BROCKMAN
布萊克萬礦業有限公司
BROCKMAN MINING LIMITED

ANNUAL REPORT 2023

Incorporated in Bermuda with limited liability
HKEx Stock Code: 159 | ASX Stock Code: BCK

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Directors

Kwai Sze Hoi *(Chairman)*
Ross Stewart Norgard

Executive Directors

Chan Kam Kwan, Jason
Kwai Kwun, Lawrence
Colin Paterson

Independent non-executive Directors

Yap Fat Suan, Henry
Choi Yue Chun, Eugene
David Rolf Welch

COMPANY SECRETARY

Chan Kam Kwan, Jason

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Australia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Admiralty
Hong Kong

AUDITOR

Ernst and Young
Chartered Accountants
11 Mounts Bay Road
Perth WA 6000
Australia

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN AUSTRALIA

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000

PRINCIPAL BANKER

Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Bank of Communications
Westpac Banking Corporation

WEBSITE

www.brockmanmining.com
www.irasia.com/listco/hk/brockmanmining

STOCK CODE

159
Main Board of The Stock Exchange of
Hong Kong Limited

BCK
Australian Securities Exchange

CHAIRMAN'S MESSAGE

Dear Shareholders,

During the year, the Company continued to move steadily towards the goal of achieving iron ore production at the Marillana Project ("Marillana"). The joint venture between Mineral Resources Limited ("MinRes") and Hancock Prospecting Pty Ltd ("Hancock") has continued to progress towards an investment decision whereby, the parties will jointly invest in the development and construction of the Stanley Point Berth-3 at South West Creek, Port Hedland, and the rail and port infrastructure. The final hurdle before achieving iron ore production at Marillana is to obtain the consent of the other land holders and native title owners in the infrastructure corridor. This will finally unlock the logistics and transportation bottleneck that has been delaying the development of Marillana and will allow the Company to move to realising the significant value.

Concurrently, Brockman and MinRes, through their joint venture management committee and project manager, are completing all necessary works at Marillana to ensure that the project will be completed as planned and scheduled. These works have resulted in a simplified process plant design and improved expected outcomes for the project.

At last, I would like to thank our Brockman family for their continued efforts and hard work, and fellow shareholders for their unwavering trust and support of the Company. Such work ethic and support have proven to be pivotal for the Company's success.

Kwai Sze Hoi
Chairman

19 September 2023

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).

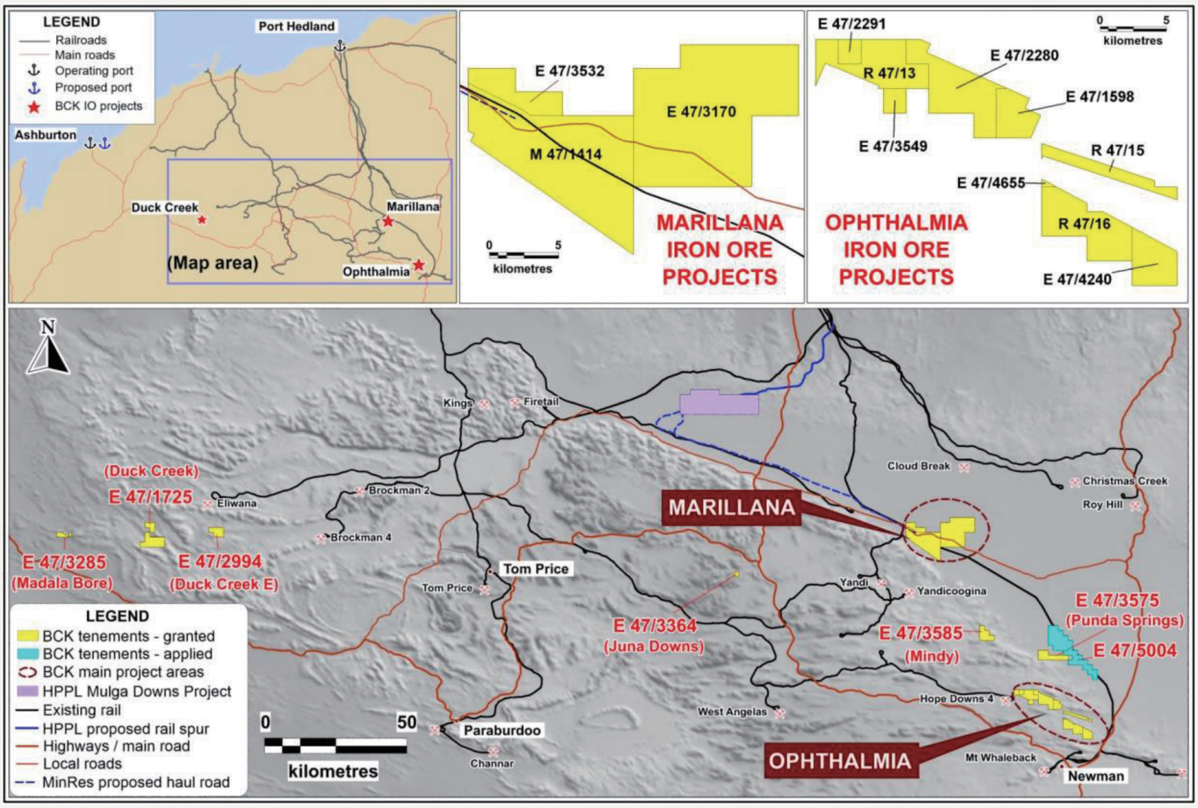
(2) Includes HK$0.8 million of Joint Operation expenditure (2022: HK$1.0 million).

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 **HK$'000**		2022 HK$'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

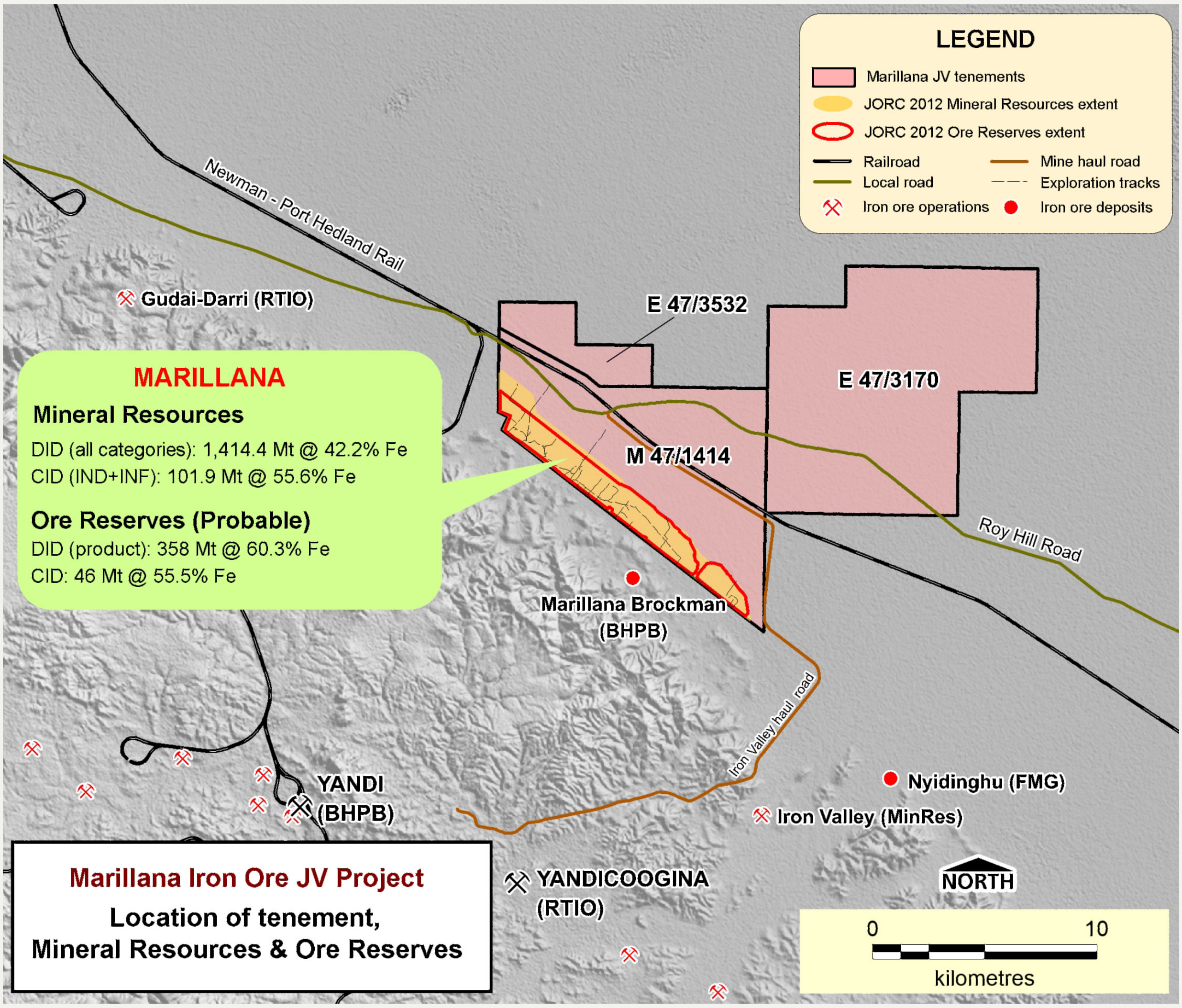


MARILLIANA PROJECT OVERVIEW

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 (%)	Al_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% Al_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.

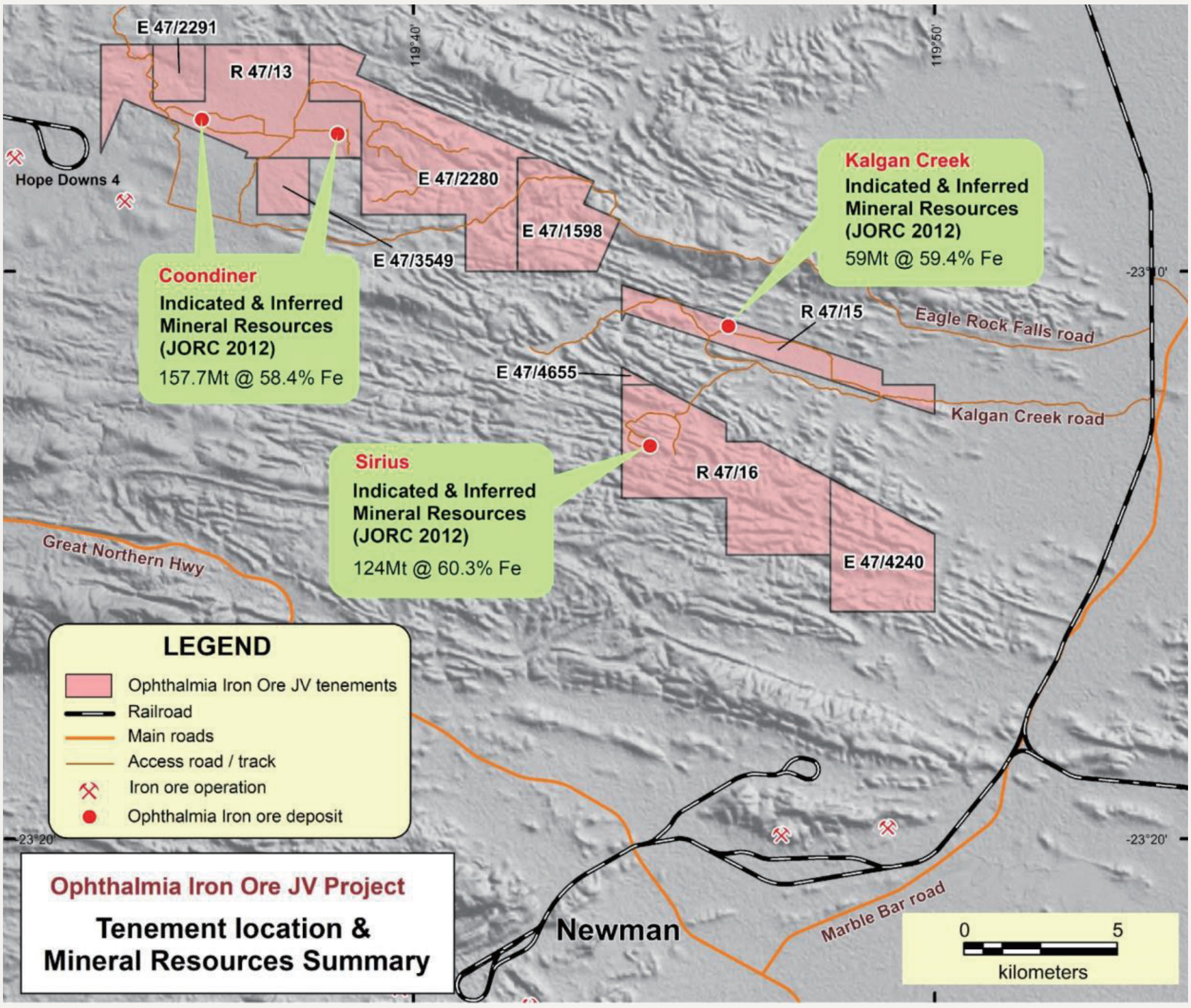
Marillana represents one of the largest published hematite Ore Reserve positions in the Pilbara, outside the three major producers (BHP, Rio and FMG). The Detrital Ore is upgraded to a high-quality, sinter feed product via simple beneficiation, which is supported by low-cost mining, low waste ratios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



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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 (Pallas and Castor)	Indicated	140.5	58.5	62.0	5.18	4.46	0.007	0.176	5.71
	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 Project	Indicated	280.4	59.3	62.7	4.43	4.29	0.007	0.178	5.50
	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.

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 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 (2022: 5) and 9 in Hong Kong (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.

DIRECTORS AND MANAGEMENT

As at the date of this report, the Company has the following directors and senior management:

NON-EXECUTIVE DIRECTORS

Mr. Kwai Sze Hoi

Mr. Kwai Sze Hoi, aged 73, joined in June 2012. He is the Chairman of the Group. Mr. Kwai graduated from Anhui University in 1975. Mr. Kwai has more than 40 years' experience in international shipping and port operation businesses and is a successful entrepreneur. In 1990, he founded Ocean Line Holdings Ltd ("Ocean Line"). Ocean Line wholly-owns, operates and manages a fleet of total deadweight tonnage of more than 4 million metric tonnes, with routes running worldwide. Ocean Line also has investments in infrastructure and operates other shipping related businesses including ports, terminals, warehouses, logistics, and crew manning etc. The diversified operations of Ocean Line put it in a highly competitive position globally. In addition, Ocean Line has investments in mining, real estate, financial services, securities, trading and hotel businesses. Mr. Kwai is also the chairman and an executive director of Ocean Line Port Development Limited (Stock code: 8502), which is listed on the GEM of the Hong Kong Stock Exchange Limited (the "SEHK"). Mr Kwai is the father of Mr. Kwai Kwun, Lawrence, an Executive Director of the Company.

Mr. Ross Stewart Norgard

Mr. Ross Stewart Norgard, aged 77, joined in August 2012. He is a chartered accountant and former managing director of KMG Hungerfords and its successor firms in Perth, Western Australia. For the past 30 years he has worked extensively in the fields of raising venture capital and the financial specializing of businesses. He has held numerous positions on industry committees including past chairman of the West Australian Professional Standards Committee of the Institute of Chartered Accountants, a former member of the National Disciplinary Committee, a former member of Lionel Bowens National Corporations Law Reform Committee, a former chairman of the Duke of Edinburgh Award Scheme and a former member of the University of Western Australia's Graduate School of Management (MBA programme). Mr. Norgard was a director of Nearmap Limited (formerly known as Ipernica Limited from 1987 to 2022 and was a director of Ammtec Limited from 1994 to November 2010. Prior to his present appointment as Non-executive Director of the Company, he was the non-executive Deputy Chairman of Brockman Resources Limited, a former Australian Securities Exchange ("ASX") listed entity which is now a wholly-owned subsidiary of Brockman Mining Limited.

EXECUTIVE DIRECTORS

Mr. Kwai Kwun, Lawrence

Mr. Kwai Kwun, Lawrence, aged 42, joined in March 2014. He is a member of the Executive Committee. He has extensive experience in investment in international shipping, port operations and ship building, mining and finance. Mr Kwai graduated from Harvard University in the United States with a Bachelor of Mathematics degree. Mr Kwai is the son of Mr. Kwai Sze Hoi, the Chairman of the Company.

Mr Chan Kam Kwan, Jason

Mr. Chan Kam Kwan, Jason, aged 50, joined in January 2008. He is the Company Secretary and a member of the Executive Committee. Mr. Chan graduated from the University of British Columbia in Canada with a Bachelor of Commerce Degree and he holds a certificate as a Certified Public Accountant issued by the Washington State Board of Accountancy in the United States of America. Mr. Chan has extensive experience in corporate finance. Mr Chan is also an independent non-executive director of Canvest Environmental Protection Group Company Limited (Stock Code: 1381) which is listed on the Main Board of SEHK.

Mr. Colin Paterson

Chief Executive Officer of Australian Operations

Mr. Colin Paterson, aged 62, has over 30 years' experience in the resources sector covering a diverse range of geological environments throughout Australia, but principally in the Pilbara iron ore region as well as gold and nickel exploration in the Archaean of Western Australia. He has extensive experience in the technical supervision of exploration projects; resource development, project generation and project evaluations. He was principal geologist with Asarco Australia Ltd and held a similar position with Mining Project Investors Pty Ltd (subsequently MPI Mines Limited). Following which he was the founding director of Brockman Mining Australia Pty Ltd.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yap Fat Suan, Henry

Mr. Yap Fat Suan, Henry, aged 77, joined in January 2014. He holds a master's degree in Business Administration from the University of Strathclyde, Glasgow, in the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in finance and accounting. Mr Yap retired as managing director of Johnson Matthey Hong Kong Limited in June 2017 and prior to that he was the general manager of Sun Hung Kai China Development Limited. He is also an independent non-executive director of Concord New Energy Group Limited (Stock code: 182) and Frontier Services Group Limited (Stock code: 500), which are listed on the Main Board of the SEHK.

Mr. Choi Yue Chun, Eugene

Mr. Choi Yue Chun, Eugene, aged 51, joined in June 2014. He holds a Bachelor of Laws degree from the University of Hong Kong, and was admitted as a solicitor of the High Court of Hong Kong 1997. Currently Mr. Choi is a member of the Law Society of Hong Kong. He has over 20 years of experience in the legal field, specializing in corporate finance and compliance matters for listed companies in Hong Kong. Mr Choi is currently the senior legal counsel of Rural Global Management B.V.

Mr. David Rolf Welch

Mr. David Rolf Welch, aged 57, joined in October 2019. He holds a Bachelor of Commerce degree from the University of Western Australia. Mr Welch has held senior executive positions within ASX listed Aurizon Holdings Limited from 2007 to 2017. These positions included Vice President Iron Ore, Vice President Market Development and Executive Vice President Strategy and Business Development. He has experience in strategy, business transformation and performance, mergers and acquisitions and business development. Mr Welch was previously the managing director of The Millennium Group from 1998 to 2006 and was a marketing manager of CSBP Limited (part of the Wesfarmers conglomerate) from 1989 to 1994 in the development of mining reagent and agriculture products. Mr. Welch is also a non-executive director of VRX Silica Limited (Stock code: VRX) which is listed on the ASX.

SENIOR MANAGEMENT HONG KONG

Mr. Hendrianto Tee

Business Development Director

Mr. Hendrianto Tee, aged 56, joined in January 2009 as the Chief Investment Officer after spending a large part of his career focusing on debt capital markets with several global financial institutions, among others Fleet Boston (now Bank of America Merrill Lynch) and UBS AG. In October 2014, Mr. Tee re-joined Brockman Mining Limited as the Business Development Director overseeing project funding and development. Prior to re-joining, Mr. Tee spent 3 years in investment and advisory activities covering the resources sector in Australia, Canada and Indonesia. Mr. Tee graduated from Walsh University, USA, with a Bachelor of Arts Degree (Magna Cum Laude).

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining a high standard of Corporate Governance within a framework with an emphasis on the principles of transparency, accountability and independence. The Board of Directors of the Company (the "Board") believe that good corporate governance is essential to the success of the Company and to the enhancement of shareholder value.

CORPORATE GOVERNANCE CODE

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 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.

THE BOARD

The Board is responsible to shareholders for the overall strategic direction of the Group, including establishing goals for management and monitoring the achievement of those goals with the objective of enhancing the Company and shareholders' value. The Board has delegated responsibility for the day-to-day management of the Company's business and affairs to the Executive Committee. The responsibilities reserved for the Board of Directors are set out in the Board Charter, a copy of which is available on the website of the Company. The Board Charter is reviewed periodically to ensure it is consistent with the existing rules and regulations.

BOARD PROCESS

Board membership

The Board has been structured for an effective composition, with a balance of skills, experience and commitment to adequately discharge its responsibilities and duties. During the year ended 30 June 2023, three of the eight directors were independent. Whilst this is not a majority of Independent non-executive directors, it is believed to be a suitable balance between the composition of executive and non-executive directors with a wide range of expertise and experience. Their active participation in the Board and Committee meetings brought independent judgement on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders of the Company. Each of the independent non-executive directors has made an annual confirmation stating compliance with the independence criteria set out in Rule 3.13 of the SEHK Listing Rules and Principle 2.4 of the ASX Principles. At least one of the independent non-executive directors has the appropriate professional qualification or accounting or related financial management expertise under Rule 3.10 of the HK Listing Rules and Principle 2.3 of the ASX Principles. The directors consider all of the independent non-executive directors to be independent under the independence criteria and all are capable of effectively exercising independent judgment.

Board meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and review and approve the Group's annual and interim results and other ad-hoc matters. The Bye-Laws of the Company allow Board meetings to be conducted by way of telephone or video-conference. Any resolution can be passed by way of written resolution circulated to and signed by all directors from time to time when necessary except for matters in which a substantial shareholder or a director or their respective associates has a conflict of interest. The Board held six meetings during the year ended 30 June 2023.

Regular board meetings each year are scheduled in advance to facilitate maximum attendance of directors. The Company normally provides a reasonable notice period (at least 14 days' notice) for every Board meeting to all the directors to give them an opportunity to attend. If such notice is not possible, permission to waive is obtained from the directors.

Every director is entitled to have access to board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each director also have separate and independent access to the Company's management. Directors will continuously be updated on major developments in the Listing Rules of SEHK and ASX and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, as part of the mechanism to encourage independent views and input from directors, a written procedure has been established and reviewed annually to enable directors, in discharge of their duties, to seek external independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

According to current board practice, if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board and the Board has determined the matter to be material, the matter will be dealt with by the Board at the duly convened Board meeting and Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at the Board meeting. The Bye-Laws of the Company also stipulate that save for the exceptions as provided therein, a director shall abstain from voting on any Board resolution and not be counted in the quorum at meetings for approving any contract or arrangement in which such director or any of his close associates has a material interest.

The Board has established different committees with members as at 30 June 2023 is as follows:

	Nomination Committee	Audit Committee	Remuneration & Performance Committee	Health, Safety, Environment & Sustainability Committee	Risk Management Committee	Executive Committee
Non-Executive Directors						
Kwai Sze Hoi *(Chairman)*	Member		Member			
Ross Stewart Norgard				Member	Member	
Executive Director						
Chan Kam Kwan Jason *(Company Secretary)*						Member
Kwai Kwun Lawrence						Member
Colin Paterson					Chairman	Member
Independent Non-Executive Directors						
Yap Fat Suan Henry	Chairman	Chairman	Chairman	Member		
Choi Yue Chun Eugene	Member	Member	Member	Chairman	Member	
David Rolf Welch	Member	Member	Member			

Directors in office during the year and up to the date of this report, unless otherwise indicated, were as follows:

	Name of Director/role	Date of appointment	Period in office as at the date of Annual Report (Years of service)	Board Meetings attended/Eligible to attend*	General Meetings attended/Eligible to attend*
Non-Executive Directors	Kwai Sze Hoi, *Chairman*	15 June 2012	11	4/5	1/1
	Liu Zhengui, *(retired 13 December 2022)*	27 April 2012	10	0/1	0/1
	Ross Stewart Norgard	22 August 2012	11	5/5	1/1
Independent Non-Executive Directors	David Rolf Welch	15 October 2019	4	5/5	1/1
	Yap Fat Suan, Henry	8 January 2014	9	5/5	1/1
	Choi Yue Chun, Eugene	12 June 2014	9	5/5	1/1
Executive Directors	Chan Kam Kwan, Jason, *Company Secretary*	2 January 2008	15	5/5	1/1
	Kwai Kwun Lawrence	13 March 2014	9	4/5	1/1
	Colin Paterson	25 February 2015	8	5/5	1/1

* Represents total number of Board and general meetings held during the year. Determination of eligibility has taken into account the respective Directors' period in office. A total of six meetings were held during the year ended 30 June 2023.

The brief biographical details of the Directors are stated under the section "Directors and Management". The Chairman, Mr, Kwai Sze Hoi is the father of Mr. Kwai Kwan, Lawrence, an executive director of the Company. Also, the Chairman, is a substantial shareholder of the Company, with shares held partially with Ocean Line Holdings Ltd., a company held 60% by Mr Kwai Sze Hoi and 40% Ms Cheung Wai Fung (Mr. Kwai's spouse). Save as disclosed above, there are no other financial, business, family or other material or relevant relationships among members of the Board.

BOARD SKILLS MATRIX

The following table summarises the combination of skills and experience of the Board:

Experience, skills & attributes	Board	Nomination	Audit	Remuneration & performance	Sustainability	Risk	Executive
Total Non-Executive Directors	2	1	—	1	1	1	—
Total Executive Directors	3	—	—	—	—	1	3
Total Independent Non-Executive Directors	3	3	3	3	2	1	—
Experience							
Corporate leadership							
Successful experience in CEO and/or other senior corporate leadership	8	4	3	4	3	3	3
International experience							
Senior experience in multiple international locations	3	1	—	1	—	—	—
Resources industry experience							
Relevant industry (resources, mining, exploration) experience	5	2	1	2	1	2	2
Other Board level listed experience							
Membership of other listed entities (last 3 yrs)	6	3	2	3	2	2	2
Knowledge and skills							
Finance and capital management	6	3	3	3	3	2	2
Governance							
Risk and Compliance	2	1	1	1	1	1	1
Gender							
Male	8	4	3	4	3	3	3
Female	—	—	—	—	—	—	—

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of the 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, an executive director of the Company, also serves as the Chief Executive Officer of Brockman Mining Australia Pty Ltd (a wholly-owned subsidiary of the Company), and is responsible for the oversight of the core iron ore business operations.

Mr. Kwai Sze Hoi, the Chairman of the Board is primary responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner, (ii) all directors are properly briefed on issues arising at Board meetings; and (iii) the directors receive accurate, timely and clear information.

The Chairman has interests in the shares of the Company, and is not independent as he is a substantial shareholder of the Company. The Board has determined that his commercial experience is more beneficial to shareholders at this stage of the Company's development than the independence requirement outlined in the ASX Principles and the SEHK Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The terms of reference of the Nomination Committee include the nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

Every newly appointed director will receive an induction package from the Company Secretary on their initial appointment. The induction package is a comprehensive, formal and tailored induction on the responsibility and on-going obligations to be observed by a director pursuant to the Australian Corporations Act 2001, Hong Kong Companies Ordinance, the Listing Rules and Securities and Futures Ordinance. In addition, this induction package includes materials briefly describing the business of the Company, the latest published financial reports of the Company and documentation for the corporate governance practices adopted by the Board. Directors will be continuously updated on any major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeeping of good corporate governance.

In accordance with the Bye-Laws of the Company and to comply with relevant SEHK and ASX Listing Rules, every director should be subject to retirement by rotation at least once every three years. Non-executive directors are appointed for a fixed term of 3 years. All directors appointed to fill a casual vacancy should be subject to re-election by shareholders at the first annual general meeting ("AGM") after their appointment and not less than one-third of the directors should be subject to retirement and re-election every year. Upon appointment, each director and executive has a written agreement outlining the terms of their appointment.

No directors' service contract contains a provision requiring greater than one year's notice or requires compensation greater than one year's emoluments.

In considering the appointment or re-appointment of directors, in addition to the diversity criteria set out in the paragraphs "Board Diversity Policy", the Board, with the assistance and recommendation from the Nomination Committee, will also take into account a number of factors, including, but not limited to, the structure, size and composition of the Board, the candidate's qualifications and their ability to devote sufficient time as and when required to discharge their responsibilities as a director and to make a positive contribution to the development of the Company's strategy, policies and performance.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

For continuous professional development, in addition to directors' attendance at meetings and review of papers and circulars sent by the management of the Company, directors participated in the activities including the following:

Participation in Continuous Professional Development Activities

	Reading relevant material relating to the latest development of the Listing Rules, other applicable regulatory requirements and directors duties and responsibilities	Attending training sessions including but not limited to, briefing, seminars, conference forums and workshops
Non-Executive Directors		
Kwai Sze Hoi *(Chairman)*	✓	✓
Ross Stewart Norgard	✓	✓
Executive Directors		
Chan Kam Kwan Jason *(Company Secretary)*	✓	✓
Kwai Kwun Lawrence	✓	✓
Colin Paterson	✓	✓
Independent Non-Executive Directors		
Yap Fat Suan Henry	✓	✓
Choi Yue Chun Eugene	✓	✓
David Rolf Welch	✓	✓

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted the written terms of reference on its corporate governance functions. The duties of the Board in respect of the corporate governance functions include:

(i) developing and reviewing the Company's policies and practices on corporate governance;

(ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) developing, reviewing and monitoring the Code of Conduct applicable to employees and Directors; and

(v) reviewing the Company's compliance with the Code, CGPR 4th Edition and disclosure in the Corporate Governance Report.

During the year ended 30 June 2023 and up to the date of this report, the Board has performed these Corporate Governance duties in accordance with its terms of reference of the Board Charter.

COMPANY SECRETARY

The Company Secretary is responsible and accountable directly to the Board and for ensuring that Board procedures are followed and that the activities of the Board are carried out efficiently and effectively. The Company Secretary assists the Chairman to prepare agendas and Board papers for meetings and disseminates such documents to the directors and Board committees in a timely manner. The Company Secretary is also directly responsible for the Group's compliance with the continuing obligations of the Listing Rules and The Code on Takeovers and Mergers and Share Repurchases, and, including publication and dissemination of Company information.

Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at a reasonable time on reasonable notice by any director.

During the year, Mr Chan Kam Kwan Jason, the Company Secretary of the Company, has undertaken no less than 15 hours of professional training to update his skills and knowledge and hence has complied with the relevant training requirement under rule 3.29 of the Listing Rules and 2.6 of the ASX Principles during the year ended 30 June 2023.

Language of meetings

All key corporate and shareholder documents are prepared in both English and Chinese. All Board meetings are conducted in English and all directors are capable of communicating in English and are able to contribute to discussions and can discharge their obligations accordingly. Shareholder meetings are conducted bi-lingually, in English and Chinese.

BOARD COMMITTEES

The Board has established various committees, including a Nomination Committee, Remuneration and Performance Committee, Audit Committee, Risk Management Committee and a Health, Safety, Environment and Sustainability Committee in accordance with the Listing Rules and ASX Principles, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and committees are required to report back to the Board on their decisions and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section "Board Meetings" of this report, have been adopted for the committee meetings as far as practicable.

NOMINATION COMMITTEE

The Board has a Nomination Committee which carries out its duties in accordance with the Terms of Reference and Nomination Policy, a copy of which is located on the Company's website. The Committee's primary functions are:

- To identify suitable candidates for nomination to the Board, Board Committees and senior management;
- Succession planning for the Board and senior management;
- The appointment and re-election of directors; and
- Ensuring appropriate skills are available to the Board to discharge its duties and add value to the Company.

- Is provided with sufficient resources to discharge its duties and has access to independent professional advice at the cost of the Company according to the Company's policy if considered necessary.

The Committee consists of a majority of independent Directors and was comprised of the following members during the year ended 30 June 2023:

Name of member	Meetings attended/ eligible to attend (*)
Independent Non-Executive Directors	
Yap Fat Suan Henry - *Chairman*	1/1
Choi Yue Chun, Eugene	1/1
David Rolf Welch	1/1
Non-Executive Directors	
Kwai Sze Hoi	1/1

(*) Represents the total number of meetings held during the year ended 30 June 2023.

NOMINATION POLICY

The Company has adopted a nomination policy which sets out the nomination procedures and the criteria for nomination of directors or executives. The objectives of the nomination policy is to ensure changes to the Board composition can be managed without undue disruption, that a formal, considered and transparent procedure is in place for the selection, appointment and reappointment of directors, as well as plans are in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new director or any re-appointment of directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee. To ensure that the existing policy continues to be implemented in practice, the Company shall undertake regular reviews and reassess this policy having regard to the regulatory requirement, good corporate governance practice and the expectations of shareholders and other stakeholders of the Company.

A balanced composition of executive and non-executive directors (including independent non-executive directors) shall be included in the Board so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

NOMINATION PROCEDURES

Subject to the provisions in the Company's Bye-laws, if the Board recognises the need for an additional director or executive:

(a) The Board determines the required skilled set, relevant expertise and experience, having regard to the current Board composition and size and shareholder structure of the Company;

(b) The Committee and/or Board identifies potential candidates, possibly with assistance from external agencies and/or advisors;

(c) The Company Secretary provides the Board with the biographical details and details of the relationship between the candidate and the company and/or Directors, directorships held, skills and experience, other positions which involve a significant time commitment and any other particulars required by law for any candidate for appointment to the Board;

(d) The Board develops a short list of candidates;

(e) In the case of the appointment of an additional independent non-executive Director, the Board obtains all information in relation to the proposed Director to allow the Board to adequately address the independence of the Director;

(f) The Board agrees on a preferred candidate;

(g) The Chairman of the Board approaches the preferred candidate to canvass interest, availability and terms of appointment; and

(h) The Chairman of the Committee, Chairman of the Board and the Company Secretary finalise a letter of appointment for Board approval.

In the case of the appointment of independent non-executive directors, appointments should be for a specific term. All terms of appointments of non-executive directors (including independent non-executive directors) of the Company are subject to the relevant provisions of the Bye-Laws or any other applicable laws whereby the directors, shall vacate or retire from their office but eligible for re-election.

CRITERIA FOR SELECTION

The selection criteria include but are not limited to the following:

- *Business experience:* The candidate should have significant experience from a senior role in an area of business, public affairs or academia, relevant to the Company. Awareness of the Group's focus industry would be an advantage but is not a requirement in all cases.

- *Public Board experience:* The candidate should have relevant expertise and experience earned as a Board member of a reputable listed company or from a senior position in his or her industry, public affairs or academia.

- *Diversity:* The candidate should contribute to the Board being a diverse body, with diversity reflecting gender, age, cultural and educational background, ethnicity, professional experience, qualifications, skills and length of service.

- *Standing:* The candidate should be of the highest ethical character and have a strong reputation and standing, both personally and professionally.

- *Time commitment:* The candidate must have sufficient time available for the proper performance of their duties and should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, appraisal and other Board associated activities.

- *Independence:* For a candidate who is proposed as an independent non-executive director, the candidate must satisfy all the independence requirements as set out in Rule 3.13 of the HK Listing Rules. The candidate must always be aware of threats to independence and avoid any conflict of interest with the Company. The candidate must be able to represent and act in the best interests of the Company and its shareholders as a whole.

During the year ended 30 June 2023 and up to date of this report, the Nomination Committee performed the work as summarised below:

(i) Reviewed and recommended for the Board's approval the proposed resolution for re-election of each retiring Director at the 2022 AGM;

(ii) Reviewed the structure, size, composition and diversity of the Board and assessed the independence of each independent non-executive director; and

(iii) reviewed and recommended for the Board's approval the renewal of appointment of the proposed re-appointing executive director and non-executive directors (independent non-executive directors).

BOARD DIVERSITY POLICY

The Board has adopted a Board diversity policy which sets out the objectives and principles regarding board diversity for the purpose of achieving the Company's strategic objectives of balanced diversity at the Board as far as practicable. The Company considers that diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments are based on merit and contribution, and candidates are considered against objective criteria, having due regard to the benefits of diversity on the Board.

The proportion of female Board representation is a measurable objective of the Company assessing the implementation of the diversity policy. The Board recognises the importance and benefits of gender diversity and is committed to improving gender diversity. The Nomination Committee will use best endeavors to identify and recommend suitable female candidates to the Board. The Company will appoint at least one female director no later than 31 December 2024. The current eight directors are from diverse and complementary backgrounds, including management, exploration, legal, mergers and acquisitions, accounting and finance management. The valuable experience and expertise they bring to our business is critical for the long term growth of the Group.

During the year, the Board conducted an annual review of the implementation and effectiveness of the Board diversity policy and is satisfied that the Board diversity policy has been properly implemented and is effective.

Workplace diversity

The Company and its subsidiaries are committed to workplace diversity and recognise the benefits arising from employee and Board diversity, including having a broader pool of quality and talented employees, improving employee retention, and being able to access different perspectives. Diversity includes, without limitation, gender, age, ethnicity and cultural background.

As of 30 June 2023, the ratio of the number of male to female employees is approximately 86% to 14% (2022: 87% to 13%). The Group recognises, and endeavours to protect the rights of its employees and is committed to providing equal opportunities. The Group engages in transparent and fair recruitment practices, and fair remuneration and disciplinary decisions without regard to gender, age, family position or ethnic background. Further information about the composition of the Group's workforce can be found in the 2023 Environmental, Social and Governance Report separately released on the Company website www.brockmanmining.com.

REMUNERATION AND PERFORMANCE COMMITTEE

The Board has a Remuneration and Performance Committee to ensure that the Company is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Committee carries out its duties in accordance with the Terms of Reference, a copy of which is located on the Company's website.

The Committee consists of a majority of independent Directors and was compromised of the following members during the year ended 30 June 2023:

Name of Director/role	Meetings attended/ eligible to attend (*)
Non-Executive Directors	
Kwai Sze Hoi	2/2
Independent Non-Executive Directors	
Yap Fat Suan, Henry, *Chairman*	2/2
Choi Yue Chun, Eugene	2/2
David Rolf Welch	2/2

(*) Represents the total number of meetings held during the year ended 30 June 2023.

The principal duties of the Remuneration and Performance Committee include, inter alia, reviewing and making recommendations to the Board on the Company's remuneration policy; making recommendations to the Board on the remuneration of executive and non-executive directors, and executives; reviewing and making recommendations to the Board in respect of performance-based remuneration by reference to corporate goals and objectives resolved; and ensuring no director or any of their associates is involved in deciding their own remuneration. In addition to its remuneration duties, the Committee is also responsible for the annual performance review of the Board, Board Committees and individual directors' performance.

The Remuneration and Performance Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice at the cost of the Company according to the Company's policy if considered necessary.

REMUNERATION AND PERFORMANCE

The terms of reference in respect of the Remuneration and Performance Committee distinguishes the structure of the non-executive directors' remuneration from that of executive directors and senior executives.

Non-Executive Director Compensation

The Board is determined to attract and retain high calibre non-executive directors to work with the Company, whilst at the same time preserving cash flow. Accordingly, the structure of the non-executive directors' remuneration allows for remuneration in the form of share options, granted under the share option scheme. Whilst this represents a departure from the Code and Principles, the Committee believes it is appropriate for the size of the Company, and is satisfied that all director participation in the share option scheme is approved by Shareholders and the grant aligns with the long term performance of the Company. The Company's Bye-laws provide that the directors' remuneration shall be determined by the Company in a general meeting. The Company has fixed a maximum sum of A$1 million in aggregate for non-executive directors per annum, unless otherwise and approved by the Shareholders.

Performance review of the Board

Board performance and individual director performance are reviewed on an ongoing basis and evaluated annually by the Remuneration and Performance Committee. Individual directors may meet with the Chairman of the Committee to discuss their views towards their remuneration packages.

Remuneration of Executive Directors

The Remuneration and Performance Committee is responsible for reviewing compensation arrangements for the executive directors, including the chief executive officer (if any) and the executives. The Company has adopted model (ii) as set out in code provision E1.2.(c) of the Corporate Governance Code, under which the Remuneration and Performance Committee makes recommendations to the Board on the remuneration packages of individual executive directors and executives. The Committee assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Executive compensation framework

The Company aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the Company. The Remuneration and Performance Committee is assisted in the process by the use of independent salary data, if applicable. The executive pay and reward framework has 2 components: base pay and long-term incentives through participation in the 2012 Share Option Scheme. Details of the 2012 Share Option Scheme can be found in the financial statements.

Performance Review — Executives

Th executives' performance is reviewed on an ongoing basis and evaluated annually by the Remuneration and Performance Committee. This evaluation is undertaken by each executive completing a questionnaire on their performance or each executive having a one-to-one interview with the Chairman of the Committee.

In addition to the meetings, the Remuneration and Performance Committee also dealt with matters by way of circular resolution during the year ended 30 June 2023.

During the year ended 30 June 2023 and up to the date of this report, the Remuneration and Performance Committee performed the work summarised below:

(i) Reviewed and made recommendations to the Board on the existing policy and structure for the remuneration of all Directors and senior management,

(ii) Reviewed the existing remuneration packages of the Executive Directors and senior management,

(iii) Reviewed the existing remuneration of the Non-Executive Directors (including the Independent Non-Executive Directors),

(iv) Review and recommended for the Board's approval the remuneration and the renewal of proposed re-appointing executive directors and non-executive directors (including the independent non-executive directors), and

(v) Reviewed and made recommendations to the Board on the cancellation of share options as a result of the retirement of a non-executive director.

Remuneration of Directors and executives

The remuneration payable to directors will depend on their respective contractual terms under their employment contracts or appointment letters as approved by the Board on the recommendation of the Remuneration and Performance Committee. Details of the directors remuneration are set out in Note 14 to the consolidated financial statements. The emoluments (in the prior year, includes share-based compensation) of the directors and executives by band for the year ended 30 June 2023 is set out below:

	Number of members 2023 *	Number of members 2022 *
HK$0 to HK$1,000,000	**6**	6
HK$1,000,001 — HK$2,000,000	**3**	3
HK$2,000,001 — HK$3,000,000	**1**	1
HK$3,000,001 — HK$4,000,000	**—**	1
	10	11

* All Directors and executives

AUDIT COMMITTEE

The Board has an Audit Committee to carry out its oversight of the Company's financial reporting system and internal control procedures. The Committee carries out its duties in accordance with the Terms of Reference, a copy of which is located on the Company's website.

The Committee consists of a majority of Independent directors, and is provided with sufficient resources to discharge its duties and has access to independent professional advice at the cost of the Company according to the Company's policy if considered necessary. Draft and final versions of minutes of meetings are sent to all committee members for their comment, within a reasonable time after the meeting. Full minutes of Audit Committee meetings are kept by the Company Secretary.

The composition and expertise of the Committee was as follows during the year ended 30 June 2023:

	Name of Director/role	Expertise	Meetings attended/ eligible to attend (*)
Independent Non-Executive Directors	Yap Fat Suan, Henry, *Chairman*	Fellow of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants	2/2
	Choi Yue Chun, Eugene	Graduated from the University of Hong Kong with a Bachelor of Laws degree, admitted as a solicitor of the High Court of Hong Kong in 1997 and member of the Law Society of Hong Kong	2/2
	David Rolf Welch	Graduated from the University of Western Australia with a Bachelor of Commence degree, he has held senior executive positions including Vice President of Strategy and Business Development for Aurizon Holdings Limited.	2/2

(*) Represents the total number of meetings held during the year ended 30 June 2023.

The primary responsibilities of the Audit Committee are, inter alia,

(a) to consider and make recommendations to the Board on the appointment, reappointment and removal of the external auditor (and to approve the remuneration and terms of engagement of the external auditor) and any questions of resignation or dismissal of that auditor;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policy on the engagement of an external auditor or to supply non-audit services. For this purpose, "external auditor" shall include any entity that is under common control, ownership or management of the audit firm, or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally. The Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;

(d) to monitor the integrity of financial statements of the Company and the Company's annual report and accounts, half-yearly report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;

(e) to evaluate the adequacy of the Company's accounting control system by reviewing written reports from the external auditors, and monitor management's responses and actions to correct any noted deficiencies;

(f) to review the adequacy and effectiveness of the Company's financial controls, and unless expressly addressed by a separate Board risk committee, or by the Board itself, to review the Company's internal control and risk management systems through active communication with management and the external auditors;

(g) to discuss with management the system of internal control and risk management and ensure that management has discharged its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(h) to consider any findings of major investigations of risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function;

(j) where an internal audit function exists, to assess the performance and objectivity of the internal audit function and to make recommendations for the appointment and dismissal of the Head of Internal Audit;

(k) to review the Group's financial and accounting policies and practices;

(l) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response;

(m) to ensure that the Board provides a timely response to the issues raised in the external auditor's management letter;

(n) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(o) to act as the key representative body for overseeing the issuer's relations with the external auditor; and

(p) Report to the Board on the matters in the Corporate Governance Code and ASX Principles.

During the year ended 30 June 2023 and up to the date of this report, the Committee performed the work as summarised below:

(i) reviewed and approved the scope and fees proposed by the external auditor,

(ii) reviewed the reports of findings/independent review report from the external auditor and management's response in relation to the final audit for the year ended 30 June 2022, interim results review for the six months ended 31 December 2022,

(iii) Reviewed and recommended for the Board's approval the Quarterly Activities Reports of the Group for the year ended 30 June, and

(iv) Reviewed and recommended for the Board's approval the financial report of the Group for the year ended 30 June 2022, for the six months ended 31 December 2022 together with the relevant management representation letters and announcements.

Accountability and Audit

Financial Reporting

The directors acknowledge their responsibility for preparing, with the support of management, the consolidated financial statements of the Group. The directors of the Company consider it appropriate to prepare the consolidated financial statements on a going concern basis. However, there remains material uncertainty as to whether the Group can raise sufficient funds (refer to Note 2(a) of the consolidated financial statements), which may cast significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements for the year ended 30 June 2023 have been prepared in accordance with the International Financial Reporting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The directors believe that they have selected suitable accounting policies and applied them consistently and made judgments and estimates that are prudent and reasonable and have ensured that the consolidated financial statements are prepared on a going concern basis. The reporting responsibilities of the Company's external auditor, Ernst and Young, are set out in the Independent Auditor's report on pages 62 to 67.

Confirmation of compliance

Although the Company is not required to comply with Section 295A of the Australian Corporations Act 2001 (being a company incorporated in Bermuda), the Board requires an executive director to state in writing to the Board that:

"The financial records of the Company have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance, and that the opinion has been based on a sound system of risk management and internal control which is operating effectively".

AUDITORS' REMUNERATION

The remuneration paid to the Group's external auditors during the year ended 30 June 2023 is set out in the Directors' Report on page 61 and note 36 of the consolidated financial statements.

Ernst and Young Australia, the auditor of the Company, is a non-Hong Kong audit firm which has obtained approval from the Accounting and Financial Reporting Counsel as a recognised public interest entity ("PIE") auditor to conduct PIE engagement of the Company.

EXECUTIVE COMMITTEE

The Board has constituted the Executive Committee and delegated the responsibility of the day-to-day management and has empowered the Executive Committee to implement policies and strategies, for the business activities and operations, internal control and administration of the Group. The Executive Committee carries out all the general powers of management and control of the activities of the Group as vested in the Board, save for those matters which are reserved for the Board's decision and approval. The members include the executive directors and executives appointed by the Board from time to time. The Executive Committee meets whenever it is necessary to carry out its obligations.

HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY COMMITTEE

The Board has established a Committee to oversee the health, safety, environment and sustainability activities of the Company. The Committee carries out its duties in accordance with the Terms of Reference, a copy of which is located on the Company's website.

The Committee consists of a majority of independent directors and was comprised of the following members during the year ended 30 June 2023:

	Name of Director/role	Meetings attended/ eligible to attend (*)
Independent Non-Executive Directors	Choi Yue Chun, Eugene, *Chairman*	1/1
	Yap Fat Suan, Henry	1/1
Non-Executive Director	Ross Stewart Norgard	1/1

(*) Represents the total number of meetings held during the year ended 30 June 2023.

The principal duties of the Committee are:

(a) reviewing and monitoring the sustainability, environmental, safety and health policies and activities of the Company;

(b) encouraging, supporting and counselling management in developing short and long term policies and standards to ensure that the principles set out in the sustainability, environmental, health and safety policies are being adhered to and achieved;

(c) regularly reviewing community, environmental, health and safety response compliance issues and incidents to determine, on behalf of the Board, whether the Company is taking all necessary action in respect of those matters and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard;

(d) ensuring that the Company monitors trends and reviews current and emerging issues in the field of sustainability, environment, health and safety, and evaluates their impact on the Company; and

(e) reviewing and making recommendations to the Board with respect to environmental aspects of expansions, acquisitions and dispositions with material environmental implications.

During the year ended 30 June 2023 and up to the date of this report, the Health, Safety, Environment and Sustainability Committee performed the work as summarised below:

i) Reviewed and recommended to the Board issues that have emerged that may materially impact the Company,

ii) Reviewed incident outcomes and compliance issues.

RISK MANAGEMENT COMMITTEE

The Board has established a Committee to oversee risk and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions of the Company. The Committee carries out its duties in accordance with the Terms of Reference, a copy of which is located on the Company's website.

The Committee was comprised of the following members during the year ended 30 June 2023:

	Name of Director/role	Meetings attended/ eligible to attend (*)
Executive Director	Colin Paterson *(Chairman)*	1/1
Non-Executive Director	Ross Stewart Norgard	1/1
Independent Non-Executive Director	Choi Yue Chun, Eugene	1/1

(*) Represents the total number of meetings held during the year ended 30 June 2023.

Whilst the risk management committee was not chaired by an independent director and it does not comprise of a majority of independent directors, the committee was mainly composed of non-executive directors and an independent non-executive director who do not participate in the daily operations of the Group. The Company considers that objectivity can still be maintained with such arrangements.

Risk management and internal control

The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems and has the responsibility to review annually the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational, compliance and environmental, social and governance related controls. For the year ended 30 June 2023, the Board, through the Audit, and Risk Management Committees, has conducted a Group wide review of its risk management and internal control systems for the assessment on the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit, financial reporting functions, and their training programmes and budget.

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals. They have a key role in the management of risks that are significant to the fulfilment of business objectives. In addition, they should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

Systems and procedures are put in place to identify, evaluate and monitor the risks of different activities. Annual assessment is performed by the Company and presented to the Risk Management Committee on the effectiveness of the risk management and internal control systems. For the year ended 30 June 2023, the risk management and internal control systems have been considered effective and adequate and no deficiency was noted.

A discussion of the policies and procedures on the management of each of the major types of risk which the Group manages is included in Note 5 to the consolidated financial statements and in the Management Discussion and Analysis on pages 13 to 14.

During the year ended 30 June 2023 and up to the date of this report, the Risk Management Committee performed the work as summarised below:

(i) Reviewed and recommended for the Board's annual review the Group's risk management and internal control systems.

Internal audit function

The Company has outsourced its internal audit function and has engaged an independent management consultancy company to assess the internal control measures of the Group on a yearly basis. For the year ended 30 June 2023, it was concluded that there were no significant weakness in the Company's internal control and risk management systems.

The Company's corporate governance and control functions were reviewed in 2023. These will be reviewed again in 2024, and periodically thereafter.

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.

CODE OF CONDUCT

The Company has adopted a Code of Conduct, the purpose of the Code is to guide and enhance the conduct and behaviour of the directors, executives and employees in performing their daily roles. The Code of Conduct encourages and fosters a culture of integrity and responsible valued employer, business partner and corporate citizen, in all our relationships. This Code of Conduct sets out the principles and standards which the Board, executives and employees are encouraged to strive towards with each other, shareholders, other stakeholders and the broader community. Details are available on the Company's website.

CONTINUOUS DISCLOSURE

The directors are committed to keeping the market fully informed of material developments to ensure compliance with the ASX, and SEHK Listing Rules. The directors have observed the disclosure requirements of the ASX and SEHK Listing Rules.

DISCLOSURE OF INSIDE INFORMATION

The Board has a policy for Communications Strategy and Continuous Disclosure policy that includes inside information and the procedures and internal controls for handling and dissemination of inside information. The policy sets out guidelines and procedures to the directors of the Company and executives of the Group to ensure inside information of the Group is to be disseminated to the public on an equal basis and in a timely manner.

Directors and executives in possession of potential inside information and or inside information, are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain confidentiality. The policy shall be updated and revised as and when necessary in light of changes in circumstances and changes in the Listing Rules, the Securities and Futures Ordinance, relevant statutory and regulatory requirements from time to time.

Details of the Company's policy for Communication Strategy and Continuous Disclosure Policy is available on the Company's website.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents, together with the latest corporate information and news, are also made available on the website of the Company.

The Company's Annual General Meeting ("AGM") is a valuable forum for the Board to communicate directly with shareholders for which at least 21 clear business days' notice is given. The Chairman of each of the Audit, Risk Management, Remuneration and Performance, Nomination, and Health, Safety, Environment and Sustainability Committees or in their absence, another member of the respective committees or failing that their respective duly appointed delegate, are also available to answer questions at the AGM. The external auditor is also in attendance and available to answer questions from shareholders relevant to the external audit.

In accordance with the Bye-Laws of the Company, a minimum of 14 days' notice is required for every shareholder meeting and all shareholders shall have statutory rights to call for special general meetings and put forward agenda items for consideration in the general meetings. All resolutions at the general meeting are decided by a poll which is conducted by the Group's branch share register in Hong Kong. The poll results are published in the manner prescribed under the requirements of the SEHK Listing Rules.

During the year, the 2022 AGM of the Company was held on 13 December 2022. The attendance records of the directors at the general meeting are set out in the section headed "Board Meetings" of this report. Separate resolutions are proposed at general meetings for each substantial issue, including the re-election of retiring directors.

For the year ended 30 June 2023 the Company conducted a review of the effectiveness of the Communication Strategy and Continuous Disclosure Policy. Having considered the multiple channels of communication and engagement in place as detailed above and in the Communication Strategy and Continuous Disclosure policy, the Board is satisfied that the shareholders' Communication Strategy and Continuous Disclosure Policy has been properly implemented and is effective.

SHAREHOLDERS RIGHTS

HOW SHAREHOLDERS CAN CONVENE A SPECIAL GENERAL MEETING

Subject to Section 74 of the Companies Act 1981 of Bermuda (the "Act") and the Bye-Law 58 of the Company, the Board may, whenever it thinks fit, call special general meetings. Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company and carrying the right to vote at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitioner may do so themself in accordance with the provisions of Section 74(3) of the Act.

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders enquiries can be directed to inquiry@brockmanmining.com or by writing to the Company Secretary's office, whose contact details are as follows:

Unit 3903B, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The enquiries would then be assessed and considered (if appropriate) to put to the Board. Shareholders may also make enquiries of the Board at the general meetings of the Company.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT A GENERAL MEETING

Any number of shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the procedures as set out in Section 79 of the Act for the putting forward of such proposals.

CONSTITUTIONAL DOCUMENTS

On the 13 December 2022, the Company resolved by special resolution to adopt the Amended and Restated Bye-Laws. The Amended and Restated Bye-Laws of the Company are available on the Company's website.

DIVIDEND POLICY

The Board has adopted a dividend policy, pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Hong Kong Laws, the bye-laws of the Company, the Bermuda Companies Act 1981 (as amended from time to time) and any other applicable laws, rules and regulations.

The recommendation of payment of any dividend is subject to the absolute discretion of the Board, and any declaration of dividend will be subject to the approval of shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia:

- The Group's actual and expected financial performance;
- Shareholders' interests;
- Retained earnings, distributable reserves and contributed surplus of the Company and each of the other members of the Group;
- The level of the Group's debt to equity ratio, return on equity and financial covenants to which the Group is subject to;
- Possible effects on the Group's credit worthiness;
- Any restrictions on payment of dividends or other covenants on the Group's financial ratios that may be imposed by the Group's financial creditors;
- The Group's expected working capital requirements and future expansion plans;
- Liquidity position and future commitments at the time of declaration of dividend;
- Taxation considerations;
- Statutory and regulatory restrictions;
- General business conditions and strategies;
- General economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- Other factors that the Board deems appropriate.

The dividend policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the Corporate Governance Code and ASX Principles but also about promoting and developing an ethical and healthy corporate culture. The Board will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote and improve our transparency are also welcome.

On behalf of the Board
Brockman Mining Limited
Kwai Sze Hoi
Chairman

Hong Kong, 19 September 2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Directors are pleased to present the Environmental, Social and Governance Report ("Report" "ESG") for the year ended 30 June 2023, in compliance with applicable code provision of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on the SEHK.

The Company has a robust and comprehensive system of governance that is essential to the ongoing sound operation of the Company, and balancing the interests of the Company's shareholders, suppliers, governments, and the various communities (collectively the "stakeholders") in which the Group operates.

SCOPE AND PERFORMANCE

With the delay in development of the Marillana Project and no mining activities undertaken during the year, the scope of the report covers all operations of the Group, mainly the head office in Hong Kong and its subsidiaries in Western Australia. The report presents information relevant to the ESG management approach for the financial year from 1 July 2022 to 30 June 2023 (the "Reporting Period").

This Report has been prepared in accordance with the principles of materiality, quantitative approach, balance and consistency, and complies with the mandatory disclosures requirement and the "comply or explain" provisions. The Group's performance is reviewed annually and reviewed by the Board and Risk Management Committee, details of which are outlined in our "Risk Management and Internal Control" section in the Corporate Governance Statement of the Company's published 2023 Annual Report. This Report can be accessed from the Sustainability section of the Company's website www.brockmanmining.com.

Statement of the Board of Directors

The Board retains the overall responsibility for the Group's ESG management and is committed to operating in a manner that contributes to the sustainable development of mineral resources through efficient, balanced, and long-term management while demonstrating consideration for the wellbeing of our people; and protection of the environment.

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 practices in environmental design and management and actively operates to:

- Work within the legal permitting framework and operates in accordance with our environmental management systems,
- Identify, monitor, measure, evaluate and minimise our impact on the surrounding environment,
- Give environmental aspects due consideration in all phases of the Group's projects, from exploration to development, operation, and final closure, and
- Act systematically to improve the planning, execution and monitoring of its environmental performance.

Looking forward to the future, the Board will also perform timely review of the Group's strategic planning and performance. The Board also sets out ESG goals and targets based on relevant KPIs and reviews the results on a yearly basis. We strive to provide a supportive environment and incorporate ESG initiatives into our strategy to reduce the Group's carbon footprint.

The compilation of the report follows the principles as suggested by the ESG reporting guidelines:

Materiality	Opinions of stakeholders were gathered from internal and external stakeholders engagement and we have reviewed and determined the material ESG aspects to the Group.
Balance	To provide an unbiased assessment of the Group and report not only the progress of sustainability development, but also the future plans.
Quantitative	Quantitative key performance indicators are used to monitor the sustainability progress and results of target implementation.
Consistency	Unless otherwise stated, the ESG report adopted consistent methodology from time to time.

MATERIALITY ASSESSMENT

The Group defines material stakeholder groups as these who have frequent connections, significant financial and operational influence and form a long term and strategic relationship with the Group.

Stakeholder Engagement

Stakeholder and shareholder opinions are crucial for the continuous improvement of the Group's ESG performance, and the Board recognises the importance of good communication with stakeholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements, and circulars. Such published documents together with updated corporate information and news are made available on the Company's website under the sections Investors and Announcements respectively.

Aspects and KPIs relevant to this report's disclosure are set out as follows:

Stakeholders	Material issues	KPI	Engagement channels
Investors and shareholders	Business operations	General disclosure	Financial reports and announcements
Regulators	Compliance with laws and regulations	General disclosure on aspects A1, B1, B2, B4, B6, B7	On-going compliance review
	Disclosure		Shareholder meetings
	Environmental	Aspects A1-A4 and relevant KPIs	On-going communications
	Anti-corruption	KPI B7.1-3	Training for directors and management
	Labour standards	KPI B4, 1-2	Yearly review and monitoring of latest regulatory updates
	Product Responsibility	General disclosure	Framework of product quality assurance will be developed prior to the delivery of first ore
Suppliers	Supply chain management	KPI B5.1-4	Review of suppliers and procurement procedures
Employees	Remuneration and labour standards	KPI B1.1-2	Yearly review
	Training and development	KPI B3.1-2	Training for directors and management
	Occupational health & safety	KPI B2.1-3	
Community	Charity work	KPI B8.1-2	Support charity organisations

A. ENVIRONMENTAL

A.1 EMISSIONS

During the year, the Group was at minimal spend and retained office space to continue the advancement of the joint operation with MinRes. Mining development is yet to commence and management considers that the emissions and waste generated by any exploration activity would have an insignificant impact on the environment due to the minimal activities undertaken. Hence, there are no relevant laws and regulations applicable to these activities.

Greenhouse Gas emissions (GHG Emissions) for the reporting period are mainly generated from general direct electricity consumption from office use.

Relevant KPIs are as shown below:

	Target of net decrease	2023	2022
i) Purchased electricity consumption	Target not fully realised	**19,522 kWh**	18,770 kWh
ii) Scope 1 GHG Emissions	Not applicable	**Not applicable**	Not applicable
iii) Scope 2 GHG Emissions	Met	**8,685.58 kg CO_2**	11,049.84 kg CO_2
iv) Scope 3 GHG Emissions	Not applicable	**Not applicable**	Not applicable

Note:

Scope 1 emissions come from direct GHG emissions from combustion of fuels in stationary or mobile sources (excluding electrical equipment) to generate electricity, which is not applicable in our case as our development and production activities have yet to commence.

Scope 2 emissions come from indirect GHG emissions from the generation of purchased electricity.

Scope 3 emissions include other indirect GHG emissions that occur outside the Company such as emissions from business travel of employees and paper waste disposed of at landfill, upstream and downstream emissions from the supply chain etc., which is not significant to the Group as our development and production activities have not commenced.

* Emissions for Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Respirable suspended particulars (RSP) are not disclosed as the amount is insignificant.

The scope during the reporting period covered a gross floor area of 249.10 m^2.

GHG intensity by floor area amounts to 34.87 kg CO_2-e/m^2 (2022: 44.36 kg CO_2-e/m^2).

The Group continues to operate at minimal spend and targets a net decrease in emissions prior to the commencement of any future developmental activities. Due to the very low emissions of the Group based on current activities, actual emissions are not currently measured or quantified. Emissions will be measured once development activities have commenced.

The Company has practically achieved its emission target for the year, and has implemented the following continued measures to reduce our emissions in relation to office activities:

- Reduction of unnecessary business trips and board meetings organised via electronic communications.
- Encouraged employees to switch off lights and air conditioning.
- Procure only electrical appliances with "Grade1" or equivalent energy labels if needed to increase energy efficiency.

During the reporting period, the Company incurred no unnecessary business trips (domestic and overseas) and all board meetings were conducted via electronic communications.

During the reporting period, no material hazardous or non-hazardous waste was generated as our operations are office based in nature. Waste generated comprises printer toner cartridges, batteries and obsolete computer and printing equipment. These were properly disposed of and recycled. Non-hazardous waste such as general domestic refuse and printing paper from office operations were considered minimal. A further detailed reporting on mine waste will be available when mine and process development activities have commenced.

A.2 USE OF RESOURCES

The Group is committed to promoting an environmentally conscious work environment and has focused on measures to minimise waste and electricity consumption, initiate paper and cartridge recycling and promote electronic communications and storage. We promote recycling of office equipment and reduce domestic waste as much as possible.

To reduce consumption of paper, the Group prefers using electronic means to disseminate information via electronic devices and electronic communication systems. During the year, the Company have implemented savings in printing and mailing costs by recommending to Shareholders the election of electronic means of receiving corporate communications.

We encourage our office employees to switch off idle lights, air conditioners and other office equipment, and we remind our employees to print and photocopy on both sides of paper if printing is unavoidable. We also encourage our employees to bring their own lunch and reduce purchase of takeaway and beverages and hence reduce the use of plastic disposable utensils. The Group encourages its employees to choose public transportation and carpool to reduce car driving and thus the impact on the environment and transportation. The Group does not own any vehicles and we therefore do not directly produce any greenhouse and hazardous gases from cars used.

Our offices are required to maintain in-door temperature at 24 degree Celsius to ensure efficient use of air conditioning.

As stated above, the Group endeavours to target a net decrease in emissions for the upcoming year. Purchased electricity contributes to the majority of our emissions; hence a target of net decrease in yearly energy consumption is set.

The Group promotes initiatives to mitigate environmental impacts by choosing energy-efficient products by comparing Energy Labels issued by the Electrical and Mechanical Services Department (EMSD)/ Energy Rating Labels issued by the Australian Federal Government. As waste electrical and electronic equipment (WEEE) poses severe harm to the environment, the Group encourages all employees to use the WEEE donation or recycling programs. All employees are responsible and accountable for operating in an environmentally responsible manner.

The total purchased electricity for the year ended to 19,522 kWh and the electricity usage intensity by floor area amounted to approximately 78.37 kWh/m².

The Group's existing business operation does not require any significant water consumption, water usage and any consumption relates to drinking water (including bottled water).

There is no applicable data of water consumption because it is not feasible to obtain water withdrawal and discharge data as commercial office leases in Hong Kong and Australia are not billed separately by the building management for the water supply and discharge. Although data on water usage was not quantifiable, the Group maintains best endeavours to conserve the environment by requiring our employees to report immediately damage to any water facilities and prompt water awareness.

There is no issue in sourcing water that is fit for purpose whereas the Group considers its water consumption level is reasonable at the current operational level. The Group targets to have a net decrease in water and electricity consumption next year by implementing the measures as discussed above.

Due to the nature of the business, there is no applicable data of packaging material as our operation does not involve the use of any packaging material.

A.3 THE ENVIRONMENT AND NATURAL RESOURCES

The Company is committed to the principles of being a good corporate and environmental citizen, and takes careful consideration of environmental, social responsibility and sustainability issues when choosing its vendors. The Group aims to minimise its environmental footprint and its disturbance to natural resources. We anticipate that fines residue storage and waste rock management, water use and discharge, and land management and rehabilitation would be the most important areas of concern once in production and the Group shall closely monitor these aspects, in compliance with its regulatory approvals obtained with key State and Commonwealth Governments that have been received for the Marillana project. Each year, the Company undertakes an annual compliance review and provides a report to the Office of Environmental Protection Authority to declare its compliance status as required.

Brockman is proposing to clear up to 3,785 ha of vegetation to mine and transport ore to Port Hedland by a land infrastructure solution. After rehabilitation, the long-term cleared footprint will be around 60 ha which represents the final open pit void. All other disturbances will be rehabilitated to the satisfaction of the Western Australian Environmental Protection Authority (EPA), Department of Environment and Water (DEW) and Department of Mines, Industry, Resources and Safety (DMIRS).

Brockman has previously engaged Ecologia Environment (Ecologia) to prepare the Preliminary Documentation required to assess the project under the Environmental Protection and Biodiversity Conservation Act 1999 (Cth). Most key environmental approvals are in place and we shall adhere to our proposed plan in the event of commencement of early works. We endeavour to mitigate any environmental disturbance and apply our monitoring schedule when the project commercialises.

Prior to the commencement of our mine development, environmental approvals for mining or exploration activities are required to be sought in accordance with the Mining Act 1978 and the following approvals are required by the Department of Mines, Industry Regulation and Safety (DMIRS):

1. Programme of work — submission has to include details of mechanised equipment and potential disruption to the ground during exploration or prospecting for minerals.

2. Mining proposals — details of the proposed mining operation or any changes to be incurred are required to be disclosed.

3. Mine closure plans — such plan must be included together with any submission on mining proposals, covering all aspects of mine decommissioning and rehabilitation.

Environmental compliance

Ensuring environmental compliance is integral to the Group's operations. The Group implements environmental management systems and practices, from which we assess and identify potential environmental risks; conduct; monitoring; and report the performance results to mitigate the impact of our operations on the environment. The Group strives to promote the efficient use of resources and reduction and prevention of pollution. As a responsible Group we seek to meet, and where possible exceed, the regulatory requirements governing our environmental performance.

The Group complies with all applicable environmental laws, regulations, and standards. The main laws are set out in the Mining Act 1978 and other relevant environmental regulations such as the Environmental Protection Act 1986, the Environmental Protection and Biodiversity Conservation Act 1999, the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, the Rights in Water and Irrigation Act 1914 and the Native Title Act 1993.

A number of management plans are in place to provide a framework for the Group to effectively manage its environmental impact and responsibilities. The plans are reviewed regularly and include the following:

- Safety management plans,
- Waste management plans, and
- Environmental monitoring plans.

The principal environmental incidents that could potentially occur at the Group's exploration sites include hydrocarbon spills; the destruction of local wildlife habitats; water substance levels exceeding permits limits; and other incidents that negatively impact the environment. Any environment incidents are reported, investigated, remedied and monitored by the Group and, where appropriate, reported to the responsible authorities.

During the year ended 30 June 2023, there were no environmental permit or approval breaches. All approval and permit levels were complied.

A.4 Climate Change

Significant changes in the pattern of rainfall over Western Australia have occurred over the past 40 years. Most of the state, especially the northwest, has experienced a trend towards a wetter climate. This poses a certain risk for the mining industry. The southwestern part of the state has become drier, with a 15% reduction in rainfall since the mid-1970s.

Waste rock and tailings that are created during the mining and ore refining process can release toxins into the environment if not stored or disposed of properly. In many cases, waste rock and tailings are left out in the open where they are exposed, and toxins can be washed into water systems by rainfall, or can leach into the soil. To mitigate such risk, a detailed mine plan with enhanced tailings and erosion control structure will serve as part of the mine's water management plan.

The most likely source of impact to the surface water environment from discharge is from unplanned flooding or spillages at the sewage treatment facility. However, safeguards are in place to minimise this risk, including:

- Alarms and flashing beacons to warn of failure of mechanical components (pump and blower);
- Alarms to warn of high water levels in the balance tank or irrigation tanks; and
- An emergency overflow between the balance tank and the waste water treatment plant.

In addition, flood protection will be implemented, to ensure floodwaters do not adversely impact waste water facilities.

B. SOCIAL

B.1 EMPLOYMENT AND LABOUR PRACTICES

EMPLOYMENT

The Group's employment policies are documented in its Code of Conduct ("Code"), which provides clear guidance on the conduct and behaviour of all employees, including the Board and senior management. The Code is designed to encourage and foster a culture of integrity and responsibility with the focus on strengthening the Group's reputation as a valued employer, joint operator partner, and good corporate citizen. Specifically, the Code provides guidance on the following aspects:

- Compliance to laws, rules and regulations,
- Conflicts,
- Fair dealing,
- Knowledge and information security (including handling of confidential information and disclose and securities trading),
- Health, safety and environment,
- Employment practices, and
- Whistleblowing and misconduct reporting.

Recruitment and promotion

The Group recognises, and endeavours to protect, the rights of its employees and is committed to providing equal opportunities. The Group engages in transparent and fair recruitment practices and fair remuneration and disciplinary decisions without regard to gender, age, family position, or ethnic background. The remuneration provided for our employees is a basic salary component and other long-term incentives (where appropriate). The Group determines employee remuneration based on qualifications and experience. The Group provides employees with retirement benefits and healthcare benefits (where appropriate). We motivate employees by promotion and salary increments based on results of regular performance appraisals. Apart from offering employees' competitive salary packages, the Group also provides annual bonuses and the grant of share options to eligible employees as incentives to retain our employees.

Compensation and dismissal

Employees dismissal is based on the Hong Kong Employment Ordinance or relevant local laws and regulations in Hong Kong and Australia, as well as the requirements stipulated in the employment contracts.

The Group is committed to responsible corporate governance, including the implementation of measures to encourage employees and representatives of the Group to identify and report in good faith any concerns relating to serious misconduct which is, or potentially could be:

- A criminal offence (including theft, drug use/sale, violence or threatened violence and criminal damage to property),
- A breach of a legal obligation,
- Dishonest, fraudulent, or corrupt,
- A serious risk to the health of an individual, the public, the environment or the financial system,

- In breach of any of the Group policies, or
- Designed to conceal business records or other evidence related to any of the factors above.

Working hours, rest periods and benefits
A five-day work week arrangement is adopted to facilitate work-life balance. In addition to all rest days and statutory holidays as specified in local laws and regulations, employees are entitled to paid annual, maternity, paternity, marriage and compassionate leave. Employees are also entitled to benefits such as medical benefits, post-employment benefits subject to the Group's human resources management policy.

Equal opportunity, diversity and anti-discrimination
All Directors, senior management and employees of the Group are expected to conduct themselves with integrity, openness, honesty and fairness, and in the best interests of the Company. The Group invests time and resources to fulfil its obligations under the respective laws of Hong Kong and Australia. The Group has a Whistleblower Policy that enables an employee to raise concerns about practices and procedures in their workplace. It enables employees to report concerns of fraud, illegal, immoral, illegitimate practices, misconduct, or malpractice in a way that will not be seen as being disloyal to colleagues.

Diversity
The Company's recognition of the benefits of diversity where people from different gender, age, ethnicity and cultural backgrounds can bring fresh ideas and perceptions which make the workplace more efficient and it is reinforced in the Diversity Policy, a copy of which is available in the corporate governance section of the Company's website. This policy outlines specific diversity initiatives designed to facilitate equal employment opportunities and requires the Company to set out specific diversity initiatives and targets with the aim of reporting the progress towards the metrics in the annual report.

These key metrics include:

- Proportion of women appointed as Non-Executive Directors of the Company;
- Proportion of women in the workplace;
- Proportion of women in senior management;
- Parental leave return rates; and
- Employee turnover.

The following metrics shows the comparison to historical data. The historical data is as follows:

	2023	2022	2021	2020	2019
Proportion of women appointed as Non-Executive Directors	**0**	0	0	0	0
Proportion of women in the workplace	**14%**	13%	15%	15%	15%
Proportion of women in senior management	**7%**	7%	8%	8%	8%
Parental leave return rates	**N/A**	N/A	N/A	N/A	100%
Employee turnover	**7%**	0%	0%	0%	15%

The Board is continually looking to achieve diversity and will endeavour to appoint individuals who will provide a mix of experience, perspective and skills appropriate for the Group, including appropriate technical and commercial skills relevant to the mining industry.

In Hong Kong, the Group's employment regulations are governed by the Employment Ordinance, the Minimum Wage Ordinance, as well as the Employees' Compensation Ordinance and Mandatory Provident Fund Scheme Ordinance. In Australia, The Fair Work Act 2009 (Cth) governs the employment of the majority of Australian employees, supplemented by other federal, state and territory legislative instruments pertaining to areas such as work, health and safety and non-discrimination.

Total workforce:

	2023		2022	
TOTAL WORKFORCE	**14**		15	
By nature of work	**Australia**	**Hong Kong**	Australia	Hong Kong
Corporate directors	**3**	**5**	3	6
Corporate Services	**1**	**3**	1	3
Project Development	**—**	**1**	—	1
Exploration	**1**	**—**	1	—
Total	**5**	**9**	5	10
By gender				
Male	**4**	**8**	4	9
Female	**1**	**1**	1	1
By employee category				
Directors (Executive)	**1**	**2**	1	2
Directors (Non-Executive)	**2**	**3**	2	4
Management	**2**	**4**	2	4
By age group				
31 - 50	**1**	**3**	1	6
50+	**4**	**6**	4	4
EMPLOYEE TURNOVER RATE ANALYSIS	**Australia**	**Hong Kong**	Australia	Hong Kong
By geographical location	**0%**	**10%**	0%	0%
	Male	**Female**	Male	Female
By gender	**10%**	**0%**	0%	0%
	31-50	**50+**	31-50	50+
By age group	**0%**	**10%**	0%	0%

During the year, the Group was not aware of any material breaches of the relevant laws and regulations relating to the Group's compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare and had not received any substantial complaints from any individual or authority, nor has it paid or was liable to pay any penalty due to employment breaches.

B.2 HEALTH AND SAFETY

The Company is committed to the development of a sustainable iron ore business in Western Australia that benefits its employees, contractors, suppliers, joint operator partner and the community. We will achieve this through the effective implementation and proactive management of our commitments and obligation to workplace health and safety, the environment and to the communities in which we operate. The Group goes above what is expected to comply with local health and safety legislation. The Group's Code of Conduct clearly communicates its attitudes and commitment towards protecting employee health and safety including conflict resolution and fair dealings.

To operate an effective and sustainable iron ore segment, the Company will:

- Focus on the elimination and management of workplace hazards and risks.
- Act ethically and responsibly in all its interactions.
- Promote a culture which focuses its employees, contractors, suppliers and joint operator partner in workplace health and safety as the responsibility of all those who work in its business.
- Provide a workplace free from bullying or discrimination and offering equal opportunity to all employees.
- Work actively through all areas of its business to minimise the actual and potential environmental impact of the Company's activities.
- Respect the rights of the traditional owners and value the indigenous cultural heritage associated with its operations.

We will implement systems and ensure that resources are allocated to implement and monitor these commitments and its legal obligations. Our employees, contractors and joint operator partner will be updated on the Company's progress towards these goals. The policy and the system that support it will be routinely measured to ensure the delivery of our commitments and system improvements made where the need arises.

The Group shall observe our Operational Health and Safety ("OHS") Policy for all our activities and our Company's health and safety objectives are summarised as follows:

- Achieve "Zero Harm" to people, the community and the workplace environment;
- Support, encourage and promote efforts to achieve industry-leading occupational health and safety performance;
- Eliminate or manage circumstances which may lead to injury, property damage and business interruption; and
- Achieve health and safety performance consistent with the OHS Policy.

These objectives will be achieved by:

- Providing employees and contractors with the necessary training and resources to assist them to perform their tasks safely and effectively;
- Establishing and enforcing accountabilities for employees and contractors regarding health and safety policy, objectives and performance;
- Complying with all applicable laws, regulations and statutory obligations;

- Demonstrating effective leadership and management of health and safety through risk assessment and the development and implementation of safe operational procedures and communication in health and safety issues.

During the year, the Group had no work-related fatality and injury resulting in lost days and in each of the past three years (2022: Nil) and the Group was not aware of any material breaches of the relevant laws and regulations relating to the Group providing a safe working environment and protecting employees from occupational hazards.

B.3 DEVELOPMENT AND TRAINING

The Group is committed to fostering a culture of continuous learning in our organisation. We subsidise our employees for their continuing education, and encourage employees to participate in various workshops and seminars according to their respective areas of interest and job description.

Types of training to include:

- Compliance and regulatory;
- Job specific training;
- Comprehensive safety induction for all newly hired employees;

During the reporting period the percentage of trained employees and average hours of training received:

	Percentage of trained employees		Average hours of training received during the year	
	2023	2022	**2023**	2022
By employment type:				
Directors	**57%**	60%	**173**	183
Senior management	**43%**	40%	**27**	27
By gender:				
Male	**86%**	87%	**184**	194
Female	**14%**	13%	**16**	16

B.4 LABOUR STANDARDS

Preventing and addressing the Group's own involvement in the use of child or forced labour in any of its operating segments is central to our current and future sustainability. The Group strictly prohibits the employment of child labour and forced labour and complies with all relevant laws and regulations. Prior to on-boarding of new employees, checks are conducted to ensure the candidate is of legal age of employment.

During the year, the Group has not employed any person under the age of 18 and incurrence of child labour is not a significant risk factor.

B.5 RESPONSIBLE SUPPLY CHAIN MANAGEMENT

The Group is committed to upholding human rights and respect cultures, customs, and values in all dealings with people, places, and companies involved in our activities. The Group strives to implement environmentally and socially responsible supply chain practices by working closely with all stakeholders including suppliers, local community, and the respective authorities.

The Group has established sound procurement procedures and requirement for vendors. Upon selection of new vendors, the Group will evaluate the vendors' performance, reliability and pricing. As part of our internal control on procurement procedures, at least 2 quotations will be obtained for each procurement engagement. Also, consideration of previous performance of the vendor, in terms of creditability and compliance with local regulations are determining factors for supplier selection. Sustainable, fair-trade and environmentally friendly products are preferred and procurement decisions are not solely based on price.

During the reporting period, the number of suppliers by geographical breakdown is as follows:

By geographical region	Number of suppliers	
	2023	2022
Hong Kong	**17**	15
Australia	**43**	42
Total	**60**	57

The Group engages external parties in its day-to-day operations including environment, process consultants, laboratories services, drilling services and professional services. To assist in maintaining a transparent supply chain, the Group only procures goods and services from suppliers and contractors whose trade, employment practices and company values are aligned to the Group.

Independent internal control consultants are engaged yearly to perform reviews on whether internal control processes are being observed. Compliance is actively monitored by procurement that identifies and reports any issues to the senior management. Any necessary action will be dealt with in a timely manner.

B.6 PRODUCT RESPONSIBILITY

The Company will ensure all required documentation will be implemented prior to shipment of iron ore. Sinter testwork has provided positive results and confirmation of our product quality and the Group will strive to maintain the product's quality upon future delivery of ore.

Given that production has yet to commence, no complaints from customers nor product recalls have been received for the reporting period. Quality assurance and recall procedures will be duly implemented upon future delivery of iron ore product.

The Company upholds the confidentiality regarding customers', prospective customers' or business counterparts' information. Confidentiality agreements are put in place to protect any leakage of information and the Company's position on data security and privacy, including:

- Work related documents are the property of the Company unless otherwise specifically agreed,
- Destruction of documents containing confidential information must be carried out reliably.

The Company manages data protection and privacy as part of its IT processes and has several policies to manage IT related risks including off-site backup. Given the nature of our business, our operating segments do not involve the use of intellectual property rights owned by other parties. Nevertheless, the Group has set out the treatment of handling and protecting intellectual rights in our Code of Conduct.

During the year, the Group was not aware of any material breaches of the relevant laws and regulations relating to the Group health and safety, advertising, labelling and privacy matters relating products and services.

B.7 ANTI-CORRUPTION

The Company is committed to responsible Corporate Governance, including the implementation of guidelines and measures to encourage employees and representatives of the Company to identify and report in good faith any concerns relating to serious misconduct which is, or potentially could be a criminal offence, a breach of legal obligation, dishonest, fraudulent, or corrupt, a breach of the Company's policies (collectively, Inappropriate Conduct). Brockman takes a zero tolerance approach to corruption and bribery and is committed to acting professionally, fairly and with integrity in all our business dealings. Accordingly, the Board have endorsed a Whistleblower Policy to encourage and foster a culture of integrity and responsibility within the Group. The Whistleblower Policy provides for protected disclosure, how to report Inappropriate Conduct, confidentiality, and Whistleblower protections. The stakeholders may wish first to discuss the alleged violation informally with their manager in order to determine serious misconduct has occurred. This is an opportunity to clarify the incident, ask questions, and at all times, it is expected that the discussions will remain confidential. Where a stakeholder believes that internal reporting is not appropriate, the Company encourages the stakeholder to report his or her concern to Brockman's Company Secretary and the Board. The Board will assess the situation and, if necessary, will communicate the reports of alleged violations to the Group's legal advisor. The Company Whistleblower policy is periodically reviewed by the Board.

There were no matters relating to Inappropriate Conduct and corrupt practices brought against the Group or its employees during the year (2022: Nil).

The Company has adopted a Securities Trading Policy which applies, inter-alia, to all Directors and executives. The Securities Trading Policy complies with ASX Listing Principles and the Mode 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.

During the year ended 30 June 2023, reading material regarding "Update on Listing Rules and Corporate Governance Code and Anti-Corporation" was circulated to all directors of the Company.

A copy of the Code of Conduct, Securities Trading and Whistleblower Policies are available in corporate governance section of the Company's website.

B.8 COMMUNITY INVESTMENT

The Company is transparent on the need to earn the respect and support of the communities in which it is located and also by demonstrating a tangible level of commitment to environmental sustainability.

The Group operates in two regulatory environments (Hong Kong and Australia). While compliance with these regulatory environments are the basis of the Group's environmental management, the Group is committed to the principle of developing and implementing appropriate practices and will actively work to:

- Protect the environment surrounding its projects; and
- Give environmental aspects due consideration in all phases of our projects, from exploration, development, operation and final closure, and
- Act systemically to improve the planning, execution, and monitoring of its environmental performance; and
- Respect the rights of the traditional owners and value the indigenous culture heritage.

The Group is committed to operating in a way which contributes to the sustainable development of mineral resources through efficient, balanced and long-term management, while showing due consideration for the wellbeing of people, protection of the environment and the development of local economies.

The Group's Sustainability Policy seeks to ensure it is a constructive partner to advance the social, economic and institutional development of the communities in which it operates. The Group fully acknowledges the rights, cultures, customs, and values of people affected by the development and exploitation of mineral resources.

Brockman maintains its community focus on health and sports, and has sponsored charity runs/marathons for employees, for the purpose of raising employees' awareness on health while giving back to the community.

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements of the Company for the year ended 30 June 2023 and the Independent Auditor's Report there on.

REGISTRATION AND LISTING

The Company was registered in Bermuda in accordance with Section 14 of the *Companies Act 1981* on 1 February 2002. The Company's shares were listed on the Main Board of the Stock Exchange Hong Kong Limited ("SEHK") on 5 July 1985 and the Australian Securities Exchange Limited ("ASX") on 11 January 2011.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The principal activities of the Company and its subsidiaries ("Group") are exploration and development of iron ore mining projects in Western Australia. An analysis of the performance of the Group for the year by operating segments and detailed activities of each of the Company's subsidiaries are set out in Notes 7 and 35 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESERVES

Movements in the reserves of the Group during the year are set out in consolidated statement of changes in equity on page 70. The Company had no reserves available for cash distribution and or distribution in specie as at 30 June 2023 (2022: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are set out in Note 18 to the consolidated financial statements.

RESULTS AND REVIEW OF OPERATIONS

The results of the Company for the year ended 30 June 2023 are set out in the consolidated financial statements on pages 68 to 71 of the Annual Report.

The Group's results and business review, including future developments, financial performance analysis, principal risks and uncertainties facing the Group, environmental policies and performance, compliance, with relevant laws and regulations that have significant impact on the Company and key relationships with stakeholders, in accordance with Schedule 5 of the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong), are set out in the Management Discussion and Analysis set out on page 4 to 15 of this Annual Report. The Group's environment, social and governance policies, relationships with its key stakeholders, and the Environmental, Social and Governance Report on pages 38 to 52 of this Annual Report to be separately released on the website of the SEHK and the website of the Company in the sustainability section under Environmental, Social and Governance Report. This discussion forms part of this directors' report.

A summary of the results and from the audited financial statements assets and liabilities of the Group for the last five financial years as extracted is set out on page 109. This summary does not form part of the audited financial statements.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Hong Kong Laws, the bye-laws of the Company, the Bermuda Companies Act 1981 (as amended from time to time) and any other applicable laws, rules and regulations.

The recommendation of payment of any dividend is subject to the absolute discretion of the Board, and any declaration of dividend will be subject to the approval of shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia:

- The Group's actual and expected financial performance;
- Shareholders' interests;
- Retained earnings, distributable reserves and contributed surplus of the Company and each of the other members of the Group;

- The level of the Group's debt to equity ratio, return on equity and financial covenants to which the Group is subject to;
- Possible effects on the Group's credit worthiness;
- Any restrictions on payment of dividends or other covenants on the Group's financial ratios that may be imposed by the Group's financial creditors;
- The Group's expected working capital requirements and future expansion plans;
- Liquidity position and future commitments at the time of declaration of dividend;
- Taxation considerations;
- Statutory and regulatory restrictions;
- General business conditions and strategies;
- General economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- Other factors that the Board deems appropriate.

The dividend policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

DISTRIBUTABLE RESERVES

As at 30 June 2023, the Company has no reserve available for distribution to the shareholders.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws in Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Non-executive Directors:
Kwai Sze Hoi *(Chairman)*
Liu Zhengui *(Vice Chairman)*
(Retired 13 December 2022)
Ross Stewart Norgard

Executive Directors:
Colin Paterson
Chan Kam Kwan, Jason *(Company Secretary)*
Kwai Kwun, Lawrence

Independent Non-executive Directors:
Yap Fat Suan, Henry
Choi Yue Chun, Eugene
David Rolf Welch

Pursuant to code provision B.2.2 of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the SEHK, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, clause 84(1) of the Company's Bye-laws Messrs. Colin Paterson, Yap Fat Suan, Henry and Choi Yue Chun, Eugene shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

CONFIRMATION OF INDEPENDENCE

All the independent non-executive directors are appointed for a specific term and will be subject to retirement by rotation and re-election in accordance with the SEHK Listing Rules and the Bye-Laws of the Company. The Company has received from each of the Independent Non-executive Directors, an annual confirmation of their independence pursuant to Rule 3.13 of the SEHK Listing Rules.

DIRECTORS' AND KEY MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the key management of the Group are set out on pages 16 to 17 of the 2023 Annual Report.

DIRECTOR'S SERVICE CONTRACT

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group. The Board is responsible for determining, with recommendation from the Remuneration and Performance Committee of the Company, the compensation arrangements for the chairman, directors and key management personnel ("KMP"). For the purposes of this Annual Report, KMP of the Company are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, including any Director (whether Executive or otherwise) of the Company.

Remuneration policy

The Board recognises that the Company's performance depends upon the quality of its directors and executives. To achieve its financial and operating activities, the Company must attract, motivate and retain highly skilled directors and executives. The Company embodies the following principles in its remuneration framework:

- Provides competitive rewards to attract high calibre directors and executives,
- Structures remuneration at a level that reflects the directors' duties, accountabilities and it is competitive within Hong Kong and Australia,
- Benchmarks remuneration against appropriate industry groups.

Details of the Directors' remuneration and key management personnel are set in Note 14 and 32(c) to the consolidated financial statements.

DIRECTORS' MEETINGS

The details of directors attendance at board and committee meetings is included in the Corporate Governance Report on pages 20 to 33.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the directors and chief executive and their respective associates in the share capital, and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the SEHK, pursuant to the Model Code for Securities Transactions by Directors of Listed Issues were as follows:

Long positions of ordinary shares of HK$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Number of options outstanding	Percentage of the issued share capital of the Company
Mr Kwai Sze Hoi	Jointly (Note)	60,720,000	—	0.65%
	Interests of controlled corporation (Note)	2,426,960,137	—	26.15%
	Beneficial owner	206,072,000	—	2.22%
	Interest of spouse	24,496,000	—	0.26%
Mr Ross Norgard	Beneficial owner	64,569,834	1,500,000	0.71%
	Interests of controlled corporation	181,696,505	—	1.96%
Mr Colin Paterson	Beneficial owner	22,073,004	15,000,000	0.40%
	Interest of spouse	13,625,442	—	0.15%
Mr Kwai Kwun Lawrence	Beneficial owner	63,408,412	—	0.68%
Mr Chan Kam Kwan Jason	Beneficial owner	—	10,000,000	0.11%
Mr Yap Fat Suan Henry	Beneficial owner	400,000	1,500,000	0.02%
Mr Choi Yue Chun Eugene	Beneficial owner	—	1,500,000	0.02%
Mr David Rolf Welch	Beneficial owner	—	1,500,000	0.02%

Note:

The 2,426,960,137 shares were held by Ocean Line Holdings Ltd., a company held 60% by Mr. Kwai Sze Hoi and 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 of the Company.

Save as disclosed above, as at 30 June 2023, none of the Directors and Chief Executive, nor their associates had registered an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations, that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the SEHK Listing Rules.

SHARE OPTIONS

The share option scheme (the "Share Option Scheme") of the Company was adopted by the Company pursuant to the resolution of the shareholders at the AGM dated 13 November 2012.

The binomial option pricing model is a generally accepted method of valuing options. The measurement dates used in the valuation calculations were the dates on which the options were granted. The values of share options calculated using the binomial option pricing model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

The particulars of the Share Option Scheme are set out in Note 25 to the consolidated financial statements and details of the options outstanding as at 30 June 2023 includes the estimated values of the share options (using the binomial option pricing model), date of grant, vesting period, exercise period and the exercise price of the options outstanding at the beginning and end of the year which have been granted to Qualified Persons under the Share Option Scheme are as follows:

	Option type	Maximum entitlement of each participant	Outstanding as at 1 July 2022	Exercised	Lapsed	Forfeited	Cancelled	Granted	Outstanding as at 30 June 2023	Date of grant of share options	Vesting period of share options	Exercise period of share options	Exercise price (HK$)	Closing price immediately before the date of grant (HK$)
Non-Executive Directors														
Liu Zhengui	2021A	1,500,000	1,500,000	–	–	–	1,500,000	–	–	29 June 2021	29 June 2021-1 January 2022	1 January 2022-31 December 2024	0.213	0.210
Ross Stewart Norgard	2021A	1,500,000	1,500,000	–	–	–	–	–	1,500,000	29 June 2021	29 June 2021-1 January 2022	1 January 2022-31 December 2024	0.213	0.210
Choi Yue Chun Eugene	2021A	1,500,000	1,500,000	–	–	–	–	–	1,500,000	29 June 2021	29 June 2021-1 January 2022	1 January 2022-31 December 2024	0.213	0.210
Yap Fat Suan Henry	2021A	1,500,000	1,500,000	–	–		–	–	1,500,000	29 June 2021	29 June 2021-1 January 2022	1 January 2022-31 December 2024	0.213	0.210
David Rolf Welch	2021A	1,500,000	1,500,000	–	–		–	–	1,500,000	29 June 2021	29 June 2021-1 January 2022	1 January 2022-31 December 2024	0.213	0.210
Executive Directors														
Chan Kam Kwan Jason	2021A	10,000,000	10,000,000	–	–		–	–	10,000,000	29 June 2021	29 June 2021-1 January 2022	1 January 2022-31 December 2024	0.213	0.210
Colin Paterson	2021B	15,000,000	15,000,000	–	–		–	–	15,000,000	29 June 2021	29 June 2021-1 January 2022	1 January 2022-12 May 2024	0.295	0.210
Sub-total		**32,500,000**	**32,500,000**	**–**	**–**		**1,500,000**	**–**	**31,000,000**					
Employees	2021A	71,000,000	70,000,000	–	–		–	–	70,000,000	14 May 2021	14 May 2021-1 January 2022	1 January 2022-31 December 2024	0.213	0.207
Employees	2021B	2,000,000	2,000,000	–	–		–	–	2,000,000	14 May 2021	14 May 2021-1 January 2022	1 January 2022-12 May 2024	0.295	0.207
Sub-total		**73,000,000**	**72,000,000**	**–**	**–**		**1,500,000**	**–**	**72,000,000**					
GRAND TOTAL		**105,500,000**	**104,500,000**	**–**	**–**		**1,500,000**	**–**	**103,000,000**					
Weighted average exercise price			**0.23**	–	–		**0.21**	–	**0.23**					

As at 30 June 2023, the Company had 103,000,000 share options outstanding under the Share Option Scheme which represented approximately 1.11% of the weighted average number of the Company's shares in issue during the year. Should the 103,000,000 share options be fully exercised, the Company will receive HK$23,333,000 (before issue expenses). The fair value of these unexercised options measured in accordance with the Group's accounting policy note 3(v) and 25 to the consolidated financial statements amounted to HK$7,545,000.

The number of share options available for grant under the Share Option Scheme was 465,448,223 at the beginning of the year, and was nil at the end of the year as the Share Option Scheme expired in August 2022.

During the year, no directors, chief executive or substantial shareholder of the Company were granted or to be granted options in excess of the 1% individual limit. At no time, a related party or other participants of the Company were granted or to be granted options in any 12 month period exceeding 0.1% of the issued share capital.

Until the new share option scheme is implemented no new share options will be granted, however existing unexercised share options will continue until they are exercised, cancelled, forfeited or expired.

Saved as disclosed above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or where any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the section "Directors and Chief Executives' interest and short positions in shares and underlying shares and debentures", at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company and their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had any interests in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

DIRECTORS'/CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Details of the related party transactions for the year are set out in Note 32 to the consolidated financial statements. Other than as disclosed therein, no director nor a connected entity of a director, a related party of a director, nor a controlling shareholder of the Company, had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, the holding Company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 June 2023.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 30 June 2023 are disclosed in Note 32 to the consolidated financial statements. The related party transactions do not constitute a connected transaction and are exempt connected transaction under the SEHK listing rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best of directors' knowledge, as at 30 June 2023 the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions of 5% or more of the share capital and share option of the Company:

Long positions of ordinary shares and underlying shares of HK$0.10 each of the Company

Name of shareholder	Nature of interest	Number of shares or underlying shares	Percentage of the issued share capital of the Company
Ocean Line Holdings Ltd ("Ocean Line") (Note 1)	Beneficial owner	2,426,960,137	26.15%
Kwai Sze Hoi (Note 1)	Interest held by controlled corporations	2,426,960,137	26.15%
	Interest held jointly with another person	60,720,000	0.65%
	Beneficial owner	206,072,000	2.22%
	Interest of spouse	24,496,000	0.26%
Cheung Wai Fung (Note 1)	Interest held by controlled corporations	2,426,960,137	26.15%
	Interest held jointly with another person	60,720,000	0.65%
	Beneficial owner	24,496,000	0.26%
	Interest of spouse	206,072,000	2.22%
Equity Valley Investments Limited	Beneficial owner	515,574,276	5.56%
The XSS Group Limited (Note 2)	Interest held by controlled corporations	515,574,276	5.56%
Cheung Sze Wai, Catherine (Note 2)	Interest held by controlled corporations	515,574,276	5.56%
	Interest of spouse	50,000,000	0.54%
Luk Kin Peter Joseph (Note 2)	Interest held by controlled corporations	515,574,276	5.56%
	Beneficial owner	50,000,000	0.54%
KQ Resources Limited	Beneficial owner	1,301,270,318	14.02%

Notes:

1. Ocean Line is owned 60% by Mr Kwai Sze Hoi and 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. 515,574,276 shares were held by Equity Valley Investments Limited. Equity Valley Investments Limited is wholly-owned by The XSS Group Limited, of which 50%, 20% and 30% of its issued share capital were held by Mr Luk Kin Peter Joseph, Ms Cheung Sze Wai, Catherine (Mr Luk's spouse) and Ms Chong Yee Kwan (Mr Luk's mother) respectively. In addition, Mr Luk held a total of 50,000,000 options. The details of the share options outstanding during the year are separately disclosed in the section "Share Options" and Note 25 to the consolidated financial statements.

Save as disclosed above, as at 30 June 2023, no person, other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executives' interests and short positions in shares and underlying shares and debentures", had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

SHARE CAPITAL, SHARE OPTIONS, WARRANTS AND CONVERTIBLE BONDS

Details of movements in the Company's share capital and share options during the year are set out in notes 24 and 25 to the consolidated financial statements.

During the year, the Company has not issued any debentures.

PURCHASE, REDEMPTION OR SALE OF COMPANY'S 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.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Laws of the Company, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company against all losses and liabilities etc which they may incur or sustain by reason of the execution of their duties, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the directors. The Company has also arranged appropriate directors and officers insurance coverage for the directors and officers of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate operating and administrative expenses attributable to the Group's five largest suppliers were less than 20% of total operating and administrative expenses (include exploration and evaluation expenses and excluding share of joint operation expenditure) for the year. At no time during the year did any Director, or associate of a Director, or any shareholder of the Company, (which, to the best knowledge of the Directors owned more than 5% of the Company's share capital), have any beneficial interest in the Group's five largest customers and suppliers.

PENSION SCHEME ARRANGEMENTS

Employers in Hong Kong are obliged under the Mandatory Provident Fund Scheme Ordinance to contribute for its employees 5% of the employees' relevant income to a maximum of HK$1,500 per month. Employers in Australia are obligated to make superannuation contributions for eligible employees 10.50% (from 1 July 2023 the contribution rate increased to 11.0%) on gross earnings to a maximum quarterly superannuation payment of A$6,323 (approximately HK$33,230) per quarter. No forfeited contribution is available to reduce the contribution payable in the future.

The contributions are charged to the consolidated statement of profit or loss, represent the contribution payable to employees funds during the year.

CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business in which the Company, any of its subsidiaries or fellow subsidiaries, or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

PROVISION OF INFORMATION IN RESPECT OF ANY DIRECTOR

Pursuant to Rule 13.51(B)(1) of the SEHK Listing Rules the changes of directors' information of the Company is set out below:

- Mr. Liu Zhengui retired as non-executive director of the Company on 13 December 2022.
- Mr. Chan Kam Kwan, Jason had resigned as an independent non-executive director of 1957&Co. (Hospitality) Limited (Stock Code: 8495) on 19 August 2022.

Save as disclosed above, upon specific enquiry made by the Company and following confirmations from directors, there are no other changes in the information of the directors required to be disclosed pursuant to Rule 13.51(B)(1) of the SEHK Listing Rules since the Company's last published annual report.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. During the year ended 30 June 2023, the Company has complied with Code provisions of the Corporate Governance Code as set out in Part 2 of Appendix of the 14 of the SEHK Listing Rules, except for the following:

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

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 18 to 37 of the annual report.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in note 39 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors as at the date of this Annual Report, the Company has maintained sufficient public float as required under the SEHK Listing Rules.

AUDIT AND NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties, where the auditor's expertise and experience with the Company and the Group are important. The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of non-audit services did not compromise the auditor for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditors own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the year, the following fees were paid or payable for audit and non-audit services provided by Ernst and Young.

	2023 HK$'000	2022 HK$'000
Remuneration of Ernst and Young (Australia) for:		
— auditing or reviewing accounts of any statutory financial reports covering the Group	**1,018**	1,038
— tax compliance	**210**	113
— tax advice	**392**	—
	1,620	1,151
Remuneration of Ernst and Young (other than) Australia for:		
— fees for auditing and review of any statutory financial reports covering the Group	**60**	65
	60	65
	1,680	1,216

RE-APPOINTMENT OF AUDITOR

The consolidated financial statements for the financial year ended 30 June 2023 have been audited by Ernst and Young, Australia, who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

Ernst and Young, 'Australia', the auditor of the Company, is a non-Hong Kong audit firm which has obtained approval from the Accounting and Financial Reporting Council as a recognised public interest entity ("PIE") auditor to conduct PIE engagement of the Company.

By order of the Board.

Kwai Sze Hoi
Chairman

Hong Kong, 19 September 2023

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of Brockman Mining Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Brockman Mining Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 68 to 108, which comprise the consolidated balance sheet as at 30 June 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2(a) in the consolidated financial statements, 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, and for each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. **Carrying value of capitalised mining exploration properties**

Why significant	How our audit addressed the key audit matter
At 30 June 2023 the Group held capitalised mining exploration properties in Australia of HK$705,842,000, representing 97% of the Group's total assets. The carrying value of mining exploration properties is assessed for impairment by the Group when facts and circumstances indicate that these properties may exceed their recoverable amount. The determination as to whether there are any facts and circumstances 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. The directors did not identify any impairment indicators. Given the significance of the capitalised mining exploration properties relative to the Group's total assets and the degree of judgement involved in assessing whether any indicators of impairment exist, we consider this a key audit matter. Refer to Note 17 in the consolidated financial statements for capitalised mining exploration property balances and related disclosures.	We considered and challenged the Group's assessment as to whether there were impairment indicators present that required the capitalised mining exploration properties to be tested for impairment as at 30 June 2023. In performing our procedures, we: ▶ Considered whether the Group's right to explore was current, which included obtaining and assessing supporting documentation such as license agreements. ▶ Considered the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's approved cashflow forecast and enquiring of senior management and the directors as to their intentions and the strategy of the Group. ▶ Assessed whether exploration and evaluation data exists to indicate that the carrying value of mining exploration properties is unlikely to be recovered through development or sale. ▶ Assessed the adequacy of the disclosures in Note 17 of the consolidated financial statements.

2. **Recognition of deferred tax asset**

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the Group: ► Recognised a deferred tax asset ("DTA") of HK$109,795,000 in its consolidated balance sheet for certain of its Australian carry forward tax losses. This DTA was fully offset against the deferred tax liability ("DTL") in the consolidated balance sheet. ► Did not recognise a DTA in respect of tax losses amounting to approximately HK$831,909,000 as the utilisation of these tax losses is subject to the satisfaction of the loss recoupment rules in the relevant tax jurisdiction as well as other uncertainties which mean that their availability for utilisation or realisation is not considered probable. Under IFRS, DTAs for available carry forward tax losses are only recognised when their recovery is considered probable. This consideration of carry forward tax loss recognition is reassessed at each reporting period. Given the significant degree of judgement involved in management's assessment as to the ongoing availability and probability of recoverability of the DTA as at 30 June 2023, we consider this a key audit matter. Refer to Notes 4(c), 13 and 26 in the consolidated financial statements for deferred tax balances and related disclosures.	We assessed the Group's decision to carry the DTA at 30 June 2023 and the methodology for determining the amount of the DTA to be carried forward for compliance with IFRS. Our audit procedures included the following: ► We assessed the amount of the Group's available carry forward tax losses and the impact of any known or potential limitations on the availability of the carry forward tax losses. This work included consultation with our tax specialists. ► We obtained and considered correspondence: ► Between the Group and the Australian tax authorities. ► Between the Group and external tax advisors. ► We assessed the adequacy of the related disclosures in the consolidated financial statements.

3. Measurement of Polaris and substantial shareholder loans

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the carrying amount of the Group's loans payable to Polaris Metals Pty Ltd ("Polaris") and a substantial shareholder ("shareholder") totalled HK$64,617,000, representing 30% of the Group's total liabilities. The Polaris loan was advanced to the Group, pursuant to the Farm-in and Joint Venture Agreement ("FJV") between Brockman Iron Pty Ltd ("Brockman Iron") and Polaris. The loan is secured and bears no interest. Under the terms of the FJV Agreement, the repayment terms of this loan varies dependent upon a number of conditions relating to the Marillana Project. The Group determined that the timing of the loan repayments did not need to be adjusted in the current year and hence no remeasurement was necessary. On 23 February 2023, an existing shareholder loan was extinguished and replaced by a new loan of US$3.3 million (HK$25,740,000). This new loan is unsecured, bears interest at 17% per annum and is repayable on 31 October 2024. Given the significant degree of judgement involved in: • The Group's assessment of the likely amount and timing of repayments for the Polaris loan; • The accounting for the extinguishment of the previous shareholder loan; and • the determination of an appropriate market rate of interest used for the calculation of amortised cost for the new shareholder loan; we consider this a key audit matter. Refer to Notes 4(b) and 23 in the consolidated financial statements for the loan balances and related disclosures.	Our audit procedures included the following: ▶ We assessed whether the extinguishment of the previous shareholder loan had been appropriately accounted for in accordance with IFRS 9 *Financial Instruments* ("IFRS 9"). ▶ We assessed whether the new shareholder loan had been appropriately recognised and measured in accordance with IFRS 9. ▶ We evaluated the Group's assessment regarding the timing of the expected Polaris loan repayments. This included reading correspondence between the Group and Polaris to assess the intentions of both parties. ▶ With the assistance of our EY Banking and Capital Market specialists, we assessed the market rate of interest used by the Group in its determination of the amortised cost calculation for the new shareholder loan. ▶ We obtained and reviewed management's calculation of the amortised cost and classification of both loans in accordance with the requirements of IFRS 9. ▶ We assessed the adequacy of the related disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the *Bermuda Companies Act 1981*, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pierre Dreyer.

Ernst & Young
Chartered Accountants
Perth, Western Australia
19 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	Year ended 30 June 2023 HK$'000	2022 HK$'000
Other income	10	**48**	97
Administrative expenses	11	**(16,563)**	(22,747)
Exploration and evaluation expenses	11	**(50,207)**	(17,677)
Operating loss		**(66,722)**	(40,327)
Finance income		**221**	13,211
Finance costs		**(6,616)**	(4,613)
Finance costs, net	12	**(6,395)**	8,598
Share of loss of joint ventures	30	**(130)**	(136)
Loss before income tax		**(73,247)**	(31,865)
Income tax benefit	13	**16,691**	11,051
Loss for the year		**(56,556)**	(20,814)
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	15	**(0.61)**	(0.22)
Diluted loss per share	15	**(0.61)**	(0.22)

The notes on pages 72 to 108 form an integral part of these consolidated financial statements.

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	17	**705,842**	733,677
Property, plant and equipment	18	**144**	177
Right-of-use assets	18,19	**654**	801
Interest in joint venture	30	**630**	651
Other non-current assets		**119**	123
		707,389	735,429
Current assets			
Other receivables, deposits and prepayments	21	**925**	999
Cash and cash equivalents	20	**16,495**	28,797
		17,420	29,796
Total assets		**724,809**	765,225
Equity			
Share capital	24	**928,023**	928,023
Reserves	34	**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	26	**86,369**	106,949
Borrowings	23	**64,617**	51,309
Lease liabilities	19	**718**	563
		151,704	158,821
Current liabilities			
Trade and other payables	22	**60,583**	14,504
Lease liabilities	19	**396**	619
Provisions	27	**914**	1,144
		61,893	16,267
Total liabilities		**213,597**	175,088
Total equity and liabilities		**724,809**	765,225

The consolidated financial statements on pages 68 to 108 were approved by the Board of Directors on 19 September 2023 and were signed on its behalf.

Kwai Kwun, Lawrence
Director

Chan Kam Kwan, Jason
Director

The notes on page 72 to 108 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Notes	Share capital HK$'000	Share premium HK$'000	Share-based compensation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 July 2021		**927,923**	**4,468,624**	**86,110**	**(698,930)**	**(4,138,025)**	**645,702**
Loss for the year		—	—	—	—	(20,814)	(20,814)
Other comprehensive loss							
Exchange differences arising on translation of foreign operations		—	—	—	(41,360)	—	(41,360)
Total comprehensive loss for the year		—	—	—	(41,360)	(20,814)	(62,174)
Transactions with equity holders							
Issuance of shares	24	100	—	—	—	—	100
Exercise of options		—	113	—	—	—	113
Share based compensation	25	—	—	6,396	—	—	6,396
Total transactions with equity holders		100	113	6,396	—	—	6,609
Balance at 30 June 2022		**928,023**	**4,468,737**	**92,506**	**(740,290)**	**(4,158,839)**	**590,137**

	Notes	**Share capital HK$'000**	**Share premium HK$'000**	**Share-based compensation reserve HK$'000**	**Translation reserve HK$'000**	**Accumulated losses HK$'000**	**Total HK$'000**
Balance at 1 July 2022		**928,023**	**4,468,737**	**92,506**	**(740,290)**	**(4,158,839)**	**590,137**
Loss for the year		**—**	**—**	**—**	**—**	**(56,556)**	**(56,556)**
Other comprehensive loss							
Exchange differences arising on translation of foreign operations	34	**—**	**—**	**—**	**(22,368)**	**—**	**(22,368)**
Total comprehensive loss for the year		**—**	**—**	**—**	**(22,368)**	**(56,556)**	**(78,924)**
Transactions with equity holders		**—**	**—**	**—**	**—**	**—**	**—**
Balance at 30 June 2023		**928,023**	**4,468,737**	**92,506**	**(762,658)**	**(4,215,395)**	**511,213**

The notes on pages 72 to 108 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 HK$'000	2022 HK$'000
		Year ended 30 June	
Cash flows from operating activities			
Loss before tax		**(73,247)**	(31,865)
Adjustments for:			
Depreciation of property, plant and equipment	11,18	**30**	30
Depreciation of right-of-use assets	11,18,19	**533**	678
Share-based payment expense	25	**—**	6,396
Finance costs	12	**6,616**	4,482
Finance income	12	**—**	(13,197)
Share of loss of joint venture	30(b)	**130**	136
Movements in provisions		**(230)**	(314)
Other non-cash income and expenses		**(216)**	135
Working capital adjustments:			
— (Decrease)/increase in trade receivables & prepayments		**74**	(34)
— Increase in trade and other payables		**47,068**	13,381
Net cash flows used in operating activities		**(19,242)**	(20,173)
Cash flows from investing activities			
Purchase of property, plant and equipment	18	**(4)**	(51)
Investment in joint venture	30(b)	**(133)**	(130)
Interest received		**219**	16
Net cash flows from/(used in) investing activities		**82**	(165)
Cash flows from financing activities			
Proceeds from borrowings		**8,187**	—
Proceeds from issuance of ordinary shares		**—**	215
Payment of principal portion of lease liabilities		**(438)**	(671)
Interest on lease payments		**(144)**	(131)
Proceeds received on settlement of non-recourse loan shares		**—**	5,737
Net cash flows from financing activities		**7,605**	5,150
Net decrease in cash and cash equivalents		**(11,555)**	(15,188)
Cash and cash equivalents at beginning of the year		**28,797**	45,667
Effects of foreign exchange rate changes		**(747)**	(1,682)
Cash and cash equivalents at end of the year	20	**16,495**	28,797
Cash used for exploration and evaluation activities included in operating activities		**(2,800)**	(3,640)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**12,577**	28,797
Non-pledged time deposits with original maturity of less than three months when acquired		**3,918**	—
Cash and cash equivalents as stated in the statement of cash flows	20	**16,495**	28,797

The notes on pages 72 to 108 form an integral part of these consolidated financial statements.

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.

(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 22). 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) 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 these consolidated financial statements.

2. BASIS OF PREPARATION (Continued)

(a) Going concern basis (Continued)

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 these consolidated financial statements.

These 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.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Changes in accounting policy and disclosures (Continued)

New standards, interpretations and amendments adopted by the Group (Continued)

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.

(b) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(i) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions with equity holders of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposal of non-controlling interests are also recorded in equity.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Subsidiaries (Continued)

(ii) Disposal of subsidiaries

If the Group loses control over a subsidiary, it derecognises (i) the assets and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity or specified/permitted by applicable IFRS.

(c) Joint arrangements

The Group undertakes a number of business activities through joint arrangements. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. The Group's joint arrangements are of two types:

(i) Joint operations

A joint operation is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In relation to its interests in joint operations, the financial statements of the Group includes:

- Assets, including its share of any liabilities incurred jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Expenses, including its share of any expenses incurred jointly.

All such amounts are measured in accordance with the terms of each arrangement which are in proportion to the Group's interest in each asset and liability, income and expense of the relevant joint operation.

(ii) Joint Ventures

A joint venture is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the net assets of the arrangement. A separate vehicle (not the parties) will have the rights to the assets and obligations for the liabilities, relating to the arrangement. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in joint ventures equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses.

Operating segments are reported in a manner consistent with internal reports provided to Chief Operating Decision Maker, which comprise the executive directors of the Company who are responsible for allocating resources and assessing performance of the operating segments.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Segment reporting (Continued)

The Company aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Geographical location, and
- National regulatory environment.

Operating segments that do not meet the quantitative criteria as prescribed by IFRS 8 *Operating Segments* are reported separately. An operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the consolidated financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "other".

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

— assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

— income and expenses for each statement of comprehensive income are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions);

— all resulting currency translation differences are recognised in other comprehensive income; and

— for the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences is re-attributed to non-controlling interests and is not recognised in profit and loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures that do not result in the Group losing joint control) the proportionate share of the accumulated exchange difference is reclassified to profit and loss.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Mining exploration properties

Mining exploration properties are stated in the balance sheet at cost less subsequent accumulated amortisation and any accumulated impairment losses. Mining exploration properties are amortised using the units of production method based on the proven and probable mineral reserves and starts when commercial production commences.

Mining exploration properties acquired in a business combination are identified and recognised as intangible assets separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Impairment reviews of mining exploration properties are undertaken if events or changes in circumstances indicate a potential impairment. The carrying value of mining exploration properties is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Mining exploration properties that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant, furniture, fixtures and equipment	12.5% - 25% per annum

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement is recognised in the profit and loss in the year the asset is derecognised and determined as is the difference between the net sales proceeds and the carrying amount of the relevant asset.

(h) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash generating unit's value in use and its fair value less costs of disposal. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating unit). An impairment loss is recognised only if the carrying amount of an amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset. An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Financial assets

i) Classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. While financial assets classified and measured at fair value through other comprehensive income and held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

At 30 June 2023, the group does not have any financial assets classified and measured at fair value through other comprehensive income (2022: Nil).

ii) Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the profit and loss.

iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

iv) Impairment of financial assets

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(j) Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans, borrowings and payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transactions costs. The Group's financial liabilities include trade and other payables, and other borrowings.

The subsequent measurement of financial liabilities depends on their classification as follows:

ii) Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the EIR method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(j) Financial liabilities (Continued)

ii) *Financial liabilities at amortised cost (loans and borrowings)* (Continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

(k) Fair value measurement

The Group measures its financial assets and liabilities at fair value upon initial recognition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidate financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(l) Other receivables

Other receivables are amounts due from transactions outside the ordinary course of business. If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

(m) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits, and have a short maturity of generally within three months when acquired. Restricted cash is not available for use by the Company and is therefore not considered highly liquid.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits with a maturity of three months or less, which are not restricted as to use.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) Related parties

A party is considered to be related to the Group if:

(a) The party is a person or a close member of that person's family and that person

i. Has control or joint control over the Group;

ii. Has significant influence over the Group; or

iii. Is a member of the key management personnel of the Group or of a parent of the Group;

Or

(b) The party is an entity where any of the following conditions applies:

i. The entity and the Group are members of the same group;

ii. One entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

iii. The entity and the Group are joint ventures of the same third party;

iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

v. The entity is controlled or jointly controlled by a person identified in (a);

vi. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

vii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

(o) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

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) and 30(a).

(p) Earnings per share

Basic earnings per share ("EPS") is calculated as net profit/loss attributable to members of the parent divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted EPS is calculated as net profit/loss attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

The result is then divided by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus element.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; and difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss over the period of the borrowing using the EIR method.

Fees paid on the settlement of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

There were no borrowing costs eligible for capitalisation during the year (2022: Nil).

(s) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

(t) Current and deferred income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

All wholly-owned Australian subsidiaries of the Company form a tax consolidated group under Australian tax law and are taxed as a single entity. Brockman Mining Holdings (Australia) Pty Ltd ("BMHA"), a wholly-owned subsidiary of the Company, is the head entity of the Australian tax consolidated group.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The initial recognition exception is not applied to deferred income tax related to assets and liabilities arising from a single transaction (i.e. leases). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future periods in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(u) Employee benefits

(i) Short-term obligations

Salaries, annual bonuses, annual leave entitlement and the cost of non-monetary benefits expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of a reporting period. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of services. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Pension obligations

The Group participates in various defined contribution schemes. The schemes are generally funded through payments to insurance companies, trustee-administrated funds or the relevant government authorities. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee services in the current and prior periods.

Payments to state-managed retirement benefit and Mandatory Provident Fund retirement schemes are charged as expenses when employees have rendered services entitling them to the contributions.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(v) Share-based payments

(i) Equity-settled share-based payment transactions

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from directors, employees or consultants as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 25 to the financial statements.

The cost of equity settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

The total amount to be expensed is determined by reference to the fair value of the option granted:

— including any market performance conditions (for example, an entity's share price);

— excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the entity over a specified time period); and

— including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(v) Share-based payments (Continued)

(i) Equity-settled share-based payment transactions (Continued)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share unless they are antidilutive.

(ii) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

(w) Provisions

A provision is recognised when a present obligation (legal and constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditure expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit and loss.

(x) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(y) Interest income

Interest income is recognised on an accrual basis using the EIR method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(z) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

(aa) Exploration and evaluation costs

Except for acquisition costs for mining exploration properties which are capitalised, the Group has a policy of expensing all exploration and evaluation expenditure, in the financial year in which it incurred, unless its recoupment out of revenue to be derived from the successful development of the prospect, or from sale of that prospect, is assured beyond reasonable doubt.

(ab) Consumption tax (Goods and Services Tax and Value-added Tax)

Revenues, expenses and assets are recognised net of the amount of consumption tax except:

— where the consumption tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the consumption tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

— receivables and payables are stated with the amount of consumption tax included.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(ab) Consumption tax (Goods and Services Tax and Value-added Tax) (Continued)

The net amount of consumption tax recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the balance sheet.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the consumption tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of consumption tax recoverable from, or payable to, the taxation authority.

(ac) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers that payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment to purchase the underlying asset (e.g., a change to future lease payment resulting from a change in an index rate).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies to the leases of low value assets recognition to leases that are considered of low value (i.e., less than HK$30,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Impairment of mining exploration properties in Australia

Mining exploration properties are reviewed for impairment whenever events or changes in circumstances indicate that an impairment may exist. The Group performs an assessment of impairment indicators to determine when facts and circumstances suggest that the carrying amount of mining exploration properties may exceed its recoverable amount.

The assessment of whether there are any impairment indicators in respect of a mining exploration property involves a number of judgments. These include whether the Group has the right to explore in the specific area of interest, whether ongoing expenditure is planned or budgeted and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable.

As at 30 June 2023, the carrying amount of the mining exploration properties is HK$705,842,000 (2022: HK$733,677,000). There is no impairment loss recognised for the year ended 30 June 2023 (2022: Nil) as no facts and circumstances suggest that the mining exploration properties may be impaired. See Note 17 for further consideration by the Group.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(b) Measurement of Polaris and substantial shareholder loans

Estimating the market interest rate

The previous loan from its substantial shareholder was repaid on 23 February 2023 and a new loan from the substantial shareholder was subsequently advanced on the same day. Judgement was required to determine the market interest rates used to account for the Polaris and the substantial shareholder loans. The Polaris and substantial shareholder loans were initially recognised as fair value and subsequently measured at amortised cost using market interest rate of 12% (2022: 12%) and 17% (previous loan: 12%) respectively, which the directors believe best reflects the Group's market interest rate for borrowings of these amounts and terms.

Estimating the repayment dates and amounts

The date of repayment for the Polaris loans will depend on the date of commencement of operations and it is expected that full repayment will be made within two — three months of this date.

As at 30 June 2023, the carrying amount of these borrowings is HK$64,617,000 (2022: HK$34,517,000).

(c) Income taxes

Deferred tax assets are recognised for unused tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits, together with future tax planning strategies and changes in factors which provide confirmation of the existence and ability to utilise tax losses.

At 30 June 2023, the Group's total tax losses were HK$1,196,521,000 (2022: HK$1,228,000,000). The Group did not recognise a deferred income tax asset in respect of tax losses amounting to approximately HK$831,909,000 (2022: HK$860,000,000) as the utilisation of these tax losses is subject to the satisfaction of the loss recoupment rules in the relevant tax jurisdiction as well as other uncertainties which mean that their realisation is not considered probable.

The unrecognised tax losses of HK$289,099,000 (2022: HK$277,400,000) that relate to the Company are indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against these losses can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Judgements (Continued)

(c) Income taxes (Continued)

The unrecognised tax losses of HK$542,810,000 (2022: HK$582,600,000) that relate to overseas subsidiaries have a history of losses, do not expire, and may not be used to offset taxable or other income elsewhere in the Group. The Group has determined that these losses are not expected to be available for utilisation when taxable temporary differences are expected to reverse. On this basis, the Group has determined that it cannot recognise deferred tax assets on these unrecognised tax losses carried forward. Further work continues in respect of assessing whether these unrecognised tax losses may become available.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including exchange rate risk), credit risk, liquidity risk and interest rate risk. Risk management is carried out by the Executive Committee with guidance from the Risk Management Committee under policies approved by the Board. The Board also provides regular guidance for all for overall risk management. Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below. The Group does not and is prohibited from entering into derivative contracts for speculative purposes.

(i) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The directors of the Company consider that the capital structure of the Group consists of long-term debt and lease liabilities, and equity attributable to equity holders of the Company comprising issued capital and reserves.

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues as well as the issue of the new debt or the repayment of existing debt. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2023 and 2022.

The Group monitors capital using a gearing ratio, which is long-term debt over equity and long-term debt. The gearing ratios at 30 June 2023 and 2022 were as follows:

	2023 **HK$'000**	2022 HK$'000
Long-term debt and lease liabilities	**65,335**	51,872
Total equity	**511,212**	590,137
Total capital	**641,882**	642,009
Gearing ratio	**10.17%**	8.08%

An increase in the Group's long-term debt and hence the Group's gearing ratio increased from 8.08% to 10.17% at 30 June 2023 compared with the 30 June 2022.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial risk factors (Continued)

(ii) Liquidity risk

The Group's primary cash requirements have been for the payment for working capital and exploration and evaluation activities. The Group generally finances its short term funding requirements with equity funding and loans from shareholders.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group could be required to pay. The table includes both interest and principal cash flows.

	Within 1 year of demand HK$'000	1 to 2 years HK$'000	2 — 3 years HK$'000	Later than 3 years & no later than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at year ended date HK$'000
30 June 2023						
Non-derivative financial liabilities:						
Trade and other payables	60,583	—	—	—	60,583	60,583
Lease liabilities	396	427	481	—	1,305	1,114
Borrowings	—	37,289	55,788	—	93,504	64,617
	60,979	**37,716**	**56,269**	**—**	**155,392**	**126,314**
30 June 2022						
Non-derivative financial liabilities:						
Trade and other payables	14,504	—	—	—	14,504	14,504
Lease liabilities	626	420	249	—	1,295	1,182
Borrowings	—	18,556	—	55,788	74,344	51,309
	15,130	**18,976**	**249**	**55,788**	**90,143**	**66,995**

The date of repayment for the loans from Polaris will depend on the date of commencement of operations and it is expected that full repayment will be made within two — three months of this date.

Management and the Board monitor the Group's liquidity reserve on the basis of expected future cashflows. The information is prepared by management and reviewed by the Board includes annual cashflow budgets.

(iii) Fair value estimation

The fair value of the Group's financial assets, including other receivables, deposits, amounts due from related parties, and cash and cash equivalents; and the Group's financial liabilities, including trade and other payables, amounts due to related parties are approximate to their carrying amounts due to their short-term maturities. The fair value of non-current borrowings is disclosed in note 23.

(iv) Exchange rate risk

During the year, no financial instrument was used for hedging purposes.

As at 30 June 2023 and 2022, the Group was not exposed to any significant exchange rate risk.

(v) Credit risk

The Group's maximum exposure to credit risk which could cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the trade receivables, other receivables and deposits, amount due from a related party, cash and cash equivalents and restricted cash as stated in the consolidated balance sheet.

Management reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for expected credit losses by assessing the credit quality of the counterparties by taking into account its financial position, past experience and other factors. The Group trades only recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of management. In this regard, the directors of the Company consider that the credit risk of the Group is reduced.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial risk factors (Continued)

(v) Credit risk (Continued)

The credit risk on cash and cash equivalents is limited for both the Group and the Company because counterparties are mainly the banks with high credit-rating of AA+ assigned by international credit-rating agencies.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The Group and the Company have no concentration of credit risk, with exposure spread over a number of counterparties.

(vi) Interest rate risk

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.

As at 30 June 2023 and 2022, the Group was not exposed to any significant interest rate risk.

6. REVENUE

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

7. 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) to 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.

7. SEGMENT INFORMATION (Continued)

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

	Mineral tenements in Australia HK$'000	Other HK$'000	Total 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

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

8. EMPLOYEE BENEFIT EXPENSE

	2023 HK$'000	2022 HK$'000
Salaries and other benefits	**11,087**	11,630
Post-employment benefits	**601**	587
Share-based compensation	**—**	6,396
	11,688	18,613

9. FIVE HIGHEST PAID EMPLOYEES

Of the five individuals who received the highest emoluments in the Group for the year, three (2022: three) are the directors of the Company whose emoluments are disclosed in Note 14. The emoluments of the remaining two (2022: two) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

	2023 HK$'000	2022 HK$'000
Salaries and other benefits	**2,757**	2,834
Post-employment benefits	**176**	179
Share-based compensation	**—**	937
	2,933	3,950

The number of non director highest paid employees whose remuneration fell within the following bands presented in Hong Kong dollars, is as follows:

	Number of individuals	
	2023	2022
HK$1,000,000 — HK$2,000,000	**2**	—
HK$2,000,001 — HK$3,000,000	**—**	1
HK$3,000,001 — HK$4,000,000	**—**	1
	2	2

During the prior years, share options were granted to the highest paid non-director employees in respect to their services to the Group, further details of which are included in note 25. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements is included in the above highest paid non-director employees' remuneration disclosures in the prior year.

10. OTHER INCOME

	2023 HK$'000	2022 HK$'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).

11. LOSS BEFORE TAX

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

	2023 HK$'000	2022 HK$'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 (note 14))	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

12. FINANCE COSTS, NET

An analysis of finance costs, net is as follows:

	2023 HK$'000	2022 HK$'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

13. 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 HK$'000	2022 HK$'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%).

14. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information amount Benefits of Directors) Regulation.

The remuneration of every director for the year ended 30 June 2023 is set out below:

Name	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Housing allowance HK$'000	Share based payment expense HK$'000	Retirement benefit scheme HK$'000	Total HK$'000
Kwai Sze Hoi	—	—	—	—	—	—	—
Chan Kam Kwan, Jason	—	1,070	—	—	—	54	1,124
Kwai Kwun, Lawrence	—	1,210	—	—	—	61	1,271
Liu Zhengui	108	—	—	—	—	—	108
Yap Far Suan, Henry	228	—	—	—	—	—	228
Choi Yue Chun, Eugene	228	—	—	—	—	—	228
David Rolf Welch	229	—	—	—	—	—	229
Ross Stewart Norgard	229	—	—	—	—	—	229
Colin Paterson	—	2,018	—	—	—	133	2,151
Total	**1,022**	**4,298**	**—**	**—**	**—**	**248**	**5,568**

The remuneration of every director for the year ended 30 June 2022 is set out below:

Name	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Housing allowance HK$'000	Share based payment expense HK$'000	Retirement benefit scheme HK$'000	Total HK$'000
Kwai Sze Hoi	—	—	—	—	—	—	—
Chan Kam Kwan, Jason	—	363	—	720	777	50	1,910
Kwai Kwun, Lawrence	—	1,083	—	—	—	50	1,133
Liu Zhengui	240	—	—	—	117	—	357
Yap Far Suan, Henry	228	—	—	—	117	—	345
Choi Yue Chun, Eugene	228	—	—	—	117	—	345
David Rolf Welch	227	—	—	—	117	—	344
Ross Stewart Norgard	227	—	—	—	117	—	344
Colin Paterson	—	2,328	—	—	716	133	3,177
Total	**1,150**	**3,774**	**—**	**720**	**2,078**	**233**	**7,955**

In the prior years, certain directors were granted options, under the share option scheme of the Company, further details of which are set out in note 25 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executives' remuneration disclosures.

The executive directors remuneration shown above is for the provision of services in connection with the management of the affairs of the Company and Group. The non-executive directors and independent non-executive directors remuneration shown above are for their services as directors of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

No director proposed for re-election at the annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries (2022: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for early termination of their appointment during the year (2022: Nil).

14. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(d) Consideration provided to third parties for making available directors' services

No payment was made to any former employer of directors for making available the services of them as a director of the Company (2022: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 30 June 2023, there were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year (2022: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements or contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2022: Nil).

(g) Remuneration paid or receivable in respect of accepting office as director

There was no remuneration paid or receivable in respect of accepting office as director and other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year (2022: Nil).

15. 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.

16. 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).

17. 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)). 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.

18. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

	Plant, furniture, fixtures and equipment HK$'000	Right-of-use asset HK$'000	Total HK$'000
For the year ended 30 June 2023			
1 July 2022	177	801	978
Additions	4	980	984
Reassessment of lease term	—	(575)	(575)
Depreciation	(30)	(533)	(563)
Exchange differences	(7)	(19)	(26)
At 30 June 2023	**144**	**654**	**798**
Cost	**4,959**	**2,307**	**7,266**
Accumulated depreciation	**(4,815)**	**(1,653)**	**(6,468)**
Net book amount	**144**	**654**	**798**
For the year ended 30 June 2022			
1 July 2021	167	1,538	1,705
Additions	51	—	51
Depreciation	(30)	(678)	(708)
Exchange differences	(11)	(59)	(70)
At 30 June 2022	**177**	**801**	**978**
Cost	**4,955**	**1,902**	**6,857**
Accumulated depreciation	**(4,778)**	**(1,101)**	**(5,879)**
Net book amount	**177**	**801**	**978**

There was no depreciation expense (2022: Nil) included in cost of sales and depreciation of HK$563,000 (2022: HK$708,000) was included in administration expenses.

19. LEASES

The Group as a lessee

The Group has a lease contract for commercial office space. There are several lease contracts that include extension and variable lease payments, which are further discussed below. Generally, the Group is restricted from assigning and subleasing the leased assets outside of the Group.

(a) Right-of-use assets

The carrying amount of the Group's right-of-use assets and the movements during the year are as follows:

	2023 HK$'000	2022 HK$'000
Opening balance	**801**	1,538
Additions	**980**	—
Reassessment of lease term	**(575)**	—
Depreciation charge	**(533)**	(678)
Exchange difference	**(19)**	(59)
	654	801

19. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2023 HK$'000	2022 HK$'000
Opening balance	1,182	1,939
New leases	980	—
Reassessment of lease term	(575)	—
Accretion of interest recognised during the year	144	131
Payments	(582)	(802)
Exchange difference	(35)	(86)
	1,114	1,182

	2023 HK$'000	2022 HK$'000
Analysed into:		
Current portion	396	619
Non-current portion	718	563

Refer to note 5(ii) the maturity analysis of lease liabilities.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2023 HK$'000	2022 HK$'000
Interest on lease liabilities	144	131
Depreciation charge of right-of-use assets	533	678
Total amount recognised in profit or loss	677	809

20. CASH AND CASH EQUIVALENTS

	2023 HK$'000	2022 HK$'000
Cash and cash equivalents	12,577	28,797
Time deposits	3,918	—
	16,495	28,797

The balance of cash and cash equivalents is denominated in the following currencies:

	2023 HK$'000	2022 HK$'000
HK$	1,435	5,272
A$	9,500	23,519
US$	5,560	6
	16,495	28,797

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks (AA+) with no recent history of default.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 HK$'000	2022 HK$'000
Other receivables and deposits	52	21
Prepayments	873	978
	925	999

The financial assets included in the above balances relate to receivables for which there were no recent history of default and past due amounts.

22. 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 HK$'000	2022 HK$'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) and 30(a).

23. 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 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 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.

24. 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 consolidated the financial statements.

25. SHARE OPTION SCHEME

Share option scheme of the Company

The 2012 share option scheme (the "2012 Share Option Scheme") of the Company was adopted by the Company pursuant to the approval by shareholders at the Annual General Meeting on 13 November 2012. The 2012 Share Option Scheme replaced the previous share option scheme which expired in August 2012.

Its primary purpose was to provide incentives and rewards to selected participants for their contribution to the Group. Eligible participants of the scheme 2021A and 2021B include the Company's directors, including independent non-executive directors and other employees of the Group. The 2012 Share Option Scheme is valid and effective for a period of ten years from the date of its adoption, and it expired on August 2022. The Company is finalising a new share option scheme; prior to the implementation of the new scheme it will be subject to regulatory and shareholder approval.

From 1 July 2022 to the expiry of the 2012 Share Option Scheme, the maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company on issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2012 Share Option Scheme within any 12 month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit was subject to shareholders' approval in a general meeting. Until the new share option scheme is implemented no new share options will be granted, however, existing unexercised share options will continue until they are exercised, cancelled, forfeited, or expired.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder, or an independent non-executive director of the Company or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, were subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK$1.00 or A$1.00 in total by the grantee. The exercise period of the share options granted was determinable by the directors, and commenced after a vesting period and ended on a date which was not later than three years from the date of offer of the share options.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange of Hong Kong Limited ("Stock Exchange") closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense, with a corresponding adjustment to employee share-based compensation reserve, over the vesting period.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimate, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

25. SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

Details of specific categories of options are as follows:

Option type	Date of grant	Number of share options granted	Fair value at the grant date (HK$'000)	Closing price immediately before the date of grant (HK$)	Vesting period	Exercise period	Exercise price (HK$)
2021A	29 June 2021	17,500,000	1,378,000	0.210	29 June 2021— 1 January 2022	1 January 2022 — 31 December 2024	0.213
	14 May 2021	71,000,000	5,339,000	0.207	14 May 2021 — 1 January 2022	1 January 2022 — 31 December 2024	0.213
2021B	29 June 2021	15,000,000	723,000	0.210	29 June 2021 — 1 January 2022	1 January 2022 — 12 May 2024	0.295
	14 May 2021	2,000,000	105,000	0.207	14 May 2021 — 1 January 2022	1 January 2022 — 12 May 2024	0.295
		105,500,000	**7,545,000**				

The Company has applied *IFRS 2 Share-based Payment* when accounting for the fair value of equity-settled share options granted, was estimated at the date of grant using the binomial option pricing model, prepared by an independent valuer, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Exercise price	HK$0.213 - HK$0.295
Expected volatility	51% - 53%
Expected option life	2.9 - 3.5 years
Annual risk-free rate	0.272% - 0.416%
Expected dividend yield	0%
Weighted average share price (per share)	HK$0.207

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome and the risk-free rate referenced to the yield of Hong Kong Exchange Funds Notes.

The fair value of share options calculated using the binomial option pricing model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to, a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

No other feature of the options granted was incorporated into the measurement of fair value.

For the year ended 30 June 2023, the Company did not recognise an expense (2022: HK$6,396,000) in relation to the share options granted by the Company as the share options are fully vested.

25. SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

Below are the particulars of the outstanding options at the beginning and at the end of the year which have been granted to Qualified persons under the Share Option Scheme are as follows:

	Option type	Maximum entitlement of each participant	Outstanding as at 1 July 2022	Exercised	Lapsed	Forfeited	Cancelled	Granted	Outstanding as at 30 June 2023
Non-Executive Directors									
Liu Zhengui	2021A	1,500,000	1,500,000	—	—	—	1,500,000	—	—
Ross Stewart Norgard	2021A	1,500,000	1,500,000	—	—	—	—	—	1,500,000
Choi Yue Chun Eugene	2021A	1,500,000	1,500,000	—	—	—	—	—	1,500,000
Yap Fat Suan Henry	2021A	1,500,000	1,500,000	—	—	—	—	—	1,500,000
David Rolf Welch	2021A	1,500,000	1,500,000	—	—	—	—	—	1,500,000
Executive Directors									
Chan Kam Kwan Jason	2021A	10,000,000	10,000,000	—	—	—	—	—	10,000,000
Colin Paterson	2021B	15,000,000	15,000,000	—	—	—	—	—	15,000,000
Sub-total		**32,500,000**	**32,500,000**	**—**	**—**	**—**	**1,500,000**	**—**	**31,000,000**
Employees	2021A	71,000,000	70,000,000	—	—	—	—	—	70,000,000
Employees	2021B	2,000,000	2,000,000	—	—	—	—	—	2,000,000
Sub-total		**73,000,000**	**72,000,000**	**—**	**—**	**—**	**1,500,000**	**—**	**72,000,000**
GRAND TOTAL		**105,500,000**	**104,500,000**	**—**	**—**	**—**	**1,500,000**	**—**	**103,000,000**
Weighted average exercise price			**0.23**	**—**	**—**	**—**	**0.21**	**—**	**0.23**

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2023		2022	
	Average exercise price in HK$ per share option	**Number of share options (thousands)**	Average exercise price in HK$ per share option	Number of share options (thousands)
At 1 July	**0.23**	**104,500**	0.23	105,500
Granted	**—**	**—**	—	—
Exercised	**—**	**—**	0.21	1,000
Lapsed/cancelled/forfeited	**0.21**	**1,500**	—	—
At 30 June	**0.23**	**103,000**	0.23	104,500

As at 30 June 2023, 103,000,000 (2022: 104,500,000) share options were outstanding with a weighted average exercise price of HK$0.23 per option (2022: HK$0.23 per option).

As at 30 June 2023, the weighted average of the remaining contractual life of the outstanding share options was 0.9 and 1.5 years (2022: 1.9 and 2.5 years).

No share options were exercised during the year (2022: 1,000,000 were exercised at an exercise price of HK$0.21 and a weighted average closing price of the shares immediately before their exercise was HK$0.25 on the SEHK) and there were no ordinary shares issued of the Company (2022: 1,000,000) and no new share capital (2022: HK$100,000) (before issue expenses) was issued.

During the year, no share options were granted, expired, lapsed, or forfeited (2022: Nil), and there were 1,500,000 share options cancelled at an exercise price of HK$0.21 (2022: Nil). The cancellation of the 1,500,000 share options is due to the retirement of Mr. Liu Zhengui on 13 December 2022.

At the end of the reporting period, the Company had 103,000,000 (2022: 104,500,000) share options outstanding. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 103,000,000 (2022: 104,500,000) additional ordinary shares of the Company and additional share capital of HK$10,300,000 (before issue expense) (2022: $10,450,000).

25. SHARE OPTION SCHEME (Continued)

Share option scheme of the Company (Continued)

During the year, no director, chief executive or substantial shareholder of the Company was granted, or to be granted options in excess of the 1% individual limits. At no time, a related party or other participants was granted, or to be granted options in any 12 month period exceeding 0.1% of the issued share capital.

An amount of HK$1.00 or A$1.00 was payable on each application or acceptance of the options in respect of the Hong Kong and Australia schemes. As at 30 June 2023, there were no payments or calls made or maybe made or loans.

At the date of approval of these financial statements, the Company had 103,000,000 share options outstanding under the share scheme, which represented approximately 1.11% (weighted average number of the shares on issue) of the Company's shares on issue as at that date.

26. DEFERRED INCOME TAX

The following is the deferred income tax movement recognised by the Group:

	HK$'000
At 1 July 2021	(126,706)
Deferred tax associated with the Polaris loans	2,916
Deferred tax assets recognised	7,311
Exchange differences	9,019
At 30 June 2022	**(106,949)**
Deferred tax assets recognised	16,717
Exchange differences	3,863
At 30 June 2023	**(86,369)**

All deferred tax liabilities are expected to be settled more than 12 months after the balance sheet date.

The deferred tax liabilities compromise the taxable temporary difference arising on mining exploration properties of HK$211,753,000 (2022: HK$220,103,000) in Australia predominantly offset by deferred tax assets of HK$109,795,000 (2022: HK$111,350,000) arising from available tax losses whose realisation is considered probable and the other deferred tax assets.

At 30 June 2023, the Group's total tax losses were HK$1,196,521,000 (2022: HK$1,228,000,000) and have no expiry date. The Group did not recognise a deferred income tax asset in respect of tax losses amounting to approximately HK$831,909,000 (2022: HK$860,000,000) as the utilisation of these tax losses is subject to the satisfaction of the loss recoupment rules in the relevant tax jurisdiction as well as other uncertainties which mean that their availability for utilisation or realisation is not considered probable.

27. PROVISIONS

	2023 **HK$'000**	2022 HK$'000
Current		
Employee benefits	**914**	1,144

Provisions for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The current provision includes amounts for vested long service leave for which the Group does not have an unconditional right to defer settlement, regardless of when the actual settlement is expected to occur. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, there were additions to right-of-use assets and lease liabilities of HK$980,000 (2022: Nil) and HK$980,000 (2022: Nil) respectively, in respect of lease arrangements for commercial office.

(b) Changes in liabilities from financing activities

	Borrowings HK$'000	Lease liabilities HK$'000
At 1 July 2022	51,309	1,182
Changes from financing activities	8,187	(582)
New leases	—	980
Reassessment of lease term	—	(575)
Accretion of the loans from Polaris	4,123	—
Interest expense on loan from substantial shareholder	2,349	—
Interest expense on leases	—	144
Exchange difference	(1,351)	(35)
At 30 June 2023	**64,617**	**1,114**

	Borrowings HK$'000	Lease liabilities HK$'000
At 1 July 2021	57,245	1,939
Changes from financing activities	—	(802)
Accretion of the loans from Polaris	3,179	—
Remeasurement of the loans from Polaris	(7,191)	—
Interest expense on loans from substantial shareholder	1,320	—
Interest expense on leases	—	131
Exchange difference	(3,244)	(86)
At 30 June 2022	**51,309**	**1,182**

29. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

As at 30 June 2023, the Group did not have any capital commitments (2022: Nil).

(b) Exploration expenditure commitments

Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is very difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure to retain present interests in mineral tenements. Expenditure commitments on mineral tenure for the Group can be reduced by selective relinquishment of exploration tenure.

As at 30 June 2023, the Group is required to meet or exceed a minimum level of exploration expenditure of A$1,259,400, equivalent to approximately HK$6,551,000 (2022: A$1,257,000 equivalent to approximately HK$6,779,000), over the next year.

Obligations are subject to change upon expiry of the existing exploration tenure or on application for a new tenure.

(c) Joint Venture commitments

As at 30 June 2023 there were no joint venture commitments (2022: Nil).

(d) Contingent liabilities

As at 30 June 2023 the Group had no contingent liabilities (2022: Nil).

30. JOINT ARRANGEMENTS

(a) Joint operations and farm-out arrangements

The Group entered into an agreement with Polaris to share costs and risks associated with exploration activities on the Marillana and Ophthalmia tenements in the East Pilbara of Western Australia. Polaris was required to meet certain farm-in obligations including minimum expenditure of A$250,000 and A$150,000 respectively in exploration and development of the tenements in return for a 50% interest in the tenements. Polaris will contribute 50% of costs and capital expenditure going forward and Polaris has been appointed as operator of the joint operation.

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out.

Particulars of the Group's material joint operation are as follows:

Name of joint operation	Ownership interest	Principal activities
Marillana Joint Operation Note (a)	50%	Development and operation of the Marillana iron ore project
Ophthalmia Joint Operation Note (b)	50%	Development and operation of the Ophthalmia iron ore project

Note (a): On the 22 April 2021 an unincorporated joint operation was formed with Polaris Metals Pty Ltd in Australia which is seeking to develop the Marillana iron ore project.

Note (b): On the 30 November 2021 an unincorporated joint operation was formed with Polaris Metals Pty Ltd in Australia which is seeking to develop the Ophthalmia iron ore project.

(b) Joint ventures

	2023 HK$'000	2022 HK$'000
At 1 July 2022	651	703
Contributions to the joint venture	133	130
Share of loss of joint venture	(130)	(136)
Exchange differences	(24)	(46)
At 30 June 2023	630	651

The following illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2023 HK$'000	2022 HK$'000
Share of the joint venturers loss for the year	(130)	(136)
Aggregate carrying amount of the Group's investments in the joint venture	630	651

Details of the Group's interest in the joint ventures is as follows:

Name of joint venture	Ownership interest	Principal activities
NWIOA Ops. Pty Ltd (Note (c))	37%	Port and related infrastructure

Note c: NWIOA Ops. Pty Ltd is a joint venture incorporated in Australia which is seeking to develop port and related infrastructure on behalf of the North West Iron Ore Alliance ("NWIOA") members.

Management considers the interest in this joint arrangement is not individually material to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

31. RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Scheme Ordinance for its employees in Hong Kong. The Group contributes 5% (2022: 5%) of the employees' relevant income to a maximum of HK$1,500 per month to the MPF scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund.

The employees of the Group subsidiaries in Australia are entitled to superannuation that is a defined contribution plan under which the Group contributes 10.5% (2022: 10%) of the employees' base salary.

The total cost is charged to administration expense of approximately HK$601,000 (2022: HK$587,000) represents contributions to these schemes by the Group in respect of the current year.

32. RELATED PARTY DISCLOSURES

(a) Material related party transactions

Except as disclosed within these consolidated financial statements, the Group has no material related party transactions during the year (2022: Nil).

(b) Related party balances

The details of the loans from a substantial shareholder are disclosed in Note 23.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2023 **HK$'000**	2022 HK$'000
Salaries and other benefits	**7,000**	7,324
Post-employment benefits	**307**	293
Share-based compensation expenses	**—**	2,973
	7,307	10,590

Further details of directors' emoluments are included in note 14 to the consolidated financial statements.

The remuneration of key management personnel ("KMP") is determined by the Remuneration and Performance Committee having a regard to the position, experience, qualification and performance of the individuals and market trends.

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group measures financial instruments at fair value at each reporting date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The carrying values of the loans materially approximates their fair values and were determined using Level 3 unobservable inputs. The carrying values of the loans are as follows:

	Carrying amounts	
	2023 **HK$'000**	2022 HK$'000
Financial liabilities		
Loans from Polaris	**37,289**	34,517
Loan from a substantial shareholder	**27,328**	16,792
	64,617	51,309

Management has assessed that the carrying value of cash and cash equivalents, trade receivables, payables, financial assets included in prepayments, other receivables and other current assets, financial liabilities included in trade and other payables are reasonably approximate to their fair values largely due to short term maturities of these instruments.

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

At each reporting date, the Group analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation (refer to Note 4(b)). The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and maturity.

34. RESERVES

The amounts of the Group's reserves and the movements there in for the current and prior years are presented in the consolidated statement of changes in equity on page 70 of the consolidated financial statements.

	2023	2022
	HK$'000	HK$'000
Share based compensation reserve	**92,506**	92,506
Translation reserve	**(762,658)**	(740,290)
	(670,152)	(647,784)

Translation reserve

This reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries.

Share based compensation reserve

This reserve is used for the fair value of the employee services received in exchange for the grant of the share options over the vesting period.

35. SUBSIDIARIES

The following is a list of the principal subsidiaries as at 30 June 2023 and 30 June 2022:

Name of subsidiary	Place of incorporation	Place of operation	Particular of issued share capital	Ownership interest held by the Company		Principal activities
Subsidiaries directly held by the Company:						
Brockman Mining (Management) Limited	Hong Kong	Hong Kong	1 Ordinary share of HK$1	100	100	Investment holding
Wah Nam Iron Ore Limited	BVI	Hong Kong	1 Ordinary share of US$1	100	100	Investment holding
Subsidiaries indirectly held by the Company:						
Brockman Mining Australia Pty Ltd	Australia	Australia	145,053,151 Ordinary shares of A$1 each	100	100	Investment holding
Brockman Iron Pty Ltd	Australia	Australia	1 Ordinary share of A$1	100	100	Exploration & evaluation
Brockman Exploration Pty Ltd	Australia	Australia	1 Ordinary share of A$1	100	100	Exploration & evaluation
Brockman East Pty Ltd	Australia	Australia	1 Ordinary share of A$1	100	100	Exploration & evaluation
Yilgarn Mining (WA) Pty Ltd	Australia	Australia	841,001 Ordinary shares of A$1	100	100	Exploration & evaluation
Brockman Infrastructure Pty Ltd	Australia	Australia	1 Ordinary share of A$1	100	100	Rail infrastructure
Brockman Ports Pty Ltd	Australia	Australia	76 Ordinary shares of A$1 each	100	100	Port infrastructure
Brockman Maverick Pty Ltd	Australia	Australia	2 Ordinary shares of A$1	100	100	Exploration & evaluation
Brockman Holdings (Australia) Pty Ltd	Australia	Australia	12 Ordinary shares of A$1 each	100	100	Investment holding

36. REMUNERATION OF AUDITORS

The Auditor of Brockman Mining Limited is Ernst and Young:

	2023 HK$'000	2022 HK$'000
Ernst and Young (Australia)		
— Fees for audit and review of any statutory financial reports covering the group	**1,018**	1,038
— Fees for other services:		
— Tax compliance	**210**	113
— Tax advice	**392**	—
	1,620	1,151
Ernst and Young (other than Australia)		
— Fees for audit and review of any statutory financial reports covering the Group	**60**	65
	60	65
	1,680	1,216

37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	Note	As at 30 June 2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		—	3
Right-of-use asset		—	178
		—	181
Current assets			
Other receivables, deposits and prepayments		**644**	742
Amounts due from subsidiaries		**728,288**	757,004
Cash and cash equivalents		**6,069**	3,859
		735,001	761,605
Total assets		**735,001**	761,786
Equity and liabilities			
Share capital		**928,023**	928,023
Reserves	(a)	**(467,389)**	(430,523)
Total equity		**460,634**	497,500
Non-current liabilities			
Borrowings		**27,328**	16,792
		27,328	16,792
Current liabilities			
Trade and other payables		**114**	562
Amount due to subsidiaries		**246,925**	246,932
		247,039	247,494
Total liabilities		**274,367**	264,286
Total equity and liabilities		**735,001**	761,786

The balance sheet of the Company was approved by the Board of Directors on 19 September 2023 and was signed on its behalf.

Kwai Kwun, Lawrence
Director

Chan Kam Kwan, Jason
Director

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note (a) Reserves movement in the Company

	Share premium	Share-based compensation reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 July 2021	**4,468,624**	**86,110**	**(4,919,679)**	**(364,945)**
Comprehensive income:				
Loss for the year	—	—	(72,087)	(72,087)
Exercise of options	113	—	—	113
Share-based compensation (Note 25)	—	6,396	—	6,396
At 30 June 2022	**4,468,737**	**92,506**	**(4,991,766)**	**(430,523)**
Comprehensive income:				
Loss for the year	—	—	(36,866)	(36,866)
Balance at 30 June 2023	**4,468,737**	**92,506**	**(5,028,632)**	**(467,389)**

38. STATEMENT OF CASHFLOWS FOR THE COMPANY

	Year ended 30 June	
	2023	2022
	HK$'000	HK$'000
Cash flows from operating activities		
Loss before tax	**(36,866)**	(72,087)
Adjustments for:		
Depreciation of property, plant and equipment	**3**	2
Depreciation of right-of-use assets	**178**	354
Share-based payment expense	**—**	6,396
Finance costs	**2,349**	1,341
Finance income	**(75)**	(2)
Foreign currency translation	**105,286**	216,342
Working capital adjustments:		
— Increase/(decrease) in trade receivables & prepayments	**99**	13
— Increase/(decrease) in trade and other payables	**(250)**	122
— Increase/(decrease) in amounts due (from) subsidiaries	**(76,578)**	(157,373)
Net cash flows used in operating activities	**(5,854)**	(4,892)
Investing activities		
Interest received	**75**	3
Net cash flows from investing activities	**75**	3
Financing activities		
Proceeds from borrowings	**8,187**	—
Proceeds from issuance of ordinary shares	**—**	213
Payment of principal portion of lease liabilities	**(198)**	(375)
Interest on lease payments	**—**	(21)
Net cash flows from/(used in) financing activities	**7,989**	(183)
Net increase/(decrease) in cash and cash equivalents	**2,210**	(5,072)
Cash and cash equivalents at beginning of the year	**3,859**	8,931
Cash and cash equivalents at end of the year	**6,069**	3,859

39. EVENTS OCCURRING AFTER BALANCE SHEET DATE

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

FINANCIAL SUMMARY

	2023	2022	2021	2020	2019
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	Note a				
RESULTS					
Revenue	**—**	—	—	—	—
Loss before income tax	**(73,247)**	(31,865)	(28,318)	(22,606)	(25,785)
Income tax benefit	**16,691**	11,051	14,146	1,590	93,373
Profit/(loss) for the year from continuing operations	**(56,556)**	(20,814)	(14,172)	(21,016)	67,588
Profit/(loss) for the year	**(56,556)**	(20,814)	(14,172)	(21,016)	67,588
Attribute to:					
Equity holders of the Company	**(56,556)**	(20,814)	(14,172)	(21,016)	67,588
Earnings/(loss) per share (HK cents)					
— Basic	**(0.61)**	(0.22)	(0.15)	(0.23)	0.74
— Diluted	**(0.61)**	(0.22)	(0.15)	(0.23)	0.73

	2023	2022	2021	2020	2019
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Total assets	**724,809**	765,225	834,173	769,720	780,474
Total liabilities	**(213,597)**	(175,088)	(188,471)	(167,627)	(148,504)
	511,212	590,137	645,702	602,093	631,970
Total equity	**511,212**	590,137	645,702	602,093	631,970

Note a: The financial figures above were extracted from the consolidated financial statements.

ASX ADDITIONAL INFORMATION

A. DISTRIBUTION OF SHAREHOLDINGS AS AT 19 SEPTEMBER 2023

Additional information in accordance with the listing requirements of the Australian Securities Exchange Limited are as follows:

	Ordinary shares		Unlisted options @ HK$0.213		Unlisted options @ HK$0.295	
Category	**Holders**	**Size of holding**	**Holders**	**Size of holding**	**Holders**	**Size of holding**
1 — 1,000	803	189,535				
1,001 — 5,000	167	382,245				
5,001 — 10,000	122	986,984				
10,001 — 100,000	709	28,422,174				
100,001 and over	324	9,250,251,193				
TOTAL	**2,125**	**9,280,232,131**	**9**	**86,000,000**	**3**	**17,000,000**

Minimum A$500.00 parcel cannot be calculated due to no price.

Unquoted Securities

As at 15 September 2023, unlisted options amounted to a total of 103,000,000 units. Among these options, 86,000,000 options have an exercise price of HK$0.213 an expiry date of 31 December 2024 and 17,000,000 options have an exercise price of HK$0.295 an expiry date of 12 May 2024.

B. TWENTY LARGEST SECURITY HOLDERS AS AT 19 SEPTEMBER 2023

		Name	Number of shares	%
*	1	OceanLine Holdings Ltd/Kwai Sze Hoi	1,944,763,275	20.96%
∆	2	China Vered Securities Ltd	764,904,972	8.24%
∆	3	Industrial & Commercial Bank of China	523,812,834	5.64%
*	4	Equity Valley Investments Ltd	515,484,276	5.55%
*	5	KQ Resources Ltd	486,485,462	5.24%
∆	6	Everbright Securities Investment	437,646,208	4.72%
∆	7	UBS Securities Hong Kong Ltd	427,308,521	4.60%
∆	8	Yunfeng Securities Ltd	409,668,032	4.41%
∆	9	Global Mastermind Securities Ltd	330,227,592	3.56%
∆	10	Citibank N.A.	290,655,403	3.13%
∆	11	The Hong Kong and Shanghai Banking Corporation Limited	277,327,612	2.99%
*	12	Cornerstone Pacific Limited	250,000,000	2.69%
*	13	Longfellow Nominees Pty Ltd/Ross Norgard	246,266,339	2.65%
∆	14	BNP Paribas	183,049,496	1.97%
*	15	Barwick Investments Ltd	174,668,000	1.88%
∆	16	Guoyuan Securities Brokerage (Hong Kong)	137,593,600	1.48%
∆	17	Futu Securities International	102,618,664	1.11%
∆	18	Luk Fook Securities (HK) Ltd	90,000,000	0.97%
*	19	Zhang Li	80,000,000	0.86%
∆	20	ICBC (Asia) Securities Ltd	76,720,560	0.83%

The number of shares stated herein are extracted and sorted from the register of shareholders ("*") and the participant report from the Central Clearing and Settlement System of the Hong Kong Stock Exchange ("CCASS") ("∆"). As the Company does not have information in relation to the ultimate beneficial owners of the shares held by the participants of the CCASS, the numbers herein may not reflect the actual number of shares beneficially owned by each of the shareholders.

C. SUBSTANTIAL SHAREHOLDERS

Name of shareholder	Capacity	Number of shares or underlying shares	Percentage of the issued share capital of the Company
Ocean Line Holdings Ltd (Note 1)	Beneficial owner	2,426,960,137	26.15%
Kwai Sze Hoi (Note 1)	Interest held by controlled corporations	2,426,960,137	26.15%
	Beneficial owner	206,072,000	2.22%
	Interest held jointly with another person	60,720,000	0.65%
	Interest of spouse	24,496,000	0.26%
Cheung Wai Fung (Note 1)	Interest held by controlled corporations	2,426,960,137	26.15%
	Interest held jointly with another person	60,720,000	0.65%
	Interest of spouse	206,072,000	2.22%
	Beneficial owner	24,496,000	0.26%
Equity Valley Investments Limited	Beneficial owner	515,574,276	5.56%
The XSS Group Ltd (Note 2)	Interest held by controlled corporations	515,574,276	5.56%
Cheung Sze Wai, Catherine (Note 2)	Interest held by controlled corporations	515,574,276	5.56%
	Interest of spouse	50,000,000	0.54%
Luk Kin Peter Joseph (Note 2)	Interest held by controlled corporations	515,574,276	5.56%
	Beneficial owner	50,000,000	0.54%
KQ Resources Limited	Beneficial owner	1,301,270,316	14.02%

Notes: Please refer to Notes 1 and 2 under section headed: Substantial shareholders on page 59.

D. VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

a) Ordinary shares
Each shareholder present in person or by proxy, attorney or representative in a meeting shall have one vote on a poll for each share held.

b) Options
No voting rights.

E. STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all member Exchanges of the ASX Limited.

ASX ADDITIONAL INFORMATION

F. TENEMENT SCHEDULE — AS AT 15 SEPTEMBER 2023

Project	Location	Tenement type	Tenement number	Commodity	Status	Interest held
Duck Creek	West Pilbara	E	47/1725	Iron Ore	Granted	100%
Duck Creek East	West Pilbara	E	47/2994	Iron Ore	Granted	100%
Juna Downs	West Pilbara	E	47/3364	Iron Ore	Granted	100%
Madala Bore	West Pilbara	E	47/3285	Iron Ore	Granted	100%
Marillana	East Pilbara	L	45/0238	Iron Ore	Application	50%
Marillana	East Pilbara	M	47/1414	Iron Ore	Granted	50%
Marillana	East Pilbara	E	47/3170	Iron Ore	Granted	50%
Marillana	East Pilbara	E	47/3532	Iron Ore	Granted	50%
Marillana	East Pilbara	E	47/4293	Iron Ore	Application	100%
Mindy	West Pilbara	E	47/3585	Iron Ore	Granted	100%
Ophthalmia	East Pilbara	E	47/1598	Iron Ore	Granted	50%
Ophthalmia	East Pilbara	E	47/2280	Iron Ore	Granted	50%
Ophthalmia	East Pilbara	E	47/2291	Iron Ore	Granted	50%
Ophthalmia	East Pilbara	E	47/3549	Iron Ore	Granted	50%
Ophthalmia	East Pilbara	R	47/0013	Iron Ore	Granted	50%
Ophthalmia	East Pilbara	R	47/0015	Iron Ore	Granted	50%
Ophthalmia	East Pilbara	R	47/0016	Iron Ore	Granted	50%
Ophthalmia	East Pilbara	E	47/4240	Iron Ore	Granted	50%
Punda Spring	East Pilbara	E	47/3575	Iron Ore	Granted	100%
Punda Spring	East Pilbara	E	47/5004	Iron Ore	Application	100%