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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2023

The board of directors (the "Board") of Brockman Mining Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2023, together with the comparative figures for the year ended 30 June 2022, are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

		Year ended 30 June	
		2023	2022
	Note	***HK$'000***	*HK$'000*
Other income	*6*	**48**	97
Administrative expenses	*7*	**(16,563)**	(22,747)
Exploration and evaluation expenses	*7*	**(50,207)**	(17,677)
Operating loss		**(66,722)**	(40,327)
Finance income		**221**	13,211
Finance costs		**(6,616)**	(4,613)
Finance costs, net	*8*	**(6,395)**	8,598
Share of loss of joint ventures		**(130)**	(136)
Loss before income tax		**(73,247)**	(31,865)
Income tax benefit	*9*	**16,691**	11,051
Loss for the year		**(56,556)**	(20,814)

* *For identification purpose only*

	Note	Year ended 30 June 2023 HK$'000	2022 HK$'000
Other comprehensive loss			
Item that may be reclassified to profit or loss			
Exchange differences arising from translation of foreign operations		**(22,368)**	(41,360)
Other comprehensive loss for the year		**(22,368)**	(41,360)
Total comprehensive loss for the year		**(78,924)**	(62,174)
Loss for the period attributable to equity holders of the Company		**(56,556)**	(20,814)
Total comprehensive loss attributable to equity holders of the Company		**(78,924)**	(62,714)
Loss per share attributable to the equity holders of the Company during the year		***HK cents***	*HK cents*
Basic loss per share	*11*	**(0.61)**	(0.22)
Diluted loss per share	*11*	**(0.61)**	(0.22)

CONSOLIDATED BALANCE SHEET

As at 30 June 2023

	Note	As at 30 June 2023 HK$'000	2022 HK$'000
Non-current assets			
Mining exploration properties	*12*	**705,842**	733,677
Property, plant and equipment		**144**	177
Right-of-use assets		**654**	801
Interest in joint venture		**630**	651
Other non-current assets		**119**	123
		707,389	735,429
Current assets			
Other receivables, deposits and prepayments		**925**	999
Cash and cash equivalents		**16,495**	28,797
		17,420	29,796
Total assets		**724,809**	765,225
Equity			
Share capital	*14*	**928,023**	928,023
Reserves		**3,798,584**	3,820,953
Accumulated losses		**(4,215,395)**	(4,158,839)
Total equity		**511,212**	590,137
Non-current liabilities			
Deferred income tax liability		**86,369**	106,949
Borrowings	*15*	**64,617**	51,309
Lease liabilities		**718**	563
		151,704	158,821
Current liabilities			
Trade and other payables	*13*	**60,583**	14,504
Lease liabilities		**396**	619
Provisions		**914**	1,144
		61,893	16,267
Total liabilities		**213,597**	175,088
Total equity and liabilities		**724,809**	765,225

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Brockman Mining Limited (the "Company") and its subsidiaries (collectively, the "Group") principally engage in the acquisition, exploration and development of iron ore projects in Australia.

The Company is a public company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and Australian Securities Exchange (the "ASX"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

These consolidated financial statements are presented in Hong Kong dollars (HK$), and all values are rounded to the nearest thousand (HK$'000), except where otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements of Brockman Mining Limited for the year ended 30 June 2023 have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 of the consolidated financial statements.

(a) Going concern basis

For the year ended 30 June 2023, the Group recorded a net loss before tax of HK$73,247,000 (2022: HK$31,865,000) and had operating cash outflows of HK$19,242,000 (2022: HK$20,173,000). The Group also had net current liabilities of HK$44,473,000 (2022: net current assets of HK$13,529,000 refer to note 13 of this announcement and note 22 of the consolidated financial statements). The Group did not record any revenue during the year and the loss before tax for the period was primarily attributable to the exploration and evaluation (including the Group's share of the joint operation expenses) of the Group's iron ore exploration projects and corporate overhead costs. As at 30 June 2023, the Group's cash and cash equivalents amounted to HK$16,495,000 (2022: HK$28,797,000).

On 22 April 2021, Brockman Iron Pty Ltd (a wholly-owned subsidiary of the Company) ("Brockman Iron") and Polaris Metals Pty Ltd ("Polaris") established the Joint Operation. Following the establishment of the Joint Operation, Polaris (or its related party) agreed to provide the Joint Operation with funding by way of a project loan sufficient to allow the Joint Operation to fund the initial development costs and the forecast capital costs for development. The Joint Operators have agreed to initial development works that will be funded by Polaris with the cost estimated to be circa A$36,000,000 (HK$189,192,000). The project loan agreement is expected to be executed by the first half of FY24.

The loans from Polaris of A$10,000,000 have been released from the escrow account pursuant to the Farm-in and Joint Venture ("FJV") Agreement. Under the terms of the FJV Agreement these loans are to be repaid from net revenue received by Brockman Iron from the sale of its share of product produced and sold from the Joint Operation. The repayment of these loans to Polaris must be in priority to all other payments from Net Revenue received by Brockman Iron from the sale of its percentage share of product sold from the Project.

The Group has taken a number of measures to improve its liquidity position, including, but not limited to, the following:

(i) On 23 February 2023, the substantial shareholder agreed to replace the existing loan and interest of HK$17,457,000 (refer to note 23 of the consolidated financial statements and note 15 of this announcement) with a new loan for US$3,300,000 (approximately HK$25,740,000).

(ii) Extending the repayment date of the replacement loan from the substantial shareholder amounting to HK$27,328,000, to 31 October 2024. This loan bears interest at 17% per annum.

(iii) On 23 February 2023, the directors of the Company secured agreement for an increased standby loan facility from its substantial shareholder amounting to US$1,800,000 (HK$14,040,000 approx.). If drawn down, the loan will be unsecured, bear interest at 17% and be repayable on 31 October 2024. As at 30 June 2023, the facility of US$1,800,000 (approx. HK$14,040,000) is undrawn. This standby loan facility replaced the standby loan facility of HK$10,000,000 previously in place.

The directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of approval of the consolidated financial statements. They are of the opinion that, taking into account the above-mentioned measures, the Group will have sufficient financial resources to satisfy its future working capital requirements and to meet its financial obligations as and when they fall due within the next twelve months from the date of approval of the consolidated financial statements.

The directors believe that the Group can continue to access debt and equity funding to meet medium term working capital requirements and has a history of securing such funding as required in the past to support their belief. In the event that funding of an amount necessary to meet the future budgeted operational and investing activities of the Group is unavailable, the directors would undertake steps to curtail these operating and investment activities. Accordingly, the directors of the Company consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, there remains material uncertainty as to whether the Group can raise sufficient funds as outlined above, which may cast significant doubt about the Group's ability to continue as a going concern and, therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of the Group's assets or to the amounts and classification of liabilities which might be necessary should the Group not continue as a going concern.

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Changes in accounting policy and disclosures

New standards, interpretations and amendments adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2023, but do not have a significant impact on the consolidated financial statements of the Group and, hence, have not been disclosed.

The nature and effect of these changes as a result of the adoption of the standards that have an immaterial impact on the consolidated financial statements are described below.

Reference to the Conceptual Framework — Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 *Business Combinations — Reference to the Conceptual Framework*. The amendments were intended to replace a reference to the Framework for the Preparation and Preparation of the Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board added an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levis, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation of Financial Statements.

The amendments were effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments did not have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16

In May 2020, the IASB issued *Property, Plant and Equipment — Proceeds before Intended Use*, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items, and the costs of producing those items, in profit or loss.

The amendment was effective for annual reporting periods beginning on or after 1 January 2022 and was applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applied the amendment. The amendments did not have a material impact on the Group.

Onerous Contracts — Costs of Fulfilling a Contract — Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments were effective for annual reporting periods beginning on or after 1 January 2022. The Group applied these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applied the amendments. The amendments did not have a material impact on the Group.

IFRS 9 Financial Instruments — Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards, the IASB issued an amendment to IFRS 9. The amendment clarified the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendment.

The amendment was effective for annual reporting periods beginning on or after 1 January 2022. The Group applied amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendment. The amendments did not have a material impact on the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Definition of Accounting Estimates — Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments have no material impact on the Group.

Disclosures of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

4. REVENUE

There was no revenue during the year ended 30 June 2023 (2022: nil).

5. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on internal reports that are used by the Chief Operating Decision Maker, being the executive directors of the Company who are responsible for allocating resources and assessing performance of the operating segments. The executive directors consider the performance of the Group from a business perspective.

The Group's reportable operating segment is as follows:

Mineral tenements in Australia — tenement acquisition, exploration and future development of iron ore projects in Western Australia.

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

Accounting policies

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1(d) of the consolidated financial statements.

Segment assets reported to executive directors of the Company are measured in a manner consistent with that in the consolidated balance sheet. Discrete financial information about each of these operating segments is reported to the Board (the Chief Operating Decision Maker) on at least a monthly basis.

Executive directors assess and review the performance of the operating segments based on segment results which is calculated as loss before income tax less share of profit/(losses) of joint ventures.

(a) The following is an analysis of the Group's results by business segment:

	Mineral tenements in Australia	Other	Total
	HK$'000	*HK$'000*	*HK$'000*
For the year ended 30 June 2023:			
Segments results	(59,319)	(13,798)	**(73,117)**
Share of loss of joint ventures			**(130)**
Loss before income tax			**(73,247)**
Other information:			
Depreciation of property, plant, equipment and right-of-use asset	(382)	(181)	**(563)**
Exploration and evaluation expenses	(50,207)	—	**(50,207)**
Income tax benefit	16,691	—	**16,691**
For the year ended 30 June 2022:			
Segments results	(12,463)	(19,266)	**(31,729)**
Share of loss of joint ventures			**(136)**
Loss before income tax			**(31,865)**
Other information:			
Depreciation of property, plant, equipment and right-of-use assets	(352)	(356)	**(708)**
Exploration and evaluation expenses	(17,677)	—	**(17,677)**
Share based payment expenses	—	(6,396)	**(6,396)**
Income tax benefit	11,051	—	**11,051**

(b) The following is an analysis of the Group's total assets by business segment as at 30 June 2023:

	Mineral tenements in Australia *HK$'000*	**Other** *HK$'000*	**Total** *HK$'000*
As at 30 June 2023:			
Segment assets	**717,003**	**7,806**	**724,809**
Total segment assets include:			
Interest in joint ventures	630	—	**630**
Property, plant and equipment	144	—	**144**
Right-of-use assets	654	—	**654**
As at 30 June 2022:			
Segment assets	**758,848**	**6,377**	**765,225**
Total segment assets include:			
Interests in joint ventures	651	—	**651**
Property, plant & equipment	174	3	**177**
Right-of-use assets	623	178	**801**

(c) **Geographical information**

The mineral tenements are located in Australia, and, the following is an analysis of the carrying amounts of the Group's mining exploration properties, property plant and equipment, right-of-use assets and interests in joint ventures analysed by geographical area in which the assets are located:

	2023 *HK$'000*	2022 *HK$'000*
Hong Kong	—	181
Australia	**707,270**	735,125

6. OTHER INCOME

	2023	2022
	HK$'000	*HK$'000*
Government grant *(Note a)*	**48**	97
	48	97

Note a: During 30 June 2023, there was a government grant, provided by the Hong Kong Government to retain employees due to the implications caused by COVID-19 (HK$48,000), (2022: HK$97,000).

7. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging:

	2023	2022
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**30**	30
Depreciation of right-of-use assets	**533**	678
Auditor's remuneration:		
Audit services	**1,078**	1,103
Non-audit services	**602**	113
Staff costs (including directors emoluments)	**11,688**	12,217
Equity-settled share option expense	**—**	6,396
Exploration and evaluation expenses (excluding staff costs and rental expenses)	**48,997**	16,271

8. FINANCE COSTS, NET

An analysis of finance costs, net is as follows:

	2023	2022
	HK$'000	*HK$'000*
Finance income		
Interest income on bank deposits	**221**	14
Remeasurement of the loans from Polaris	**—**	13,197
Finance costs		
Interest on lease liabilities	**(144)**	(131)
Interest on borrowings	**(6,472)**	(4,482)
Finance costs, net	**(6,395)**	8,598

9. INCOME TAX BENEFIT

No provision for Hong Kong Profits tax or overseas income tax has been made in the consolidated financial statements as the Group has no assessable profit for the year (2022: Nil). The applicable corporate income tax rate is 30% (2022: 30%) for subsidiaries in Australia and Hong Kong 16.50% (2022: 16.50%).

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the consolidated entities as follows:

	2023	2022
	HK$'000	*HK$'000*
Loss before income tax	**(73,247)**	(31,865)
Tax calculated at the applicable domestic tax rate of respective companies *(note a)*	**(18,800)**	(6,959)
Expenses not deductible for tax purposes	**74**	1,096
Deferred tax assets recognised	**(242)**	(7,311)
Tax losses for which no deferred income tax asset was recognised	**2,277**	2,123
Income tax benefit	**(16,691)**	(11,051)

Note a: The weighted average applicable tax rate was 28% (2022: 22%).

10. DIVIDEND

No dividend was paid or proposed during the year ended 30 June 2023, nor has any dividend been proposed since the balance sheet date (2022: Nil).

11. LOSS PER SHARE

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

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options). There have been no post balance sheet movements impacting the diluted earnings per share.

	2023	2022
Loss for the period attributable to the equity holders of the Company *(HK$'000)*	**(56,556)**	(20,814)
Weighted average number of ordinary shares for the purpose of calculating the loss per share *(thousands)*	**9,280,232**	9,279,410
Effects of dilution from:		
— share options *(thousands)*	**103,000**	104,500
Weighted average number of ordinary shares adjusted for the effect of dilution *(thousands)*	**9,485,910**(*)	9,383,732(*)
Loss per share attributable to the equity holders of the Company:		
Basic *(HK cents)*	**(0.61)**	(0.22)
Diluted *(HK cents)*	**(0.61)**(*)	(0.22)(*)

Note (*): Because the diluted loss per share amount is decreased when taking share options into account, the share options had an anti-dilutive effect on the basic loss per share for the year and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the year of HK$56,556,000 (2022: HK$20,814,000), and the weighted average number of ordinary shares 9,280,232,000 (2022: 9,279,410,000) on issue during the year that are considered in the calculation of basic loss per share.

12. MINING EXPLORATION PROPERTIES

	Mining exploration properties in Australia *HK$'000*
Balance as at 1 July 2021	784,933
Other	6,051
Exchange differences	(57,307)
Balance as at 30 June 2022	**733,677**
Exchange differences	(27,835)
Balance as at 30 June 2023	**705,842**

At 30 June 2023 the Group held capitalised mining exploration properties in Australia of HK$705,842,000 (2022: HK$733,677,000), representing 97% (2022: 96%) of the Group's total assets.

The determination as to whether there are any indicators to require a mining exploration property to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable, (refer to note 30(a) of the consolidated financial statements). The Group performed an assessment of the impairment indicators at 30 June 2023 in accordance with IFRS 6, taking into account the following factors:

1. The Group still has the right to explore the tenements.

2. To date there have been no adverse findings reported or identified from technical studies undertaken that would affect the advancement of Marillana.

3. Substantial further expenditure is forecast for Marillana at 30 June 2023 and beyond, to continue to advance development of Marillana.

4. Under the FJV Agreement, MinRes is to provide the infrastructure solution to transport ore from the Marillana project to a port stockyard at Port Hedland and loading on to ships for export. The MinRes-Hancock Joint Operation Agreement will facilitate this solution for Marillana.

5. In recent years, the iron ore price has increased to levels not seen since 2014 and at 30 June 2023 the price was above A$178 per tonne (2022: A$176 per tonne) or US$114 per dry metric tonne (2022: US$122 per dry metric tonne) (at an exchange rate of US$0.66 (2022: US$0.69)).

6. At 30 June 2023, the Group's market capitalisation was HK$1,410,595,000 (2022: HK$2,505,662,000), in excess of the net assets HK$511,212,000 (2022: HK$590,137,000).

7. The Group's Mineral Resource estimate has not changed since September 2018.

As a result of considering these factors, the directors did not identify any impairment indicators.

13. TRADE AND OTHER PAYABLES

Trade payables of the Group principally represent amounts outstanding to suppliers. The normal credit period is between 30 days and 90 days.

	2023	2022
	HK$'000	*HK$'000*
Trade and other payables	**60,583**	14,504
	60,583	14,504

Trade and other payables include the Group's share of the joint operation expenditure of HK$59,965,000 (2022: HK$13,552,000), payable to Mineral Resources Limited refer to note 2(a) of this announcement and 30(a) of the consolidated financial statements.

14. SHARE CAPITAL

	Number of shares	**Share capital**
	'000	*HK$'000*
Ordinary shares of HK$0.1 each		
Authorised		
As at 30 June 2023 and 30 June 2022	20,000,000	2,000,000
Issued and fully paid		
As at 30 June 2023 and 30 June 2022	**9,280,232**	**928,023**

For the year ended 30 June 2022, 1,000,000 share options were exercised by employees of the Group.

Details of the Company's share option scheme and the share option issue under the scheme are included in the note 25 to the consolidated financial statements.

15. BORROWINGS

	2023 *HK$'000*	2022 *HK$'000*
Non-current		
Loans from Polaris	**37,289**	34,517
Loan from a substantial shareholder	**27,328**	16,792
	64,617	51,309

On the 23 February 2023, the substantial shareholder agreed to replace the existing loan and interest of HK$17,457,000 with a new loan for US$3,300,000 (approximately HK$25,740,000). As at 30 June 2023, the new borrowings are unsecured, bore interest at 17% (2022: 12%) per annum and are repayable on 31 October 2024 (2022: 31 October 2023).

On the 23 February 2023, the directors of the Company secured agreement for an increased standby loan facility from its substantial shareholder amounting to US$1,800,000 (approximately HK$14,040,000). If drawn down, the loan will be unsecured, bear interest at 17% and be repayable on 31 October 2024. As at 30 June 2023, the facility remains undrawn. This standby loan facility replaced the standby loan facility of HK$10,000,000 previously in place.

On 18 November 2019 and 4 May 2021, Polaris advanced the first and second tranche of the loans (total advanced A$10,000,000) to Brockman Iron pursuant to the terms of the Farm-in Joint Venture Agreement over the Marillana Iron Ore Project. The loans are secured (per a Deed of Cross Security), carried at amortised cost and are repayable to Polaris from net revenue received by Brockman Iron from the sale of its percentage share of product sold from the joint operation.

16. EVENTS OCCURRING AFTER BALANCE SHEET DATE

There are no significant events which have occurred after the balance sheet date.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 30 June 2023, the Group recorded a loss after tax from continuing operations of approximately HK$56.6 million (2022: HK$20.8 million). The increase in the loss after tax was due to HK$47.4 million in the Group's share of the Joint Operation expenditure (2022: HK$14.0 million) and partially offset by the recognition of an income tax credit of HK$16.7 million (2022: HK$11.1 million). This income tax credit was the result of the recognition of a deferred tax asset in respect of certain of the Group's Australian tax losses.

The operating loss of HK$66.7 million (2022: HK$40.3 million) was higher by 66%, due to an increase in exploration and evaluation expenditure expensed which includes Group's share of Joint Operation expenditure.

For the year ended 30 June 2023, the Group's basic loss per share was HK$0.61 cents (2022: HK$0.22 cents) and the cash outflows from operating activities were HK$19.2 million (2022: HK$20.2 million).

As at 30 June 2023, the Group's net asset value amounted to HK$511.2 million (2022: HK$590.1 million) and cash at bank was HK$16.5 million (2022: HK$28.8 million).

BUSINESS REVIEW

IRON ORE OPERATIONS — WESTERN AUSTRALIA

This segment of the business comprises the 50% owned Marillana Iron Ore Project (Marillana), the Ophthalmia Iron Ore Project (Ophthalmia) and other regional exploration projects.

The loss before income tax and share of losses of the joint venture for the year for this segment attributable to the Group was HK$59.3 million (2022: HK$12.5 million). Total expenditure associated with mineral exploration for the year ended 30 June 2023 amounted to HK$50.2 million (2022: HK$17.7 million).

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

	Year ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
Project		
Marillana [(1)]	**47,197**	14,073
Ophthalmia [(2)]	**1,208**	2,037
Regional Exploration	**1,802**	1,567
	50,207	17,677

(1) Includes HK$46.6 million of Joint Operation expenditure (2022: HK$13.0 million)

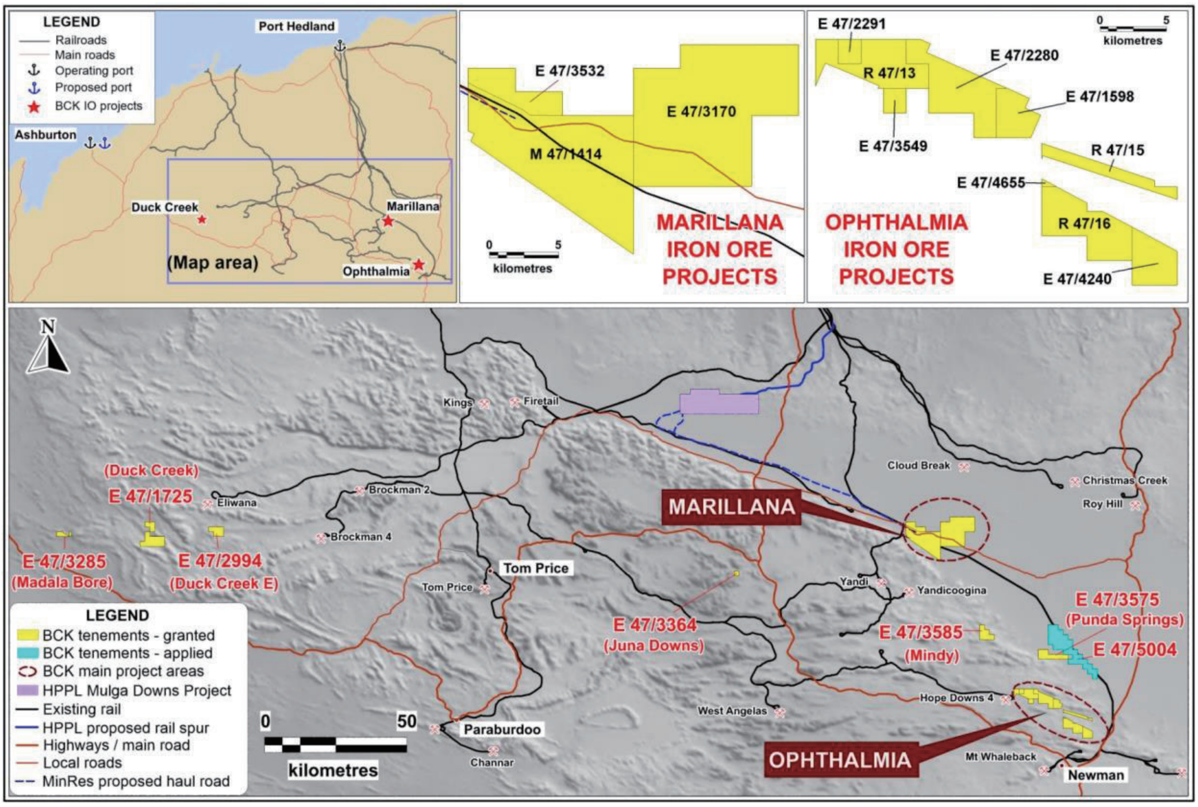
(2) Includes HK$0.8 million of Joint Operation expenditure (2022: HK$1.0 million)

No development expenditure has been recognised in the financial statements during the year ended 30 June 2023 (2022: Nil).

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

	Year ended 30 June			
	2023		2022	
	HK$'000		*HK$'000*	
	Additions to property, plant & equipment	**Additions to mining properties**	Additions to property, plant & equipment	Additions to mining properties
Project				
Marillana	**4**	**—**	51	—
Ophthalmia	**—**	**—**	—	—
	4	**—**	51	—

Figure 1: Project location map — Brockman tenements

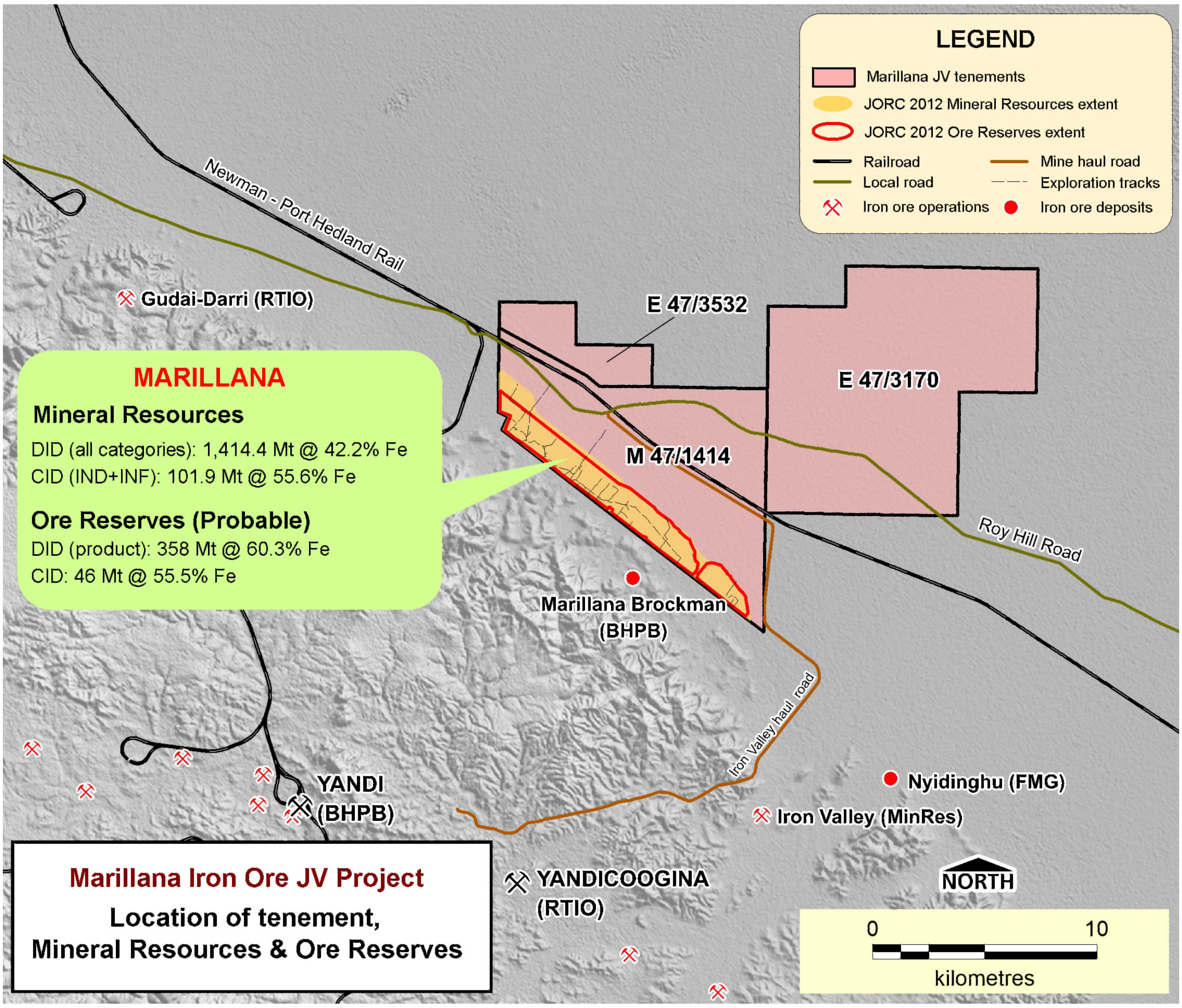


MARILLIANA PROJECT OVERVIEW

The 50% owned Marillana is Brockman's flagship project located within mining lease M47/1414 in the Hamersley Iron Province within the Pilbara region of Western Australia. It is located approximately 100 km north-west of the township of Newman (Figures 1 and 2).

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

Figure 2: Location of Marillana Project tenements



Marillana Development

Joint Operation

Formation and scope

On 26 July 2018, Brockman Iron Pty Ltd ("Brockman Iron") (a wholly-owned subsidiary of the Company) and Polaris Metals Pty Ltd ("Polaris") (a wholly-owned subsidiary of Mineral Resources Limited ("MinRes")) entered into a Farm-in Joint Venture ("FJV") Agreement (see announcements dated 27 July 2018 on the SEHK and ASX platforms) pursuant to which and subject to the terms and conditions therein, Polaris could farm-in and earn a 50% interest in Marillana by satisfying certain Farm-in obligations.

On 22 April 2021 Brockman Iron and Polaris signed an Amended and Restated FJV Agreement and Deed of Amendment and Restatement (collectively the "Agreement"). Both Brockman Iron and Polaris concluded that the Farm-in Obligations under the Agreement have been satisfied and the parties shall form the Joint Operation. As such, a 50% interest in the Marillana Project (the Farm-in interest) will be transferred to Polaris and the Joint Operation will be established according to the terms of the FJV Agreement.

Initial development works

The initial development works per the Indicative Development Proposal from MinRes (as described in the 2021 Annual Report) are progressing. The Joint Operation continues to advance the metallurgical testwork program to support the final flow sheet and process design. Results from three pilot plant test runs were positive and consistently demonstrated that the modified process flow sheet could provide enhanced yields of over 45% whilst maintaining product quality above 60.5% Fe. Pilot plant samples were representative of the first three years of ore supply and also the life of mine feed. The yield is a significant improvement over the average 37.3% yield used in the Ore Reserve estimate.

Preliminary sinter testwork on product samples has demonstrated that Marillana Fines can substitute for other Australian fines products in a typical Chinese coastal steel mill blend whilst maintaining good physical and metallurgical properties and sinter performance.

Physical testing of coarse tailings and thickening and rheology testwork for fine tailings has also been completed using samples generated from the pilot plant. These results provide the detailed design parameters for handling and storage of the dry and wet tailings streams.

A programme of close spaced reverse circulation ("RC") drilling was completed during the year for a total of 216 drill holes for 12,040m, drilled across two areas of the deposit. The purpose of the program was to inform the optimum drill spacing for planned mineral resource infill drilling. The results of the program have been received and modelling of results, designed to inform the optimum drill spacing for future Mineral Resource infill drilling, is still in progress. Infill resource drilling for those areas within the early years of the mine life is expected to commence in CY2024.

Development of a water borefield comprising of 5 new production bores and an array of monitoring bores has been established and the pump and infiltration testing was completed during the year. The results of the testing will be incorporated into the groundwater model. A passive seismic survey to assist in mapping the basement and improve accuracy of ground water modelling is scheduled for completion in FY2024.

Environmental surveys and development of management plans continued during the year to update and refresh the baseline data to support development of the project. This work included flora and fauna surveys, stygofauna surveys, waste rock and soils analysis and noise and greenhouse gas modelling. Water and greenhouse gas management plans have been prepared and continued monitoring of ecological communities, weeds and regional hydrological baseline data was also carried out during the year.

Infrastructure

On 29 November 2021, MinRes entered into an agreement with Hancock and Roy Hill in which MinRes and Hancock will jointly investigate the development of new iron ore export facility at the Port of Port Hedland's Stanley Point 3 ("SP3") in South West Creek. Roy Hill will provide services to both MinRes and Hancock for development and operation of their projects (which includes Marillana), including rail haulage.

The development of the Project will be subject to:

(a) A grant by the Pilbara Ports Authority ("PPA") of a capacity allocation for the Project, and all necessary approvals and agreements to develop and operate SP3 in South West Creek and the other associated supporting port infrastructure; and

(b) MinRes and Hancock each electing to take a positive final investment decision to proceed with the Project following the completing of a satisfactory expedited feasibility study.

On 1 February 2022, the Government of Western Australia announced that it had granted a port capacity allocation to the MinRes-Hancock Joint Venture, at SP3 in South West Creek. MinRes has advised that based on this allocation, Marillana has available port capacity to meet the Joint Operation production requirements. The new iron ore export facility at SP3 remains subject to various approvals and agreements to develop and operate, along with a positive final investment decision by MinRes and Hancock. The MinRes-Hancock Joint Venture continues to advance the consents, approvals and engineering studies required to support the final investment decision.

Under the FJV Agreement, MinRes is to provide the infrastructure solution to transport the ore from the Marillana project to a port stockyard at Port Hedland and loading on to ships for export. The MinRes-Hancock Joint Venture agreement will facilitate this solution for Marillana.

MinRes is additionally advancing studies and pre-development work for a haul road to transport ore to the rail loading facility on the Roy Hill railway.

Management committee

A management committee comprising a total of six representatives (three from each of the Joint Operators) has been established.

The role of the management committee is to make all strategic decisions relating to the conduct of the activities undertaken by the Joint Operation including the consideration and approval of any work programme and budget in the management of the Joint Operation.

Development funding

The Joint Operators will respectively fund their capital cost commitments for the development of Marillana with loans from MinRes (the "Development Loan"). Brockman Iron shall repay the Development Loan from its share of net revenue following commencement of operations at Marillana.

The Joint Operators' capital commitments will fund the ore processing facilities and certain parts of non-process infrastructure. Certain parts of the non-process infrastructure may not be funded by the Joint Operators but will be provided by MinRes under build own operate life of mine service agreements.

Manager

Pursuant to the terms of the FJV Agreement, Polaris has agreed to act as the first manager of the Joint Operation.

Loan Agreement

As part of the FJV Agreement, Polaris has provided an interest-free, secured loan (in accordance with Deed of Cross Security signed by the Joint Operators) of A$10 million (the "Loan") to Brockman Iron for working capital purposes. The loan will be repaid from the net revenue received by Brockman Iron from the sale of its share of the Marillana product sold.

MINERAL RESOURCES AND ORE RESERVES

Brockman reports its Mineral Resources and Ore Reserves on an annual basis, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the "JORC Code 2012"), unless otherwise noted. Mineral Resources are quoted inclusive of Ore Reserves.

In 2018, Brockman updated its Marillana Mineral Resources and Ore Reserves to the JORC 2012 Code (refer to announcement dated 25 May 2018). Mineral Resources and Ore Reserves were previously reported under the JORC 2004 Code and released to the market on 9 February 2010 and 9 September 2010 respectively by Brockman Resources Limited, now a wholly-owned subsidiary of Brockman Mining Limited.

Marillana has a Mineral Resource estimate of 1.51 billion tonnes (Bt) of Hematite Detrital Iron (DID) and Channel Iron (CID) mineralisation, comprising 169.5 million tonnes (Mt) of Measured Mineral Resources (DID), 1,046 Mt of Indicated Mineral Resources (DID and CID) and 291 Mt of Inferred Mineral Resources (DID and CID) (see Tables 1 and 2).

Table 1: Detrital (beneficiation feed) Mineral Resource Summary (cut-off grade: 38% Fe)

Mineralisation type	Resource classification	Tonnes (Mt)	Grade (% Fe)
	Measured	169.5	41.6
	Indicated	961.9	42.3
	Inferred	273	42.0
GRAND TOTAL		**1,404.4**	**42.2**

Total tonnes may not add up, due to rounding

Table 2: CID Mineral Resource Summary (cut-off grade: 52% Fe)

Resource classification	Tonnes (Mt)	Fe (%)	AI_2O_3 (%)	SiO_2 (%)	P (%)	LOI (%)
Indicated	84.2	55.8	3.58	5.0	0.097	9.76
Inferred	17.7	54.4	4.34	6.6	0.080	9.30
TOTAL	**101.9**	**55.6**	**3.71**	**5.3**	**0.094**	**9.68**

The JORC 2012 Ore Reserve estimate is based on the revised JORC 2012 Mineral Resource model, and incorporates a number of factors and assumptions as outlined in the announcement of 25 May 2018.

The base case optimisation was determined with cut-off grades of 38% Fe for DID and 52% Fe for CID within the final pit and tenement boundary limits.

Metallurgical testwork results were used to estimate the recoverable fraction from the DID ore component. Recoveries of final product and grades (of iron, silica, alumina and LOI) were estimated in the block model. Based upon dense media separation (DMS) testwork, it is expected that the final product has an average grade of at least 60% Fe and 37.3% in mass recovery.

The Marillana project has total estimated Probable Ore Reserves of 967 Mt of DID plus 46 Mt of direct shipping CID (Table 3). The total saleable product from the processed detrital iron ore feed (DID) is estimated at 404 Mt averaging 59.8% Fe, 6.1% SiO_2, and 3.1% AI_2O_3 (Table 4). Life of mine strip ratio is 1.0:1 (tonnes of Waste versus tonnes of Ore).

Table 3: Marillana Project — Ore Reserves *

Reserve classification	Ore type	Tonnes (Mt)
Probable	DID[#]	967
Probable	CID[##]	46
TOTAL		**1,013**

* *Reserves are included within Resources*

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

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

Table 4: Marillana Project — Ore Reserves final product

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

The Marillana Ore Reserves are based solely on the Measured and Indicated Mineral Resources. The Mineral Resources also include some 273 Mt of Inferred Mineral Resources (DID), comprising 201 Mt based on wide - spaced drilling to the north of the Indicated Mineral Resource boundary and 72 Mt of previously Indicated Mineral Resources that was downgraded to Inferred classification during the Projection Pursuit Multi-variate Transform ("PPMT") process. Based on historical conversion of Inferred to Indicated Mineral Resources, it is anticipated that additional drilling may enable some of the Inferred material to be upgraded to Indicated classification.

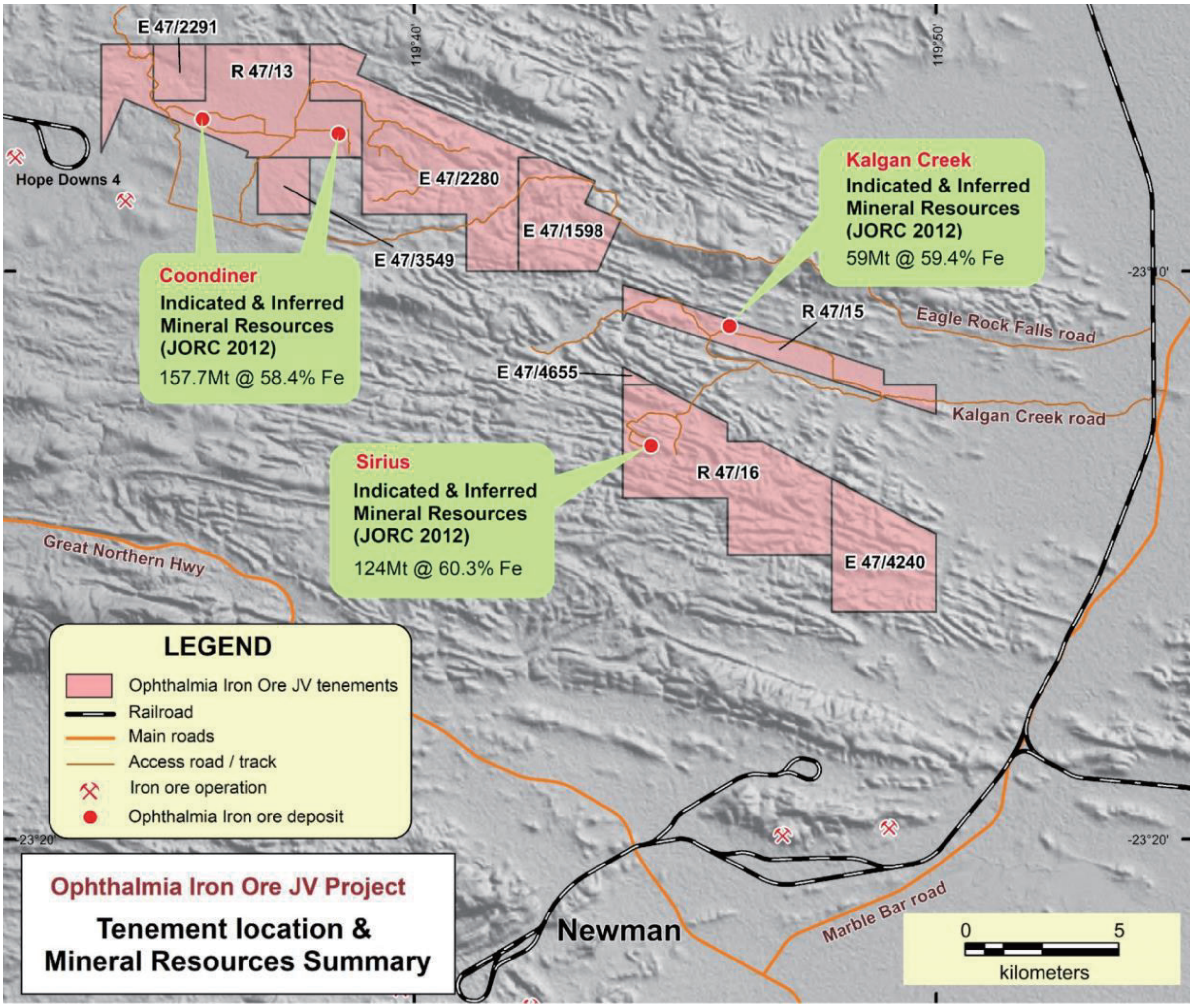
Marillana represents one of the largest published hematite Ore Reserve positions in the Pilbara, outside the three major producers (BHP, Rio and FMG). The Detrital Ore is upgraded to a high-quality, sinter feed product via simple beneficiation, which is supported by low-cost mining, low waste ratios and large continuous ore zones.

The Mineral Resource and Reserve estimation (see Tables 1 to 4) was prepared by Golder Associates Pty Ltd and has been classified in accordance with the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

OPHTHALMIA PROJECT OVERVIEW

The 50% owned Ophthalmia iron ore project, located north of Newman in the East Pilbara region of Western Australia (see figures 1 and 3), is the most significant iron ore project for the Company outside of its flagship Marillana project. Since the discovery of significant occurrences of bedded hematite mineralisation by field reconnaissance mapping and surface sampling in August 2011, major exploration drilling programmes have been completed and JORC compliant Mineral Resources have been estimated and reported for the Sirius, Coondiner, and Kalgan Creek deposits. The total Mineral Resource at Ophthalmia is 341 Mt grading 59.3% Fe (Table 5).

Figure 3: Location of Ophthalmia Prospects and Resources



Development

As part of the amended Agreement with MinRes (refer to the Marillana section above), Brockman and Polaris have agreed to include Ophthalmia in the farm-in interest, such that Polaris will earn a 50% interest in the Ophthalmia project upon completion of its farm-in obligations. On 8 December 2021, the Company received notification from Polaris that the farm-in obligations had been satisfied and that the Ophthalmia Joint Operation was established.

Since December 2021, Polaris continued a programme of works including mine planning studies, transport corridor studies, environmental surveys and approvals planning. Polaris and Brockman have subsequently agreed to reduce the programme of works at Ophthalmia whilst MinRes finalises arrangements for the new iron ore export facility at SP3 and to allow the parties to prioritise development of Marillana. The development cost for Ophthalmia is estimated to be A$114 million, which will be funded by the Joint Operators through a loan from MinRes.

Mineral Resources

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

The resource estimate was classified in accordance with guidelines provided in the JORC Code 2012. Refer to ASX Announcement dated 1 December 2014.

Table 5: Ophthalmia DSO Mineral Resource Summary

		30 June 2023							
Deposit	**Class**	**Tonnes (Mt)**	**Fe (%)**	**CaFe* (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**	**S (%)**	**P (%)**	**LOI (%)**
Kalgan Creek	Indicated	34.9	59.3	62.7	4.08	4.57	0.009	0.183	5.49
	Inferred	24.4	59.5	63.2	4.38	3.90	0.007	0.157	5.81
	Sub Total	**59.3**	**59.4**	**62.9**	**4.21**	**4.29**	**0.009**	**0.173**	**5.63**
Coondiner	Indicated	140.5	58.5	62.0	5.18	4.46	0.007	0.176	5.71
(Pallas and Castor)	Inferred	17.1	58.1	61.5	6.06	4.45	0.008	0.155	5.47
	Sub Total	**157.6**	**58.4**	**62.0**	**5.27**	**4.46**	**0.007**	**0.174**	**5.68**
Sirius	Indicated	105.0	60.4	63.7	3.54	3.97	0.007	0.18	5.22
	Inferred	19.0	60.2	63.4	4.09	3.83	0.009	0.17	5.14
	Sub Total	**124.0**	**60.3**	**63.6**	**3.62**	**3.95**	**0.007**	**0.18**	**5.20**
Ophthalmia	Indicated	280.4	59.3	62.7	4.43	4.29	0.007	0.178	5.50
Project	Inferred	60.5	59.3	62.8	4.73	4.03	0.008	0.160	5.50
	Total	**340.9**	**59.3**	**62.7**	**4.49**	**4.24**	**0.007**	**0.175**	**5.50**

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

WEST PILBARA PROJECT

Overview

The West Pilbara project comprises four tenements centred around Duck Creek, located about 100 -130 km WNW of Paraburdoo in the West Pilbara region. (Refer to Figure 1).

At Duck Creek, mineralisation comprises discrete mesas of channel iron deposits ("CID") 15-30 m above the surrounding plains with stripping ratios expected to be very low for the targets identified. Seven mesas containing ore grade CID mineralisation have been identified from surface sampling, but only six have been drilled due to access limitations.

Brockman has completed an Inferred Mineral Resource estimate of 21.6 Mt grading 55.9% Fe, for CID mineralisation at Duck Creek (E47/1725), as detailed in Table 6 below. The Mineral Resource estimate has been classified in accordance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Mineral Resource estimate is based on the results of 45 vertical RC holes drilled on sections varying from approximately 200 to 400 m apart along the long axis of each mesa, supported by surface sampling to confirm the lateral extent of mineralisation.

Table 6: Duck Creek Mineral Resource estimate — (at a lower cut-off grade of 52% Fe)

Mesa	Classification	Tonnes (Mt)	Fe (%)	Al_2O_3 (%)	SiO_2 (%)	S (%)	P (%)	LOI (%)
1	Inferred	4.5	55.5	2.86	4.75	0.025	0.033	11.71
2	Inferred	7.9	55.56	2.97	4.19	0.058	0.037	11.79
3	Inferred	2.6	55.84	4.41	6.02	0.021	0.065	8.85
4	Inferred	1.5	55.31	3.58	7.42	0.015	0.076	9.12
5	Inferred	3.0	56.08	4.16	6.54	0.020	0.068	8.35
6	Inferred	2.2	58.17	3.22	4.92	0.016	0.106	7.62
All	**Inferred**	**21.6**	**55.91**	**3.35**	**5.15**	**0.034**	**0.053**	**10.35**

Total tonnes may not add due to rounding.

Mineral Resources and Ore Reserves

The information in this report that relates to the Mineral Reserve and Mineral Resource estimates of the Marillana project was declared as part of a market announcement issued on 25 May 2018.

The information in this report that relates to the Mineral Resource of Ophthalmia project was declared as part of a market announcement issued on 1 December 2014.

The information in this report that relates to the Inferred Mineral Resource of West Pilbara Project was declared as part of a market announcement issued on 31 August 2020.

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

Mineral Resources and Ore Reserves Governance Statement

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

Environmental Review

The Company is very clear on the need to earn the respect and support of the community by operating in a socially responsible manner, and by demonstrating a tangible commitment to environmental sustainability. The Company's projects are subject to environmental regulations under statutory legislation in relation to its exploration and evaluation activities. The Company believes that it has adequate systems in place for the management of its requirements under those regulations and is not aware of any breach of such requirements as they apply to the Company.

LIQUIDITY, FINANCIAL RESOURCES, AND GEARING RATIO

At 30 June 2023, the Group had net assets of HK$511,212,000 (2022: HK$590,137,000), and a closing market capitalisation of HK$1,410,595,000 (2022: HK$2,505,662,000). The Group assessed whether any indicators of impairment exist and concluded there were no indicators of impairment present, refer to note 17 of the consolidated financial statements and note 12 of this announcement.

As at 30 June 2023, the Group had HK$16,495,000 in cash and cash equivalents (2022: HK$28,797,000).

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

The current ratio as at 30 June 2023 is 0.28 (2022: 1.83). The gearing ratio of the Group (long-term debt over equity and long-term debt) is measured at 0.101 (2022: 0.08).

During the period, the Group did not engage in the use of any financial instruments for hedging purposes, and there was no hedging instrument outstanding as at 30 June 2023 (2022: Nil).

CAPITAL STRUCTURE

At the end of the reporting period, the Company had 9,280,232,000 (2022: 9,280,232,000) shares on issue.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2023 and 2022, the Group has a Deed of Cross Security for the loans advanced by Polaris to Brockman Iron pursuant to the terms of the Marillana Farm-in Joint Venture Agreement, (refer to note 23 of the consolidated financial statements and note 15 of this announcement) and the right-of-use assets which are subject to lease (refer to note 19 of the consolidated financial statements).

As at 30 June 2023, the Company did not have any material contingent liabilities or financial guarantees (note 29(d) of the consolidated financial statements) (2022: Nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in the consolidated financial statements, there were no other significant investments, held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures and future plans for material investments or capital assets during the year.

RISK DISCLOSURE

MARKET AND FINANCIAL RISKS

The Company has adopted policies and procedures designed to manage and mitigate those risks wherever possible.

The following is a summary of the Company's financial risk management policies, the full details of which are provided in note 5 of the consolidated financial statements. Details of the Group's financial risk exposures are provided as follows:

(a) Commodity price

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

We have not used any commodity derivative instruments or futures for speculation or hedging purposes. Management will review market conditions from time to time and determine the best strategy to deal with the fluctuations of the iron ore price as required.

(b) Liquidity and funding

The Company is exposed to liquidity risk through its financial liabilities and its obligations to make payment on its financial liabilities as and when they fall due. The Company maintains a balance in its approach to funding using debt and or equity raisings.

The commencement of exploration and potential development of the iron ore projects will depend on whether the Group can secure the necessary funding.

(c) Risk that the project will not be materialised

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

(d) Exchange rate

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

(e) Social and political

The Group is exposed to other risks that include, but are not limited to, cyber-attack and natural disasters, that could have varying degrees of impact on the Group. Where available and appropriate to do so, the Board will seek to minimise exposure using insurance, while actively monitoring the Group's ongoing exposure.

(f) Interest rate

Fair value interest rate risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk that the future cash flow from a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to manage its exposure to interest rate risk by holding cash in short term, fixed and variable rate deposits with reputable high credit quality financial institutions. The Company analyses its interest rate exposure and consideration is given to potential renewals of existing positions, alternative financing and/or the mix of fixed or variable interest rates.

(g) Credit

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the consolidated statement of financial position. Credit risk is managed on a group basis and predominantly arises from cash and cash equivalents deposited with banks and financial institutions.

STAFF AND REMUNERATION

As at 30 June 2023, the Group employed 14 full time employees (2022: 15), of which 5 were in Australia (includes 2 non-executive directors) (2022: 5) and 9 in Hong Kong (includes 3 non-executive directors) (2022: 10).

Remuneration Policy

The Group's compensation strategy is to promote a pay-for-performance culture to reward employee performance that will maximise shareholder value in the long term. The Group from time to time reviews remuneration packages provided to its employees to ensure that the total compensation is internally equitable, externally competitive and supports the Group's strategy.

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

We provide training to our employees to improve the skills and professional knowledge they need for our projects and their personal development, including an initial training induction on work safety and environmental protection upon entering the Group, and prior to each exploration activity.

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Environmental, Social and Governance

The Company has a robust, comprehensive system of governance. The Company views this as essential to the ongoing operation of the Company, and balancing the interests of the Company's various stakeholders, including shareholders, suppliers, Governments, and the various communities in which the Company operates.

The Group's performance is reported annually and reviewed by the Board, Audit, and Risk Management Committees. Details are outlined in the Risk Management and Internal Control section in the Corporate Governance Report included in the Company's published 2023 Annual Report.

The Board retains the overall responsibility for the Group's Environmental, Social and Governance management and is committed to operating in a manner that contributes to the sustainable development through efficient, balanced, long-term management, while showing due consideration for the well-being of people; protection of the environment; and the need to work closely with the local communities and stakeholders.

The Group recognises its responsibility for minimising the impact of its activities on, and protecting the environment. The Group is committed to developing and implementing sound practices in environmental design and management and actively operates to:

- Work within the legal permitting framework and operate in accordance with our environmental management systems,

- Identify, monitor, measure, evaluate and minimize our impact on the surrounding environment,

- Give environmental aspects due consideration in all phases of the Group's projects, from exploration through to development, operation, production and final closure, and

- Act systemically to improve the planning, execution and monitoring of its environmental performance.

The Company's 2023 Environmental, Social and Governance Report is available on the Company's website at www.brockmanmining.com.

Compliance with Laws and Regulations

During the year, the Group has complied with the relevant standards, laws and regulations that have a significant impact on our business. At the same time, the Group always maintains a safe working environment for employees in accordance with relevant safety policies.

Relationship with Employees and Suppliers

The Group believes that human resources are the most important asset for the Group's sustainable development. We offer competitive remuneration packages and a high quality working environment for our employees. It is our custom to respect each other and ensure that fairness is applied to everyone. From time to time, we provide relevant on-the-job training to enhance employees' professional knowledge. The Group also organises different leisure events and frequent group discussions for the participation of employees to enhance the working relationship of the employees and communications with management. We also strive to maintain good working relationships with our suppliers.

Health and Safety

Safety is one of the Group's main priorities, and every effort is made to safeguard the health and wellbeing of the Group's employees, together with the people in the communities in which the Group operates. The Group aims to go beyond what is expected to meet local health and safety legislation. The Group's Code of Conduct clearly communicates its commitment towards protecting employee health and safety including conflict resolution and fair dealing.

Future Developments

The Group is principally engaged in the acquisition exploration and development of iron ore projects in the Pilbara region of Western Australia. The Group's objective is to focus on the development of its iron ore projects in Western Australia which are advancing to the construction phase. The Group operates with long-term business strategy to operate responsibly considering the interests of all stakeholders including its employees and contractors. It aims to produce positive financial outcomes through (i) The Group and MinRes continuing to advance the Marillana and Ophthalmia projects (ii) Attention to the Company's Corporate Governance and Social responsibilities, including a focus on ongoing safety and environmental compliance, and ongoing positive interaction with the communities within which it operates.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is listed on both the Australian Securities Exchange ("ASX") and the Stock Exchange of Hong Kong Limited ("SEHK"). Unless otherwise noted, the Company has compiled with all aspects of the Corporate Governance Code ("Code") as set out in Part 2 of Appendix 14 of the Rules Governing the Listing of Securities on the SEHK ("the SEHK Listing Rules") and the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations 4th Edition ("the CGPR 4th Edition"), ("the ASX Principles" "the ASX Listing Rules") during the entire year ended 30 June 2023. The Board will review the current practices at least annually and make appropriate changes if considered necessary.

The exception to this is as follows:

(i) Appendix 14 Code Provision C.2.1 of the HK Listing Rules, states that the roles of Chairman and chief executive should be separate and should not be performed by the same individual. The position of Chief Executive Officer at the Group level has been vacant during the year. Nonetheless, Mr. Colin Paterson, who serves as the Chief Executive Officer of Brockman Mining Australia Pty Ltd (a wholly-owned subsidiary of the Company), is responsible for the oversight of the core iron ore business operation.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted a Securities Trading Policy which applies, inter alia, to all directors. The Securities Trading Policy complies with the ASX Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the SEHK Listing Rules. All directors have confirmed, following a specific inquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 30 June 2023.

The Company has adopted the same Securities Trading Policy to Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of inside information in relation to the Company or its securities. The Securities Trading Policy complies with ASX Listing Principles and the Model Code for security transactions as set out in Appendix 10 of the SEHK Listing Rules.

A copy of the Company's Securities Trading Policy is available on the website of the Company.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Audit Committee consists of three independent non-executive directors. The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2023, including the accounting principles and practices adopted by the Group.

The figures in respect of the Group's consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cashflows, and the related notes thereto for the year ended 30 June 2023 as set out in this announcement have been agreed by the Company's Auditors Ernst and Young, to the amounts set out in the Group's consolidated financial statements.

AUDIT OPINION

The auditor of the Group will issue an opinion with an emphasis of matter on going concern on the consolidated financial statements of the Group for the year under audit. An extract of the auditor's report is set out in the section headed "EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT" below.

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT

Material uncertainty related to going concern

We draw attention to Note 2(a) in the consolidated financial statements and this announcement (pages 4 and 5), which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement and the annual report for the year ended 30 June 2023 are published on the website of SEHK (www.hkexnews.hk), ASX (www.asx.com.au), and on the website of the Company (www.brockmanmining.com)/(www.irasia.com/listco/hk/brockmanmining).

APPRECIATION

The Board wishes to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group. We also thank our shareholders, and suppliers for their continuous support.

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

Hong Kong, 19 September 2023

As at the date of this announcement, the Board comprises Mr. Kwai Sze Hoi (Chairman) and Mr. Ross Stewart Norgard as non-executive Directors; Mr. Chan Kam Kwan, Jason (Company Secretary), Mr. Kwai Kwun, Lawrence and Mr. Colin Paterson as executive Directors; Mr. Yap Fat Suan, Henry, Mr. Choi Yue Chun, Eugene and Mr. David Rolf Welch as independent non-executive Directors.