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WAH NAM INTERNATIONAL HOLDINGS LIMITED

華南投資控股有限公司*

(incorporated in Bermuda with limited liability)

(SEHK Stock Code: 159)

(ASX Stock Code: WNI)

**OVERSEAS REGULATORY ANNOUNCEMENT
QUARTERLY ACTIVITIES REPORT**

The following is the text of the quarterly activities report of Wah Nam International Holdings Limited (the "Company") released by the Company on ASX Limited today.

By order of the board of directors of
Wah Nam International Holdings Limited
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 31 October 2011

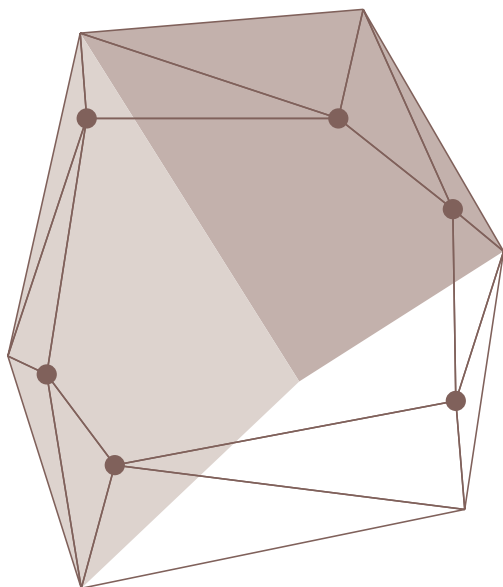
As at the date of this announcement, the board of directors of the Company comprises Mr. Luk Kin Peter Joseph and Mr. Chan Kam Kwan, Jason as executive directors and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny as independent non-executive directors.

* *For identification purpose only*

華南

Wah Nam
International Holdings Limited
華南投資控股有限公司

Incorporated in Bermuda with limited liability
SEHK Stock Code: 159
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QUARTERLY ACTIVITIES REPORT



SEPTEMBER 2011

HIGHLIGHTS

- Takeover Offer for FerrAus Limited (FerrAus) lapsed on 15 July 2011.
- Disposal of shares in FerrAus pursuant to the acceptance of takeover offer by Atlas Iron Limited (Atlas).
- Following the appointment to the Brockman Board of new Directors with relevant expertise in project financing, rail and port infrastructure and mine development, a strategic review has been initiated covering the Marillana project and all other aspects of our business to oversee the Company's transition to an iron ore producer. The Marillana project Bankable Feasibility Study has accordingly been deferred until a revised timetable has been prepared for the project at the completion of the strategic review.
- Marillana Project Front End Engineering and Design report received post quarter end and process of analysing this report has commenced.
- Marillana Project rail and port infrastructure arrangements continued to be actively progressed.
- Pilot plant beneficiation testwork (phase 7) of a 150 tonne representative sample of the ore from Marillana Pit 1 completed with results exceeding Definitive Feasibility Study beneficiation yields and product quality.
- Significant new area of outcropping, bedded hematite mineralisation (DSO) discovered at the Sirius prospect within Ophthalmia Project area, 15km north of Newman.
- Drilling commenced at Ophthalmia post quarter end.
- Resuming production of copper ore concentrates following the completion of electricity supply installation works at Damajianshan Mine in Yunnan Province, China.

OVERVIEW

Wah Nam International Limited (ASX: WNI, SEHK: 0159) has made a significant progress in the third quarter of 2011. The Company is now entering an important new phase of its development in which financing the Marillana Project becomes a priority, possibly with a joint venture partner taking a minority share in the Project. The Board is committed to the successful and timely development of the Marillana Project.

Changes to the composition of the Brockman Board in September 2011 saw the appointment of new directors with relevant expertise in project financing, rail and port infrastructure and mine development to oversee the Company's transition to an iron ore producer.

A strategic review was commenced following these Board changes. The review covers the Marillana Project and all facets of the Brockman business and is expected to conclude by December 2011, at which point a revised timetable will be determined for key Project milestones leading to production.

The Board and management have the skills and networks to successfully implement the next project phase, including development of the Project Execution Strategy, project funding, and Final Investment Decision ("FID").

Discovery of an extensive surface area of high grade bedded iron mineralisation hosted by Bolgeeda Iron Formation within the Ophthalmia Project has highlighted the potential for significant DSO mineralisation in this area. Drilling has commenced.

Wah Nam

International Holdings Limited

ARBN 143 211 867

ASX Code: WNI

SEHK Code: 0159

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Barringtons Your Business Advisors

Barrington House

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SUBIACO WA 6008

The Company looks forward to the completion of a rail and port infrastructure solution and the financing of the Marillana Project.

On 16 September 2011, the Company has appointed new board members to the Brockman board, namely Mr. Luk Kin Peter Joseph, Mr. Richard (Dick) Melville Wright and Mr. Robert Brierley. Mr. Luk Kin Peter Joseph has been appointed as a Non-Executive Director of the Brockman Board and the Chairman of Brockman.

Mr. Richard (Dick) Wright and Mr. Robert Brierley have been appointed as Non-Executive Director of Brockman to fill the casual vacancies.

On the same date, Mr. Barry Cusack has resigned as the Chairman of the Brockman board; Mr. Wayne Richards has resigned as Managing Director of Brockman; Mr. Ross Ashton and Mr. John David Nixon have also resigned as Non-Executive Directors.

Bank and Cash Position

The consolidated cash and bank balance of the Group for the quarter ended 30 September 2011 amounted to approximately HK\$428.5 million including cash and bank balance of Brockman of AUD43.3 million (equivalent to approximately HK\$329 million).

The Takeover Offers

Wah Nam has relied on the defeating conditions and the takeover offer for FerrAus lapsed on 15 July 2011.

On 29 August 2011, FerrAus announced that the Asset Acquisition by Atlas was duly completed and that the Atlas's Takeover Offer for FerrAus be opened for acceptance on 5 September 2011. On 8 September 2011, Atlas declared the

Takeover Offer unconditional. The Directors of the Company resolved on 20 September 2011 to accept the Takeover Offer in respect of 40,934,400 FerrAus shares held by the Group in exchange for 10,233,599 Atlas shares.

Upon the receipt of Atlas consideration for the Takeover Offer in respect of FerrAus Limited, the Company has commenced disposing the respective consideration shares on market in October 2011.

MINING OPERATION

Luchun Xingtai Mining Co. Limited

During the quarter ended 30 September 2011, cash receipts from product sales of approximately RMB0.9 million was contributed by the Company's wholly owned subsidiary, Smart Year Investments Limited, owner and operator of the Damajianshan Mine (quarter ended 30 September 2010: RMB0.2 million).

In February 2011, the Yunnan provincial power plant had implemented an electric power brownout over our mining site for purpose of installing and rerouting of power supply from the power station to our mine site to facilitate the power transmission, ultimately to upgrade and increase the supply capacity. Production of copper ore concentrates was halted during the period of electric power cutback from February 2011 to August 2011, but was gradually resumed in early September 2011 upon the completion of the installation work. Management expects that, with the electric power supply now being fully upgraded, our production capacity will be significantly enhanced in the future. A concrete production plan has been drawn up for the upcoming quarter for the purpose of optimising efficiency and productivity on our mining site.

Cash payments for production associated with the mining operation during the quarter ended 30 September 2011 amounted to approximately RMB3.5 million and cash payments of expenditure associated with exploration activities amounted to approximately RMB0.4 million.

The Damajianshan Mine is located in Qimaba Township, Luchun County of Yunnan Province in the PRC. It is near the border between the PRC and Vietnam. A total of 3.67 km² is covered by the mining right.

Map of Damajianshan Mine



During the quarter, the Company continued to carry on with its exploration activities. The exploration activities are aimed to find additional resources in order to support the Company's further expansion plan. New drilling works and detailed prospecting and scoping plans are now being planned to better define the lithology, grade and assemblage within the mining lease.

Geophysical surveys have been carried out during the quarter, with acoustic frequency geo-electric field method and electromagnetic exploration method employed for the mine site. Prospecting and tunneling work has furthered for a total of 493.1m during the quarter. We expect further geophysical survey work to continue in the next quarter.

Competent Person Statement

The information in this Report that relates to Exploration Results, Mineral Resources or Ore Reserves in relation to the Damajianshan Mine has been reviewed by Mr. Christopher Arndt who is a self employed consultant to the Company. Mr. Arndt is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr. Arndt consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Brockman Resources Limited

Marillana Iron Ore Project (100% Interest)

Project Development

Front End Engineering and Design ("FEED") along with mining and metallurgical studies were progressed during the quarter. UGL Resources Pty Ltd ("UGL") issued a FEED report post quarter end. The Brockman project team is now focusing efforts on the comprehensive analysis of the UGL proposals prior to commencing the next phase of the Marillana project.

The project team, with the assistance of the review team, continue to manage project development activities focused on further de-risking key design and contracting elements and identifying potential improvements and cost saving initiatives for the Marillana Project.

A strategic review was commenced following the recent Board changes. The review covers the Marillana Project and all facets of the Brockman business and is expected to conclude by December 2011, at which point a revised

timetable will be determined for key Project milestones leading to production.

Rail and Port Infrastructure

Brockman continued to actively pursue rail and port infrastructure arrangements for the Marillana Project.

As a founding member of the North West Infrastructure ("NWI") Group, Brockman worked closely during the quarter with fellow NWI shareholders towards establishing viable options for the development of new port facilities in South West Creek. The takeover of FerrAus Limited by Atlas Iron Limited during the quarter has provided the opportunity to more efficiently align NWI goals to progress the development of the NWI South West Creek port solution.

Mining and Metallurgy

The ECI contractor submissions have been completed based on the mining schedule provided for the life of mine operations. The submissions detail the equipment and personnel resources required to meet the schedule and mining cost estimations. The current schedule includes the mining of ore and waste, the disposal of coarse ore rejects back to the mining void, and the backfilling of pits to the required closure levels. Site layouts and schedules will continue to be revised and optimised over the next quarter.

The current mine plan includes a redesign of the mine schedule and waste dump layouts, which has allowed for a change in the mine operating philosophy of the Project, with a substantial saving in deferred capital. The new mine plan uses conventional truck and shovel for the life of mine, with minimal rehandle of waste, compared to the DFS mine plan which required significant rehandling of waste material, necessitating capital intensive mechanised waste rehandling equipment.

Brockman has completed the pilot plant beneficiation testwork on a 150 tonne representative sample of ore from starter Pit 1. A full circuit concentrate has been produced with an iron ("Fe") grade of 61.6% and combined silica/alumina grade of 8.99% at a mass recovery of 43.7% (from an initial head grade of 43.9% Fe). All other contaminant grades remain within the required specifications. Similar testwork is being conducted for Pit 2 and is expected to be completed within the December quarter.

A number of other metallurgical test programmes are progressing to optimise the process plant design. Rheology testwork completed during the quarter has confirmed that pumping at higher slurry densities is achievable. Ultimately, this will have a positive impact on process plant make-up water requirements, and operational power requirements and activities are ongoing to complete the fines reject disposal design strategy.

Dewatering testwork of fines reject streams is also being conducted to determine options for co-disposal to coarse rejects or inclusion with the spiral beneficiation circuit. Alternative crushing technologies are being considered, with a view to potentially reducing capital and operating costs.

Project Approvals

Brockman has been progressing required approvals in line with requirements. Minor variations to the Marillana Project footprint will require a variation to the "early works" Mining Proposal and Project Management Plan currently with the Department of Mines and Petroleum ("DMP"). This Mining Proposal will seek permission to establish accommodation facilities for construction personnel, access roads and associated works. The flora and habitat survey

of the new preferred airstrip and camp locations was completed and is required to support the s45C application to vary Brockman's approved Public Environmental Review ("PER"). The draft Operating Strategy which will support the life-of-mine water abstraction licence was assessed by the WA Department of Water who are awaiting final details to be provided before approving water management activities.

The Commonwealth Department of Sustainability, Environment, Water, Pollution and Communities ("DSEWPaC"), notified Brockman that the mine site has been assessed as a "Controlled Action" with the level of assessment set at Preliminary Documentation ("PD"). The PD is being finalised with the newly added locations for the airstrip, accommodation camp and mining project layout. Submission to DSEWPaC is expected in Q4, CY2011 with approval expected four months later. The Rail Project PD is currently with DSEWPaC for their two-week initial review period which will be followed by the four month assessment process.

The DMP has granted Brockman's application for a gas pipeline, to connect the Marillana Project to the Goldfields Gas Transmission Pipeline immediately south of Newman. Heritage surveys have been completed over the entire corridor and no impediments to development have been identified.

Brockman continues to advance environmental and heritage requirements over the proposed rail spur line to the FMG mainline. All biological surveys of the rail project corridor are now complete and final reports due by the end of November. A decision on progressing the API impact assessment document will be made as a rail solution strategy evolves.

A Heritage Agreement has been executed with the Palyku Native Title Claimant Group, whose traditional lands cover the northern parts of the proposed rail spur line, facilitating the commencement of heritage surveys over this area in early August. Negotiations with Palyku for an Infrastructure Agreement to allow for construction of the rail spur line progressed during the quarter. Heritage surveys over the southern section of the rail corridor (within the MIB lands) were undertaken during the period, with further surveys planned to cover additional infrastructure requirements.

Regional Iron Ore Projects (100% Interest)

Ophthalmia Project

A significant new deposit of bedded hematite mineralisation has been identified at the Sirius prospect within the Company's 100% owned Ophthalmia Project tenements, located 15km north of Newman in Western Australia's Pilbara region.

The Sirius prospect is situated at the eastern end of the Parmelia Syncline and mineralisation is hosted in intensely folded banded iron formations ("BIF") within the Boolgeeda Iron Formation of the Hamersley Group. The folded northern and southern limbs of the main enriched horizon have a combined strike length of about 1,700m and are up to 150m wide. Both main limbs dip sub-vertically steeply to the south, with the fold hinge plunging shallowly to the west.

Helicopter supported sampling and mapping has identified three main iron ore types, based on the proportions of martite and goethite in the mineralisation, with average grades of each mineralisation style presented in Table 1, which includes additional sampling since the initial results were released. The martite-dominant mineralisation is particularly high grade, with samples up to **67.5% Fe**, and averaging **65% Fe** from 33 samples. The average Fe grade from 98 samples across all ore types is 62% Fe (65.3% calcined Fe), with low contaminants.

Table 1: Summary Surface Sampling Results — Sirius Prospect

Ore Type	No of Samples	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI1000
Martite-Dominant	33	64.91	67.33	1.95	1.47	0.080	0.043	3.15
Martite-Goethite	49	61.66	64.99	3.29	2.34	0.114	0.048	5.35
Goethite-Dominant	16	57.32	62.20	4.33	3.55	0.130	0.054	8.57
TOTAL	98	62.05	65.32	3.01	2.25	0.105	0.048	5.14

A total of 104 samples were collected, with 98 returning greater than 54% Fe. Samples were mostly collected from four traverses and are considered to provide a representative grade along the traverse. Sample results are summarised in Figure 1 by compositing up to four samples to provide a composite assay.

Initial reconnaissance surface sampling at the Ophthalmia Project also identified DSO grade mineralisation in a number of other areas at Coondiner (to 66% Fe), Kalgan Creek (to 66%

Fe) and Ophthalmia Range (to 57% Fe). Follow up sampling has produced further encouraging assays from these areas. Results received from an additional 45 surface rock samples collected in late September from composite traverse samples across strike of the BIF mineralisation have confirmed the prospectivity of the Ophthalmia Project area ahead of drilling. Table 2 summarises the results from all surface sampling at Ophthalmia during the period and prospect locations shown in Figure 2.

Table 2: Summary of surface rock samples and assay results by prospect

Tenement	Prospect	Total No of Samples	No of Samples >=54% Fe	Average Assays at 54% Fe Lower Cut-Off Value						
				Fe %	Fe (Calcined %)	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
E47/1598	Arago	20	19	58.96	3.63	4.93	3.44	0.12	0.05	6.62
E47/1598	Castor	26	19	58.26	3.59	3.76	3.06	0.09	0.06	8.76
E47/1598	Elara	21	20	60.65	2.82	3.43	2.65	0.14	0.05	6.54
E47/1598	Norma	9	8	57.69	3.56	4.41	3.06	0.06	0.08	9.23
E47/1598	Oberon	18	14	59.74	5.94	4.95	4.16	0.06	0.06	4.77
E47/1598	Pallas	28	28	60.75	3.05	3.87	3.05	0.07	0.05	5.52
E47/1598	Portia	11	8	57.80	4.17	5.21	4.30	0.11	0.08	7.05
E47/1598	Vesta	29	28	59.36	2.73	3.19	2.74	0.17	0.06	8.35
E47/1599	Antila	22	21	62.89	2.55	2.93	2.26	0.07	0.05	3.91
E47/1599	Capella	14	9	56.76	4.96	5.97	4.78	0.07	0.07	7.29
E47/1599	Perseus	45	41	61.85	2.70	3.49	2.35	0.09	0.05	5.02
E47/1599	Sirius	104	98	62.05	2.38	3.01	2.24	0.10	0.05	5.13
Total/Average		347	313	59.57	3.59	4.17	3.24	0.10	0.06	6.60

Most importantly, of the assays above 54% Fe, 273 or 87% of assays were from samples taken from BID (bedded-iron-deposit style) mineralisation outcrops and BID mineralisation has been identified in all of the prospects listed in Table 1.

Aboriginal heritage (archaeological) surveys for the proposed reverse circulation and diamond drill sites and access tracks have been

completed for the Kalgan Creek and Sirius prospects. Heritage surveys at Coondiner are about 50% complete and it is anticipated that the remaining areas will be surveyed ahead of drilling during the December quarter.

RC drilling at Kalgan Creek and Coondiner commenced on 18 October and helicopter supported diamond core drilling at the Sirius prospect is scheduled to commence in November.

Figure 1: Surface Sampling Results and Exploration Targets – Sirius Prospect

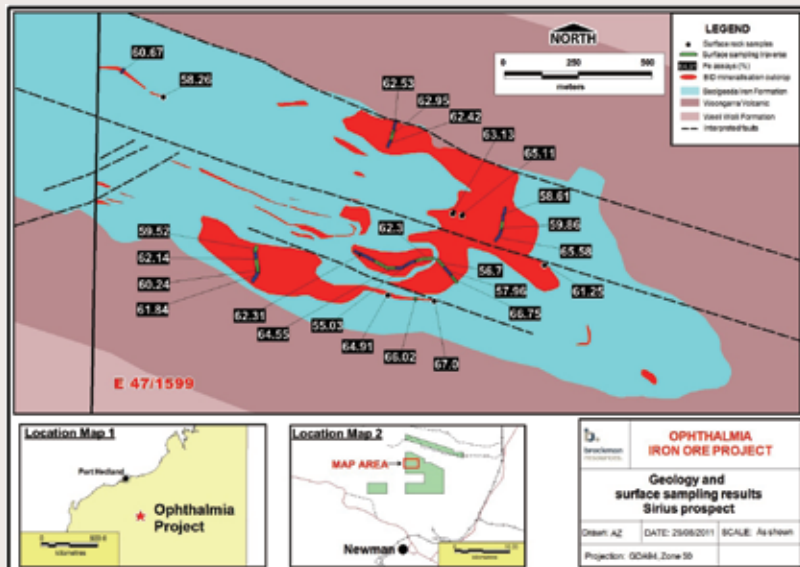
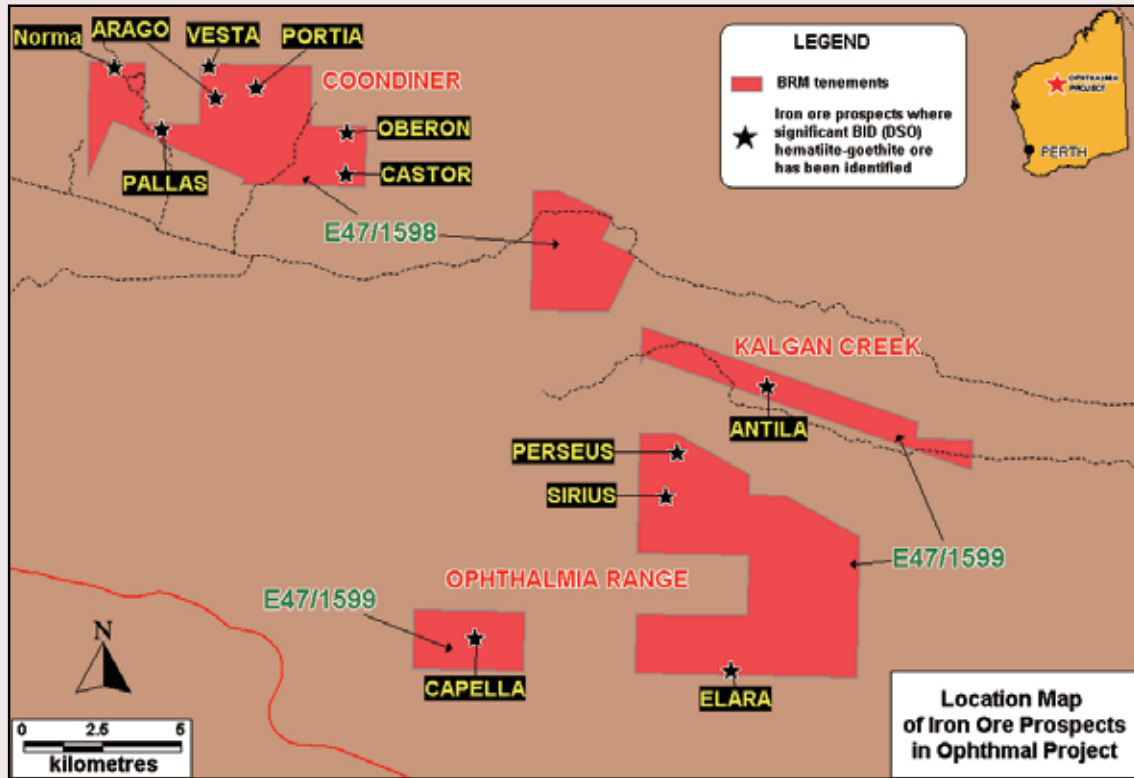


Figure 2: Iron Ore Prospect Location of the Ophthalmia Project



Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled by Mr A Zhang, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Brockman Resources Limited. Mr Zhang has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Zhang consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

LIMOUSINE BUSINESS

Receipts from the Limousine rental and airport shuttle bus operations amounted to

approximately HK\$33.5 million during the quarter ended 30 September 2011, which were at about the same level as the corresponding quarter last year. Higher comparative base coupled with the climbing costs of fuel consumption, repair and maintenance, and labour resulting from inflationary pressures as well as the enforcement of statutory minimum wage in Hong Kong since May 2011, are the main constraints which limit the businesses from generating more cash inflows. We expect that the coming quarter will be a challenging one as escalating global inflation and soaring fuel prices will inflict a negative impact on the cost structure of the limousine business. Moreover, the Group is under the cost pressure of increasing labour costs. We will continue to monitor the market development, especially in the coming Christmas and New Year Days as more tourists are expected at that time, and formulate the best business strategy so as to sustain our overall profit margin.

CORPORATE PROFILE

Wah Nam International Holdings Limited

ARBN 143 211 867

Executive Directors:

Luk Kin Peter Joseph

Chan Kam Kwan, Jason

Independent Non-executive Directors:

Lau Kwok Kuen, Eddie

Uwe Henke Von Parpart

Yip Kwok Cheung, Danny

Company Secretary

Chan Kam Kwan, Jason

Wah Nam International Australia Pty Ltd

ACN 134 696 727

Directors:

Luk Kin Peter Joseph

Chan Kam Kwan, Jason

Warren Talbot Beckwith

Au-Yeung Sai Kit, Alex

Company Secretary

Bryn Scott

Registrars

Principal Share Registrars and Transfer Office

Butterfield Fulcrum Group (Bermuda) Limited

Rosebank Centre

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Pembroke HM08

Bermuda

Branch Share Registrars and Transfer Office — Hong Kong

Tricor Secretaries Limited

26/F., Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

Branch Share Registrars and Transfer Office — Australia

Computershare Investor Services Pty Limited

Reserve Bank Building

Level 2, 45 St George's Terrace

Perth, Western Australia, 6000

Shares Details

Shares on issue

As at 30 September 2011:

5,359,279,403 fully paid shares on issue

15,000,000 options quoted, expiring 30
September 2014

As at the date of the report:

5,359,279,403 fully paid shares on issue

15,000,000 options quoted, expiring 30
September 2014

Unquoted securities

As at 30 September 2011:

74,500,000 unlisted options granted

— 8,500,000 share options, expiring
17 Jan 2014 EX HK\$1.164

— 27,000,000 share options, expiring
10 Feb 2014 EX HK\$1.240

— 39,000,000 share options, expiring
10 Nov 2013 EX HK\$2.00

By order of the Board of Directors of

Wah Nam International Holdings Limited

Chan Kam Kwan, Jason

Company Secretary

Hong Kong, 31 October 2011

GLOSSARY

ASX	ASX Limited ACN 008 624 691, or the financial products market, the Australian Securities Exchange, as the situation requires
Atlas	Atlas Iron Limited ABN 110 396 168, the ordinary shares of which are listed on ASX
Brockman Company	Brockman Resources Limited ACN 009 372 150 Wah Nam International Holdings Limited ARBN 143 211 867, a company incorporated in Bermuda and listed on the SEHK and ASX
FerrAus Group	FerrAus Limited ACN 097 442 529 Wah Nam International Holdings Limited, its associates and subsidiaries
SEHK	Hong Kong Exchanges and Clearing Company Limited or the financial products market or the Hong Kong Stock Exchange, as the situation requires
Marillana Project	The 100% owned Marillana iron ore project is Brockman's flagship project located in the Hamersley Iron Province
Perryville Group	Perryville Group Limited, a wholly owned subsidiary of the Company which consolidates the limousine services and the airport shuttle business
PRC	the People's Republic of China
Smart Year Investments Limited	Smart Year Investments Limited, a wholly owned subsidiary of the Company which held 90% of interests of the mining business.
Takeover Offers	being collectively (i) the offer by the Company through Wah Nam Australia to acquire all of the ordinary fully paid shares of Brockman Resources Limited not already owned by the Company (ii) the offer by the Company through Wah Nam Australia to acquire all of the ordinary fully paid shares of FerrAus Limited not already owned by the Company
Wah Nam Australia	Wah Nam International Australia Pty Ltd ACN 134 696 727

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

WAH NAM INTERNATIONAL HOLDINGS LIMITED

ABN

ARBN 143 211 867

Quarter ended ("current quarter")

30 SEPTEMBER 2011

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter HK\$'000	Year to date (9 months) HK\$'000
1.1 Receipts from product sales and related debtors	1,084	10,742
1.2 Payments for (a) exploration & evaluation	(87,365)	(116,463)
(b) development	—	—
(c) production	(4,222)	(11,223)
(d) administration expenses, and other working capital	(53,466)	(145,305)
1.3 Dividends received	—	—
1.4 Interest and other items of a similar nature received	8,156	13,144
1.5 Interest and other costs of finance paid	(705)	(1,232)
1.6 Income taxes paid	—	(1,157)
1.7 Other (provide details if material)		
1.7(a) Takeover response costs from Brockman Resources Limited	—	(17,867)
1.7(b) Receipts from limousine rental & airport shuttle services	33,504	99,326
1.7(c) Advance from related parties	5,748	11,302
Net Operating Cash Flows	(97,266)	(158,733)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	(1,088)	(8,178)
1.9 Proceeds from sale of: (a) prospects	—	—
(b) equity investments	—	6,745
(c) other fixed assets	—	32
1.10 Loans to other entities	—	—
1.11 Loans repaid by other entities	—	—
1.12 Other (provide details if material)		
1.12(a) acquisition of subsidiary – net of cash and cash equivalents acquired	—	482,964
Net investing cash flows	(1,088)	481,563
1.13 Total operating and investing cash flows (carried forward)	(98,354)	322,830

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(98,354)	322,830
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	—	—
1.15	Proceeds from sale of forfeited shares	—	—
1.16	Proceeds from borrowings	—	9,916
1.17	Repayment of borrowings	(4,803)	(13,931)
1.18	Dividends paid	—	—
1.19	Other (provide details if material)		
	1.19(a)repayment under BRMemployee loan scheme	3,680	3,680
	Net financing cash flows	(1,123)	(335)
	Net (decrease)/increase in cash held	(99,477)	322,495
1.20	Cash at beginning of quarter/year to date	565,110	135,590
1.21	Exchange rate adjustments to item 1.20	(37,128)	(29,580)
	Cash at end of quarter	428,505	428,505

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter HK\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	612
1.24	Aggregate amount of loans to the parties included in item 1.10	—

1.25 Explanation necessary for an understanding of the transactions

Directors Fees, and Executive Directors' Remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

40,934,400 FerrAus shares held by the Group were exchanged for 10,233,599 Atlas shares pursuant to the acceptance of Atlas's Takeover Offer for FerrAus.
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available HK\$'000	Amount used HK\$'000
3.1 Loan facilities	50,400	37,206
3.2 Credit standby arrangements	—	—

Estimated cash outflows for next quarter

	HK\$'000
4.1 Exploration and evaluation	(78,061)
4.2 Development	—
4.3 Production	(7,884)
4.4 Administration expenses, other working capital and professional fee	(54,594)
Total	(140,539)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter HK\$'000	Previous quarter HK\$'000
5.1 Cash on hand and at bank	103,862	147,316
5.2 Deposits at call	319,225	413,815
5.3 Bank overdraft	—	—
5.4 Other (share of JV cash)	5,418	3,979
Total: cash at end of quarter (item 1.22)	428,505	565,110

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note(2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	L47/366	Application withdrawn	100%	—%
	L47/390	Application withdrawn	100%	—%
	E45/3295	Application withdrawn	100%	—%
	E45/3296	Application withdrawn	100%	—%
	E45/2267	Application withdrawn	100%	—%
	E52/2375	Tenement surrendered	100%	—%
	E08/1921	Application withdrawn	100%	—%
	E47/2144	Application withdrawn	100%	—%
6.2 Interests in mining tenements acquired or increased	L47/544	Application	—%	100%
	E47/2621	Application	—%	100%
	E47/2622	Application	—%	100%
	E47/2623	Application	—%	100%
	E45/3948	Application	—%	100%
	E45/3939	Application	—%	100%
	E47/2556	Application	—%	100%
	E04/2148	Application	—%	100%
	Po8/630 to o8/645	Applications	—%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference ⁺securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	5,359,279,403	5,359,279,403		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,863,078	3,863,078		
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	8,500,000 27,000,000 39,000,000 15,000,000	15,000,000	<i>Exercise price</i> HK\$1.164 HK\$1.240 HK\$2.000 A\$0.2	<i>Expiry date</i> 17 January 2014 10 February 2014 10 November 2013 30 September 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	500,000		<i>Exercise price</i> HK\$1.164	
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does/ ~~does not*~~ (delete one) give a true and fair view of the matters disclosed.



Sign here:

.....
(Company secretary)

Date: 31 October 2011

Print name: Chan Kam Kwan, Jason

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.