the FJV Agreement, its interest in the property of the Joint Venture and its interest in any insurance proceeds taken out under the FJV Agreement, Products, sales contracts of the Products and sales proceeds arising from the sale of the Products (each as defined in the FJV Agreement).

The Deed of Cross Security is intended to take priority over all other encumbrances over the secured property, other than certain permitted encumbrances (e.g. certain royalties, liens in favour of government agencies, native title rights). As between the participants, the security created under the Deed of Cross Security will rank pari passu.

Until a default occurs as set out in the Deed of Cross Security, the parties may deal with the secured property (other than equipment valued at over AUD1 million and land) in the ordinary course of business as contemplated in the FJV Agreement. In respect of any land (titles, freehold or leasehold) or any single item of plant, machinery or equipment valued at over AUD1 million, the relevant participant would need to seek consent from the other participant before it would be permitted to dispose of that property.

Process and Loading Agreement

Before the Unconditional Date, the Joint Venturers and a subsidiary of MRL (as contractor) shall enter into the Process and Loading Agreement based on the principal terms set out in the HOA including:

Contractor's services:	The contractor is granted the exclusive right to provide process and loading services to build, own and operate the Marillana Project's processing (crushing and beneficiation) plants, product stockpiling, management of tailings facility, and reclaiming and loading of products on to trains.
Duration:	Life of mine, which is estimated to be approximately 20 years.

Service fee: In consideration of the services provided under the Process and Loading Agreement, the Joint Venturers shall pay to the contractor a service fee. The parties have agreed on a provisional service fee subject to standard escalation clauses typical for an agreement of this nature and annual adjustment to be agreed between the parties. The service fee will be finalised in the Process and Loading Agreement on the basis of the operational cost plus capital return of the contractor.

The aggregate service fee under the Process and Loading Agreement will be based on the volume of the Products being processed by the contractor under the agreement. It is anticipated that the Process and Loading Agreement will come into effect following the agreed commissioning date of the processing plant. The construction of the processing plant is expected to commence in the fourth quarter of 2018 and be completed by the third quarter of 2019. The Process and Loading Agreement will contain standard terms regarding events of default customary to the kind of agreement of this nature.

Mine to Ship Logistics Agreement

Before the Unconditional Date, the Joint Venturers and a subsidiary of MRL (as contractor) shall enter into the Mine to Ship Logistics Agreement based on the principal terms set out in the HOA including:

Contractor's services: The contractor is granted an exclusive right to provide the transport of the Products by train from the Marillana Project site to the inner harbor of Port Hedland under the Rail and Port System, unloading and stockpiling of product at port, and reclaim and ship loading.

Duration: Life of mine, which is estimated to be approximately 20 years.

Service fee: In consideration of the services provided under the Mine to Ship Logistics Agreement, the Joint Venturers shall pay to the contractor a service fee. The parties have agreed on a provisional service fee subject to standard escalation clauses typical for an agreement of this nature and annual adjustment to be agreed between the parties. The service fee will be finalised in the Mine to Ship Logistics Agreement on the basis of the operational cost plus capital return of the contractor.

The aggregate service fee under the Mine to Ship Agreement will be based on the volume of the Products being shipped by the contractor under the agreement. It is anticipated that the Mine to Ship Logistics Agreement will come into effect subject to (but not limited to) the following conditions precedent: (i) execution of State Agreement with the government of Western Australia relating to the Rail and Port System, and (ii) construction completion of the railway under the Rail and Port System. It is anticipated that design and third-party verification of the railway is scheduled to be

completed by August 2018, construction of the railway is to commence on or before 31 December 2019 and operation of the Rail and Port System is to commence on or before 31 December 2021. The Mine to Ship Logistics Agreement will contain standard terms regarding events of default customary to the kind of agreement of this nature.

INFORMATION ON THE MARILLANA PROJECT

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

As set out in the announcement of the Company dated 25 May 2018, based on a report prepared by Golder Associates Pty Ltd in accordance with the JORC Code, 2012 Edition, the Marillana Project had total Mineral Resources of iron ore amounting to 1.51 billion tonnes (1,404 million tonnes, grading 42.2% Fe and 102 million tonnes, grading 55.6% Fe), including Ore Reserves amounting to 1.01 billion tonnes as further set out in Tables 1 to 4 below.

Table 1: Marillana Detrital Iron Deposit (DID) in *situ* mineral resource at a cut-off grade of 38% Fe

Classification	Tonnes (Mt)	Fe%	Al_2O_3%	SiO_2%	P%	LOI%	Mass Recovery %
Measured	169.5	41.6	4.77	30.4	0.063	4.07	36.6
Indicated	961.9	42.3	5.22	29.7	0.056	3.39	37.8
Inferred	273.0	42.0	5.79	29.5	0.055	3.40	36.0
Total	**1,404.4**	**42.2**	**5.28**	**29.7**	**0.057**	**3.47**	**37.3**

Table 2: Marillana Channel Iron Deposit (CID) in *situ* mineral resource at a cut-off grade of 52% Fe

Classification	Tonnes (Mt)	Fe%	Al_2O_3%	SiO_2%	P%	LOI%
Indicated	84.2	55.8	3.58	5.0	0.097	9.76
Inferred	17.7	54.4	4.34	6.6	0.080	9.30
Total	**101.9**	**55.6**	**3.71**	**5.3**	**0.094**	**9.68**

Table 3: Marillana Project Ore Reserves*

Reserves Class	Ore Type	Tonnes (million)
Probable	CID[#]	46
Probable	DID[##]	967
Probable	**Total Ore**	**1,013**

[#] *cut-off grade 52% Fe*
[##] *cut-off grade 38% Fe*
* *the ore reserves form part of the mineral resources of the Marillana Project*

Table 4: Marillana Project Ore Reserves final product

Reserves Class	Ore Sale Type	Tonnes (million)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	LOI (%)
Probable	CID Product	46	55.5	5.3	3.7	9.7
Probable	DID Product	358	60.3	6.2	3.0	2.5
Probable	**Total Ore**	**404**	**59.8**	**6.1**	**3.1**	**3.3**

Financial information

The Marillana Project had an unaudited carrying value of HK$842.91 million as at 31 December 2017. The Group incurred exploration and evaluation expenses of HK$20.73 million for the Marillana Project for the year ended 30 June 2017 while it does not yet have an identifiable income stream generating any revenue.

REASONS FOR THE TRANSACTIONS

The Group is engaged in the exploration and development of iron ore mining projects in Western Australia and the Marillana Project is its flagship project. The Ophthalmia Project is the most significant iron ore project for the Company outside its flagship Marillana Project.

MRL is an Australian based, ASX listed, diversified mining and mining services company with a market capitalization of approximately AUD3.2 billion, equivalent to approximately HK$18.6 billion. Its mining services cover mining construction, mining, mineral processing, and mining infrastructure services. MRL has a portfolio of iron ore and lithium mining operations across Western Australia. It employs a workforce of over 3,000 mining and mining construction personnel across Australia.

The key to unlocking the value of the Group's highly prospective iron ore mineral tenements relies on securing a rail and port infrastructure solution and funding. The Directors consider that under the Joint Venture, the Company could partner with an established mining corporation based in Australia as well as obtaining the necessary funding and access to the much-needed rail infrastructure for the Marillana Project to realise its full potential value.

Implementation plan

Processing plant

It is expected that the Process and Loading Agreement will be entered into within 90 days after the date of the FJV Agreement. Following execution of the Process and Loading Agreement, a subsidiary of MRL will construct (at its own cost) the processing (crushing and beneficiation) plants for the Marillana Project (the "**Plant Construction**"). The Plant Construction is expected to commence in the fourth quarter of 2018 and be completed by the third quarter of 2019. Following commissioning of the processing plant, subject to further studies, the Joint Venture plans to commence small-scale production of 3-5 Mtpa whereby Products will be transported by road haulage to Utah Point for shipment into the seaborne iron ore market. The scale and capacity of the processing plant will be increased commensurate with the expansion of the Marillana Project following availability of the Rail and Port System. Target production from the Marillana Project upon the availability of Rail and Port System will be 20-30 Mtpa.

Rail and Port System

It is expected that the Mine to Ship Logistics Agreement will be entered into with a subsidiary of MRL (being the railway proponent) within 90 days after the date of the FJV Agreement. Following the rail proponent signing of the State Agreement with the government of Western Australia regarding the Rail and Port System, construction of the railway under the Rail and Port System is expected to commence in the second quarter of 2019. The railway under the Rail and Port System is expected to be operational by the fourth quarter of 2020. Construction of the port facilities at South West Creek is expected to commence in the third quarter of 2019 and be operational by the fourth quarter of 2020. By that time, on the basis that the small-scale road haulage operation has been in operation, the Joint Venture expects to increase the production scale of Marillana Project to 20-30 Mtpa and transport the Products by rail to South West Creek's port facilities at Port Hedland. If the small-scale road haulage operation has not been in place, the Joint Venture will directly endeavour to achive the 20-30 Mtpa production target of Marillana Project.

Overall, under the FJV Agreement, iron ore from Marillana Project is estimated to be in the global seaborne iron ore market as early as 1 year albeit in smaller quantities from the Unconditional Date by the third quarter of 2019 and on a larger scale by the fourth quarter of 2020 (within around 2 years from the Unconditional Date).

Mining

Following establishment of the Joint Venture, the Management Committee will consider and determine whether it is in the best interests of the Joint Venture to carry out the mining operation to extract the iron ores itself or appoint a third party which may be a subsidiary of MRL to carry out the mining operation. Taking into account the schedule for the construction and completion of the construction of the processing plant and the railway under the Rail and Port System, it is estimated that mining of iron ores in small scale will commence in the second quarter of 2019 while larger scale mining will commence in the third quarter of 2020.

Financing

During the course of operation of the Joint Venture, Polaris will use all reasonable endeavours to procure the Debt Financing to fund the aforesaid Development Activities for and behalf of the Joint Venturers.

BBIG Proposal

As set out in the Company's announcement dated 17 November 2017 (in relation to execution of a non-binding termsheet for farm-in and joint venture cooperation with BBI Group Pty Ltd in respect of the Marillana Project), the Group had previously intended to cooperate with BBI Group Pty Ltd (the "**BBIG Proposal**") for potential development of the Marillana Project underpinned by BBI Infrastructure as defined and set out in the aforesaid announcement. The BBIG Proposal, while very attractive in many respects, does not allow Marillana Project to be in commercial production as early as the projected timetable under the Joint Venture with Polaris and MRL. In the event that the Transactions fail to materialise, the Company will continue to look for other infrastructure cooperation alternatives with mutually beneficial arrangements to fully develop the Marillana Project and realise its potential value. The Company has no doubt that Marillana Project, being the largest single deposit outside the control of the major producers in the Pilbara, will land a mutually beneficial infrastructure cooperation with a reliable and capable counterpart. The Marillana Project's resource comprises around 1.51 billion tonnes of Mineral Resources, of which over 1 billion tonnes comprises JORC compliant Ore Reserves (see Tables 3 and 4 above). Importantly, Marillana Project's exceptional quality – it produces a beneficiated grade of 60.5% to 61.5% Fe – will see its products placed attractively in the seaborne iron ore market as China seeks higher quality ores.

Having considered the aforesaid, the Directors (including the independent non-executive Directors) consider that the terms of the FJV Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Other mineral projects of the Group

Apart from the Marillana Project, the Group also owns other mineral projects in Australia as follows.

Ophthalmia Project

The 100% owned Ophthalmia Project, located north of Newman in the East Pilbara region of Western Australia, is the most significant iron ore project for the Company outside of its flagship Marillana Project. The Ophthalmia Project has a Mineral Resource estimate of 340.9 Mt of hematite mineralisation (grading 59.3% Fe), comprising 280 Mt of Indicated Mineral Resources and 61 Mt classified as Inferred Mineral Resources (estimated in accordance with the JORC Code, 2012 Edition, see the Company's announcement dated 1 December 2014).

As at the date of this announcement, the Ophthalmia Project has not yet commenced commercial production and the Group is continuing its studies on processing and metallurgy while looking for possible infrastructure solution. As the Ophthalmia Project is located less than 100 km south of Marillana, the Company believes that it could leverage on the prospective infrastructure for the Marillana Project in finding an infrastructure solution for the Ophthalmia Project. This would unlock further value for the Company. A native title mining agreement between Brockman East Pty Ltd (a wholly-owned subsidiary of the Company) and the Nyiyaparli people was executed in May 2015 in relation to any future mining operations to be conducted over the project tenements paving the way for obtaining mining leases over the project area, should the Company establish an infrastructure solution for the project.

West Pilbara Project

The West Pilbara Project comprises four tenements centred around Duck Creek, located about 100-130 km west-northwest of Paraburdoo in the West Pilbara region. 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 (estimated in accordance with the JORC Code, 2004 Edition, see the Company's announcement dated 14 May 2013). As at the date of this announcement, the West Pilbara Project has not yet commenced commercial production and the Company continues looking for a transport infrastructure cooperation with other project owners around the area to unlock the project's potential.

FINANCIAL EFFECT OF THE TRANSACTION

Upon satisfaction of the Farm-in Obligations, 50% of the registered legal interest in the Tenements that make up the Marillana Project (Farm-in Interest) will be transferred to Polaris, and the Company's interest in the Marillana Project will be reduced from 100% to 50%. Upon completion of such transfer, an unincorporated joint venture (otherwise known as a joint arrangement) between Polaris and Brockman will be established. Following discussion with the Company's auditors, it is expected that the joint arrangement will be accounted for as a joint operation in accordance with International Financial Reporting Standards 11, "Joint Arrangement", with all rights, titles, interests, claims, benefits and liabilities of Marillana Project being owned by the joint operators, ie the Joint Venturers, severally in proportions of their respective interests, ie the JV Interests. The joint arrangement will neither be accounted for as a subsidiary nor an associate in the Company's

consolidated financial statements. As such, the Company will recognise its share of mineral rights under the Marillana Project and any jointly held or incurred assets and liabilities individually according to its JV Interest percentage. Similarly the Company shall recognise the revenue from the sales of its share of products exploited from Marillana Project along with its share of all costs associated with such exploitation according to its JV Interest percentage.

The impact to the financial statements (including any gain or loss arising from the Transactions) will be determined upon finalisation of the valuation of the total implied economic benefits to be received by the Group.

LISTING RULES IMPLICATIONS

Given the Farm-in Interest will be transferred to MRL upon satisfaction of the Farm-in Obligations resulting in the Company's interest in the Marillana Project to be reduced from 100% to 50% and based on the applicable percentage ratios, such transfer constitutes a major transaction for the Company. Furthermore, taking into account the Marillana Project to be put under the Joint Venture and the maximum capital commitment by the Company of AUD150 million (equivalent to HK$870 million) and based on the applicable percentage ratios, the establishment of the Joint Venture constitutes a very substantial acquisition for the Company. The Transactions are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the FJV Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Transaction; (ii) financial information of the Group; (iii) further information on the Marillana Project including a competent person's report and a valuation report on the mineral assets of the Marillana Project as required under Chapter 18 of the Listing Rules; (iv) unaudited pro-forma financial information of the Group following the Transactions; and (v) the notice convening the SGM is expected to be despatched to the Shareholders on or before 16 August 2018.

Completion of the Transactions is subject to the satisfaction of the conditions set out under the section headed "FJV Agreement — Conditions precedent" above, including the approval of the FJV Agreement and the transactions contemplated thereunder by the Shareholders at the SGM, and the satisfaction of the Farm-in Obligations set out in the section headed "FJV Agreement — Farm-in" in this announcement. The Transactions therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

MINERAL RESOURCES AND ORE RESERVES

The information in this announcement that relates to the Mineral Reserve and Mineral Resource estimates of the Marillana Project was declared as part of an announcement of the Company dated 25 May 2018.

The information in this announcement that relates to the Mineral Resource of Ophthalmia Project was declared as part of an announcement of the Company dated 1 December 2014.

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

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

DEFINITIONS

"ASX"	ASX Limited (trading as the Australian Securities Exchange)
"AUD"	Australian dollars, the lawful currency of Australia
"Board"	the board of Directors
"Brockman Iron"	Brockman Iron Pty Ltd, a wholly-owned subsidiary of the Company
"Business Day(s)"	a day, other than a Saturday, Sunday or public holiday in Perth, Western Australia
"Buy-Out"	Brockman Iron's acquisition of Polaris' JV Interest in the event the certain timeline in relation to the Rail and Port System is not met pursuant to the FJV Agreement
"Company"	Brockman Mining Limited, the shares of which are dually listed on the Stock Exchange and ASX
"Corporations Act"	the Corporations Act 2001 (Cth)

"Debt Financing"	the debt funding to be procured by Polaris for and on behalf of the Joint Venturers to finance the costs for the development of the Marillana Project
"Deed of Cross Security"	the deed of cross security under an agreed form to be entered into between Brockman Iron and Polaris upon establishment of the Joint Venture as set out under the section headed "Cross security" in this announcement
"Development Activities"	the establishment of roads, site offices, amenities, workshops, a power station, an accommodation village, an airport, refuelling facilities, water treatment laboratories, tailings facility (including initial construction, subsequent wall lifts and dam maintenance), tailings pumping station and tailings pipelines (including initial construction and any subsequent expansion and renewal of such tailings related assets) and such other non-process infrastructure required to operate an iron ore mine but does not include any activities carried out under the Process and Loading Agreement or the Mine to Ship Logistics Agreement
"Directors"	the directors of the Company
"Farm-in Date"	the date the Farm-in Obligations are satisfied by Polaris
"Farm-in Interest"	a 50% undivided registered legal interest in the Tenements
"Farm-in Obligations"	the obligations under which Polaris is required to satisfy in order to earn a 50% interest in the Marillana Project under the FJV Agreement
"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 dated 26 July 2018 entered into between Brockman Iron and Polaris in relation to the Transaction
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HOA"	the non-binding heads of agreement entered into by the Company and MRL on 6 June 2018 and the accompanying proposal from MRL dated 20 April 2018 in relation to the Transactions

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"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 at the date of the FJV Agreement means each of Brockman Iron and Polaris
"JV Interest(s)"	the rights, liabilities and obligations under the FJV Agreement in relation to the Joint Venture
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreement"	the loan agreement in the amount of AUD10 million (equivalent to approximately HK$58 million) to be executed by Brockman Iron and Polaris on or before the Unconditional Date
"Management Committee"	the management committee to be established in respect of the management of the Joint Venture on the Farm-in Date
"Marillana Project"	the 100% owned iron ore project of the Company located in the Hamersley Iron Province within the Pilbara region of Western Australia
"Mine to Ship Logistics Agreement"	the agreements to be entered into between each of the Joint Venturers and a subsidiary of MRL under the principal terms as set out under the section headed "Mine to Ship Logistics Agreement"
"Mining Act"	the Mining Act 1978 (WA) and includes the Mining Regulations 1981 (WA), where applicable
"MRL"	Mineral Resources Limited, the shares of which are listed on ASX
"Mtpa"	metric tonnes per annum
"Polaris"	Polaris Metals Pty Ltd, a wholly-owned subsidiary of MRL
"PPA"	Pilbara Ports Authority, being a corporation owned by the State of Western Australia

"Process and Loading Agreement"	the agreements to be entered into between each of the Joint Venturers and a subsidiary of MRL under the principal terms as set out in the section headed "Process and Loading Agreement" in this announcement
"Products"	all iron ore or other mineral or metallic ores, concentrates, metals and other mineralised products, and any other mineral resources, processed, smelted or refined from ores extracted from the Marillana Project
"Rail and Port System"	a bulk ore rail and port system to enable Products from the Marillana Project to be transported to Port Hedland
"SGM"	the special general meeting to be convened by the Company to seek the approval of the Shareholders for the FJV Agreement and the transactions contemplated thereunder
"Shareholders"	holders of the Shares
"Shares"	ordinary shares of HK$0.10 each in the share capital of the Company
"South West Creek"	an area in Port Hedland, Western Australia, designated for the development of additional port facilities
"State Agreement"	a legal contract between the Western Australian Government and a proponent of a major project within the boundaries of Western Australia setting out the rights, obligations, terms and conditions for the development of the specific project
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sunken Capital Costs"	the actual capital costs incurred by MRL in the period from the Farm-in Date until the Buy-Out
Tenements	mining tenements with numbers M47/1414 (which is held by Brockman Iron) and E47/3170 (which is held by Brockman Exploration Pty Ltd, a wholly owned subsidiary of the Company) and any additional tenements applied for or acquired by the Joint Venturers in connection with the Marillana Project including L45/238 and E47/3532 being applied for by Brockman Iron
"Transactions"	the transactions contemplated under the FJV Agreement including the transfer of the Farm-in Interest to Polaris and the establishment of the Joint Venture

"Unconditional Date"	the date on which notification has been given as to satisfaction of all the conditions precedent of the FJV Agreement which shall be given within 3 Business Days after becoming aware of such satisfaction
"Utah Point"	an operational multi-user bulk-handling facility located in Port Hedland, Western Australia, and owned by the PPA

For illustration purposes, AUD is converted into HK$ at AUD1 = HK$5.8.

By order of the Board
Brockman Mining Limited
Kwai Sze Hoi
Chairman

Investor enquiries:
Hendrianto Tee, Business Development Director: +61 8 9389 3000

Media enquiries:
Tim Duncan: +61 3 9600 1979 or +61 408 441 122

Hong Kong, 26 July 2018

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

APPENDIX B

Indemnity

BROCKMAN BROCKMAN MINING LIMITED
布萊克萬礦業有限公司

Ref: O10_0477

4 October 2018

Mr Allan Blair
Golder Associates Pty Ltd
Level 3, Havelock Street,
West Perth, WA 6005

By Email: alblair@golder.com.au

Dear Allan

DEED OF INDEMNITY

1. BACKGROUND

Brockman Mining Limited (**Company**) is proposing to enter into a Joint Venture Agreement with Mineral Resources Limited to develop the Marillana Iron Ore Project. For this purpose they will be seeking shareholder approval in accordance with Hong Kong and Australian Stock Exchange listing requirements. The Company will seek approval on the basis of a document to be considered at a meeting of shareholders to be held on or around 30 November 2018 (**Shareholder Document**).

In connection with the approval, the Company has commissioned Golder Associates Pty Ltd (**Golder**) to prepare a Valuation Report (**VR**) in accordance with the VALMIN 2015 Code for the mineral project at Marillana (**Project**). The VALMIN 2015 Valuation Report will be prepared by Allan Blair (**Mining Engineer**) on behalf of Golder.

The Company and the Mining Engineer have agreed that the Valuation Report may be included in the Shareholder Document on the condition that:

(a) the Company acknowledge that they are clients of Golder for the purpose of the preparation of the Valuation Report, on the terms of the engagement letter from Golder to Brockman dated 4 October 2018;

(b) the Valuation Report will be addressed to the Company;

(c) the Company provides a warranty to Golder, its employees, Golder affiliated companies, their employees and the Mining Engineer in the form detailed in section 2 below (**Warranty**);

Incorporated in Bermuda with limited liability
HKEx Stock Code 159
ASX Stock Code BCK
HONG KONG Suite 3903B 39/F Far East Finance Centre 16 Harcourt Road Admiralty Hong Kong
Tel (852) 3766 1079 Fax (852) 3007 9136
AUSTRALIA Level 2 56 Ord Street Perth WA 6005 Australia Tel (61) 8 9389 3000 Fax (61) 8 9389 3033
www.brockmanmining.com

(d) the Company indemnifies Golder, its employees, Golder affiliated companies, their employees and the Mining Engineer in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (Valmin Code, 2015 Edition) (**Indemnity**), on the terms and conditions set out in section 3 below; and

(e) the entirety of the Valuation Report is included in the Shareholder Document.

2. WARRANTY

(a) The Company warrants as at the date of this letter that:

(i) any information known or which should be known to the Company concerning the Project which might reasonably be regarded as material to the preparation of the Valuation Report has been disclosed in writing to the Mining Engineer or Golder (as applicable) (**Material Information**); and

(ii) all Material Information provided by the Company or its representatives in writing to the Mining Engineer and/or Golder is, to the best of its knowledge and belief, complete and accurate in all material respects.

(b) With respect to the expression 'to the best of its knowledge and belief', the Company will be deemed to know or be aware of a particular fact, matter or circumstance if the Company:

(i) are aware of that fact, matter or circumstance on the date the Warranty is given; or

(ii) would reasonably be expected to be aware of that fact, matter or circumstance if, on the date the Warranty is given, it had made reasonable enquiries as to the accuracy of the Warranty.

3. TERMS AND CONDITIONS OF INDEMNITY

The Company confirms that it will indemnify Golder, its employees, Golder affiliated companies, their employees and the Mining Engineer for any liability:

(a) resulting from Golder, its employees, Golder affiliated companies, their employees and the Mining Engineer's reliance on information provided by the Company that is materially inaccurate or incomplete;

(b) relating to any consequential extension of workload through queries, questions or public hearings arising relating to your role with the Company,

other than any liability (including any legal cost) as a result of the negligence or omission on the part of Golder and the Mining Engineers.

(c) incurred by Company where such liability exceeds the liability agreed by the parties under clause 7 of the agreement dated of 4 October 2018 for the Project ("Agreement"); and

(d) incurred by any person other than the Company arising out or in connection with the inclusion (or partial inclusion) of the Valuation Report in the Shareholder Document where such liability is, or is alleged to be, founded upon:

(i) the reliance by any person on the Valuation Report;

(ii) any duty of care owed to any person other than the Company.

4. VERIFICATION OF TENEMENTS

The Company confirms that an independent report has been prepared by Herbert Smith Freehills for inclusion in the **Shareholder Document** which will verify the title and status of the tenements the subject of the Project.

5. GENERAL

(a) This letter in addition to the Agreement represents the entire agreement between the parties in respect of its subject matter and supersedes any prior agreement in relation to that subject matter and may be executed in any number of counterparts each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

(b) No modification or alteration of the terms of this letter shall be binding unless made in writing dated subsequent to the date of this letter and duly executed by the parties.

(c) This letter is governed by the laws in force in Western Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Yours faithfully

EXECUTED by **BROCKMAN MINING LIMITED**
ABN 14 143 211 867
in accordance with section 127 of the
Corporations Act 2001 (Cth):

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

SIGNED by **GOLDER ASSOCIATES PTY LTD** in the presence of:

Signature of witness

Richard L Crane

Signature PRINCIPAL & BOARD AUTHORISED SIGNATORY

ALLAN BLAIR

Name of witness

APPENDIX C

2010 DFS Outcomes - ASX Release 29 September 2010

ASX Release: 29 September 2010

brockman resources.

BROCKMAN DELIVERS POSITIVE MARILLANA FEASIBILITY STUDY

LONG LIFE, IRON ORE PROJECT WITH STRONG PROJECTED RETURNS

KEY OUTCOMES

- **Definitive Feasibility Study for the Marillana Iron Ore Project confirms the financial and technical viability of a world-scale Pilbara iron ore operation**
- **Forecast average production rate of 17 million dry tonnes per annum of a high-quality final product averaging 60.5% – 61.5% Fe grade**
- **Reserves support a 25 year mine life, with the potential to increase production output or mine life**
- **Estimated Net Present Value range of A$2.3 - A$2.6 billion calculated on a post-tax (existing Tax regime) real basis at a Discount Cash Flow (DCF) rate of 10%**
- **An Internal Rate of Return range of 27.7% - 37.9% estimated on an un-geared basis**
- **Pre-production mine and rail capital expenditure range of A$1.3 - A$1.9 billion dependent upon the final rail solution adopted**
- **Payback projected to be achieved in less than four years**
- **Forecast A$35.3 billion life-of-mine revenue, using independent iron ore price and foreign exchange forecasts**
- **Free On Board Port Hedland average life-of-mine cash operating cost (pre-royalties) range estimated at A$35.6 - A$36.9 / tonne**
- **Subject to the finalisation of a rail access agreement and the NWIOA Port Definitive Feasibility Study, a Final Investment Decision for the Marillana Project is forecast for Q3 of CY (calendar year) 2011**
- **Construction at the Marillana site is targeted to commence in November 2011 with first ore on ship anticipated in early CY 2014**
- **Results reinforce Brockman's potential to become a substantial Pilbara iron ore producer**

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ABN

Brockman Resources Limited **(ASX: BRM – "Brockman" or "the Company")** has taken a major step towards becoming a substantial iron ore producer in the Pilbara region of Western Australia, after delivering a positive Feasibility Study for its 100%-owned **Marillana Iron Ore Project** in Western Australia.

The thirteen month study lead by principal engineering group Ausenco Limited, incorporated a Definitive Feasibility Study ("DFS") on the Marillana mine and processing plant and confirmed that the Marillana Project is an economically robust, long-life iron ore project that will generate substantial returns for the Company and its shareholders – paving the way for the commencement of a Bankable Feasibility Study ("BFS") as the next stage of project development.

The Marillana DFS significantly enhances the key outcomes of the Pre-Feasibility Study ("PFS") completed in August 2009, confirming that the Project has the potential to underpin a world-scale iron ore business for Brockman, with forecast average production of 17 million dry tonnes per annum ("Mtpa") over a mine life of 25 years.

The Project is strategically located within the heart of the major iron ore mining region in Western Australia and is located close to established infrastructure including gazetted roads, port facilities and three current operating rail systems, with a potential fourth railway system to be developed – all within a 40km radius of the tenement.

KEY OUTCOMES OF THE MARILLANA DEFINITIVE FEASIBILITY STUDY

- A 1.6 billion tonne Mineral resource was converted to an **Ore Reserve totalling 1.05 billion tonnes.**
- An improved waste to ore stripping ratio of **0.85** (compared with 1.4 in the PFS) was confirmed following the development of the definitive mine plan and pit design and confirmation of the upgradability of the ore (at a 38% Fe head grade cut-off) to a marketable final product quality.
- The Ore Reserve (post beneficiation) supports the production of **over 419 million tonnes of final product at an average grade of 60.5% – 61.5% Fe,** with impurity levels comparable with other Direct Shipping Ores exported from the Pilbara.
- A **'Fines' only (-8mm) product** will be produced.
- Both the beneficiated Detrital Iron Deposit ("DID") ore and the Channel Iron Deposit ("CID") - Direct Shipping Ore will be blended to produce a **single product** at various times within the mine's life.
- **The life-of-mine average production rate for the Project will be 17Mtpa**, but will peak to a maximum of 21Mtpa in various years of the mine plan.
- Pre-production mine capital costs of **A$1.27 billion (including EPCM, Owners costs and Contingency).**

Financial modelling of the DFS and of the rail and port studies has projected:

- A Rail spur option from Marillana is estimated to have a direct capital cost of up to A$0.47 billion. Modelling has considered capital recovery and ownership alternatives for the rail spur option, in the form of reduced operating tariffs.
- Cash operating costs (before royalties) Free on Board Port Hedland of between **A$35.6 - A$36.9** / tonne.
- **A $NPV_{10\%}$ after tax real estimate range of A$2.3 - A$2.6 billion**.
- An ungeared **Internal Rate of Return ("IRR") range estimated at 27.7% - 37.9%.**
- **Life-of-mine revenue of greater than A$35.3 billion**, utilising the long-term price and foreign exchange assumptions in the model
- Forecast capital payback of less than four years.

The Marillana rail studies encompassed a range of ore transportation scenarios, based upon the future finalisation of the optimal rail solution/agreements for the Marillana Project.

The Port DFS, under the management of the North West Iron Ore Alliance ("NWIOA"), for the development of 50Mtpa of port capacity is currently being undertaken by Sinclair Knight Merz ("SKM") and Coffey Environmental, and is forecast to be completed in Q1 of CY 2011. A Final Investment Decision and financing package for the development is expected to be completed by late Q2 2011, which complements the forecast completion date for the Marillana BFS.

"The completion of the DFS for the Marillana Project represents a major milestone for Brockman, confirming that it is a world-scale project with the potential to generate strong operating margins, robust financial returns and significant value for Brockman shareholders," said Brockman's Managing Director, Mr Wayne Richards.

"With a pre-production mine capital investment cost of A$1.3 billion, it also represents a project of significance to Western Australia which will generate hundreds of long-term jobs, and contribute a projected A$1.75 billion in State royalties over its estimated initial 25-year mine life," he added.

"With the DFS now complete, the Board will move to undertake a detailed review of its outcomes with a view to securing the optimal rail access and infrastructure solution. This will enable progression into the BFS stage as the foundation for project financing and strategic partner discussions during the first half of calendar 2011."

"Subject to a positive BFS and Final Investment Decision, which are targeted for Q3 CY 2011, site construction is forecast for the forth Quarter of next year, culminating in mining commencing in 2013 and plant commissioning late in that year."

MINERAL RESOURCES AND ORE RESERVES

The Mineral Resources for the Marillana Iron Ore Project have been estimated by Golder Associates Pty Ltd ("Golder") to be in excess of 1.6 billion tonnes as reported to the ASX on 9 February 2010.

Following completion of mine planning and detailed mine design activities, an initial Ore Reserve Statement was prepared by Golders, as detailed below:

Table 1 – Marillana Detrital Ore Reserves

Class	Tonnes (Mt)	Grade (% Fe)
Proven	133.2	41.55
Probable	868.0	42.48
Total Detrital Ore Reserve	**1,001.2**	**42.36**

Table 2 – Marillana Post Beneficiation Final Product Specification

Final Product Grades for Marillana Detrital Ore Reserves						
Avg Plant Feed Grade	Final Product Grade Ranges					
Fe (%)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	S (%)	P (%)	LOI 1000C (%)
42.4	60.5 - 61.5	6.0 - 6.5	2.5 - 3.0	<0.02	<0.08	2.0 - 3.0

Table 3 – Marillana CID Ore Reserves

Reserve Classification	Mt	Fe (%)	CaFe* (%)	SiO_2 (%)	Al_2O_3 (%)	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**

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

KEY MINE AND PROCESSING METRICS – FIRST 25 YEARS OF PRODUCTION

- Ore mined: 1.028 billion tonnes.
- Average annualised production rate of 17Mtpa (dry).
- LOM stripping ratio of 0.85.
- CID ore recovery rate of 100%.
- Detrital average recovery of 37.8% - producing a final product grade of 60.5% - 61.5% Fe.
- Minimum total final product shipped of 419.4 million tonnes (dry).

RAIL AND PORT INFRASTRUCTURE

During the completion of the Marillana DFS, Brockman has been actively engaged in the development of the proposed multi-user iron ore export facilities at South West Creek, within the 'inner harbour' at Port Hedland. A PFS for the design of the new port facilities – including supporting infrastructure and dedicated stockpiling space was completed by June 2010 on behalf of the NWIOA by global engineering company SKM in conjunction with engineering management consultants Evans and Peck.

The PFS report concluded that the proposed Port development is viable and, based on a staged development approach, could be operational as early as the second half of 2013. This completion date has been incorporated into the Master Schedule for the development, construction and commissioning of the Marillana Project.

The port project will incorporate train unloading and stockpiling facilities as well as new berths and ship-loading facilities for the export of up to 50Mtpa of iron ore. An estimate of the port facility's capital and operating costs per tonne of ore on a 'Free on Board' basis was developed as part of the PFS and was factored into the Marillana's DFS operating costs.

The DFS works for the Landside (non-dredging) Environmental Approvals are currently being carried out by Coffey International. The level of environmental assessment for the NWIOA port development is currently being defined. The Port Hedland Port Authority ("PHPA") has provided notification of the area allocated for NWIOA port infrastructure, as defined by the Port Ultimate Development Plan. This includes the rail unloading and stockyard facilities.

The environmental approvals process for dredging South West Creek is being managed by PHPA using the consulting services of SKM. The current forecast for approvals indicates that dredging can commence by April 2011 in line with the current port development schedule.

The Brockman team is also finalising detailed discussions with legislative authorities, government departments and existing and future railway owner/operators to finalise the optimal rail infrastructure solution for the Marillana Project.

The West Australian Government has provided support for Brockman's application for the development of a State Agreement to facilitate construction of the vital rail infrastructure required for the project. Brockman is now engaged with the Department of State Development to expedite the process required to gain the necessary land tenure for alternate rail corridors, from Marillana to the port of Port Hedland, should this be required.

The financial evaluation within the Marillana Project DFS considered two principle rail infrastructure solutions. One with a rail loop on the Marillana site, whilst the other with a rail spur from the Marillana site to an alternate rail head, owned and operated by an existing mining company. Operating charges and rates were calculated based upon publicly available information including determinations on Weighted Average Cost of Capital made by the Economic Regulatory Authority of Western Australia.

Both rail scenarios were modelled utilising the NWIOA port facility as the port of destination. Modelling assumed Brockman would be responsible for its pro-rata cost of capital for the NWIOA Port Hedland facility by way of a tariff per tonne secured by a 'take or pay' arrangement. Capital and operating costs were based on information supplied by the NWIOA Feasibility study into the development of the port facilities.

COST ESTIMATES

Capital cost estimates were prepared by Brockman in conjunction with Ausenco, with estimates based on two project scenarios:

Scenario	Mine Site	Rail	Port
1	Contract mining Life-of-mine ("LOM") On site processing	On site loading – Marillana Site	NWIOA port development
2	Contract mining LOM On site processing	One site loading and spur to Northern rail line	NWIOA port development

Scenario 1 is considered the base case.

Both Project scenarios have consistent financial and operational inputs other than the specific rail assumptions. Scenario 2 includes additional rail capital for a spur line to connect Marillana to a nominated point on an existing railway located due north of the Marillana tenement. The rail base operating cost assumptions are consistent

between Scenario 1 and 2, other than in relation to the capital recovery allowance applied for sections of rail where Brockman will be responsible for the capital investment (for example between the third party railway and the NWIOA port or the rail spur from Marillana to a nominated rail head location).

CAPITAL COST ESTIMATE

The estimated upfront capital cost breakdown for the Project DFS for both scenarios is as follows:

Description	Unit of Measurement A$M Rail Scenario 1 – Base Case	Unit of Measurement A$M Rail Scenario 2 – Alternate Railway
Mine	85	85
Processing plant and utilities	435	435
Tailings dam	50	50
Stockyard and on site rail loop	256	256
Direct mine capital costs	**826**	**826**
Rail spur	-	474
Total direct capital costs	**826**	**1,300**
Indirects, Owner's costs and contingency at (10%)	440	635
Total Capital	**1,266**	**1,935**

(1) Power generation, gas pipeline, and village capital have been modelled as build own operate (BOO) contracts. Port development capital will be funded independently by the NWIOA and recovered via an operating tariff.

OPERATING COST ESTIMATE

Operating costs were modelled employing contract mining and gas power. Extensive study into 'In-pit crushing and conveying' ("IPCC") was also conducted but has not been included in this assessment. IPCC offers the potential to significantly reduce the operating costs associated with mining and materials handling, from the its time of implementation. The average life-of-mine annual operating cost estimate for the operations at full production is as follows:

Description	Unit of Measurement	LOM Costs
Mining and processing	A$/dmt	21.8
Rail and Port (including demurrage)	A$/dmt	13.8 – 15.1
Total FOB Cost (pre-royalties)	**A$/dmt**	**35.6 – 36.9**
Corp o/head, marketing and closure costs	A$/dmt	1.6
Royalties	A$/dmt	5.0

FINANCIAL EVALUATION

The financial evaluation was completed using a discounted cash flow analysis on a real basis, using an after tax discount factor of 10%, with a range of discounts and sensitivities applied. The financial evaluation projected the following range of outcomes:

Description	Unit of Measurement	Range
Project NPV at 10% discount rate	A$M	2,283 – 2,559
Project IRR	%	27.7 - 37.9
Life-of-mine revenue	A$M	35,337
Life-of-mine EBITDA	A$M	17,092 – 17,633
Life-of-mine cash flow (after tax)	A$M	10,526 – 10,632

Revenue forecasts were based on iron ore and foreign exchange forecasts provided by ©Metalytics Iron Ore Briefing Service. The forecasts reflect strong current and future demand for Australian iron ore translating to continuing strong prices and a strong Australian dollar currency. The pricing applied in the model is presented in 30 June financial years on a real basis in the table below:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Long Term
Iron ore fines FOB forecast price (USc/dmtu)	208.5	207.4	210.9	198.5	162.2	133.3	136.5	152.2	141.1	113.0	107.9	107.5	102.5	100.0.
USD/AUD	0.89	0.92	0.90	0.85	0.82	0.80	0.81	0.82	0.81	0.79	0.78	0.77	0.77	0.77

The Federal Government has proposed a Mineral Resource Rent Tax ("MRRT"). However, insufficient information is currently available for the Company to reliably evaluate its impact. The Corporate Company tax rate of 30% has been applied in the financial model.

DEVELOPMENT SCHEDULE

The completion of the DFS enables Brockman to move directly into a BFS for the Marillana Project. The BFS will establish the overall economics of the Project design and costings within an accuracy provision of ±10%, which will be used by the Board to assess and establish the basis and conditions for the Project's funding arrangements.

Brockman is planning to progress with the Front End Engineering Design ("FEED") phase of the Marillana Project in Q4 2010 with the objective of making a Final Investment Decision in Q3 CY 2011.

The Implementation Plan for the Marillana Iron Ore Project assumes it will proceed initially on an engineering, procurement, construction and management ("EPCM") basis, but will be converted to an EPC basis during detailed design. Under this arrangement, the EPC Contractor undertakes the cost and time-related risks via a fixed-price agreement for delivery to a target timeframe. All project management, design and procurement work will be carried out by the EPC Contractor, with this Contractor managing other consultants, suppliers and contractors as necessary to deliver the defined scope of works.

Key Project Milestones – Targeted Dates

	CY 2010		CY 2011		CY 2012		CY 2013	
	H1	H2	H1	H2	H1	H2	H1	H2
Marillana Project – DFS Complete		✓						
Commencement of FEED for Marillana		✓						
Ministerial Environmental Approval			✓					
Marillana BFS Complete			✓					
Marillana Project Funding and FID				✓				
Marillana Project – Commence Construction				✓				
Marillana Project – Commence Commissioning								✓
Rail Loop or Spur – Commence Construction				✓				
Rail Loop or Spur – Construction Complete								✓
NWIOA Port DFS Complete			✓					
NWIOA Port FID and Construction Commencement				✓				
NWIOA Port Berth Development Complete								✓

Wayne Richards
Managing Director

—ENDS—

Released by:
Nicholas Read / Kate Bell
Read Corporate
Phone: +61 8 9388 1474

On behalf of:
Wayne Richards
Managing Director
Brockman Resources
Phone: +61 8 9389 3000

ABOUT BROCKMAN RESOURCES

Brockman is an ASX300 listed Company with its principal project, the Marillana Iron Ore Project, located 100km north-west of Newman in the Pilbara region of Western Australia and lying close to existing rail, road and port infrastructure. The Marillana Project will be one of the most significant hematite projects to be developed within Australia over the forthcoming years.

Brockman has built a portfolio of additional iron ore tenements throughout the Pilbara (predominantly the West Pilbara) to develop a pipeline of future projects and expansions, thereby creating future value enhancement to the Company's shareholders.

The Company is a founding member of the North West Iron Ore Alliance, which is completing a Definitive Feasibility Study into the development of two inner harbour berths and associated material handling infrastructure at Port Hedland to accommodate the Alliance's 50 million tonne per annum export capacity allocation.

The Marillana Project is forecast to commence commissioning at the mine in late 2013 at an average life-of-mine rate of 17 million dry tonnes per annum. First ore on ship is targeted for early 2014.

Competent Person's Statement

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Mr I Cooper, Mr J Farrell and 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 experience 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 Mineral Resources and Ore Reserves". Iain 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 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, provided the geological interpretations and the drill hole data used for the Mineral Resource estimation. 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.

APPENDIX D

Important Information

GOLDER

GOLDER ASSOCIATES PTY LTD
IMPORTANT INFORMATION RELATING TO THIS REPORT

The document ("Report") to which this page is attached and which this page forms a part of, has been issued by Golder Associates Pty Ltd ("Golder") subject to the important limitations and other qualifications set out below.

This Report constitutes or is part of services ("Services") provided by Golder to its client ("Client") under and subject to a contract between Golder and its Client ("Contract"). The contents of this page are not intended to and do not alter Golder's obligations (including any limits on those obligations) to its Client under the Contract.

This Report is provided for use solely by Golder's Client and persons acting on the Client's behalf, such as its professional advisers. Golder is responsible only to its Client for this Report. Golder has no responsibility to any other person who relies or makes decisions based upon this Report or who makes any other use of this Report. Golder accepts no responsibility for any loss or damage suffered by any person other than its Client as a result of any reliance upon any part of this Report, decisions made based upon this Report or any other use of it.

This Report has been prepared in the context of the circumstances and purposes referred to in, or derived from, the Contract and Golder accepts no responsibility for use of the Report, in whole or in part, in any other context or circumstance or for any other purpose.

The scope of Golder's Services and the period of time they relate to are determined by the Contract and are subject to restrictions and limitations set out in the Contract. If a service or other work is not expressly referred to in this Report, do not assume that it has been provided or performed. If a matter is not addressed in this Report, do not assume that any determination has been made by Golder in regards to it.

At any location relevant to the Services conditions may exist which were not detected by Golder, in particular due to the specific scope of the investigation Golder has been engaged to undertake. Conditions can only be verified at the exact location of any tests undertaken. Variations in conditions may occur between tested locations and there may be conditions which have not been revealed by the investigation and which have not therefore been taken into account in this Report.

Golder accepts no responsibility for and makes no representation as to the accuracy or completeness of the information provided to it by or on behalf of the Client or sourced from any third party. Golder has assumed that such information is correct unless otherwise stated and no responsibility is accepted by Golder for incomplete or inaccurate data supplied by its Client or any other person for whom Golder is not responsible. Golder has not taken account of matters that may have existed when the Report was prepared but which were only later disclosed to Golder.

Having regard to the matters referred to in the previous paragraphs on this page in particular, carrying out the Services has allowed Golder to form no more than an opinion as to the actual conditions at any relevant location. That opinion is necessarily constrained by the extent of the information collected by Golder or otherwise made available to Golder. Further, the passage of time may affect the accuracy, applicability or usefulness of the opinions, assessments or other information in this Report. This Report is based upon the information and other circumstances that existed and were known to Golder when the Services were performed and this Report was prepared. Golder has not considered the effect of any possible future developments including physical changes to any relevant location or changes to any laws or regulations relevant to such location.

Where permitted by the Contract, Golder may have retained subconsultants affiliated with Golder to provide some or all of the Services. However, it is Golder which remains solely responsible for the Services and there is no legal recourse against any of Golder's affiliated companies or the employees, officers or directors of any of them.

By date, or revision, the Report supersedes any prior report or other document issued by Golder dealing with any matter that is addressed in the Report.

Any uncertainty as to the extent to which this Report can be used or relied upon in any respect should be referred to Golder for clarification

HERBERT SMITH FREEHILLS

Colin Paterson
Chief Executive Officer
Brockman Mining Australia Pty Ltd
Level 2, 56 Ord Street
West Perth WA 6005
Australia
colinpaterson@brockman.com.au

4 October 2018
By Email

Dear Colin

Brockman Mining Australia Pty Ltd – ML 47/1414

We refer to mining lease 47/1414.

Mining tenements in Western Australia are registered on the Mining Tenement Register (**Register**), managed by the Department of Mines, Industry Regulation and Safety.

On 4 October 2018, on instructions from Brockman, we caused a search of the Register to be undertaken in respect of Mining Lease 47/1414 (**ML 47/1414**) and received a report containing the results of that search (**Report**).

Based on our review of the Report, we confirm that:

(a) Brockman Iron Pty Ltd (care of Austwide Mining Title Management Pty Ltd, PO Box 1434, Wangara, WA, 6957), is the current holder of ML 47/1414;

(b) ML 47/1414 is currently valid, with an expiry date of 22 December 2030; and

(c) all expenditure requirements in respect of ML 47/1414 have been satisfied.

We note that an absolute caveat has been lodged over the tenement (Caveat 536931), on 10 August 2018 by Maitland Parker. We understand this relates to the Mining Agreement executed with the Martu Idja Banjima Native Title group. It is common for such tenements to be subject to a caveat.

We are not otherwise aware of any invalidity in the tenement nor do we have any reason to suspect such invalidity.

Yours sincerely

Jay Leary
Partner
Herbert Smith Freehills

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Doc 71559739.1

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1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Disclosure of interests of Directors

As at the Latest Practicable Date, the interests of the Directors or chief executives of the Company in the Shares and the underlying Shares and any shares and underlying shares of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long position in the Shares and the underlying Shares

Name of Director	Capacity	Number of Shares held	Number of Options held	Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date
Mr. Kwai Sze Hoi	Beneficial owner	—	80,000,000	0.87%
	Jointly *(Note 1)*	60,720,000	—	0.66%
	Interests of controlled corporation *(Note 1)*	2,426,960,137	—	26.49%

Name of Director	Capacity	Number of Shares held	Number of Options held	Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date
Mr. Liu Zhengui	Beneficial owner	—	2,500,000	0.03%
Mr. Ross Stewart Norgard	Beneficial owner	64,569,834	1,500,000	0.72%
	Interests of controlled corporation	178,484,166	—	1.95%
Mr. Colin Paterson	Beneficial owner	30,173,004	12,000,000	0.46%
	Interest of his spouse	22,625,442	—	0.25%
Mr. Uwe Henke Von Parpart	Beneficial owner	—	1,500,000	0.02%
Mr. Kwai Kwun, Lawrence	Beneficial owner	28,658,412	35,000,000	0.69%
	Interests of controlled corporation	59,000,000	—	0.64%
Mr. Chan Kam Kwan, Jason	Beneficial owner	—	10,000,000	0.11%
Mr. Yap Fat Suan, Henry	Beneficial owner	400,000	1,500,000	0.02%
Mr. Choi Yue Chun, Eugene	Beneficial owner	—	1,500,000	0.02%

Note:

1. The 2,426,960,137 Shares were held by Ocean Line Holdings Limited, a company held as to 60% by Mr. Kwai Sze Hoi and as to 40% by Ms. Cheung Wai Fung (Mr. Kwai's spouse). In addition, Mr. Kwai and Ms. Cheung have a joint direct interest in 60,720,000 Shares.

Apart from the above, as at the Latest Practicable Date, there was no interest of the Directors or chief executives of the Company in the Shares and the underlying Shares of the Company and any shares and underlying shares of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(b) Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the persons (not being a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions in the Shares and the underlying Shares

Name	Nature of interest	Number of Shares or underlying Shares	Approximate % of the issued share capital of the Company as at the Latest Practicable Date
Ocean Line Holdings Ltd *(Note 1)*	Beneficial owner	2,426,960,137	26.49%
Kwai Sze Hoi *(Note 1)*	Interest held by controlled corporations	2,426,960,137	26.49%
	Beneficial owner	80,000,000	0.87%
	Interest held jointly with another person	60,720,000	0.66%
Cheung Wai Fung *(Note 1)*	Interest held by controlled corporations	2,426,960,137	26.49%
	Interest held jointly with another person	60,720,000	0.66%
	Interest of spouse	80,000,000	0.87%

Name	Nature of interest	Number of Shares or underlying Shares	Approximate % of the issued share capital of the Company as at the Latest Practicable Date
Equity Valley Investments Limited	Beneficial owner	515,574,276	6.15%
The XSS Group Limited *(Note 2)*	Interest held by controlled corporations	515,574,276	6.15%
Cheung Sze Wai, Catherine *(Note 2)*	Interest held by controlled corporations	515,574,276	6.15%
Luk Kin Peter Joseph *(Note 2)*	Interest held by controlled corporations	515,574,276	6.15%
KQ Resources Limited	Beneficial owner	1,015,928,146	12.12%

Notes:

1. Ocean Line is owned as to 60% by Mr. Kwai and as to 40% by Ms. Cheung Wai Fung (Mr. Kwai's spouse). In addition, Mr. Kwai and Ms. Cheung have a joint direct interest in 60,720,000 shares. Mr. Kwai, Ms. Cheung and Mr. Kwai Kun, Lawrence (Mr. Kwai's son) are directors of Ocean Line. In additional, Mr. Kwai is interested in 80,000,000 options of the Company.

2. The 515,574,276 Shares were held by Equity Valley Investments Limited. Equity Valley Investments Limited is wholly-owned by The XSS Group Limited, of which 50%, 20% and 30% of its issued share capital were held by Mr. Luk Kin Peter Joseph, Ms. Cheung Sze Wai, Catherine (Mr. Luk's spouse) and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively. In addition, Mr. Luk is interested in 50,000,000 options of the Company.

Save as disclosed above, there was no person (not being a Director or chief executive of the Company) known to the Directors, who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to or which were proposed to be acquired, disposed of by or leased to any member of the Group, since 30 June 2018, the date to which the latest published audited financial statements of the Group were made up.

Other than the shareholder's loans of an aggregate amount of HK$11 million and a loan facility of HK$10 million provided by a company controlled by Mr. Kwai Sze Hoi, the Chairman of the Group, as at the Latest Practicable Date, there was no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates were interested in any business apart from the Group's businesses which competed or was likely to compete, either directly or indirectly, with the Group's businesses as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

6. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given opinions or advice contained or mentioned in this circular:

Name	Qualification
Golder	Competent Person and VALMIN Practitioner
PricewaterhouseCoopers	Certified Public Accountants
Herbert Smith Freehills	Legal adviser as to Australian laws

Each of Golder, PricewaterhouseCoopers and Herbert Smith Freehills has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of its report and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the above experts was beneficially interested in the share capital of any member of the Group nor did any of them have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and did not have any direct or indirect interest in any assets which had been acquired, disposed of by or leased to or which were proposed to be acquired, disposed of by or leased to any member of the Group, since 30 June 2018, the date to which the latest published audited financial statements of the Group were made up.

7. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, there was no litigation or claims of material importance pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2018, the date to which the latest published audited consolidated financial statements of the Group were made up.

9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) were entered into by the Group within two years immediately preceding the date of this circular which are or may be material:

(i) the subscription agreement entered into between the Company and Ocean Line Holdings Limited ("**Ocean Line**") on 6 December 2017, as amended by a supplemental agreement dated 23 March 2018, in relation to the subscription of 650,000,000 new Shares by Ocean Line at a subscription price of HK$0.10 per Share;

(ii) the subscription agreement entered into between the Company and China Guoyin Investment (HK) Ltd ("**China Guoyin**") on 6 December 2017, as amended by a supplemental agreement dated 23 March 2018, in relation to the subscription of 50,000,000 new Shares by China Guoyin at a subscription price of HK$0.10 per Share;

(iii) the subscription agreement entered into between the Company and Duofu Holdings Group Co., Limited ("**Duofu**") on 6 December 2017, as amended by a supplemental agreement dated 23 March 2018, in relation to the subscription of 80,000,000 new Shares by Duofu at a subscription price of HK$0.10 per Share; and

(iv) the FJV Agreement.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of the Company at Suite 3903B, 39/F Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for the period of 14 days from the date of this circular:

(a) the memorandum of association and the bye-laws of the Company;

(b) the annual reports of the Company for the years ended 30 June 2017 and 2018;

(c) the report from PricewaterhouseCoopers on the unaudited pro forma financial information, the text of which is set out in Appendix III to this circular;

(d) the Competent Person's report on the mineral assets of Marillana Project, the text of which is set out in Appendix IV to this circular;

(e) the independent valuation report on the mineral assets of Marillana Project, the text of which is set out in Appendix V to this circular;

(f) the confirmation of good standing – Brockman Iron's mining lease 47/1414 from Herbert Smith Freehills, the text of which is set out in Appendix VI to this circular;

(g) the written consents referred to in the section headed "Qualification and consent of experts" in paragraph 6 of this Appendix;

(h) the material contracts as referred to in the section headed "Material Contracts" in paragraph 9 of this Appendix; and

(i) a copy of each circular issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules which has been issued since 30 June 2018.

11. MISCELLANEOUS

(a) The secretary of the Company is Chan Kam Kwan, Jason. Mr. Chan is a member of the American Institute of Certified Public Accountants.

(b) The Hong Kong branch share registrar of the Company is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong while the Australia branch share registrar of the Company is Computershare Investor Services Pty Limited, Level 11, 172 St Georges Terrace, Perth, WA 6000, Australia.

(c) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Brockman Mining Limited (the "**Company**") will be held at Suite 3903B, 39/F Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Tuesday, 8 January 2019 at Hong Kong time 10 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments:

ORDINARY RESOLUTION

"**THAT**:

(A) the farm-in and joint venture agreement dated 26 July 2018 ("**FJV Agreement**", a copy of which has been marked "A" and produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification) entered into between Brockman Iron Pty Ltd (a wholly-owned subsidiary of the Company) and Polaris Metals Pty Ltd (a wholly-owned subsidiary of Mineral Resources Limited) ("**Polaris**"), pursuant to which subject to the terms and conditions therein Polaris may farm-in by satisfying the farm-in obligations (details of which are set out in the Company's circular dated 19 December 2018) and earn a 50% interest in the Marillana Project (a 100% owned iron ore project of the Company located in the Hamersley Iron Province within the Pilbara region of Western Australia), and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and

(B) the directors of the Company ("**Directors**") or a duly authorised committee of the board of Directors ("**Board**") be and are hereby authorised to do all such acts and things (including, without limitation, signing, executing (under hand or under seal), perfecting and delivery of all agreements, documents and instruments) which are in their opinion, necessary, appropriate, desirable or expedient to implement or to give effect to the terms of the FJV Agreement and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith and

* *for identification purpose only*

to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith."

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

Hong Kong, 19 December 2018

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business in Hong Kong:
Suite 3903B
39/F Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

   To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the shareholders of the Company had a material interest in the transactions contemplated under the FJV Agreement ("**Transactions**") (other than being a shareholder of the Company) as at 12 December 2018 (being the latest practicable date prior to printing of the Company's circular dated 19 December 2018 ("**Circular**") for ascertaining certain information in the Circular) and therefore no shareholder of the Company would be required to abstain from voting on the ordinary resolution at the SGM. None of the Directors have a material interest in the Transactions and as such none of the Directors abstained from voting on the relevant board resolution in relation to the Transactions.

2. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.

3. **If your shares in the Company are recorded under the Company's Hong Kong share registrar or the Company's Bermuda principal share registrar, please complete the Hong Kong proxy form and return it, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited. Please read and follow the instructions, including the deadline, on the Hong Kong proxy form to lodge the form.**

   If your shares in the Company are recorded under the Company's Australia share registrar, please complete the Australia proxy form and return it, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, to the Company's branch share registrar in Australia, Computershare Investor Services Pty Limited. Please read and follow the instructions, including the deadline, on the Australia proxy form to lodge the form. You can appoint up to two proxies by lodging the Australia proxy form. Should you wish to appoint more proxies, please fax your written request to the Company at +852 3007 9138 no later than 10 a.m. Australian Western Standard Time on 6 January 2019.