
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.

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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)

MAJOR AND CONNECTED TRANSACTION – DISPOSAL OF SUBSIDIARIES ENGAGING IN LIMOUSINE BUSINESS CONNECTED TRANSACTION – GUARANTEE FOR A CONNECTED PERSON

Financial Adviser



REORIENT Financial Markets Limited

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders

Nuada Limited
Corporate Finance Advisory

A letter from the Board is set out on pages 5 to 15 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Disposal (as defined herein) is set out on page 16 of this circular. A letter from Nuada Limited containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Disposal (as defined herein) is set out on pages 17 to 35 of this circular.

A notice convening a special general meeting of the Company to be held at Suites 3812-13, 38/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Thursday, 9 January 2014 at 10:00 a.m. is set out on pages 46 to 48 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

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DEFINITIONS

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

“A\$”	Australian dollar
“Acquisition”	the acquisition of the remaining 10% interest in the Group’s copper mine business in the PRC carried out by Luchun Xingtai Mining Co., Ltd (a 90% owned subsidiary of the Company) by Smart Year as detailed in the Company’s announcement dated 24 October 2013
“Assignment Debt”	the total amount of the principal, interest (if any) and other sums and indebtedness due, owing or payable to the Company by Perryville as at the Disposal Completion Date
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“ASX”	ASX Limited (trading as the Australian Securities Exchange)
“Board”	the board of Directors
“Business Day”	a day (not being a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Brockman Mining Limited, the shares of which are dually listed on the Stock Exchange and ASX
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Counter Indemnity”	the counter indemnity to be provided by Mr. Leung to the Company under the Deed of Counter Indemnity in respect of the Guarantee
“Deed of Counter Indemnity”	the deed to be entered into between Mr. Leung and the Company upon the Disposal Completion in respect of the Counter Indemnity
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Disposal”	the disposal of the Sale Shares and the Assignment Debt by the Company to Mr. Leung pursuant to the Sale and Purchase Agreement
“Disposal Completion”	the completion of the Disposal
“Disposal Completion Date”	the Business Day immediately following the day on which the last of the conditions precedent under the Sale and Purchase Agreement is fulfilled or waived (or such later date as the parties to the Sale and Purchase Agreement may agree in writing prior to the Disposal Completion)
“Facility”	the banking facility of up to HK\$12 million made available by a bank in Hong Kong to Parklane Limousine under the Facility Letter
“Facility Letter”	the facility letter entered into between Parklane Limousine and a bank in Hong Kong on 20 July 2009 in which the lending bank has agreed to make available to Parklane Limousine a banking facility of up to HK\$12 million subject to the terms and conditions set out in the Facility Letter
“Guarantee”	the corporate guarantee given by the Company in favour of a bank in Hong Kong in respect of the banking facilities extended to Parklane Limousine for the amount of HK\$12 million
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Independent Board Committee”	the independent board committee to be established by the Company to consider the Sale and Purchase Agreement and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholders”	holders of Shares other than Mr. Leung, the Vendor and their respective associates (if they hold any Shares)
“Latest Practicable Date”	18 November 2013, 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
“Long Stop Date”	28 February 2014
“Mr. Leung”	Mr. Leung Chi Yan, Danny, the director of Perryville
“Parklane Limousine”	Parklane Limousine HK, a wholly-owned subsidiary of the Company prior to the Disposal Completion
“Perryville”	Perryville Group Limited
“Perryville Group”	Perryville and its subsidiaries
“PRC”	the People’s Republic of China
“Sale and Purchase Agreement”	the agreement entered into between the Company and Mr. Leung dated 24 October 2013 regarding the Disposal
“Sale Shares”	the entire equity interest in Perryville Group
“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 to approve the Disposal and the Guarantee
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Share Charge Deed”	the deed to be entered into between Mr. Leung and the Company upon the Disposal Completion in relation to the charge to the Company the entire issued shares of Perryville

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the outstanding amount owed and payable by the Perryville Group to the Company in the total amount of HK\$10,321,000 as at 30 June 2013
“Smart Year”	Smart Year Investments Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Zhang Li, a director of Luchun Xingtai Mining Co., Ltd, a 90% owned subsidiary of the Company which is the subject of the Acquisition and the completion of the Acquisition is conditional upon the Disposal Completion
“%”	per cent.

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)

Non-Executive Directors:

Mr. Kwai Sze Hoi (*Chairman*)

Mr. Liu Zhengui (*Vice Chairman*)

Mr. Ross Stewart Norgard

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Executive Directors:

Mr. Luk Kin Peter Joseph (*Chief Executive Officer*)

Mr. Chan Kam Kwan, Jason

Mr. Warren Talbot Beckwith

*Head office and principal office of
business in Hong Kong:*

Suites 3812-13

38/F Two International Finance

Centre

8 Finance Street

Central

Hong Kong

Independent Non-Executive Directors:

Mr. Lau Kwok Kuen, Eddie

Mr. Uwe Henke Von Parpart

Mr. Yip Kwok Cheung, Danny

25 November 2013

To the Shareholders

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION –
DISPOSAL OF SUBSIDIARIES ENGAGING IN
LIMOUSINE BUSINESS
CONNECTED TRANSACTION –
GUARANTEE FOR A CONNECTED PERSON**

INTRODUCTION

The Board announces that on 24 October 2013, the Company and Mr. Leung entered into the Sale and Purchase Agreement pursuant to which the Company agreed to sell and Mr. Leung agreed to purchase the Sale Shares and the Assignment Debt at a consideration of HK\$45 million.

* for identification purpose only

LETTER FROM THE BOARD

On 20 July 2009, Parklane Limousine, a wholly owned subsidiary of Perryville, entered into the Facility Letter with a bank in Hong Kong in which the bank has agreed to make available to Parklane Limousine a banking facility of up to HK\$12 million subject to the terms and conditions set out in the Facility Letter. As a condition of the Facility Letter, the Guarantee (limited to HK\$12 million together with default interest and other costs and expenses) has been provided by the Company in favour of the bank. Upon the Disposal Completion, Parklane Limousine will cease to be a subsidiary of the Company and will be wholly owned by Mr. Leung.

As at the Latest Practicable Date, the outstanding amount of the non-revolving loan due by Parklane Limousine to the lending bank under the Facility amounted to HK\$3 million and is due for repayment in February 2015. As it takes time for the bank to release the Guarantee before the loan under the Facility is fully repaid, the Company has agreed to continue to provide the Guarantee after the Disposal Completion subject to the arrangements involving the Deed of Counter Indemnity and the Share Charge Deed.

The Deed of Counter Indemnity in relation to the Guarantee under the Facility Letter will be entered into between Mr. Leung and the Company upon the Disposal Completion. Under the Sale and Purchase Agreement and the Deed of Counter Indemnity to be entered, Mr. Leung will (without any fee) indemnify the Company of the Company's obligations and liabilities stipulated under the Guarantee.

Perryville is a wholly-owned subsidiary of the Company and Mr. Leung is the director of Perryville. Mr. Leung is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Disposal is higher than 25% but lower than 75%, the Disposal constitutes a major and connected transaction for the Company and is subject to the applicable reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. All the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Guarantee are less than 1%, the Guarantee constitutes a connected transaction for the Company exempt from the Independent Shareholders' approval requirement, but as it forms part of the Disposal, the Guarantee is also subject to approval by the Independent Shareholders.

The purpose of this circular is to provide you with among other things (i) details of the Disposal and the Guarantee; (ii) the recommendation of the Independent Board Committee in respect of the Disposal and the Guarantee; (iii) the advice from Nuada Limited in respect of the Disposal and the Guarantee; and (iv) a notice convening the SGM at which a resolution will be proposed to consider and if thought fit approve the Disposal and the Guarantee.

LETTER FROM THE BOARD

THE DISPOSAL

Agreement

Sale and Purchase Agreement

Date

24 October 2013

Parties

- (1) The Company (as seller); and
- (2) Mr. Leung (as purchaser)

Assets to be disposed of

The Sale Shares which represent the entire issued share capital of Perryville and the Assignment Debt.

Basis of consideration

The consideration of HK\$45 million for the Disposal was arrived at by arm's length negotiation between the Company and Mr. Leung and was determined with reference to (i) the consolidated net asset value of the Perryville Group as at 30 June 2013; (ii) the amount of the Assignment Debt payable by the Perryville Group to the Company; and (iii) the financial performance of the Perryville Group.

The consideration of HK\$45 million will be paid by Mr. Leung to the Company by way of bank transfer to the designed bank account as notified by the Company on or before the Disposal Completion Date.

Conditions Precedent

The Disposal is conditional on the satisfaction of the conditions precedent set out below (or waived by parties to the Sale and Purchase Agreement as provided below), which include:

1. there being no circumstance which has rendered any warranties made by the Company under the Sale and Purchase Agreement untrue or inaccurate in any material respect;

LETTER FROM THE BOARD

2. the Independent Shareholders approving the Disposal, the Guarantee and the transactions contemplated under the Sale and Purchase Agreement; and
3. the release of the corporate guarantee given in favour of a bank in Hong Kong by the Company in respect of banking facilities extended to Parklane Limousine for the amount of HK\$63,200,000 in full. For the avoidance of doubt, this corporate guarantee is not the Guarantee in respect of the subject loan under the Facility and the Deed of Counter Indemnity.

None of the conditions precedent set out above is waivable by the Company. Mr. Leung may at any time waive in writing condition 1 above or any part thereof. As at the Latest Practicable Date, none of the conditions precedent set out above has been fulfilled or waived.

Completion

Disposal Completion shall take place on the Business Day immediately following the day on which the last of the conditions precedent under the Sale and Purchase Agreement is fulfilled or waived. If any of the conditions precedent under the Sale and Purchase Agreement has not been fulfilled or waived on or before the Long Stop Date, then the Company and Mr. Leung shall not be bound to proceed with the Sale and Purchase Agreement and the transactions contemplated thereunder and the Sale and Purchase Agreement shall terminate.

Upon the Disposal Completion, the Company will cease to hold any interest in the Perryville Group and Perryville will cease to be a subsidiary of the Company.

The Guarantee and the Deed of Counter Indemnity

On 20 July 2009, Parklane Limousine, a wholly owned subsidiary of Perryville, entered into the Facility Letter with a bank in Hong Kong in which the bank has agreed to make available to Parklane Limousine a banking facility of up to HK\$12 million subject to the terms and conditions set out in the Facility Letter. As a condition of the Facility Letter, the Guarantee (limited to HK\$12 million together with default interest and other costs and expenses) has been provided by the Company in favour of the bank.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the outstanding amount of the non-revolving loan due by Parklane Limousine to the lending bank under the Facility amounted to HK\$3 million and is due for repayment in February 2015. As it takes time for the bank to release the Guarantee before the loan under the Facility is fully repaid, the Company has agreed to continue to provide the Guarantee after the Disposal Completion subject to the arrangements involving the Deed of Counter Indemnity and the Share Charge Deed.

The Deed of Counter Indemnity in relation to the Guarantee under the Facility Letter will be entered into between Mr. Leung and the Company upon the Disposal Completion. Under the Sale and Purchase Agreement and the Deed of Counter Indemnity to be entered, Mr. Leung will indemnify the Company of the Company's obligations and liabilities stipulated under the Guarantee.

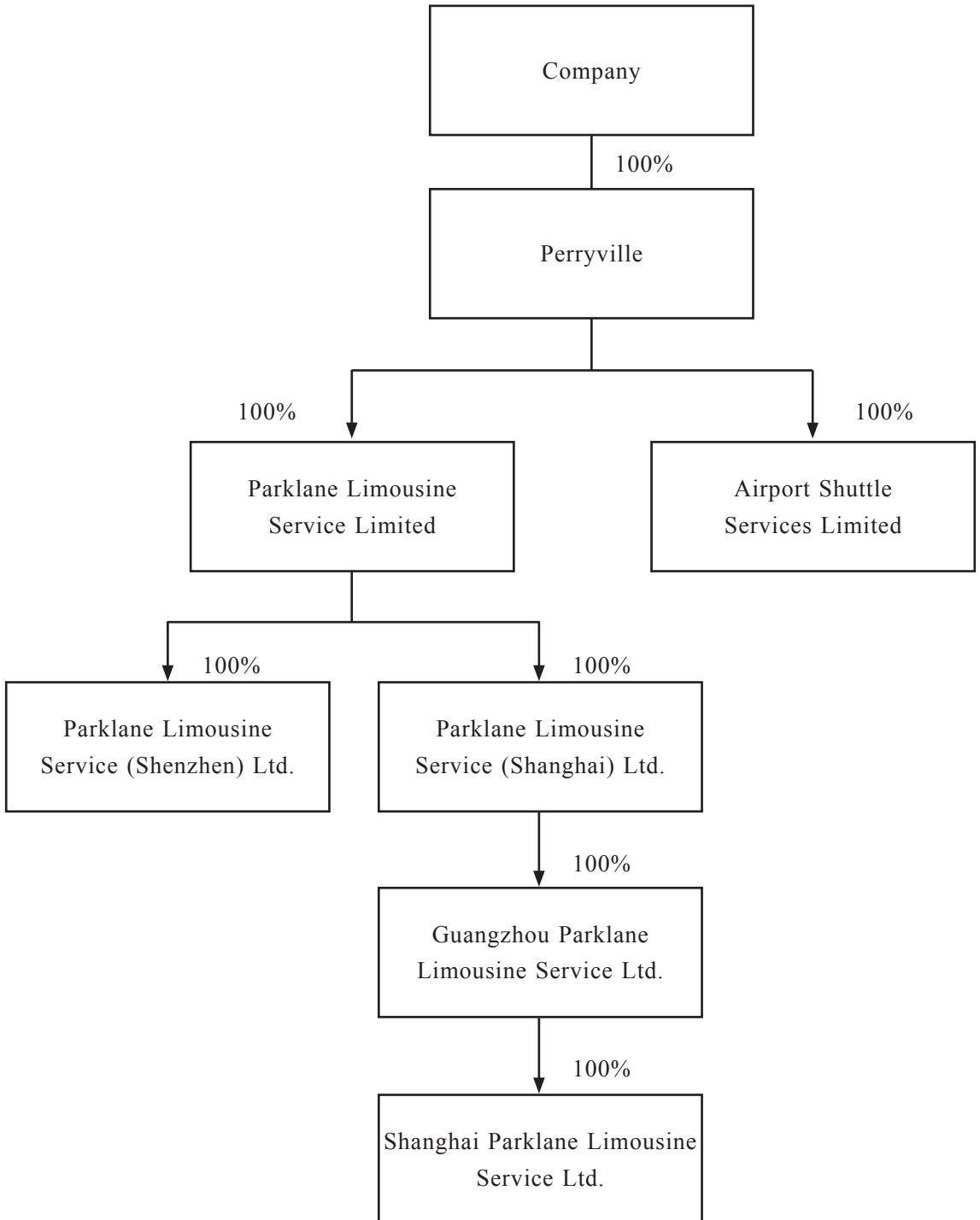
The Share Charge Deed

The Share Charge Deed will also be entered into between Mr. Leung and the Company upon the Disposal Completion as a security for the performance of Mr. Leung's obligations and liabilities under the Sale and Purchase Agreement and the Deed of Counter Indemnity. Pursuant to the Share Charge Deed, Mr. Leung will charge to the Company, as the beneficial owner of Perryville upon the Disposal Completion, the entire issued shares of Perryville, together with all further shares, warrants, securities, rights, money or property accruing, paid, offered or deriving therefrom or in respect thereof, and includes any part thereof, as continuing security for the performance of his performance under the Sale and Purchase Agreement and the Deed of Counter Indemnity. After the irrevocable repayment and discharge in full of Mr. Leung's obligations under the Sale and Purchase Agreement and the Deed of Counter Indemnity, the Company shall release Mr. Leung from the Share Charge Deed.

LETTER FROM THE BOARD

GENERAL INFORMATION ON THE PERRYVILLE GROUP

The Perryville Group is principally engaged in the provision of limousine and airport shuttle transportation services in Hong Kong and the PRC. Set out below is the shareholding structure of the Perryville Group as at the Latest Practicable Date:



LETTER FROM THE BOARD

Set out below certain unaudited consolidated financial information on the transportation services segment of the Group which is carried out by the Perryville Group prepared in accordance with IFRS:

	Year ended 30 June 2013 <i>HK\$'000</i>	Year ended 30 June 2012 <i>HK\$'000</i>
Loss before income tax	(8,498)	(22,310)
Loss for the year	(8,328)	(20,620)
		As at 30 June 2013 <i>HK\$'000</i>
Net assets (excluding the Shareholder's Loan)		41,479
Shareholder's Loan		10,321

The transportation services segment of the Group recorded a loss of approximately HK\$20.6 million and HK\$8.3 million for the two years ended 30 June 2012 and 2013 respectively. The decrease in loss of approximately HK\$12.3 million for the year ended 30 June 2013 was mainly due to the decrease in impairment loss of goodwill and intangible assets arose from the acquisition of Perryville in October 2007 from approximately HK\$15.8 million for the year ended 30 June 2012 to approximately HK\$3.7 million for the year ended 30 June 2013. As at 30 June 2013, goodwill and intangible assets of the transportation services segment of the Group were fully amortized and impaired and carried no value.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE GUARANTEE

The transportation services segment is operated by Parklane Limousine Service Limited and Airport Shuttle Services Limited, both operations are wholly owned by Perryville.

The audited consolidated revenue derived from the Perryville Group decreased by approximately 3.3% from approximately HK\$112 million for the year ended 30 June 2012 to approximately HK\$108.3 million. As the contribution from the primary mining sector increased, the contribution of the consolidated revenue derived from the Perryville Group to the total consolidated revenue of the Group decreased by approximately 19.0% from approximately 84.3% for the year ended 30 June 2012 to approximately 68.3% for the year ended 30 June 2013. The Perryville Group recorded net loss of approximately HK\$8.3 million for the year ended 30 June 2013 and approximately HK\$20.6 million for the year ended 30 June 2012.

LETTER FROM THE BOARD

As stated in the annual report of the Company for the year ended 30 June 2013 (the “**2013 Annual Report**”), for the year ended 30 June 2013, the Group continued to face keen competition in the industry as more companies offered similar services with more competitive pricing. The Directors consider that the Disposal will allow the Group to concentrate its resources on the mining businesses in Australia and in the PRC. The Directors also consider that with the anticipated increase in production level of its copper mine in the coming years, the mining business of the Group could help improve its overall financial performance.

The Directors consider that the consideration payable thereunder and other terms of the Disposal are fair, reasonable, and in the interests of the Company and its Shareholders as a whole.

As at the Latest Practicable Date, the outstanding amount of the non-revolving loan due by Parklane Limousine to the lending bank under the Facility amounted to HK\$3 million and is due for repayment in February 2015. As it takes time for the bank to release the Guarantee before the loan under the Facility is fully repaid, the Company has agreed to continue to provide the Guarantee after the Disposal Completion subject to the arrangements involving the Deed of Counter Indemnity and the Share Charge Deed.

As (i) Mr. Leung will provide the Counter Indemnity to the Company to indemnify the Company of the Company’s obligations and liabilities stipulated under the Guarantee; and (ii) a monthly security fee of HK\$50,000 will be paid by Mr. Leung to the Company from the date of the Deed of Indemnity until all sums payable under the Facility Letter have been fully and irrevocably paid in full and that the Company’s obligations under the Guarantee with respect to the Facility have been fully and irrevocably released, the Directors consider that the Guarantee is fair, reasonable, and in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION ON THE GROUP

The Group is principally engaged in (i) exploration of iron ore mining projects in Western Australia; (ii) exploitation, processing and production of copper ore concentrates in the PRC; and (iii) provision of transportation services (which will cease after the Disposal Completion).

LETTER FROM THE BOARD

Perryville is a wholly-owned subsidiary of the Company and Mr. Leung is the director of Perryville. Mr. Leung is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Disposal is higher than 25% but lower than 75%, the Disposal constitutes a major and connected transaction for the Company and is subject to the applicable reporting and announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules. All the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Guarantee are less than 1%, the Guarantee constitutes a connected transaction for the Company exempt from the Independent Shareholders' approval requirement, but as it forms part of the Disposal, the Guarantee is also subject to approval by the Independent Shareholders.

EFFECT OF THE DISPOSAL ON THE EARNINGS, ASSETS AND LIABILITIES

Following the Disposal, the Perryville Group will cease to be subsidiaries of the Company. The Directors estimate that the Disposal will give rise to a gain of approximately HK\$2.8 million, being the consideration of the Disposal of HK\$45 million adjusted by (i) the consolidated net assets of the Perryville Group of approximately HK\$31.2 million as at 30 June 2013 (including the Shareholder's Loan of approximately HK\$10.3 million as at 30 June 2013); and (ii) the outstanding amount of the Assignment Debt of HK\$11 million as at the date of the Sale and Purchase Agreement. The Board intends to use the proceeds from the Disposal of HK\$45 million for the settlement of the consideration of the Acquisition. Please refer to the announcement of the Company dated 24 October 2013 for details.

The Directors of the Company expect that the Disposal will not bring any material impact on the earnings of the Group as the Perryville Group was loss making in the recent year/period, except that a gain is expected to be recorded upon Disposal Completion. Upon the Disposal Completion, the assets, liabilities and earnings of the Perryville Group will cease to be consolidated in the Company's financial statements. The net asset value of the Group will increase due to the gain from the Disposal.

FINANCIAL AND TRADING PROSPECT OF THE GROUP

As disclosed in the 2013 Annual Report, in the 2013 financial year, complexity and turbulence in the macroeconomic environment allowed only a subtle recovery for the international economy. However, with increasing downward pressures on growth, coupled with massive fluctuation of commodity prices, operational performance of many industry peers was severely restricted during the year. In response to such a complicated and sluggish economic environment, the Group adhered strictly to its unwavering objective in becoming a global resource company, and employed a pragmatic approach in focusing on the development of the Group's 100% owned flagship hematite projects — Marillana and Ophthalmia. On those the Group have achieved significant progress.

LETTER FROM THE BOARD

On 15 August 2012, the Group successfully accomplished a significant milestone in completing the acquisition for Brockman Resources Limited in Western Australia, obtaining 100% interests in the company, which then became a wholly-owned subsidiary of the Group. This commenced the journey towards advancing the Group as one of the players in the largest global iron ore producing region — the Pilbara, and such a foundation reinforced the Group’s determination in the development and exploration of its Marillana and Ophthalmia iron ore projects. At the same time, to better enhance the corporate image and provide clarity to the Group’s strategic goal, the Company changed its name to “Brockman Mining Limited” on 25 September 2012.

Despite a changing global political environment and significant challenges ahead, the Group is still confident about its iron ore projects in Western Australia. Based on the Group’s exploration ground work, it has been established that the Marillana and Ophthalmia projects possess long-term sustainable resources with great quality and cost-saving advantages.

IMPLICATIONS UNDER THE LISTING RULES

Perryville is a wholly-owned subsidiary of the Company and Mr. Leung is the director of Perryville. Mr. Leung is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Disposal is higher than 25% but lower than 75%, the Disposal constitutes a major and connected transaction for the Company and is subject to the applicable reporting, announcement and independent shareholder’s approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. All the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Guarantee are less than 1%, the Guarantee constitutes a connected transaction for the Company exempt from the Independent Shareholders’ approval requirement, but as it forms part of the Disposal, the Guarantee is also subject to approval by the Independent Shareholders.

The SGM will be held to consider and if thought fit, to approve the Disposal and the Guarantee. Mr. Leung, the Vendor and their respective associates who in aggregate held 27,592,592 Shares and 266,216,000 Shares (approximately 0.35% and approximately 3.37% of the entire issued share capital of the Company respectively) as at the Latest Practicable Date are required to abstain from voting on the resolution approving the Disposal and the Guarantee. None of the Directors have a material interest in the Disposal and the Guarantee and as such none of the Directors abstained from voting on the relevant board resolution to the Disposal and the Guarantee.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers the terms of the Disposal and the Guarantee are fair and reasonable and in the interests of the Company and the Shareholders as a whole and recommended the Shareholders to vote in favour of the resolution to approve the Disposal, the Guarantee, and the transactions contemplated thereunder.

The Independent Board Committee comprising Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny, having taken into account the advice of Nuada Limited, considers that the terms of the Disposal and the Guarantee are fair and reasonable so far as the Independent Shareholders are concerned and the Disposal and the Guarantee is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to approve the Disposal, the Guarantee and the transactions contemplated thereunder. The text of the letter from the Independent Board Committee is set out on page 16 of this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Disposal which has been prepared for the purpose of inclusion in this circular:

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)

25 November 2013

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION –
DISPOSAL OF SUBSIDIARIES ENGAGING IN
LIMOUSINE BUSINESS
CONNECTED TRANSACTION –
GUARANTEE FOR A CONNECTED PERSON**

We refer to the circular of the Company dated 25 November 2013 (the “**Circular**”), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the Disposal. Nuada Limited has been appointed as the independent financial adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving their advice, are set out on pages 17 to 35 of the Circular. Your attention is also drawn to the letter from the Board in the Circular.

Having considered the terms of the Disposal and the Guarantee and the advice of Nuada Limited, in particular the principal factors and reasons set out in its letter on pages 17 to 35 of the Circular, we consider that the terms of the Disposal and the Guarantee are fair and reasonable so far as the Independent Shareholders are concerned, and the Disposal and the Guarantee are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal and the Guarantee.

Yours faithfully,
Independent Board Committee

Lau Kwok Kuen, Eddie
*Independent
non-executive Director*

Uwe Henke Von Parpart
*Independent
non-executive Director*

Yip Kwok Cheung, Danny
*Independent
non-executive Director*

* *for identification purpose only*

LETTER FROM NUADA LIMITED

The following is the text of a letter of advice from Nuada Limited in connection with the terms of the Sale and Purchase Agreement which has been prepared for inclusion in this circular.

Nuada Limited

Corporate Finance Advisory

Unit 1805-08, 18/F, New Victory House,
93-103 Wing Lok Street,
Sheung Wan, Hong Kong
香港上環永樂街93-103號
樹福商業大廈18樓1805-08室

25 November 2013

To the Independent Board Committee and
the Independent Shareholders of
Brockman Mining Limited

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION – DISPOSAL OF SUBSIDIARIES ENGAGING IN LIMOUSINE BUSINESS CONNECTED TRANSACTION – GUARANTEE FOR A CONNECTED PERSON

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the connected transaction in relation to the disposal of the entire issued share capital of the Perryville Group is in the usual and ordinary course of business of the Group, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Guarantee, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and whether the Independent Shareholders should vote in favour of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Guarantee. Details of the Disposal and Guarantee are set out in the letter from the board (the “**Board’s Letter**”) in the circular to the Shareholders dated 25 November 2013 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms used in this letter have the same meanings as those defined in the Circular.

LETTER FROM NUADA LIMITED

On 24 October 2013, the Company and Mr. Leung entered into the Sale and Purchase Agreement pursuant to which the Company agreed to sell and Mr. Leung agreed to purchase the Sale Shares, representing the entire issued share capital of Perryville, and the Assignment Debt at a consideration of HK\$45 million (the “**Consideration**”).

On 20 July 2009, Parklane Limousine, a wholly owned subsidiary of Perryville, entered into the Facility Letter with a bank in Hong Kong in which the bank has agreed to make available to Parklane Limousine a banking facility of up to HK\$12 million subject to the terms and conditions set out in the Facility Letter. As a condition of the Facility Letter, the Guarantee (limited to HK\$12 million together with default interest and other costs and expenses) has been provided by the Company in favour of the bank. As at the date of the Announcement, the outstanding amount of the non-revolving loan due by Parklane Limousine to the lending bank under the Facility amounted to HK\$3.2 million and is due for repayment in February 2015. As it takes time for the bank to release the Guarantee before the loan under the Facility is fully repaid, the Company has agreed to continue to provide the Guarantee after the Disposal Completion subject to the arrangements involving the Deed of Counter Indemnity and the Share Charge Deed.

The Deed of Counter Indemnity in relation to the Guarantee under the Facility Letter will be entered into between Mr. Leung and the Company upon the Disposal Completion. Under the Sale and Purchase Agreement and the Deed of Counter Indemnity, Mr. Leung will indemnify the Company of the Company’s obligations and liabilities stipulated under the Guarantee.

The Share Charge Deed will also be entered into between Mr. Leung and the Company upon the Disposal Completion as a security for the performance of Mr. Leung’s obligations and liabilities under the Sale and Purchase Agreement and the Deed of Counter Indemnity. Pursuant to the Share Charge Deed, Mr. Leung will charge to the Company, as the beneficial owner of Perryville upon the Disposal Completion, the entire issued shares of Perryville, together with all further shares, warrants, securities, rights, money or property accruing, paid, offered or deriving therefrom or in respect thereof, and includes any part thereof, as continuing security for the performance of his performance under the Sale and Purchase Agreement and the Deed of Counter Indemnity. After the irrevocable repayment and discharge in full of Mr. Leung’s obligations under the Sale and Purchase Agreement and the Deed of Counter Indemnity, the Company shall release Mr. Leung from the Share Charge Deed.

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Perryville is a wholly-owned subsidiary of the Company and Mr. Leung is the director of Perryville. Mr. Leung is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Disposal is higher than 25% but lower than 75%, the Disposal constitutes a major and connected transaction for the Company under Chapter 14 and Chapter 14A of the Listing Rules. All the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Guarantee are less than 1%, the Guarantee constitutes a connected transaction for the Company exempt from the Independent Shareholders' approval requirement, but as it forms part of the Disposal, the Guarantee is also subject to approval by the Independent Shareholders.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Guarantee, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion regarding the Disposal and the Guarantee to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the management of the Company and the Directors, including but not limited to the Sale and Purchase Agreement and the financial information regarding the Perryville Group. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the management of the Company and the Directors and for which they are solely and wholly responsible, were true, accurate and complete at the time they were made and continue to be true, accurate and complete as at the date of the SGM. We have also assumed the accuracy and truthfulness of the published information and the market data available from public domain referred to and relied on by us in our analysis.

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The Directors collectively and severally accept full responsibility for the accuracy of the information contained in the Circular. The Directors have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no facts or representations the explication, disclosure and/or omission of which would make any statement in the Circular and including this letter misleading. We consider that we have reviewed sufficient information to reach an informed view regarding the Disposal and the Guarantee, and to justify our reliance on the accuracy of the information contained in the Circular and to form a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information provided to and/or reviewed by us, nor have we carried out any in-depth investigation into the business, affairs and prospects of the Company, the Perryville Group, their respective subsidiaries and/or associates or the markets in which they respectively operate.

We have not studied, investigated nor verified the validity of all legal aspects of, and procedural aspects for, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Guarantee, and the Deed of Counter Indemnity and the Share Charge Deed. We have further assumed that all material governmental, regulatory or other consents, rights, waivers, authorisations, licenses, clearances and approvals necessary for the effectiveness and implementation of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Guarantee, and the Deed of Counter Indemnity and the Share Charge Deed, have been or will be obtained and will not be withdrawn without any adverse effect on the Group, the assets and liabilities of the Group or the contemplated benefits to the Group as derived from the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Guarantee, and the Deed of Counter Indemnity and the Share Charge Deed.

Our opinion is necessarily based upon the financial, economic (including exchange rates and interest rates), market, regulatory and other conditions as they exist on, and the facts, information, representations and opinions made available to us as of the Latest Practicable Date. Our opinion does not in any manner address the Company's own decision to proceed with the Disposal and the Guarantee. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date.

LETTER FROM NUADA LIMITED

PRINCIPAL FACTORS AND REASONS CONSIDERED

The principal factors and reasons we have considered in assessing the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Guarantee, and in giving our advice to the Independent Board Committee and the Independent Shareholders are set out below:

Information on the Group and the Perryville Group

The Group is principally engaged in (i) exploration of iron ore mining projects in Western Australia; (ii) exploitation, processing and production of copper ore concentrates in the PRC; and (iii) provision of limousine rental and airport shuttle bus services (which will cease after completion of the Disposal).

Following the completion of the compulsory acquisition of Brockman Resources Limited on 15 August 2012, the Group's reportable operating segments are classified into three main categories: (i) transportation services, (ii) mining operations in the PRC, and (iii) mineral tenements in Australia.

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The following table shows the summary of the audited consolidated statement of comprehensive income of the Group for the twelve months ended 30 June 2012 and 30 June 2013 respectively and the audited consolidated balance sheet of the Group as at 30 June 2012 and 30 June 2013 respectively as extracted from the annual report of the Company for the year ended 30 June 2013 (the “**2013 Annual Report**”):

I. Summary of audited consolidated statement of comprehensive income of the Group

	For the twelve months ended 30 June	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue		
Transportation services business	108,258	112,006
Mining operations in the PRC	50,298	20,806
Mineral tenements in Australia	—	—
	158,556	132,812
Gross profit	13,523	13,984
Loss before income tax	(476,064)	(2,875,791)
Income tax (expenses)/credit	(778)	719,228
	(476,842)	(2,156,563)
Loss for the year	(476,842)	(2,156,563)
Other comprehensive loss	(227,888)	(294,443)
	(704,730)	(2,451,006)
Total comprehensive loss for the year	(704,730)	(2,451,006)
Loss for the year attributable to:		
Equity holders of the Company	(449,384)	(2,045,841)
Non-controlling interests	(27,458)	(110,722)
	(476,842)	(2,156,563)
	(476,842)	(2,156,563)
Comprehensive loss for the year attributable to:		
Equity holders of the Company	(678,775)	(2,244,857)
Non-controlling interests	(25,955)	(206,149)
	(704,730)	(2,451,006)
	(704,730)	(2,451,006)

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II. Summary of audited consolidated balance sheet of the Group

	As at 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(audited)	(audited)
Non-current assets	3,599,176	4,205,284
Current assets	298,207	401,963
Non-current liabilities	931,645	1,203,612
Current liabilities	209,192	304,619
Net asset value	<u>2,756,546</u>	<u>3,099,016</u>

Note: To coincide with the financial year end date of the Company's principal operating subsidiaries, which is mainly situated in Western Australia, the financial year end date of the Company has been changed from 31 December to 30 June. The Company has presented the consolidated statements of comprehensive income, changes in equity and cash flows for the twelve months ended 30 June 2012 as comparative figures in the 2013 Annual Report. Please refer to the 2013 Annual Report for details.

The consolidated revenue of the Company for the twelve months ended 30 June 2013 was approximately HK\$158.6 million, representing an increase of 19.4% from approximately HK\$132.8 million for the twelve months ended 30 June 2012. For the twelve months ended 30 June 2013, the transportation services business contributed revenue of approximately HK\$108.3 million, representing approximately 68.3% of the Group's total revenue, while the mining operation in Yunnan, the PRC contributed revenue of approximately HK\$50.3 million, representing approximately 31.7% of the Group's total revenue. As mineral tenements in Australia was at development stage, no revenue was derived from operating of mineral tenements to the Group for the twelve months ended 30 June 2013.

The revenue growth of the Group was driven by the Damajianshan Mine, the mining operations in the PRC conducted through Luchun, a 90% indirectly owned subsidiary of the Company, which recorded increase in revenue of approximately 141.8% to approximately HK\$50.3 million for the twelve months ended 30 June 2013 as compared to approximately HK\$20.8 million for the twelve months ended 30 June 2012 contributed by the sales of copper ore concentrates. The revenue generated from the transportation services business involving the provision of limousine rental and airport shuttle bus services decreased by approximately 3.3% to approximately HK\$108.3 million for the twelve months ended 30 June 2013 as compared to approximately HK\$112.0 million for the twelve months ended 30 June 2012.

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Disregarding the other comprehensive loss of the Group, the loss of the Group for the twelve months ended 30 June 2013 was approximately HK\$476.8 million, representing a decrease of approximately 77.9% from a loss of approximately HK\$2,156.6 million for the twelve months ended 30 June 2012. The decrease of loss was mainly due to the decrease in impairment loss of mining properties of the Group. The other comprehensive loss of the Group of approximately HK\$227.9 million for the twelve months ended 30 June 2013 is attributed to the exchange differences arising on translation of foreign operations of the Group. The other comprehensive loss of the Group of approximately HK\$294.4 million for the year ended 30 June 2012 is attributed to the exchange differences arising on translation of foreign operations of the Group of approximately HK\$232.9 million and change in fair-value on available-for-sale investment and release of available-for-sale investment of the Group of approximately HK\$61.6 million. As at 30 June 2013, the Group's net asset value amounted to approximately HK\$2,756.5 million with cash and cash equivalents of approximately HK\$253.7 million.

According to the 2013 Annual Report, for the twelve months ended 30 June 2013, the Group's reportable operating segment of (i) the transportation services business recorded a segmental loss of approximately HK\$7.1 million for the twelve months ended 30 June 2013, representing a decrease of approximately 65.5% from a loss of approximately HK\$20.5 million for the twelve months ended 30 June 2012; (ii) the mining operations in the PRC recorded a segmental loss of approximately HK\$274.6 million for the twelve months ended 30 June 2013, representing a decrease of approximately 78.7% from a loss of approximately HK\$153.7 million for the twelve months ended 30 June 2012; and (iii) the mineral tenements in Australia recorded a segmental loss of approximately HK\$121.9 million for the twelve months ended 30 June 2013, representing a decrease of approximately 95.3% from a loss of approximately HK\$2,615.5 million for the twelve months ended 30 June 2012. As we noted from the 2013 Annual Report, the segment revenue from external customers of transportation services business recorded of approximately HK\$108.3 million for the twelve months ended 30 June 2013 and approximately HK\$112.0 million for the twelve months ended 30 June 2012. Meanwhile, the segmental loss of transportation services business were approximately HK\$7.1 million and approximately HK\$20.5 million for the twelve months ended 30 June 2013 and for the twelve months ended 30 June 2012 respectively. We note from the management of the Company that the decrease in loss of the segment loss was mainly attributed to the decrease in impairment loss of goodwill and intangible assets arose from the acquisition of Perryville Group in October 2007 from HK\$15.8 million for the year ended 30 June 2012 to HK\$3.7 million for the year ended 30 June 2013. As at 30 June 2013, goodwill and intangible assets of transportation services segment of the Group were fully amortized and impaired and carried no value.

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The Perryville Group is principally engaged in the provision of limousine rental and airport shuttle transportation services in Hong Kong and the PRC. The transportation services segment of the Group is operated by Parklane Limousine Service Limited and Airport Shuttle Services Limited, both operations are wholly owned by Perryville.

The following table shows the unaudited consolidated income statement for the twelve months ended 30 June 2012 and 30 June 2013 respectively and the unaudited consolidated balance sheet as at 30 June 2012 and 30 June 2013 respectively of the Perryville Group, which were provided by the management of the Company:

I. Income statement of the Perryville Group

	For the twelve months ended 30 June	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	108,258	112,035
Direct cost	<u>(86,651)</u>	<u>(93,234)</u>
Gross profit	21,607	18,801
Other (losses)/income	(672)	12
Administrative expenses	(23,364)	(20,885)
Finance cost	<u>(1,378)</u>	<u>(1,780)</u>
Loss before income tax	(3,807)	(3,852)
Income tax (expenses)/credit	<u>(474)</u>	<u>442</u>
Loss after income tax	<u><u>(4,281)</u></u>	<u><u>(3,410)</u></u>

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As disclosed in the above table, the net loss after taxation of approximately HK\$4.3 million for the twelve months ended 30 June 2013 of the Perryville Group under the unaudited consolidated income statement of the Perryville Group differed from the net loss of the transportation services business of the Group, which is conducted through the Perryville Group, of approximately HK\$8.3 million for the twelve months ended 30 June 2013 due to the consolidation adjustments to write off the entire carrying value of intangible assets and goodwill arose from the acquisition of Perryville Group of approximately HK\$3.7 million, and consolidation adjustments over direct costs and deferred income tax of approximately HK\$0.3 million made to the consolidated account of the Group for the year ended 30 June 2013. For the twelve months ended 30 June 2013, the difference between the net loss of the transportation services business segment of the Group of approximately HK\$8.3 million for the twelve months ended 30 June 2013 and the segment loss of transportation services business segment as presented in the 2013 Annual Report of approximately HK\$7.1 million were the income tax credit and financial charges of HK\$1.2 million recognized by transportation services business segment during the year.

For the twelve months ended 30 June 2012, the Perryville Group recorded a net loss after taxation of approximately HK\$3.4 million under the unaudited consolidated income statement of the Perryville Group. Such loss was differed from the net loss of the transportation services business of the Group, which is conducted through the Perryville Group, of approximately HK\$20.6 million for the twelve months ended 30 June 2012, due to the consolidation adjustments to write off the intangible assets and goodwill arose from the acquisition of Perryville Group of approximately HK\$15.8 million, and consolidation adjustments over the direct costs, administrative expenses and deferred income tax of approximately HK\$1.4 million made to the consolidated account of the Group for the year ended 30 June 2012. For the twelve months ended 30 June 2012, the different between the net loss of the transportation services business segment of the Group of approximately HK\$20.6 million for the twelve months ended 30 June 2012 and the segment loss as presented in 2013 Annual Report of approximately HK\$20.5 million were the income tax credit and financial charges of HK\$0.1 million recognized by transportation services business segment during the year.

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II. Balance sheet of the Perryville Group

	As at 30 June	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Non-current assets		
Property, plant and equipment	51,672	62,969
Goodwill	1,166	1,166
	52,838	64,135
Current assets		
Trade receivables	21,370	21,230
Other receivables, deposits and prepayment	4,499	9,323
Cash and cash equivalents	11,107	13,109
	36,976	43,662
Total assets	89,814	107,797
Current liabilities		
Trade payables	7,803	7,002
Other payables and accrued charges	8,421	8,142
Amount due to related parties	1,802	—
Amount due to Brockman Mining Limited	10,321	9,922
Bank borrowings	10,781	26,671
Obligations under finance leases	6,820	5,555
	45,948	57,292
Non-current liabilities		
Obligations under finance leases	7,615	10,858
Deferred income tax liabilities	3,148	3,213
Provisions	951	1,096
	11,714	15,167
Total liabilities	57,662	72,459
Net assets	32,152	35,338

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As disclosed in the above table, the Perryville Group's unaudited consolidated loss after income tax for the year ended 30 June 2013 and the unaudited consolidated net asset value of the Perryville Group were approximately HK\$4.3 million and approximately HK\$32.2 million respectively according to the unaudited consolidated financial information of the Perryville Group for the year ended 30 June 2013. As noted from the Company, we are given to understand that the unaudited consolidated financial information of Perryville Group for the year ended 30 June 2013 was prepared in accordance to International Financial Reporting Standard.

Reasons for the Disposal and the Guarantee

As disclosed in the 2013 Annual Report, the Company continued to face keen competition in the transportation services industry as more companies now offer similar services with more competitive pricing in recent years. The Directors are of the view that the prospects of the Perryville Group become uncertain. Although the Company tried to sustain the market share of the Perryville Group in the business by providing quality services to customers at reasonable prices, the revenue of the Perryville Group decreased for the twelve months ended 30 June 2013 as compared to the previous corresponding period.

The Perryville Group engaged in the provision of limousine services in Hong Kong and the PRC and provision of airport shuttle bus services in Hong Kong to customers as a non-franchised bus operator. According to Hong Kong Energy Statistics Annual Report 2012 Edition and 2012 Report on Annual Earnings and Hours Survey issued by Census and Statistics Department Hong Kong Special Administrative Region, the unit price of unleaded motor gasoline increased from HK\$4.58 per litre in year 2007 to the highest of HK\$6.80 per litre in the 1st quarter of year 2012 under the Unit values of imports of oil products section. The median monthly wage of all employees of male increased from HK\$13,000 in 2nd quarter of year 2009 to HK\$15,000 in 2nd quarter in year 2012 and the median monthly wage of all employees of female increased from HK\$10,000 in 2nd quarter of year 2009 to HK\$11,700 in 2nd quarter in year 2012. With the inevitable upward trends of fuel prices and staff costs, the direct costs for small scale non-franchised bus operator such as the Perryville Group has led to the rising the operating costs. In addition, the price pressure on fares charged by the Perryville Group due to competitors such as cross-boundary transaction services operated by both medium-large scale operators and individual operators has significantly affected the overall profit of the Perryville Group.

Furthermore, according to the Hong Kong Yearbook 2012, an expanding subways and railroad network in Hong Kong, such as West Line Extension from Sheung Wan to Kennedy Town, Kwun Tong Line from Yau Ma Tei to Whampoa and South Island Line (East) from Admiralty to Ocean Park, Wong Chuk Hang and Lei Tung Estate which are

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under construction and foreseeable railroad network between the PRC and Hong Kong, such as Guangzhou-Shenzhen-Hong Kong Express Rail Link from West Kowloon to Guangzhou also create uncertainty on the future prospect of the Perryville Group.

As set out in the Board's Letter, the Directors consider that by selling off its transportation services business, the Group will be able to concentrate on the mining businesses in Australia and in the PRC. The Directors also consider that upon the anticipated increase in production level of its copper mines in the coming years, the mining business of the Group could help to improve the overall financial performance of the Group. The Directors consider that the consideration payable under the Sale and Purchase Agreement and other terms of the Disposal are fair, reasonable, and in the interests of the Company and its Shareholders as a whole. In addition, the Directors expect a gain of approximately HK\$2.8 million as a result of the Disposal, details of which are set out in the Board's Letter.

As advised by the Company, in view of the re-positioning of the Company's profiles is undergoing, it is a strategic plan of the Company to create a globally renowned mid tier mining resources company. We consider the Disposal provides an opportunity for the Group to exit from the investment in the transportation services business and allocate their resources in the operations and development of mining projects in Australia and the PRC.

Having considered (i) the strategic plan of the Company; (ii) the recent loss-making record of the Perryville Group and the uncertain future profitability; and (iii) the gain on disposal of approximately HK\$2.8 million to be realized as a result of the Disposal, we concur with the view of the Directors that the Disposal provides an opportunity for the Group to realize investment in the Perryville Group and allow the Company to re-allocate resource focusing on the operations and development of the mining projects of the Group. As such, we are of the view that the Disposal, which is not in the usual and ordinary course of business of the Group, is in line with the business strategy of the Group.

As a result of the Disposal, the Perryville Group ceases to be a subsidiary of the Company and the operating results, assets and liabilities of the Perryville Group will no longer be consolidated into the financial results of the Company after the Completion.

As disclosed in the Board's Letter, two corporate guarantees were given by the Company in favour of a bank in Hong Kong by the Company in respect of the Facility of up to HK\$12 million and the banking facilities for the amount of HK\$63.2 million extended to Parklane Limousine, a wholly owned subsidiary of Perryville. We note that it is one of the conditions precedent under the Sale and Purchase Agreement that the corporate guarantee extended to Parklane Limousine for the amount of HK\$63.2 million shall be released in full for the Disposal Completion. Accordingly, save for the corporate guarantee given by

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the Company in respect of the Facility, the Company will have no corporate guarantee provided for the Target Company upon the Disposal Completion.

As at the date of the Announcement, the outstanding amount of the non-revolving loan due by Parklane Limousine to the lending bank under the Facility amounted to approximately HK\$3.2 million and is due for repayment in February 2015. As advised by the Company, it would take time for the bank to release the Guarantee before the loan under the Facility is fully repaid. In order to facilitate the Disposal, the Company has agreed to continue to provide the Guarantee after the Disposal Completion subject to the arrangements involving the Deed of Counter Indemnity and the Share Charge Deed, details of which is to be set out below.

Taking into account that all the obligations and liabilities stipulated under the Guarantee of the Company is indemnified by Mr. Leung under the Deed of Counter Indemnity and the Share Charge Deed, we consider that the Company continues to provide the Guarantee upon the Disposal Completion to facilitate the Disposal is reasonable.

Principal terms of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Company agreed to sell and the Buyer agreed to acquire the Sale Shares, representing the entire issued share capital of Perryville and assignment of the Assignment Debt, representing all shareholder's loan owing by Perryville to the Company as at the Disposal Completion, at a consideration of HK\$45 million. It is one of the condition precedents that the corporate guarantee given in favour of a bank in Hong Kong by the Company in respect of banking facilities extended to Parklane Limousine for the amount of HK\$63.2 million be released in full. Upon completion of the Disposal, the Perryville Group will cease to be a subsidiary of the Company and the Shareholder's Loan shall be assigned by the Company to Mr. Leung. As at the date of the Sale and Purchase Agreement, the Shareholder's Loan due by the Perryville Group to the Group amounted to approximately HK\$11.0 million.

Consideration and payment terms

The Consideration of HK\$45 million shall be paid by Mr. Leung to the Company by way of bank transfer to the designed bank account as notified by the Company on or before the Disposal Completion Date. If any of the conditions precedent under the Sale and Purchase Agreement has not been fulfilled or waived on or before the Long Stop Date, then the Company and Mr. Leung shall not be bound to proceed with the Sale and Purchase Agreement and the transactions contemplated thereunder and the Sale and Purchase Agreement shall terminate.

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The Consideration of HK\$45 million payable under the Sale and Purchase Agreement was arrived at after arm's length negotiations between the Company and the Mr. Leung with reference to (i) the consolidated net asset value of the Perryville Group as at 30 June 2013; (ii) the amount of the Assignment Debt payable by the Perryville Group to the Company; and (iii) the financial performance of the Perryville Group.

Having mentioned under the section headed "Information on the Group and the Perryville Group" above, the unaudited net asset value of the Perryville Group was approximately HK\$32.2 million as at 30 June 2013 whereas the Consideration was HK\$45 million under the Disposal. Given the outstanding amount of the Assignment Debt of approximately HK\$11.0 million will be assigned to Mr. Leung upon the Disposal Completion, the Consideration would be adjusted to HK\$34 million (the "**Adjusted Consideration**"), which is the Consideration of HK\$45 million under the Sale and Purchase Agreement adjusted by the assignment of the Assignment Debt of HK\$11.0 million as at date of the Disposal Completion. We note that the Adjusted Consideration of HK\$34 million represents a premium of approximately 5.6% over the unaudited net assets of the Perryville Group of HK\$32.2 million as at 30 June 2013.

In assessing the fairness and reasonableness of the Consideration, we have considered to apply the price-to-earnings ratios and price-to-book ratios, which are methods commonly used as an indicator for evaluating the value of a company. Given that the Perryville Group recorded losses in the twelve months ended 30 June 2013, we considered that the price-to-earnings ratio is not applicable. Based on forgoing, the price-to-book value ratios method is used for our analysis. To the best of our endeavours, we have identified 3 comparable companies (the "**Comparables**") which primary engaged in transportation services business and listed on the Stock Exchange.

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Company name (stock code)	Principal business	Market capitalization <i>(Note 1)</i>	Net asset value attributable to equity shareholders <i>(Note 2)</i> <i>Approximately</i>	Price-to- book ratios
Transport International Holdings Limited (62)	Operation of both franchised and non-franchised public transportation, property holdings and development, and the provision of media sales services in Hong Kong and Mainland China	HK\$7,064 million	HK\$6,597 million (as at 31 December 2012)	1.07 times
AMS Public Transport Holdings Limited (77)	Provision of franchised public light bus transportation services	HK\$319 million	HK\$316 million (as at 31 March 2013)	1.01 times
Kwoon Chung Bus Holdings Limited (306)	Provision of bus services, coach hiring services, travel-related services, other transportation services, tour services and hotel services	HK\$832 million	HK\$1,346 million (as at 31 March 2013)	0.62 times
		Highest		1.07 times
		Lowest		0.62 times

**The net
asset value of
The Adjusted
Consideration Perryville Group
as at 30 June 2013**

The Perryville Group	HK\$34 million	HK\$32.2 million	1.05 times
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Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Being the market capitalisation of the Comparables as at 24 October 2013.
2. Being the net asset value extracted from the latest annual report of the Comparable respectively.

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As shown in the Comparables above, the price-to-book ratio of the comparable companies ranged from approximately 0.62 times to 1.07 times with an average of approximately 0.90 times. The Adjusted Consideration of HK\$34 million which represents a price-to-book ratio of 1.05 times is within the range of 0.62 times to 1.07 times and above the average of all of the Comparables of approximately 0.90 times. As such, we consider that the Consideration is on normal commercial terms and fair and reasonable.

However, it should be noted that price-to-book ratio analysis though is a common benchmark for valuing business enterprises, it is subject to limitations due to variations among the Perryville Group and the Comparables, including but not limited to different scale of operations, asset base, development stage, geographical presence and target customers.

Arrangements regarding corporate guarantees

As mentioned above, it is one of the conditions precedents that the corporate guarantee given in favour of a bank in Hong Kong by the Company in respect of banking facilities extended to Parklane Limousine for the amount of HK\$63.2 million should be released. We consider that such release of the relevant corporate guarantee is on normal commercial terms, fair and reasonable, and in the interest of the Company as the substantial part of contingent liabilities of the Company in respect of the corporate guarantees currently given by the Company for the banking facilities of the Target Group would be released as a result of the Disposal.

As mentioned above, as it takes time for the bank to release the Guarantee before the loan under the Facility is fully repaid, in order to facilitate the Disposal, the Company has agreed to continue to provide the Guarantee after the Disposal Completion subject to the arrangements involving the Deed of Counter Indemnity and the Share Charge Deed.

The Deed of Counter Indemnity in relation to the Guarantee under the Facility Letter will be entered into between Mr. Leung and the Company upon the Disposal Completion. Under the Sale and Purchase Agreement and the Deed of Counter Indemnity, Mr. Leung will indemnify the Company of the Company's obligations and liabilities stipulated under the Guarantee.

The Share Charge Deed will also be entered into between Mr. Leung and the Company upon the Disposal Completion as a security for the performance of Mr. Leung's obligations and liabilities under the Sale and Purchase Agreement and the Deed of Counter Indemnity. Pursuant to the Share Charge Deed, Mr. Leung will charge to the Company, as the beneficial owner of Perryville upon the Disposal Completion, the entire issued shares of

LETTER FROM NUADA LIMITED

Perryville, together with all further shares, warrants, securities, rights, money or property accruing, paid, offered or deriving therefrom or in respect thereof, and includes any part thereof, as continuing security for the performance of his performance under the Sale and Purchase Agreement and the Deed of Counter Indemnity. After the irrevocable repayment and discharge in full of Mr. Leung's obligations under the Sale and Purchase Agreement and the Deed of Counter Indemnity, the Company shall release Mr. Leung from the Share Charge Deed.

In addition, a monthly security fee of HK\$50,000 will be paid by Mr. Leung to the Company from the date of the Deed of Indemnity until all sums payable under the Facility Letter have been fully and irrevocably paid in full and that the Company's obligations under the Guarantee with respect to the Facility have been fully and irrevocably released.

Taking into account (i) the reason for the Company to continue providing the Guarantee upon the Disposal Completion so as to facilitate the Disposal; (ii) Mr. Leung will indemnify the Company of the Company's obligations and liabilities stipulated under the Guarantee pursuant to the Deed of Counter Indemnity; (iii) Mr. Leung will pledge all the entire issued shares of Perryville, together with all further shares, warrants, securities, rights, money or property accruing, paid, offered or deriving therefrom or in respect thereof, and includes any part thereof, as continuing security for the performance of his performance under the Sale and Purchase Agreement and the Deed of Counter Indemnity until the release of the Guarantee under the Share Charge Deed; and (iv) a monthly security fee of HK\$50,000, which is expected to be higher than the monthly interest payment to be paid by Parklane Limousine to the lending bank for the outstanding loan under the Facility, will be paid by Mr. Leung to the Company from the date of the Deed of Indemnity until all sums payable under the Facility Letter have been fully paid and that the Company's obligations under the Guarantee with respect to the Facility have been fully and irrevocably released, we concur with the view of the Directors that the Guarantee is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of (i) the loss making record by the Perryville Group; (ii) the Adjusted Consideration represents a premium of approximately 5.6% over the unaudited net assets of the Perryville Group as at 30 June 2013; (iii) the price-to-book ratio of the Perryville Group of approximately 1.05 times is within the range of approximately 0.62 times to approximately 1.07 times and above the average of approximately 0.90 times amongst the Comparables; (iv) the release of the corporate guarantee given by the Company for the Perryville Group in respect of banking facilities for the amount of HK\$63.2 million as a condition precedent of the Disposal Completion; (v) the expected gain on disposal as a result of the Disposal; and (vi) the Company's obligations and liabilities stipulated

LETTER FROM NUADA LIMITED

under the Guarantee is indemnified under the Deed of Counter Indemnity and the Share Charge Deed as detailed above, we are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and the Disposal and the Guarantee is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the above principal factors and reasons above, we consider that the Disposal and the Guarantee, which is not in the usual and ordinary course of business of the Group, is in the interests of the Company and the Shareholders as a whole and the terms of the Sale and Purchase Agreement are on a normal commercial terms and fair and reasonable. We, therefore, advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Disposal.

Yours faithfully,
For and on behalf of
Nuada Limited
Po Chan
Executive Director

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 issued ordinary Shares held	Number of share options held	Approximate percentage of the issued share capital of the Company
Mr. Kwai Sze Hoi	Jointly (<i>Note 1</i>)	60,720,000	—	0.77%
	Interests of controlled corporation (<i>Note 1</i>)	1,474,640,764	—	18.68%
	Beneficial owner (<i>Note 1</i>)		70,000,000	0.89%

Name of Director	Capacity	Number of issued ordinary Shares held	Number of share options held	Approximate percentage of the issued share capital of the Company
Mr. Liu Zhengui	Beneficial owner	—	30,000,000	0.38%
Mr. Ross Stewart Norgard	Beneficial owner	64,569,834	1,500,000	0.84%
	Interests of controlled corporation	178,484,166	—	2.26%
Mr. Warren Talbot Beckwith	Beneficial owner	—	33,500,000	0.42%
Mr. Luk Kin Peter Joseph	Beneficial owner (<i>Note 2</i>)	—	50,000,000	0.63%
	Interests of controlled corporation (<i>Note 2</i>)	387,032,276	—	4.90%
Mr. Chan Kam Kwan, Jason	Beneficial owner	—	13,700,000	0.17%
Mr. Lau Kwok Kuen, Eddie	Beneficial owner	—	3,500,000	0.04%
Mr. Uwe Henke Von Parpart	Beneficial owner	—	3,500,000	0.04%
Mr. Yip Kwok Cheung Danny	Beneficial owner	—	3,500,000	0.04%

Notes:

1. The 1,474,640,764 Shares were held by Ocean Line Holdings Ltd., 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.
2. The 387,032,276 Shares were held by Equity Valley Investments Limited. Equity Valley Investments Limited is held by The XSS Group Limited, of which 50%, 20% and 30% of its issued share capital were held by Mr. Luk, Ms. Cheung Sze Wai, Catherine (Mr. Luk's spouse), and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively.

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 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
Cheung Wai Fung <i>(Note 1)</i>	Beneficial owner and interest held by controlled corporation	1,605,360,764	20.34%
Ocean Line Holdings Ltd. <i>(Note 1)</i>	Beneficial owner	1,474,640,764	18.68%
Zhu Yi Cai <i>(Note 2)</i>	Interest held by controlled corporations	582,312,972	7.38%
China Guoyin Investments (HK) Ltd <i>(Note 2)</i>	Beneficial owner	569,904,972	7.22%

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
Cheung Sze Wai, Catherine (Note 3)	Interest of spouse and interest in controlled corporations	437,032,276	5.54%

Notes:

1. The 1,474,640,764 Shares were held by Ocean Line Holdings Ltd., 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. Mr. Kwai has a direct interest in 70,000,000 underlying Shares. Mr. Kwai is a director of Ocean Line.
2. China Guoyin is wholly owned by Mr. Zhu Yicai. Mr. Zhu in addition held 12,408,000 Shares through Smart Effort Investments Limited, a company wholly owned by him.
3. Ms. Cheung Sze Wai is deemed to be interested in (i) 387,032,276 underlying Shares held by Mr. Luk and Ms. Cheung Sze Wai in The XSS Group Limited; and (ii) 50,000,000 underlying Shares in relation to share options held by Mr. Luk. Mr. Luk is a director of The XSS Group Limited.

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 2013, the date to which the latest published audited financial statements of the Group were made up.

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 EXPERT

The following is the qualification of the expert who has given opinions or advice contained or mentioned in this circular:

Name	Qualification
Nuada Limited	a licensed corporation to conduct type 6 (advising on corporate finance) regulated activity under the SFO

Nuada has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of its letter of advice and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, Nuada was not beneficially interested in the share capital of any member of the Group nor did it 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 2013, the date to which the latest published audited financial statements of the Group were made up.

7. INDEBTEDNESS STATEMENT OF THE GROUP AS AT 30 SEPTEMBER 2013

As at 30 September 2013, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this circular, the Group had secured bank borrowings of approximately HK\$8.4 million, finance lease obligations of approximately HK\$12.8 million and amounts due to related parties of approximately HK\$28.0 million. The secured bank borrowings and the finance lease obligations of the Group were secured by the motor vehicles with net book value of approximately HK\$21.7 million as at 30 September 2013. The secured bank borrowings of the Group were provided under the banking facilities for which guarantees amounting to HK\$75.2 million and HK\$20.2 million were respectively given by the Group and a related party of a former shareholder of Perryville.

Save as aforesaid and apart from intra-group liabilities, the Group did not have, at close of business on 30 September 2013, any bank borrowings, bank overdrafts, liabilities under acceptances or other similar indebtedness, debentures or other loan capital, mortgages, charges, finance lease, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors are not aware of any material adverse change in the Group's indebtedness and contingent liabilities since the close of business on 30 September 2013.

8. WORKING CAPITAL SUFFICIENCY STATEMENT OF THE GROUP FOR THE 12 MONTHS AFTER THE DATE OF THIS CIRCULAR

After taking into account the completion of the Disposal and the financial resources available to the Group, including internally generated funds but without relying on any banking facility, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for a period of 12 months from the date of this circular.

9. LITIGATION

In May 2013, Brockman Iron Pty Ltd ("**Brockman Iron**"), a wholly-owned subsidiary of the Company submitted an access proposal (the "**Access Proposal**") under 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 The Pilbara Infrastructure Pty Ltd ("**TPI**"), a subsidiary of Fortescue Metals Group. Through this application process, Brockman Iron seeks to negotiate terms of access with TPI,

including prices subject to floor and ceiling costs to be determined by the Western Australian Economic Regulation Authority (the “ERA”). The access rights being sought relate to TPI’s railway infrastructure between approximately the 219 km point on the TPI mainline, from which point Brockman Iron will construct a rail spur to its Marillana iron ore project, and approximately the 23 km point on the TPI mainline near Port Hedland, from which point Brockman Iron will construct a rail spur to connect with the proposed North West Infrastructure facilities in Port Hedland.

On 23 May 2013, TPI made an application under Section 10(1) of the Code to the ERA requiring its approval in order for negotiations to proceed as it considered the Access Proposal would involve the provision of access to railway infrastructure to an extent that may in effect preclude other entities from access to that infrastructure. Brockman Iron responded with a proposal that the provision of section 10 does not apply to this circumstance which was made public by the ERA on 22 July 2013.

On 14 August 2013, the ERA rejected TPI’s assertion that the provision of access to its railway would preclude other entities from accessing that infrastructure, and gave its approval for negotiations to proceed regarding the Access Proposal lodged with TPI. On 12 September 2013, the ERA published its final determination of the floor and ceiling costs applicable to the Access Proposal, which set the floor cost at A\$84,742,039 and the ceiling cost at A\$316,901,814. Using the ERA’s floor and ceiling costs and dividing it by the assumed total capacity of the railway line, i.e. 155 million tonnes per annum, the floor cost would equate to A\$0.55/tonne and the ceiling cost would equate to A\$2.04/tonne. Future negotiation in respect of the price for access is to be conducted within this range.

On 7 October 2013, TPI commenced proceedings in the Supreme Court of Western Australia by way of a Judicial review application, regarding the issues with the ERA’s determination of floor and ceiling costs for the TPI railway, the ERA’s decision to approve negotiations under Section 10 in relation to the Access Proposal lodged with TPI on 15 May 2013 and the validity of the Access Proposal. Contemporaneously, TPI commenced proceedings in the Supreme Court of Western Australia by way of a Writ of Summons seeking declarations that the Access Proposal was not validly made and as such TPI was not required to negotiate with Brockman Iron, as contemplated following the ERA’s Section 10 decision. Brockman Iron intends to defend against the matters put in the two TPI proceedings.

Save as aforesaid, so far as is known to the Directors, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

10. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospect of the Group since 30 June 2013, the date to which the latest published audited consolidated financial statements of the Group were made up.

11. 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 and are or may be material:

- (i) On 12 December 2011, the Company entered into a bid implementation agreement with Brockman Resources Limited ACN 009 372 150 (“**BRM**”) in order to facilitate the implementation of the takeover offer (the “**Conditional Offer**”) by Wah Nam International Australia Pty Ltd, a wholly-owned subsidiary of the Company (“**WN Australia**”) to acquire all the ordinary fully paid shares in BRM not held by it as set out in the offer document issued by WN Australia in respect of the Conditional Offer;
- (ii) on 12 December 2011, the Company entered into a subscription agreement with Ocean Line Holdings Limited (“**Ocean Line**”) in relation to the subscription for 555,100,000 Shares and the convertible bonds to be issued by the Company to Ocean Line in the principal amount of HK\$173,940,000 at a conversion price of HK\$0.6 per conversion share;
- (iii) On 6 March 2012, the Company and Ocean Line entered into (1) a bond subscription agreement in relation to a subscription of a bond issued by the Company with a principal amount of HK\$78,000,000; and (2) a convertible bond subscription agreement in relation to a subscription of convertible bond issued by the Company with a principal amount of HK\$78,000,000 at a conversion price of HK\$0.6 per conversion share;
- (iv) on 2 November 2012, the Company entered into a share subscription agreement with China Guoyin Investments (HK) Ltd. (“**China Guoyin**”) in relation to the subscription of 190,243,902 new Shares by China Guoyin at a subscription price of HK\$0.41;

- (v) on 2 November 2012, the Company entered into a convertible bond subscription agreement with Ocean Line in relation to the subscription of a convertible bond issued by the Company with the principal amount of HK\$78,000,000 at a conversion price of HK\$0.41 per conversion share;
- (vi) on 24 October 2013, Smart Year entered into an equity interest transfer deed with the Vendor in relation to the transfer of the economic, voting and other rights in the 10% equity interest in Luchun Xingtai Mining Co., Ltd (the “**Target Interest**”), a 90% owned subsidiary of the Company, and the operator of a copper mine in the PRC;
- (vii) on 24 October 2013, Smart Year, the Vendor and 雲南貿盛緣工貿有限公司 (Yunnan Maoxingyuan Industrial Trading Limited) (“**Maoxingyuan**”) entered into a framework agreement (the “**Framework Agreement**”) in respect of the possible transfer of the Target Interest by Maoxingyuan to Smart Year, its nominee or any of its designated third party (the “**Target Interest Transfer**”);
- (viii) on 24 October 2013, Smart Year and Maoxingyuan entered into a target interest transfer agreement pursuant to the Framework Agreement to give effect to the Target Interest Transfer;
- (ix) on 24 October 2013, Smart Year and Maoxingyuan entered into a securities document to effect the pledge of the Target Interest in favour of Smart Year;
- (x) the Sale and Purchase Agreement; and
- (xi) on 12 November 2013, the Company entered into a bond agreement with Ocean Line in relation to the subscription of a bond issued by the Company with the principal amount of US\$4,000,000.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of the Company at Suites 3812-13, 38/F Two International Finance Centre, 8 Finance Street, Central, 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 material contracts as referred to in the section headed “Material Contracts” in paragraph 11 of this Appendix;
- (c) the Deed of Counter Indemnity;
- (d) the Share Charge Deed;
- (e) the letter from Nuada Limited dated 25 November 2013;
- (f) the annual reports of the Company for the two financial years ended 30 June 2012 and 30 June 2013; and
- (g) this circular.

13. 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 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong while the Australia branch share registrar of the Company is Computershare Investor Services Pty Limited, Level 2, 45 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 Suites 3812-13, 38/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Thursday, 9 January 2014 at Hong Kong time 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments:

ORDINARY RESOLUTION

“THAT:

- (A) the sale and purchase agreement dated 24 October 2013 (“**Sale and Purchase 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 the Company as vendor and Mr. Leung Chi Yan, Danny (“**Mr. Leung**”) as purchaser in respect of, among other things,
- (i) the sale and purchase of the entire equity interest (“**Sale Shares**”) in Perryville Group Limited (“**Perryville**”) and its subsidiaries;
 - (ii) the sale and purchase of the total amount of the principal, interest (if any) and other sums and indebtedness due, owing or payable to the Company by Perryville as at the business day (a day (not being a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours) immediately following the day on which the last of the conditions precedent under the Sale and Purchase Agreement is fulfilled or waived (or such later date as the parties to the Sale and Purchase Agreement may agree in writing) (“**Assignment Debt**”); and
 - (iii) the continuous provision of the corporate guarantee (“**Guarantee**”) given by the Company in favour of a bank in Hong Kong (“**Bank**”) in respect of the banking facility (“**Facility**”) extended to Parklane Limousine Service Limited

* for identification purpose only

NOTICE OF SGM

for the amount of HK\$12 million upon the completion of the disposal of the Sale Shares and the Assignment Debt (“**Disposal Completion**”) by the Company to Mr. Leung pursuant to the Sale and Purchase Agreement by the Company until the loan (plus interest) under the Facility has been fully repaid or otherwise is released by the Bank on the basis that the following documents will both be executed upon Disposal Completion in favour of the Company:

- (a) the deed of counter indemnity (“**Deed of Counter Indemnity**”, a copy of which has been marked “B” and produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification) between Mr. Leung and the Company in respect of the counter indemnity to be provided by Mr. Leung to the Company in relation to the Guarantee upon the Disposal Completion;
- (b) the share charge deed (“**Share Charge Deed**”, a copy of which has been marked “C” and produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification) between Mr. Leung and the Company in relation to the charge to the Company the entire issued shares of Perryville upon the Disposal Completion, and

the transactions contemplated under the Sale and Purchase Agreement, the Guarantee, the Deed of Counter Indemnity and the Share Charge Deed (“**Transactions**”) be and are hereby approved, confirmed and ratified; 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 Sale and Purchase Agreement, the Guarantee, the Deed of Counter Indemnity and the Share Charge Deed and the Transactions and all other matters incidental thereto or in connection therewith and 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, 25 November 2013

NOTICE OF SGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business

in Hong Kong:
Suites 3812-13
38/F Two International Finance Centre
8 Finance Street
Central
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.
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 3978 2800 no later than 10:00 a.m. Australian Western Standard Time on 7 January 2014.