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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)

**(1) AMENDMENTS TO THE FARM-IN AND JOINT VENTURE AGREEMENT
AND
(2) AMENDMENT TO THE MINE TO SHIP SERVICES AGREEMENT**

Reference is made to the circular of the Company dated 19 December 2018 (“Circular”) and Company announcement dated 21 January 2019. Capitalized terms used herein shall have the same meaning as defined in the Circular.

The Farm-in and Joint Venture (FJV) Agreement entered into by Brockman Iron (a wholly-owned subsidiary of the Company) and Polaris (a wholly-owned subsidiary of Mineral Resources Limited (MRL)) on 26 July 2018 in relation to the Marillana Project became unconditional on 21 January 2019. On that date, the Farm-in Period commenced and upon Polaris satisfying the Farm-in Obligations on or before expiry of the Farm-in Period, the Joint Venture shall be established and the Farm-in Interest will be transferred to Polaris.

As of today’s date, both Brockman Iron and Polaris have agreed that the Farm-in Obligations may take up to a further 12 months to complete (31 July 2020) and therefore the parties have agreed to extend certain key dates under the FJV. Those dates are:

1. Construction commencement of the Rail and Port System is to be extended from ‘on or before 31 December 2019’ to ‘on or before 31 December 2020’; and
2. Operation commencement of the Rail and Port System is to be extended from ‘on or before 31 December 2021’ to ‘on or before 31 December 2022’.

Despite the extension of the construction commencement date and operation commencement date of the Rail and Port System, Brockman Iron maintain its right that it may (within 30 days) give notice to Polaris to acquire the whole of Polaris’ JV Interest either with an immediate acquisition or a delayed acquisition (the Buy-Out) if either of the revised extended target dates pertaining to the Rail and Port System have not been met.

Consequently the Mine to Ship Services Agreement (MSA) that was entered by Brockman Iron, Polaris, MRL and SPV (a wholly-owned subsidiary of MRL) on 21 January 2019 has to be amended also. The parties have therefore agreed that:

- The satisfaction of the Conditions Precedent for the MSA are now extended from 31 December 2019 to 31 December 2020;

AMENDMENTS RATIONALES

Farm-In Period

Polaris has decided to ensure no fatal flow on mine design and metallurgy to support a 20Mtpa, up to 30Mtpa, operation, they need to do a drilling and metallurgical testing campaign. Such campaign will cost around AUD2 million, and this spending will be on top of Polaris' A\$250,000 spending commitment during the Farm-In Period. Such campaign is expected to last between 6 to 12 months.

Rail and Port System development

The design, third party verification and testing works for the intended Rail and Port System under the FJV and MSA, namely Bulk Ore Shuttle System or BOSS, is progressing and the timetable is being adjusted to reflect modifications in the design and an extended testing period to ensure a workable system with sufficient capacity.

Concurrently, MRL continues its work and negotiation on the State Agreement with the Western Australia government and port lease agreement with the PPA. The agreements are expected to be ready and operational by 31 December 2020, the revised construction commencement date of the Rail and Port System.

Consequently, due to the above date extensions it is now expected that the production of the Marillana Project will commence by end of calendar year 2022.

DEFINITIONS

“ASX”	ASX Limited (trading as the Australian Securities Exchange)
“AUD”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors

“Brockman Iron”	Brockman Iron Pty Ltd, a wholly-owned subsidiary of the Company
“Buy-Out”	Brockman Iron’s acquisition of Polaris’ JV Interest in the event the certain timeline in relation to the Rail and Port System is not met pursuant to the FJV Agreement
“Company”	Brockman Mining Limited, the shares of which are listed on the Stock Exchange and ASX
“Directors”	the directors of the Company
“Farm-in Interest”	a 50% undivided registered legal interest in the Tenements
“Farm-in Obligations”	the obligations under which Polaris is required to satisfy in order to earn a 50% interest in the Marillana Project under the FJV Agreement
“Farm-in Period”	the period commencing on the Unconditional Date and ending on the date that is the later of the date that Polaris satisfies the Farm-in Obligations and the date that is six months after the Unconditional Date
“FJV Agreement”	the farm-in and joint venture agreement dated 26 July 2018 entered into between Brockman Iron and Polaris in relation to the Transaction
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Joint Venture”	the unincorporated joint venture to be established between Brockman Iron and Polaris pursuant to the terms of the FJV Agreement
“JV Interest(s)”	the rights, liabilities and obligations under the FJV Agreement in relation to the Joint Venture
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marillana Project”	The iron ore project of the Company located in the Hamersley Iron Province within the Pilbara region of Western Australia
“MRL”	Mineral Resources Limited, the shares of which are listed on ASX
“Mtpa”	metric tonnes per annum
“Polaris”	Polaris Metals Pty Ltd, a wholly-owned subsidiary of MRL

“PPA”	Pilbara Ports Authority, being a corporation owned by the State of Western Australia
“Rail and Port System”	a bulk ore rail and port system to enable Product from the Marillana Project to be transported to Port Hedland
“State Agreement”	a legal contract between the Western Australian Government and a proponent of a major project within the boundaries of Western Australia setting out the rights, obligations, terms and conditions for the development of the specific project
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unconditional Date”	the date on which notification has been given as to satisfaction or waiver of all the conditions precedent of the FJV Agreement which shall be given within 3 Business Days after becoming aware of such satisfaction
“Utah Point”	an operational multi-user bulk-handling facility located in Port Hedland, Western Australia, and owned by the PPA

By order of the Board
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Hong Kong, 19 July 2018

As at the date of this announcement, the Board comprises Mr. Kwai Sze Hoi (Chairman), Mr. Liu Zhengui (Vice Chairman) and Mr. Ross Stewart Norgard as non-executive directors; Mr. Chan Kam Kwan, Jason (Company Secretary), Mr. Kwai Kwun, Lawrence and Mr. Colin Paterson as executive directors; and Mr. Yap Fat Suan, Henry, Mr. Uwe Henke Von Parpart and Mr. Choi Yue Chun, Eugene as independent non-executive directors.