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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)

**HEADS OF AGREEMENT SIGNED TO SUPPORT
MARILLANA MINE DEVELOPMENT**

The Board of Brockman Mining Limited is pleased to announce that it has entered into a Heads of Agreement (“**HOA**”) with Qube Bulk Pty Ltd (“**Qube**”) to facilitate an initial small scale mining operation from Brockman’s Marillana iron ore deposit.

The Board of Brockman Mining Limited (“**Brockman**” or “**Company**”) is pleased to announce that it has entered into a Non-Binding HOA with Qube to facilitate an infrastructure solution for an initial small scale (2.5Mtpa) mining operation at the Company’s 100% owned Marillana iron ore deposit (the Maverick Project).

Subject to the completion of final feasibility studies and the receipt of any required approvals, Brockman and Qube will enter into a Logistics Services Agreement for the provision of logistics services for the transportation and export of Brockman’s product through the Utah Point Port Facility (“**UPF**”) at Port Hedland for a minimum of five years. Qube is an integrated logistics services provider which provides bulk ore haulage services in the Pilbara and port services at the UPF.

The key enabler for this HOA has been the recent Western Australian State Government initiative in approving the use of performance based standard road trains on prescribed roads in the Pilbara (following a successful trial). These new road trains with increased payloads have provided significant cost savings in road haulage and result in fewer vehicle movements on the State’s roads. Qube is currently undertaking an approved trial to further increase vehicle payloads on designated routes in the Pilbara that have the potential to provide additional benefits to the Maverick Project.

* *For identification purpose only*

Maverick Project

Brockman has been investigating potential development options for a small scale operation at Marillana to complement longer term plans for a 20Mtpa operation based on rail haulage and a new, larger capacity port development. Brockman has always been a strong proponent and supporter of development of a multi-user junior port facility at South West Creek in Port Hedland, being undertaken by North West Infrastructure (“**NWI**”). NWI has been granted a 50 Mtpa allocation by the Western Australian State Government to develop two berths and associated stockyards at South West Creek. Detailed engineering studies have been completed and the proposed development has been granted all Native Title and Environmental approvals.

The Maverick Project relates to a very small portion of the total Ore Reserves at Marillana, which has been optimised for the first five years of the project. The optimisation is based on a combination of stripping ratio and grade, as higher grade ores provide a higher product yield, and is limited to above water table ore. The majority of ore comes from the Rockhole Bore area, which has been subject to extensive pilot scale metallurgical testwork.

The pit design involves the mining of 29.4Mt of ore and 8.9Mt of waste over the initial 5 year period, for a stripping ratio of 0.3:1. The ore will be beneficiated to produce 2.5Mtpa (wet) of final product grading between 60.5% Fe and 61.5% Fe, which will be trucked to the UPF at Port Hedland for loading onto ships. The estimated C1 FOB operating cost is US\$35/t (based on a USD:AUD exchange rate of 0.70). Costs are based on contractor estimates for the construction and operation of the project.

Brockman is targeting Q1 calendar year 2017 for commencement of construction with commissioning late in calendar year 2017. The project is expected to generate up to 100 full time jobs during operations.

Brockman Mining Australia CEO Mr. Colin Paterson commented: “I am very pleased to be able to announce the signing of this HOA with Qube, who have established themselves as an excellent logistics operator in the Pilbara. As well as generating cash flows for the Company, the Maverick Project will also establish Brockman and the high quality Marillana product in the market place and will be a major step forward in commercialising the infrastructure solution for a larger scale operation at Marillana.”

About Qube

Qube Holdings (ASX: QUB) is Australia's largest integrated provider of import and export logistics services with national operations that provide a broad range of services.

Qube's Ports & Bulk division operates in 29 ports around Australia and has diversified operations from Port Hedland in Western Australia transporting and loading iron ore for export markets, through to Port Kembla in New South Wales handling motor vehicles, heavy machinery and project cargoes.

The Logistics division has strategically located facilities in all capital city ports and provides road and rail container transport, customs and quarantine services, container parks, intermodal terminals, warehousing and international freight forwarding.

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

Hong Kong, 23 March 2016

As at the date of this announcement, the board of directors of the Company comprises Mr. Kwai Sze Hoi (Chairman), Mr. Liu Zhengui (Vice Chairman) and Mr. Ross Stewart Norgard as non-executive directors; Mr. Chan Kam Kwan, Jason (Company Secretary), Mr. Colin Paterson and Mr. Kwai Kwun Lawrence 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.

FURTHER INFORMATION

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