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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)

ERA DETERMINES FLOOR AND CEILING COSTS

Brockman Iron Pty Ltd (“Brockman Iron”), a wholly owned subsidiary of Brockman Mining Limited (“Company”), has been advised that the Western Australian Economic Regulation Authority (“ERA” or “Authority”) has reached its final determination of the floor and ceiling costs applicable to Brockman Iron’s Access Proposal (“Access Proposal”). The Access Proposal was lodged with The Pilbara Infrastructure Pty Ltd (“TPI”) on 15 May 2013 pursuant to section 8(1) of the Western Australian Railways (Access) Code 2000 (the “Code”) to gain access to part of the below-rail infrastructure owned by TPI, a subsidiary of Fortescue Metals Group Limited.

The Authority has published its determination for the floor cost and the ceiling cost for the route section which is the subject of the Access Proposal. The floor cost is AUD84,742,039. The ceiling cost is AUD316,901,814.

Brockman’s preliminary guidance from the ERA is that its determination of the floor and ceiling costs are to be divided by the total capacity of the railway line, i.e. 155 Mtpa. On this basis the floor cost would equate to **AUD0.55/tonne** and the ceiling cost would equate to **AUD2.04/tonne**. Future negotiation of the Access price will be confined to this range.

It is difficult to provide any further detail at this time given the extent of the redaction in the ERA’s floor and ceiling determination. Brockman will work with its advisors and the ERA to further substantiate its view and will update the market as necessary.

A copy of the determination is available from the ERA web site at www.era.wa.gov.au.

* *For identification purpose only*

BACKGROUND

Brockman Iron's Access Rights sought as part of the Access Proposal are to TPI's railway infrastructure ("TPI Mainline") from approximately the 219 km point from Port Hedland on the TPI Mainline, from which point Brockman will construct a rail spur to its Marillana Iron Ore Project ("Marillana"), to approximately the 23 km point from Port Hedland on the TPI Mainline (a total distance of approximately 196 km), from which point Brockman will construct a rail spur to connect with the proposed North West Infrastructure ("NWI") port facilities in Port Hedland. Brockman is seeking Access Rights to allow it to haul up to 20 Mtpa of hematite iron ore product from Marillana to Port Hedland, for a term of up to 20 years commencing in 2016.

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

Hong Kong, 12 September 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) and Mr. Chan Kam Kwan, Jason (Company Secretary) as executive directors; and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart, and Mr. Yip Kwok Cheung, Danny as independent non-executive directors.

FURTHER INFORMATION

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