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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)

MARILLANA UPDATE

Brockman Mining Limited (“Brockman” or “the Company”) wishes to provide an update on the current status of the Marillana development in conjunction with the FJV Agreement with Polaris Metals Pty Ltd. (“Polaris”), a wholly-owned subsidiary of Mineral Resources Limited (“MRL”).

Marillana Project Update

A drilling and metallurgical testing campaign by Polaris has been completed satisfactorily. Polaris also completed its technical and cost report on the Marillana Project. The outcome of both these undertakings has resulted in Polaris providing the Company with an Indicative Development Proposal, which includes the following:

1. A more optimized mine plan and improved yield on the ore processing for production of low impurities 60.5% Fe product over more than 25 years mine life.
2. A proposed logistics system to transport the ore from the mine to the port stockyard at Port Hedland. This logistics system is to be constructed and operated by MRL (or a subsidiary) for the Marillana Project.
3. Construction of a berth at a dedicated location in Port Hedland subject to the approval from the State Government of Western Australia (the “Government”).
4. A current market based estimate for project capital and operating costs, including the logistics services cost for transporting the ore from mine to ship.

The Company has in principle accepted the Indicative Development Proposal pending the formal submission of a Final Investment Decision (“FID”) proposal from MRL. MRL intends to submit such FID proposal once it has received the Government commitment for the intended berth allocation.

* *For identification purposes only*

Farm-in and Joint Venture Agreement

With the Indicative Development Proposal agreed in principle, both Brockman Iron and Polaris have agreed to proceed with the following:

1. Upon the receipt of FID submitted by Polaris, the Company will independently review and decide on the FID for the Marillana Project.
2. If both Brockman Iron and Polaris make a positive FID and a port agreement is in place:
 - a. The Farm-in Obligations will be deemed to have been satisfied.
 - b. The Joint Venture will be established.
 - c. The FJV Agreement parties will make amendments to the FJV Agreement to reflect the final agreed transportation arrangements from the mine to the port and the removal of the requirement for MRL to construct a bulk ore rail system and to have commenced construction and operation of the rail system by certain sunset dates.
3. Following the establishment of the Joint Venture, MRL (or its related party) agrees to provide the Joint Venturers with funding by way of a project loan sufficient to allow the Joint Venturers to fund the forecast project capital costs.
4. Under the FJV Agreement, the sunset date for commencing construction of the proposed transportation and port systems is extended to 31 December 2021 and the sunset date for commencing operations is extended to 31 December 2023.
5. Under the current Mine to Ship Services Agreement, the date for satisfaction of the various conditions precedent has also been extended until 31 December 2021.

The Company will make further announcement once the FID is made, which is expected to be around mid-2021.

DEFINITIONS

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| “ASX” | ASX Limited (trading as the Australian Securities Exchange) |
| “Board” | the board of Directors |
| “Brockman Iron” | Brockman Iron Pty Ltd, a wholly-owned subsidiary of the Company |
| “Company” | Brockman Mining Limited, the shares of which are listed on the Stock Exchange and ASX |

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| “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 |
| “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, which has been further varied on 19 July 2019, 14 November 2019, and 27 November 2020 |
| “Joint Venture” | the unincorporated joint venture to be established between Brockman Iron and Polaris pursuant to the terms of the FJV Agreement |
| “Joint Venturer” | a party which holds a JV Interest, which as at the date of the FJV Agreement means each of Brockman Iron and Polaris |
| “JV Interest(s)” | the rights, liabilities and obligations under the FJV Agreement in relation to the Joint Venture |
| “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 |
| “Polaris” | Polaris Metals Pty Ltd, a wholly-owned subsidiary of MRL |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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

Hong Kong, 11 January 2021

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. David Rolf Welch and Mr. Choi Yue Chun, Eugene as independent non-executive directors.