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BROCKMAN

BROCKMAN MINING LIMITED
布萊克萬礦業有限公司 *

(incorporated in Bermuda with limited liability)

(SEHK Stock Code: 159)
(ASX Stock Code: BCK)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

The Board of Directors (the "Board") of Brockman Mining Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2012, together with the comparative figures for the corresponding period in 2011. The unaudited consolidated interim results have been reviewed by the Company's Audit Committee and the Company's independent auditor.

BROCKMAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 31 December	
	Note	**2012**	2011
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**86,828**	63,851
Direct costs	*5*	**(90,405)**	(60,395)
Gross (loss)/profit		**(3,577)**	3,456
Other income	*6*	**13,258**	16,262
Other (loss)/gains, net	*7*	**(1,234)**	17,129
Selling and administrative expenses	*5*	**(64,953)**	(86,610)
Exploration and evaluation expenses		**(71,993)**	(121,737)
Impairment losses		**—**	(60,000)
Finance costs		**(14,853)**	(935)
Loss before income tax		**(143,352)**	(232,435)
Income tax (expense)/credit	*8*	**(598)**	198
Loss for the period		**(143,950)**	(232,237)

* *For identification purpose only*

	Note	Six months ended 31 December 2012 HK$'000 (Unaudited)	2011 HK$'000 (Unaudited)
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		**44,103**	(234,295)
Change in fair value on available-for-sale investments, net of tax		**—**	(51,106)
Release of deferred tax upon disposal of available-for-sale investments		**—**	2,874
Release of available-for-sale investments reserve upon disposal of available-for-sale investments		**—**	(13,355)
Other comprehensive income/(loss) for the period		**44,103**	(295,882)
Total comprehensive loss for the period		**(99,847)**	(528,119)
Loss for the period attributable to:			
Equity holders of the Company		**(141,438)**	(162,815)
Non-controlling interest		**(2,512)**	(69,422)
		(143,950)	(232,237)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(97,709)**	(347,455)
Non-controlling interest		**(2,138)**	(180,664)
		(99,847)	(528,119)
Loss per share attributable to the equity holders of the Company during the period		***HK cents***	*HK cents*
Basic	*9*	**(1.96)**	(3.04)
Diluted	*9*	**(1.96)**	(3.04)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2012 HK$'000 (Unaudited)	As at 30 June 2012 HK$'000 (Audited)
Non-current assets			
Mining properties	*10*	**4,126,119**	4,083,440
Property, plant and equipment		**100,089**	103,838
Goodwill		**784**	784
Intangible asset		**3,232**	3,592
Other non-current assets		**14,948**	13,630
		4,245,172	4,205,284
Current assets			
Inventories		**13,174**	13,209
Trade receivables	*11*	**27,633**	22,983
Other receivables, deposits and prepayments		**20,775**	22,985
Amount due from a related party		**835**	1,191
Restricted cash		—	5,200
Cash and cash equivalents		**354,857**	336,395
		417,274	401,963
Current liabilities			
Trade payables	*12*	**24,855**	14,133
Amounts due to non-controlling interests		—	58,939
Other payables and accrued charges		**189,059**	193,920
Amounts due to related companies		**2,501**	5,401
Bank borrowings		**15,779**	26,671
Obligations under finance leases		**6,929**	5,555
Fixed rate bonds	*13*	**161,231**	—
		400,354	304,619
Net current assets		**16,920**	97,344
Total assets less current liabilities		**4,262,092**	4,302,628

	As at 31 December 2012 *HK$'000* (Unaudited)	As at 30 June 2012 *HK$'000* (Audited)
Equity		
Share capital	**722,409**	717,504
Reserves	**2,245,360**	2,311,878
Equity attributable to the equity holders of the Company	**2,967,769**	3,029,382
Non-controlling interests	**67,496**	69,634
Total equity	**3,035,265**	3,099,016
Non-current liabilities		
Obligations under finance leases	**12,325**	10,858
Amount due to a related party	**32,012**	35,592
Convertible bonds	**163,271**	154,401
Deferred income tax liabilities	**1,017,096**	1,001,635
Provisions	**2,123**	1,126
	1,226,827	1,203,612
	4,262,092	4,302,628

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

This condensed consolidated financial information has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the SEHK.

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the eighteen months ended 30 June 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The mining right certificate held by Luchun Xingtai Mining Co., Ltd ("Luchun"), a subsidiary of the Company in respect of the mining activities in Damajianshan, Honghe Zhou, Luchun County, Yunnan, has expired in December 2012. The renewal of such mining right certificate is in processing as of today. The mining activities of the Yunnan mine continued and the Group has not yet obtained the final approval of official renewal or temporary extension of mining right certificate from the Yunnan State Land Resources Bureau. With reference to an independent legal opinion received by Luchun and based on latest discussion with the Yunnan State Land Resources Bureau (Honghe Zhou), the Directors are of the opinion that the Group will be able to renew the mining license in the foreseeable future and there is no material financial impact on the interim financial information for the period ended 31 December 2012. Please refer to note 10 for details.

During the six months ended 31 December 2012, the Group had cash outflows used in operating activities of HK$101,328,000. As detailed in note 15, the Company redeemed the fixed rate bonds with principal amounts of HK$156,000,000 in full by way of issuing ordinary shares and convertible bond. All the outstanding convertible bonds issued by the Company were fully converted into ordinary shares on 19 February 2013. Based on the directors' review of the Group's cash flow projections, taken into account of the Group's expected cash flows from operations, available financial resources, and the recent redemption of fixed rate bonds and the related conversion into ordinary shares, the Group is expected to have sufficient financial resources to satisfy its future working capital requirements, and to meet other financial obligations as and when required for the next twelve months. Accordingly, the directors consider that it is appropriate to prepare the Group's condensed consolidated financial information on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the eighteen months ended 30 June 2012, as described in those annual financial statements.

(i) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the eighteen months ended 30 June 2012, with the exception of changes in estimates that are required in determining the provision for income taxes and the estimates for determining the recoverable amount of the mining right in the PRC.

(a) New and amended standards adopted by the Group

The following new standard and amendment to standard are mandatory for the first time for the financial year beginning 1 July 2012.

- IAS 1 (Amendment) "Presentation of financial statements" requires entities to group items presented in "other comprehensive income" on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

This amendment has no material impact to the Group's financial information and only results in changes in disclosures format.

(b) Amendments and interpretations to existing standards that are effective for the financial year beginning 1 July 2012 but not relevant to the Group

- Amendment to IAS 12 "Income taxes" is effective for annual periods beginning on or after 1 January 2012. This is not currently applicable to the Group, as the Group does not have any investment property.

- Amendment to IFRS 1 "First-time adoption of IFRS" is effective for annual periods beginning on or after 1 July 2011. This is not currently relevant to the Group, as the Group functional currency was not subject to severe hyperinflation.

- Amendment to IFRS 7 "Financial instruments: Disclosures — Transfers of financial assets" is effective for annual periods beginning on or after 1 July 2011. This is not currently relevant to the Group, as the Group does not any transfer of financial assets.

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

		Effective for annual periods beginning on or after
IAS 19 (Amendment)	Employee Benefits	1 January 2013
IAS 27 (revised 2011)	Separate Financial Statements	1 January 2013
IAS 28 (revised 2011)	Investment in Associates and Joint Ventures	1 January 2013
IAS 32 (Amendment)	Financial instruments: Presentation on asset and liability offsetting	1 January 2014
IFRS 7 (Amendment)	Disclosures — Offsetting financial assets and financial liabilities	1 January 2013
IFRS 9	Financial instruments	1 January 2015
IFRS 7 and IFRS 9 (Amendment)	Mandatory effective date and transition disclosures	1 January 2015
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosure of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013

The impact of adoption of these new/revised standards, amendments to standards and interpretations to existing standards in future periods is not currently known or cannot be reasonably estimated.

3. REVENUE

Revenue represents the amounts received and receivable for providing transportation services and sales of mineral ore products for the six months ended 31 December 2012. An analysis of the Group's revenue for the period is as follows:

	Six months ended 31 December	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Income from transportation services	**54,529**	58,440
Sales of copper ore concentrates	**32,299**	5,411
	86,828	63,851

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reporting provided to executive directors of the Company who is responsible for allocating resources and assessing performance of the operating segments.

Following the completion of the compulsory acquisition of Brockman Resources Limited on 15 August 2012, executive directors consider to combine the limousine rental services and airport shuttle bus services as a single operating segment "Transportation Services". Prior period comparative segment information has been restated accordingly.

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

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

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

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

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

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

	Six months ended 31 December 2012				
	Transportation Services *HK$'000* **(Unaudited)**	**Mining operation** *HK$'000* **(Unaudited)**	**Mineral tenements** *HK$'000* **(Unaudited)**	**Others** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Segment revenue from external customers	**54,529**	**32,299**	**—**	**—**	**86,828**
Segment results	**(1,081)**	**(25,119)**	**(68,635)**	**(33,664)**	**(128,499)**
Finance costs					**(14,853)**
Loss before income tax					**(143,352)**
Other information:					
Depreciation of property, plant and equipment	**(8,631)**	**(2,489)**	**(583)**	**(376)**	**(12,079)**
Amortisation of intangible assets	**(360)**	**—**	**—**	**—**	**(360)**
Amortisation of mining properties	**—**	**(14,851)**	**—**	**—**	**(14,851)**
Finance costs	**(752)**	**—**	**—**	**(14,101)**	**(14,853)**
Income tax expense	**(598)**	**—**	**—**	**—**	**(598)**

	Six months ended 31 December 2011 — Restated				
	Transportation Services *HK$'000* (Unaudited)	Mining operation *HK$'000* (Unaudited)	Mineral tenements *HK$'000* (Unaudited)	Others *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue from external customers	58,440	5,411	—	—	63,851
Segment results	(3,078)	(66,961)	(123,203)	(38,258)	(231,500)
Finance costs					(935)
Loss before income tax					(232,435)
Other segment information:					
Depreciation of property, plant and equipment	(7,800)	(2,169)	(408)	(145)	(10,522)
Impairment of mining properties	—	(60,000)	—	—	(60,000)
Amortisation of intangible assets	(801)	—	—	—	(801)
Amortisation of mining properties	—	(4,565)	—	—	(4,565)
Finance costs	(935)	—	—	—	(935)
Income tax credit	198	—	—	—	198

The following is an analysis of the Group's assets by business segment as at the respective balance sheet dates:

	31 December 2012				
	Transportation Services *HK$'000* **(Unaudited)**	**Mining operation** *HK$'000* **(Unaudited)**	**Mineral tenements** *HK$'000* **(Unaudited)**	**Others** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Segment assets	**102,732**	**815,012**	**3,651,849**	**92,853**	**4,662,446**
Total assets					**4,662,446**
Total segment assets include:					
Additions of non-current assets for six months ended 31 December 2012					
Property, plant and equipment	**8,430**	**1,597**	**397**	**87**	**10,511**

	30 June 2012 — Restated				
	Transportation Services *HK$'000* (Audited)	Mining operation *HK$'000* (Audited)	Mineral tenements *HK$'000* (Audited)	Others *HK$'000* (Audited)	Total *HK$'000* (Audited)
Segment assets	111,320	821,035	3,617,097	57,795	4,607,247
Total assets					4,607,247
Total segment assets include:					
Additions of non-current assets for eighteen months ended 30 June 2012					
Property, plant and equipment arising from acquisition of subsidiary	—	—	2,325	—	2,325
Property, plant and equipment	27,803	11,896	2,461	2,949	45,109
Mining properties arising from acquisition of subsidiaries	—	—	5,955,062	—	5,955,062
Additions of non-current assets for twelve months ended 30 June 2012					
Property, plant and equipment	13,930	8,958	2,461	2,947	28,296

5. EXPENSES BY NATURE

	Six months ended 31 December	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible asset (included in direct costs)	**360**	801
Amortisation of mining properties (included in direct costs)	**14,851**	4,565
Cost of inventories	**11,678**	1,972
Depreciation of property, plant and equipment	**12,079**	10,522
Equity-settled share-based compensation for consultants	**87**	—
Motor vehicles rental charges	**8,242**	12,399
Operating lease rentals in respect of office premises	**8,300**	4,205
Professional fees for takeover bids	—	19,055
Staff costs	**80,497**	55,596

Staff costs include:

	Six months ended 31 December	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Wages, salaries and welfares	**58,200**	48,494
Directors' emoluments (including share-based compensation)	**13,188**	3,974
Retirement benefit scheme contributions	**3,228**	2,251
Share-based compensation for employees	**5,881**	877
	80,497	55,596

6. OTHER INCOME

	Six months ended 31 December	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank deposits	**6,367**	13,301
Dividend income from available-for-sale investments	—	2,449
Research and development incentive credits	**6,724**	—
Others	**167**	512
	13,258	16,262

The research and development incentive credits are provided by the Australian Federal Government in relation to research and development activities carried out in Australia.

7. OTHER (LOSS)/GAINS, NET

	Six months ended 31 December	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment	**(1,234)**	—
Release of available-for-sale investments reserve upon disposal of available-for-sale investments	**—**	49,390
Loss on disposal of available-for-sale investments, net	**—**	(32,261)
	(1,234)	17,129

8. INCOME TAX EXPENSE/(CREDIT)

	Six months ended 31 December	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax:		
Hong Kong Profits Tax		
Current period	**700**	(253)
(Over)/under provision in prior periods	**(18)**	211
PRC Enterprise Income Tax		
Under provision in prior period	**44**	—
Deferred income tax:		
Reversal of temporary differences	**(128)**	(156)
	598	(198)

Hong Kong Profits Tax has been provided at the rate of 16.5% (six months ended 31 December 2011: 16.5%) on the estimated assessable profit for the period.

PRC Enterprise Income Tax has been provided at the prevailing rate of 25% (six months ended 31 December 2011: 25%) on the estimated assessable profit applicable to the Company's subsidiary established in the PRC.

No provision for Australian Income Tax has been made as the Company's subsidiaries established in Australia have no assessable profits arising in Australia during the period (six months ended 31 December 2011: Nil).

9. LOSS PER SHARE

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

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

	Six months ended 31 December	
	2012	2011
	(Unaudited)	(Unaudited)
Loss for the period attributable to the equity holders of the Company *(HK$'000)*	**(141,438)**	(162,815)
Interest expense relating to convertible bonds *(HK$'000)*	**8,870**	—
Adjusted loss for the period attributable to the equity holders of the Company *(HK$'000)*	**(132,568)**	(162,815)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating the basic loss per share *(thousands)*	**7,215,296**	5,358,985
Loss per share attributable to the equity holders of the Company		
Basic (HK cents)	**(1.96)**	(3.04)
Diluted (HK cents)	**(1.96)**	(3.04)

Diluted loss per share is the same as basic loss per share for the six months ended 31 December 2012 and 2011 because the effect of the assumed conversion of the convertible bonds and the share options of the Company during these periods was anti-dilutive.

10. MINING PROPERTIES

	Mining right in the PRC	Mining properties in Australia	Total
	HK$'000	*HK$'000*	*HK$'000*
Balance as at 1 July 2011 (Unaudited)	865,795	6,040,027	6,905,822
Amortisation during the period	(7,435)	—	(7,435)
Impairment loss	(60,000)	—	(60,000)
Exchange differences	20,966	(332,350)	(311,384)
Balance as at 31 December 2011 (Unaudited)	819,326	5,707,677	6,527,003
Balance as at 1 July 2012	757,014	3,326,426	4,083,440
Amortisation during the period	(13,505)	—	(13,505)
Exchange differences	4,151	52,033	56,184
Balance as at 31 December 2012 (Unaudited)	747,660	3,378,459	4,126,119

Mining right in the PRC

Mining right in the PRC represents the right to conduct mining activities in Damajianshan, Honghe Zhou, Luchun County, Yunnan. The mine is located on land in the PRC to which the Group has no formal title. Yunnan State Land Resources Bureau issued the mining right certificate to Luchun Xingtai Mining Co., Ltd ("Luchun") in January 2005. The mining right certificate was renewed in 2007 for a period of five years to September 2012. Yunnan State Land Resources Bureau has granted Luchun an extension of the existing mining certificate for a period of three months to December 2012.

Since the expiry of the temporarily extension of the mining right certificate in December 2012 and up to the date of this announcement, the Group has not yet obtained any official renewal or temporary extension of the mining right certificate and the mining activities of the Yunnan mine continued.

With reference to an independent legal opinion received by Luchun, Luchun has submitted all the documents required by the local authority regarding the application of the mining license renewal effective for one year. There is no legal barrier to Luchun obtaining the renewed mining right certificate as local government had reviewed and assessed the application, pending administrative requirements as deemed necessary by the relevant government authorities. The independent legal opinion also confirmed that there was no illegal activity undertaken by Luchun in operating the mine and there was no penalty exerted by the government regarding Luchun's mining operation.

Accordingly, the Directors are of the opinion that the Group will be able to renew the mining license in the foreseeable future and there is no material financial impact on the interim financial information for the period ended 31 December 2012.

The mining right in the PRC is amortised using the units of production method based on the proven and probable mineral reserves under the assumption that the Group can renew the mining right indefinitely till all proven and probable reserves have been mined.

The directors have performed assessment on the recoverable amount of the mining right as at 31 December 2012, taking into consideration two valuation approaches, namely sales comparison and discounted cash flow. Key assumptions adopted in the discounted cash flow model prepared by management are summarised as follows:

Long-term copper price	US$6,890 per tonne
Discount rate	17.3%
Production capacity	800 tonnes to 3,000 tonnes per day

These calculations use cash flow projections based on financial projections approved by management. No impairment loss was recognised for the six months ended 31 December 2012 (31 December 2011: HK$60,000,000).

Mining properties in Australia

The mining properties, being the mineral assets comprising the mining and exploration projects in Australia, including the Marillana project and other exploration projects.

In the opinion of directors, there was no indication of impairment of the mining properties as at 31 December 2012.

11. TRADE RECEIVABLES

The Group's credit terms granted to customers of transportation services range between 60 days and 90 days. Before accepting any new customers, the Group will review the potential customer's credit quality and approve its credit limits. Credit limits attributed to customers are reviewed regularly.

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

	As at	
	31 December 2012	30 June 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 — 30 days	**14,036**	11,335
31 — 60 days	**8,596**	7,652
61 — 90 days	**3,975**	2,699
Over 90 days	**1,026**	1,297
	27,633	22,983

12. TRADE PAYABLES

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

	As at 31 December 2012 HK$'000 (Unaudited)	As at 30 June 2012 HK$'000 (Audited)
0 — 30 days	**18,258**	9,077
31 — 60 days	**2,339**	2,045
61 — 90 days	**1,914**	1,279
Over 90 days	**2,344**	1,732
	24,855	14,133

13. FIXED RATE BONDS

	HK$'000
Carrying amount at 1 July 2012	—
Issuance of bonds *(note)*	**156,000**
Interest expenses	**5,231**
Carrying amount at 31 December 2012 (Unaudited)	**161,231**

Note:

On 21 September 2012, the Company had issued fixed rate bonds of aggregate principal amount of HK$156,000,000. Interest is payable on the date of redemption at the rate of 12% per annum of the outstanding principal amount, accruing from the date of issue of the bonds on daily basis. On 9 January 2013, the above-mentioned fixed rate bonds were redeemed in full. Please refer to note 15 for details.

14. INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2012 (six months ended 31 December 2011: Nil).

15. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 9 January 2013, the Company redeemed the fixed rate bonds in full by issuing a total of 190,243,902 ordinary shares at the issue price of HK$0.41 per share and convertible bond of principal amount of HK$78,000,000 with issue price of HK$0.41 per share.

On 19 February 2013, all outstanding convertible bonds have been converted into ordinary shares and a total of 480,143,902 shares were issued.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Financial Highlights

The Group's consolidated revenue for the six months ended 31 December 2012 increased by 36% to approximately HK$86.8 million (2011: HK$63.9 million). Revenue growth was driven by the Damajianshan mine with approximately HK$32.3 million (2011: HK$5.5 million) contributed by the sales of copper ore concentrates. The transportation services business delivered revenue of approximately HK$54.5 million (2011: HK$58.4 million) from the provision of limousine rental and airport shuttle bus services.

As at 31 December 2012, the Group's net asset value amounted to HK$3,035.3 million (30 June 2012: HK$3,099.0 million) and cash and bank balances, totalled HK$354.9 million (30 June 2012: HK$336.4 million).

Loss attributable to equity holders of the Company amounted to HK$141.4 million for the six months ended 31 December 2012 (2011: HK$162.8 million). The change was attributable to increased sales from the Damajianshan mine following the completion of the copper mine plant expansion and upgrading of electricity re-routing facilities; reduced project mine study expenditure in the Australian operations, given conclusion of the Marillana Front End Engineering study in 2011; and refocus of the transportation services operation towards preferred markets including the cessation of the Shenzhen operation.

The re-positioning of the Company's strategic plan to create a globally renowned mid tier mining resources company is expected to continue in the next reporting period, aiming to deliver future profitability.

Basic loss per share for the period was HK1.96 cents (HK3.04 cents in last year's corresponding period).

Corporate Review

Takeover Offer for Brockman Resources Limited

The 100% compulsory acquisition process for the takeover of Brockman Resources Limited completed on 15 August 2012.

Change of Company Name

Following the acquisition, the Company changed its name to "Brockman Mining Limited" and a new Chinese name "布萊克萬礦業有限公司" was adopted for identification purpose, effective from 25 September 2012. The ASX ticker was changed to "BCK".

Board Appointments

During the interim period, Mr. Ross Stewart Norgard was appointed as non-executive director and Mr. David Michael Spratt was appointed as independent non-executive director of the Company.

Management Team Changes

Ms. Michelle Manook, General Manager – External Affairs and Mr. Kevin Watters, General Manager – Project Development were also appointed to the Australian management team. Mr. Watters replaced Mr. Paul Bartlett who resigned during the reporting period.

The Board would like to take this opportunity to welcome all new personnel and express appreciation to those who have left for their support and commitment.

Subscription of Shares and Subscription of Convertible Bonds

On 21 September 2012, the Company issued 12% bonds of an aggregate principal amount of HK$156 million to China Guoyin Investment (HK) Ltd ("China Guoyin") and Ocean Line Holdings Ltd ("Ocean Line") respectively. The bonds were later redeemed and the proceeds of the redemption were applied to subscribe for 190,243,902 shares by China Guoyin; and the subscription of a 5% convertible bond due January 2016 by Ocean Line, following independent shareholders approval being obtained.

Mineral Tenements

Iron Ore Operations – Western Australia

This segment of the business focuses on iron ore exploration and development, currently in Western Australia. This operation was acquired through the takeover of Brockman Resources Limited, with 100% ownership secured 15 August 2012.

The net operating loss after income tax expense for the period for this segment and attributable to the Group, was HK$68.6 million (2011: HK$123.2 million). Total expenditure associated with mineral exploration attributable to the Group for the period to 31 December 2012 amounted to HK$64.8 million (2011: HK$121.5 million). During the reporting period the Group consolidated its investment position in the Australian operations and amalgamated the acquired management team, resources and practices to the Group to optimise achievement of the Company's strategy.

Project Approvals and Optimisation – Marillana Iron Ore Project

The Company continued to progress all required State and Commonwealth government environmental approvals for the mine, rail and port projects in line with Project requirements and development timeframes. Variations to the Marillana Project footprint, since the submission and approval of the Public Environmental Review, will require a variation to the Ministerial Statement approval via a s45C process under the Environmental Protection Act.

A modified Project Management Plan is being developed for submission to the DMP, as well as a new Mining Proposal to cover both early works during the construction phase and the operating mine. Secondary approvals including site operational licences, water licences and vegetation clearing permits will be completed in parallel with a future BFS.

Final conditional approval has been received from the Commonwealth Department of Sustainability, Environment, Water, Pollution and Communities for both the Marillana mine and rail spur projects. A substantial amount of work will be required in 2013 to develop the management plans associated with each of these projects once design engineering and the BFS commence.

Optimisation of the planned beneficiation process have been advanced during the period through testwork programs on the potential for the processing of the naturally occurring -1 mm run of mine (ROM) feed material. In the current process flowsheet, this material accounts for 36% of the process plant feed tonnes and is currently scheduled to be rejected as waste.

Laboratory scale reflux classifier testwork on the -1 mm size fraction, was completed with encouraging results. Pilot scale test work, using the RC300 reflux classifier, commenced in Q1 2013.

In addition, samples (4 × 200 litre drums) were forwarded to CISRI to commence preparation of blends for China-based sinter testing of the Marillana product, to compliment the previous Australian-based sinter test work. This sinter testing program is anticipated to be completed late in Q1 2013.

Rail and Port Infrastructure

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

Brockman, Atlas and Aurizon (formerly QR National) are reviewing the potential to develop an East Pilbara Rail ("EPIR") for the haulage of iron ore product from proposed Brockman and Atlas mines to Port Hedland. All parties have directed their efforts to establishing the technical and commercial fundamentals of the supply infrastructure network, which includes: the planning and undertaking of baseline environmental and cultural heritage surveys; obtaining a State Agreement; and pursuing project environmental approvals.

The Group continued to work closely with the Aurizon-led East Pilbara Independent Rail Study team towards completing a report in Q1 2013.

Brockman is a foundation shareholder in the NWI joint venture which continued to advance the development of a multi user port facility to support the Western Australian State Government 50mtpa allocation of export capacity at Port Hedland. Work included preparing a port development business case based on a phased development of the South West Creek infrastructure. This business case will be integrated with the development of the proponent's proposed mines and the proposed EPIR.

NWI received a draft term sheet from the Port Hedland Port Authority, outlining the expected terms of a lease to govern the development of port facilities in the Port Hedland harbour. Negotiations on the terms for the lease will continue during Q1 2013.

Exploration

During the reporting period the Group experienced significant exploration success at its 100% owned Ophthalmia bedded hematite direct shipping iron ore project located about 30km northwest of Newman in Australia's Pilbara region. The potential of previously reported encouraging surface sampling results were confirmed by drilling programs and the delivery of two maiden Resource estimates for the Coondiner and Kalgan Creek prospects. Total Mineral Resources for these two deposits are 160.1Mt grading 58.56% Fe. In addition exploration work and analysis was progressed at the Sirius prospect with an initial Mineral Resource estimate expected in Q1, 2013.

Exploration programs at Ophthalmia for the period included 115 RC drill holes for 11,758m and 7 PQ diamond drill holes for 745.8m.

The Ophthalmia project exploration results are particularly significant in supporting Brockman, Aurizon and Atlas' ongoing feasibility studies for an Independent East Pilbara Railway. Brockman has previously reported that detailed feasibility studies at the 100%-owned Marillana Iron Ore Project have demonstrated the mine will produce 419 Mt of final product (beneficiated detrital plus DSO CID mineralisation) and sustain production levels of 17–20 Mtpa for greater than 20 years. As Ophthalmia is located approximately 80 km south-east of Marillana, there is the opportunity to either extend the proposed railway to Ophthalmia or to truck material from Ophthalmia to Marillana. Either of these options will result in increased tonnages on the proposed independent railway, enhancing its viability.

The locations of the various Ophthalmia Deposits and prospects are shown in Figure 1.

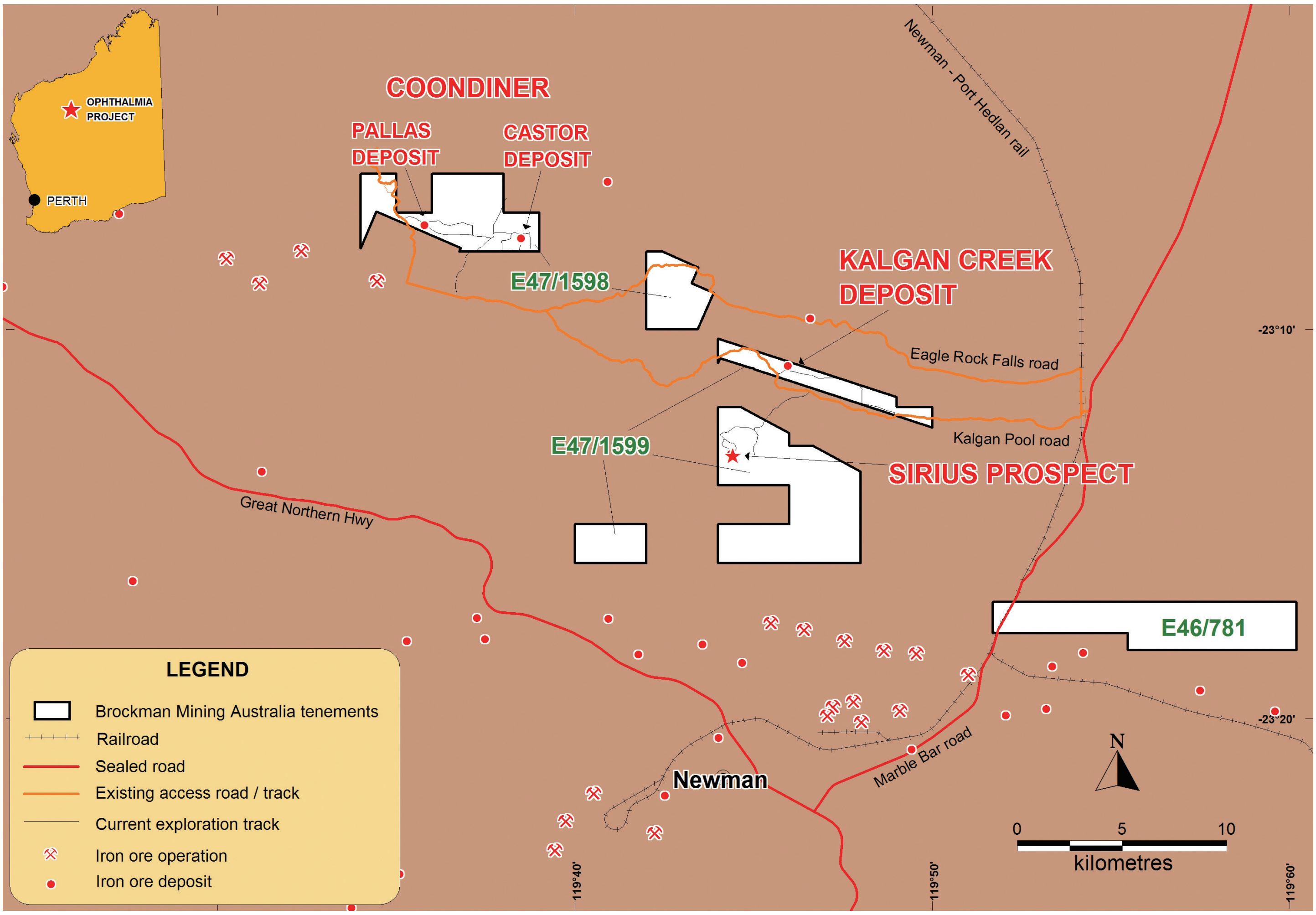

Figure 1: Location of Ophthalmia deposits and prospects

Initial Indicated and Inferred Mineral Resource estimates for the Coondiner and Kalgan Creek Deposits were released to the ASX on 15 October 2012 and 4 December 2012 respectively.

The Coondiner Mineral Resource estimate includes the Pallas and Castor Deposits and totals 108 Mt grading 58.3% Fe, comprising 64.3 Mt of Indicated Mineral Resources (all at Pallas) and 44 Mt of Inferred Mineral Resources (at Pallas and Castor). The Kalgan Creek Mineral Resource estimate totals 52.1 Mt grading 59.11% Fe, comprising 12.5 Mt of Indicated Mineral Resources.

The DSO Mineral Resources at the Ophthalmia Project total 160.1 Mt grading 58.56% Fe, as shown in Table 1:

Table 1: Ophthalmia DSO Mineral Resource Summary

Deposit	Class	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO_2 (%)	Al_2O_3 (%)	S (%)	P (%)	LOI (%)
Kalgan Creek	Indicated	12.5	59.25	62.64	4.02	4.79	0.007	0.20	5.41
	Inferred	39.7	59.07	62.55	4.53	4.55	0.005	0.17	5.56
	Sub total	**52.1**	**59.11**	**62.56**	**4.41**	**4.60**	**0.006**	**0.18**	**5.52**
Coondiner (Pallas and Castor)	Indicated	64.3	58.00	61.55	5.79	4.40	0.009	0.17	5.77
	Inferred	43.7	58.79	62.15	5.33	4.38	0.006	0.18	5.41
	Sub total	**108.0**	**58.30**	**61.77**	**5.61**	**4.39**	**0.008**	**0.17**	**5.62**
Total (DSO) – Ophthalmia**		**160.1**	**58.56**	**62.03**	**5.22**	**4.46**	**0.007**	**0.17**	**5.59**

* 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

The Mineral Resource estimates were prepared by Golder and classified in accordance with the guidelines of the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves" (JORC Code). They have been estimated within geological boundaries using a 54% Fe lower cut-off grade for DSO grade mineralisation. The methodology and procedures used for the Mineral Resource estimate were provided in the ASX releases of 15 October 2012 and 4 December 2012.

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

In September 2012, Brockman was advised by the DMP of the preliminary survey result of the State Agreement Mining Lease M70/282 Section 4 (Hope Downs Joint Venture which is managed by Rio Tinto), which adjoins the Coondiner tenement E47/1598. This survey data indicates a discrepancy between the position of the south-western boundary of E47/1598 as recorded on the DMP tenement management system (TENGRAPH) and that recorded by the survey. The main effect of this survey result is a shift of up to 300 m to the north of the aforementioned tenement boundary. The Mineral Resource for the Pallas Deposit, referred to in Table 1, is the worse-case scenario, assuming that the survey data is adopted in full by DMP. If the survey data is not adopted, this 300 m wide strip contains additional Mineral Resources that would be added to those listed in Table 1. The Castor Mineral Resource is not affected in any way by the survey data.

Brockman is in discussions with DMP regarding this survey result.

Competent Person's Statement

The information in the above Exploration section of this report that relates to Mineral Resources is based on information compiled by Mr. J Farrell and Mr. A Zhang.

Mr. J Farrell, who is a Chartered Professional and 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 Mining Australia Pty Ltd, 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.

Mining Operation

Copper Mining – Yunnan, PRC

The copper mining business of the Company is conducted through a 90% owned subsidiary of the Company-Luchun, the owner and operator of the Damajianshan Mine.

During the interim period, production gradually resumed following the completion of installation works and copper plant expansion. The management is delighted to report a substantial increment on ore processed capacity.

Production and operation results for the financial period were summarised as follows:

	Six months ended 31 December	
	2012	2011
Copper ore processed	**150,576 tonnes**	64,187 tonnes
Production of Copper Ore Concentrates	**649 Metal (t)**	376 Metal (t)
Sales of Copper Ore Concentrates	**640 Metal (t)**	102 Metal (t)
Average selling price per Metal (t) (without VAT)	**RMB41,000**	RMB43,000

During the six months ended 31 December 2012, Luchun has contributed revenue of approximately HK$32.3 million (2011: HK$5.5 million), up 487%, and the loss before amortisation and impairment loss was approximately HK$10.3 million (2011: HK$2.4 million).

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 impairment loss) during the six months ended 31 December 2012 amounted to approximately HK$57.4 million (2011: HK$12.4 million).

Since 2011, installation works, re-routing of power supply and copper plant upgrade has occupied our agenda, which aimed to boost production capacity. Production of copper ore was therefore halted on-and-off for such reason. The Company recorded solid performance primarily due to significantly increased volumes of copper ore concentrates traded. With uninterrupted production post the completion of all power and plant upgrade installation works, production from Damajianshan Mine has been increased significantly as compared to the previous period. Benefiting from increased production volume, sales quantity increased accordingly. The increment in loss for the segment is primarily due to increased expenditure for exploration activities and respective administrative expenses.

Sales and production volumes of Copper ore concentrates grew at a satisfactory rate, average price per metal tonne has decreased steadily over the period reflecting the decrease in global copper price.

As disclosed in note 10 of the above Notes to Condensed Consolidated Financial Information, the mining right certificate expired in December 2012, renewal of such mining right certificate is currently in process. With reference to an independent legal opinion, the Directors are of the opinion that the Group will be able to renew the mining license in the foreseeable future without obstacle.

Outlook

The final stage of the mine upgrade is underway to support the increased production levels at the mine. A new design for the tailings dam (which stores mine waste) is being developed and is expected in the coming year. Safety, environment and various geotechnical risks are being considered as top priority.

As usual, seasonal suspension will be expected during the long holidays for the Lunar New Year. The Company considers that production activity will regain momentum in the second quarter of 2013.

Transportation Services Business

The limousine rental and airport shuttle bus services segments are operated by Parklane Limousine Service Limited and Airport Shuttle Services Limited, both operations are wholly owned by Perryville Group Limited (collectively the “Perryville Group”).

The financial performance of Perryville Group contributed approximately 62.8% (2011: 91.5%) of the overall revenue of the Group. It represents a less significant portion of Group’s revenue. Transportation Services revenue for the six months ended 31 December 2012 amounted to HK$54.5 million (2011: HK$58.4 million), a slight decrease of approximately 6.7% when compared to the corresponding period last year. The limousine business has refocused to more preferred markets in the PRC. During the interim period, the Shenzhen operation of the limousine business was closed down.

Inflationary pressure and rising staff cost, affected the profitability of the business. The segment reported a loss of HK$2.4 million for the six months ended 31 December 2012, compared to a loss of HK$3.8 million in 2011.

Outlook

The Company will continue its strategy towards refocusing its operations towards preferred markets such as Hong Kong, Guangzhou and Shanghai and enhancing cost-control measures to optimise profitability.

LIQUIDITY AND FINANCIAL RESOURCES

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

The current ratio as at 31 December 2012 was 1.04 (30 June 2012: 1.32). The gearing ratio as at 31 December 2012 (long-term debts over equity and long-term debts) is measured at 0.06 as compared to 0.06 recorded as at 30 June 2012. As at 31 December 2012, the Group has bank borrowings and finance lease obligation amounted to approximately HK$35.0 million (30 June 2012: HK$43.1 million), all of which are secured, approximately HK$22.7 million was due within one year and the balance of HK$12.3 million was due in more than one year. All bank borrowings and finance lease obligation are denominated in Hong Kong dollars.

As at 31 December 2012, convertible bond and bond amounted to HK$324.5 million (30 June 2012: HK$154.4 million). All of these debts are denominated in Hong Kong dollars.

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 31 December 2012.

CAPITAL STRUCTURE AND CONVERTIBLE BONDS

During the period, the Company has the following movement in the share capital:

Pursuant to the acceptance under the BRM Offer, a total of 49,054,662 ordinary shares were issued as consideration to the BRM Offer in final batches.

As at 31 December 2012, the total number of issued shares outstanding for the Company amounts to 7,224,094,327 shares.

On 19 February 2013, all outstanding convertible bonds have been converted into ordinary shares and a total of 480,143,902 shares were issued.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2012, motor vehicles with an aggregate carrying value of approximated HK$6,888,000 (30 June 2012: HK$8,950,000) were charged to secure general banking facilities granted to a subsidiary of the Company.

Contingencies

(i) Bank borrowings

As at 31 December 2012, guarantees have been given to a bank by the Company and a related party of a subsidiary's former shareholder jointly with no charge in respect of banking facilities extended to the subsidiary. The guarantees amounted to approximately HK$75,200,000 and HK$20,200,000 respectively (30 June 2012: HK$75,200,000 and HK$38,000,000).

(ii) Native title claims

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

Except for the contingencies disclosed above, there is no material contingent liability of the Group as at 31 December 2012.

MARKET RISK

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

(a) Commodities Price risk

Copper ore concentrate price:

The Group's revenue and results of the mining business during the period, and the fair value of the Group's mining right was affected by fluctuations in the copper ore concentrate price. All of our mining products were sold at the market price.

Iron ore price:

The fair value of the Group's intangible assets arising from acquisition of mineral tenements operations in Australia were affected by fluctuations in the iron ore price. We have not used any commodity derivative instruments or futures for speculation or hedging purpose. The management will review the market condition from time to time and determine the best strategy to deal with the fluctuation of iron ore and copper concentrate 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.

STAFF AND REMUNERATION

As at 31 December 2012, the Group employed 624 full time employees (30 June 2012: 657), of which approximately 461 employees were in the PRC, 138 employees were in Hong Kong and 25 employees were in Australia. The remuneration of employees includes salary and discretionary bonus. The Group also adopted a share option scheme to provide incentives to the employees.

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 31 December 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is listed on both the Australian Securities Exchange ("ASX") and on the SEHK. The Company's corporate governance policies have been formulated to ensure that it is a responsible corporate citizen. The Company complies with all aspects of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK, except that not all the directors have participated in all general meetings held by the Company in the reporting period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry to all directors of the Company, all directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 31 December 2012.

AUDIT COMMITTEE

The audit committee comprises of three independent non-executive directors namely Messrs. Lau Kwok Kuen, Eddie, Uwe Henke Von Parpart and Yip Kwok Cheung, Danny; and a non-executive director, Mr. Warren Talbot Beckwith (the "Audit Committee"). Mr. Lau Kwok Kuen, Eddie is the Chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Audit Committee has reviewed the Group's interim results for the six months ended 31 December 2012.

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

Hong Kong, 25 February 2013

As at the date of this announcement, the board of directors of the Company comprises Mr. Kwai Sze Hoi (Chairman), Mr. Liu Zhengui (Vice Chairman), Mr. Warren Talbot Beckwith and Mr. Ross Stewart Norgard as non-executive directors; Mr. Luk Kin Peter Joseph (Chief Executive Officer), Mr. Chan Kam Kwan, Jason (Company Secretary) and Mr. Chu Chung Yue, Howard as executive directors; and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart, Mr. Yip Kwok Cheung, Danny and Mr. David Michael Spratt as independent non-executive directors.

GLOSSARY

"ASX"	ASX Limited ACN 008 624 691, or the financial products market, The Australian Securities Exchange, as the situation requires
"Atlas"	Atlas Iron Limited (ASX:AGO), an iron ore producer and developer in Western Australia listed on the ASX
"Aurizon"	Aurizon Limited (formerly QR National Limited), which is the largest rail freight company in Australia and is listed on the ASX
"BFS"	Bankable Feasibility Study
"Board"	the Board of Directors
"Brockman" or "Company"	Brockman Mining Limited ARBN 143 211 867 (formerly Wah Nam International Holdings Limited), a company incorporated in Bermuda
"CG Code"	Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK

"CID"	Channel-iron deposits
"CISRI"	China Iron & Steel Research Institute Group
"China Guoyin"	China Guoyin Investments (HK) Ltd
"Damajianshan mine"	The 90% owned copper mine held by the Company in the Yunnan Province, PRC
"Directors"	the directors of the Company
"DMP"	Department of Minerals and Petroleum
"DSO"	Direct Shipping Ore
"EPIR"	East Pilbara Independent Railway
"Golder"	Golder Associates Pty Ltd
"Group"	Brockman Mining Limited, its associates and subsidiaries
"JORC Code"	Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (4th Edition)
"km"	kilometres
"Luchun"	Luchun Xingtai Mining Co., Ltd, being a 90% owned subsidiary of the Company, which is the operator of the Damajianshan Mine
"Marillana Project"	The 100% owned Marillana iron ore project is Brockman's flagship project located in the Hamersley Iron Province
"m"	metre
"Mt"	million tonnes
"NWI"	North West Infrastructure, the joint venture company which represents the interests of its three shareholder companies: Brockman Mining Australia Pty Ltd; Atlas Iron Limited and FerrAus Limited, to facilitate the construction of a port facility capable of annually exporting 50 million tonnes of iron ore from the South-West Creek location at the Inner Harbour at Port Hedland, Western Australia

"Ocean Line"	Ocean Line Holdings Ltd
"PRC"	Peoples Republic of China
"Q"	Quarter (financial)
"QR National"	QR National Limited (renamed to Aurizon), which is the largest rail freight company in Australia and is listed on the ASX
"RC"	Reverse circulation
"SEHK"	Hong Kong Exchanges and Clearing Company Limited or the financial products market or the Hong Kong Stock Exchange, as the situation requires