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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, 30 April 2012

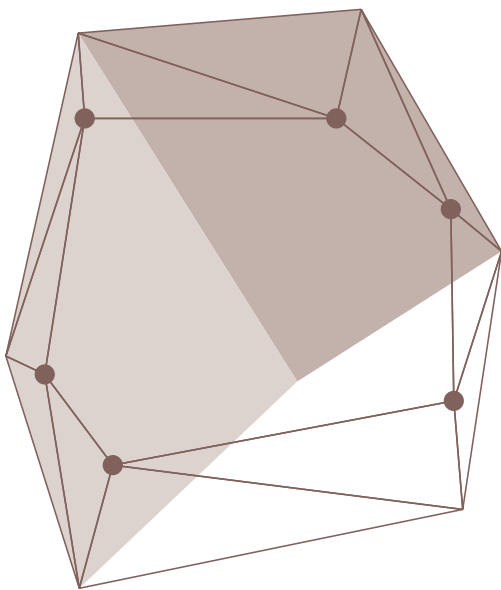
*As at the date of this announcement, the board of directors of the Company comprises Mr. Luk Kin Peter Joseph, Mr. Chu Chung Yue Howard and Mr. Chan Kam Kwan, Jason as executive directors; Mr. Liu Zhengui as non-executive director and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok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

\* *For identification purpose only*

華南

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International Holdings Limited  
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# QUARTERLY ACTIVITIES REPORT



## March 2012

## **HIGHLIGHTS**

- Recommended Takeover Offer for Shares of Brockman Resources Limited ("Brockman") not already owned by the Company declared unconditional on 16 March 2012.
- Over 80% acceptance received for the Takeover Offer.
- Extension of offer period until 31 May 2012.
- Mr. Liu Zhengui has been appointed as non-executive Director of the Company with effect from 27 April 2012.
- Production activities in Damajianshan Mine have been suspended in February 2012 and are expected to resume in May 2012 due to further enhancement of the current production line.
- Mr. Russell Tipper commenced as Chief Executive Officer of Brockman on 1 March 2012.
- The Marillana Process Plant review has been completed and a final report is being prepared by Lycopodium Limited ("Lycopodium"). The Project Delivery Strategy and Schedule are being updated to reflect the improvement opportunities identified during the review.
- Preliminary documentation and referral information required under the Environmental Protection and Biodiversity Conservation Act, for the mine and a potential rail spur, were published in February for public comment. The period for public submissions closed on 29 March 2012 with no submissions received. Final Commonwealth environmental approval is expected during Q2 2012.
- Conditional State Ministerial environmental approval for the proposed North West Infrastructure port development, in the inner harbour of Port Hedland, was received subsequent to the end of the Quarter.
- Brockman continues to actively pursue rail haulage arrangements with existing and proposed railway owners in the Pilbara, as well as consideration of a proposed new railway to service the eastern Pilbara being promoted by QR National.
- Diamond drilling results confirm significant DSO grade iron ore mineralisation at the Sirius prospect within the 100% owned Ophthalmia Iron Ore Project area.
- Best intersections at Sirius include 99.15m at 62.0% Fe in SDD006 and a cumulative 70.05m at 60.6% Fe in SDD004.
- New results received for the Coondiner prospect include 33m at 58.1% Fe and 47m at 57.6% Fe, with both holes ending in mineralisation.
- Discussions with potential investors in the Marillana Project are continuing, together with consideration of project financing options.

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**International Holdings Limited**  
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SEHK Code: 0159

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## CORPORATE REVIEW

### Takeover Offer of Brockman

Wah Nam International Holdings Limited (ASX: WNI, SEHK: 0159) (the "Company" or "Wah Nam") has made a significant progress during the quarter ended 31 March 2012. The Takeover Offer for the remaining shares in Brockman Resources Limited ("Brockman") continued, with increasing acceptances received during the quarter. The Company is optimistic about the consolidation of the ownership of the assets of the Group and we will strive to bring forward the production phase for the Marillana Project.

In January 2012, the Company successfully obtained shareholders' approval for, inter alia, the Takeover Offer and the issue of 555,100,000 subscription shares and a convertible bond with principal amount of HK\$173,940,000 to Ocean Line Holdings Limited ("Ocean Line"). A total of approximately USD65 million (equivalent to approximately HK\$507 million) was therefore raised to partially fund the Takeover Offer.

As one of the conditions of the Takeover Offer, the Company has also obtained the approval of the Foreign Investment Review Board ("FIRB") in February 2012.

With strong support and recommendation from the Brockman's Independent Director (directors other than those nominated by the Company) under the Bid Implementation Agreement, in March 2012 the Takeover Offer was declared unconditional and payment of consideration shares commenced. As at the date of this report, the Company has accumulated an aggregate 84.58% interest in Brockman. The last day for acceptance of the Takeover Offer is extended to 31 May 2012.

### Grant of Share Options

Upon receiving shareholders' approval, a total of 78,000,000 share options were granted to directors on 28 March 2012.

### Subscription of Bond and Convertible Bond

The Company entered into the Bond Subscription Agreement on 6 March 2012 which will provide a new source of consideration for the Takeover Offer. With the Bond Subscription Agreement, Ocean Line agreed to subscribe for a Bond in the Company for a principal amount of HK\$78,000,000. The Company and Ocean Line also entered into the CB Subscription Agreement on the same date pursuant to which the Company agreed to issue and Ocean Line agreed to subscribe for the new Convertible Bond with a principal amount of HK\$78,000,000. The CB Subscription is conditional upon the approval of the shareholders (other than Ocean Line and its associates). In the event that the shareholders approve the CB Subscription, the Bond shall be redeemed in full and the proceeds from the redemption would be applied to subscribe for the Convertible Bond.

On 19 April 2012, shareholders' approval for the CB Subscription was obtained and the Convertible Bond was issued. On the same date, the Bond was redeemed in full.

### **Board Appointment**

Mr. Liu Zhengui has been appointed as non-executive Director with effect from 27 April 2012. He has over 40 years of experience in corporate finance and capital management.

He is currently a director of Shandong School of Economics and Social Development (山東社會經濟發展研究院) and is the chairman of Shandong Dongyin Investment Management Co., Ltd (山東東銀投資管理有限公司). He is also a financial consultant of the Shandong provincial government.

During the period of 2004 to 2009, Mr. Liu was the chairman of Bank of China Group Investment Limited. Prior to that, he served as the chief executive of Bank of China's branches in three different provinces for 16 years.

### **Bank and Cash Position**

The consolidated cash and bank balance of the Group as at 31 March 2012 amounted to approximately HK\$816.1 million.

## **DAMAJIANSHAN MINE**

During the quarter ended 31 March 2012, cash receipts from product sales of approximately RMB8.9 million were contributed by the Company's wholly owned subsidiary, Smart Year Investments Limited, a 90% owner and operator of the Damajianshan Mine. (In the previous quarter, ended 31 March 2011: RMB5.8 million). Sales of copper ore concentrates were recorded for approximately 289 Cu metal tonnes.

Cash payments for production associated with the mining operation during the quarter ended 31 March 2012 amounted to approximately RMB4.7 million (quarter ended 31 March 2011: RMB3.5 million) and cash payments of expenditure associated with exploration activities amounted to approximately RMB1.5 million (quarter ended 31 March 2011: RMB0.3 million).

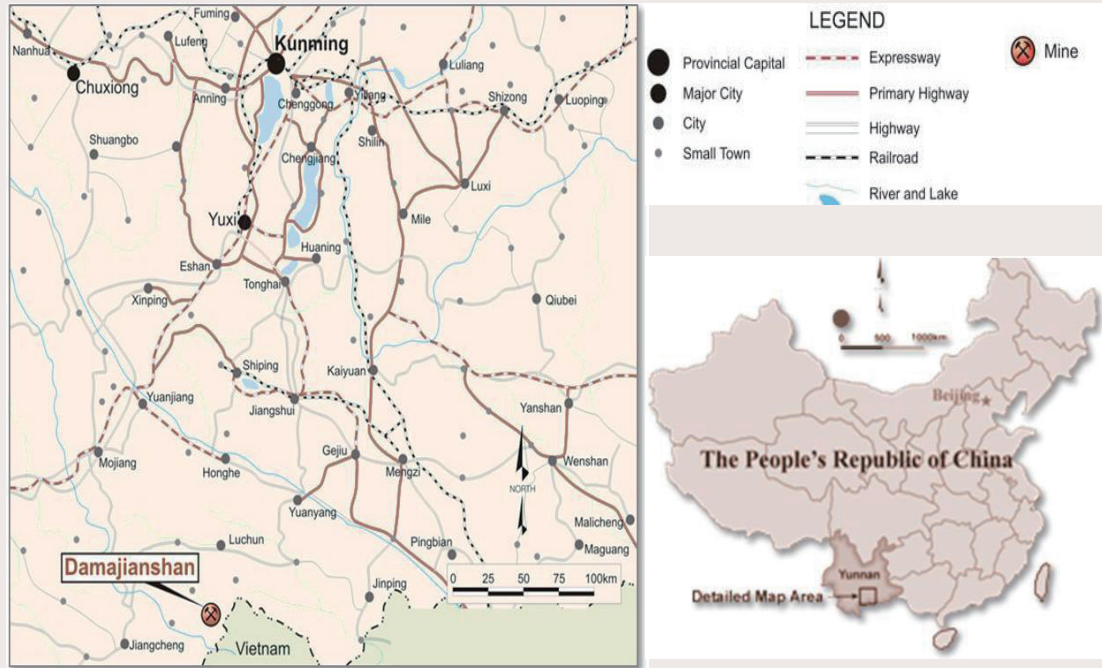
In the current quarter, Damajianshan Mine has made significant progress in the re-installation of its electricity facility. Installation works and the re-routing of the electricity pipelines have almost been completed and the mining team resumed their exploration activities and tunneling work. Further, the Company acquired a number of items of equipment to enhance production capacity. Due to the impact of our production line, production of copper ore was halted after Chinese New Year in February but is expected to be resumed by the end of May 2012. The Company believes that production capacity will be significantly enhanced as a result of these initiatives.

Also during the current quarter, the pollutant discharge permit was renewed by the Yunnan Provincial Government.

Scheduling and the re-designing of the new tailing dam also commenced during the quarter. The Company has engaged consultant companies for the tailing dam re-design project and the conduct of various environment and safety assessments.

The Damajianshan Mine is located in Qimaba Township, Luchun County of Yunnan Province in the PRC. The Damajianshan mining right covers 3.67 square kilometers including approximately 7.6 million tonnes of Ore Reserves, with an average Cu grade of 1.46%, and Mineral Resources of approximately 15.2 million tonnes, with an average Cu grade of 1.68%.

**Map of Damajianshan Mine**



JORC Copper Ore Reserves for the Damajianshan Mine are set out in the following table and there is no significant change since 11 November 2011.

collaboration with Xianping Zhu, Consulting Geophysicist, and Huairan Liu, Consulting Geologist in accordance with the JORC Code dated 11 November 2011.

These estimates were included in the Independent Geologist's Report prepared by Christopher Arndt, Consulting Geologist in

As at November 2011, the Damajianshan Mine had Ore Reserves of 7,554kt.

**Table 1: Ore Reserves**

JORC Code Reserve	Tonnage (kilotonnes) ("kt")	Grades			
		Cu%	As%	Pb%	Ag g/t
Proved	4,404	1.49	5.70	1.28	42.6
Probable	3,150	1.42	6.28	1.49	47.9
Total	7,554	1.46	5.94	1.37	44.8

During the quarter, the Company continued 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 were continuously carried out during the quarter, with acoustic frequency geo-electric field method and electromagnetic exploration method employed for the mine site. Tunneling work has furthered for a total of 512 m 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.<sup>1</sup> 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**

Brockman is an ASX-listed Company with its principal project, the Marillana Iron Ore Project, located 100km north-west of Newman in the Pilbara region of Western Australia and lying close to existing rail, road and port infrastructure. The Marillana Project will be one of the most significant hematite projects to be developed within Australia over the forthcoming years. The Project is designed to produce an average of 18.5 million (wet) tonnes per annum over the life of mine.

Brockman has built a portfolio of additional iron ore tenements throughout the Pilbara to develop a pipeline of future projects and expansions, thereby creating future value enhancement to Brockman's shareholders.

Brockman is a founding shareholder of North West Infrastructure, which has been allocated 50 million tonnes per annum of capacity at the South West Creek port facility at Port Hedland.

#### **Marillana Iron Ore Project**

##### ***Project Development***

Brockman has undertaken an optimisation study aimed at reducing capital costs and further de-risking the Marillana Iron Ore Project ("Marillana" or "the Project"), with a final report being prepared by Lycopodium. Brockman is now focusing its efforts on reviewing and updating the Project Delivery Strategy and Schedule to reflect the improvement opportunities identified in the study.

Preliminary engineering for early site development works has commenced, including the re-alignment of the Munjina – Roy Hill road and the location of site infrastructure including the accommodation village and airstrip. Discussions have been commenced with potential contractors for the delivery of long-lead process and materials handling equipment.

An additional bulk sampling programme has been initiated to verify the plant feed material characteristics and handling properties. This will provide adequate sample feed material for test work focusing on the development of materials handling design parameters and equipment selection.

#### **Project Financing**

Discussions are taking place with potential investors in the Marillana Project, including end-users who could provide some of the equity component of Project funding, provide off-take arrangements and attract financial institutions to provide a Project loan facility.

#### **Rail and Port Infrastructure**

Brockman continues to actively pursue rail haulage arrangements with existing and proposed railway owners in the Pilbara, as well as consideration of a proposed new railway to service the eastern Pilbara being promoted by QR National ("QRN").

QRN has identified a potential corridor from Port Hedland to several currently stranded deposits in the eastern Pilbara and has delineated that corridor through a File Notation Advice to the Department of Mines and Petroleum.

North West Infrastructure ("NWI"), comprising Brockman, Atlas Iron Limited and FerrAus Limited, has been challenged to finalise tenure, approvals and engineering work for the development of new port facilities in South West Creek, in the inner harbour of Port Hedland.

The proposed development schedules of the Rail and Port Infrastructure providers are being reviewed in conjunction with the update of the Project schedule, which will culminate in a revised overall Project Development schedule being finalised during the next Quarter.

#### **Mining and Metallurgy**

Completion of pilot plant beneficiation test work to date has verified the product characteristics, enabling a representative final concentrate to be produced, which will be despatched to relevant agencies for further sinter test work. This will support a product placement plan to initiate discussions with Asian steel mills.

Further design work is being undertaken to modify the fines reject handling circuit, following results of closed pipe loop and rheology test work. This work will consider the slurry pumping requirements prior to finalising the fines reject disposal design and equipment selection.

Groundwater modelling and water supply estimates were completed for the site water balance over the "life of mine". Modelling data indicates that water supplies will be adequate to service water requirements for at least the first 17 years of Project operations.

#### **Project Approvals**

Brockman continues to progress required approvals, where plans/designs have been finalised, in line with project requirements and development timeframes. Variations to the Marillana Project footprint (since the submission of the Public Environmental Review) will require a variation to the Ministerial Statement approval via a s45C process under the Environmental Protection Act. A modified Project Management Plan is being developed for submission to the Department of Minerals and Petroleum.

The Preliminary Documentation for the rail and mine projects that was submitted to the Commonwealth Department of Sustainability, Environment, Water, Pollution and Communities ("DSEWPaC") was publicly advertised with no comments received during the public advertising period. DSEWPaC should complete its assessment by the end of May and approval is expected thereafter, once consent conditions have been set and Offset Plans agreed.



Conditional State Ministerial environmental approval issued on 2 April 2012, for the proposed NWI port development in the inner harbour of Port Hedland. The conditions attending the approval are acceptable to NWI, an incorporated joint venture between Brockman, Atlas Iron Limited and FerrAus Limited.

### **Ophthalmia Project**

#### **Sirius Prospect**

A further 7 diamond drill holes for 747m were completed at the Sirius Prospect (Figure 1) during the period, as reported to ASX on 23 April 2012. Most of the holes have intersected thick zones of Direct Shipping Ore (DSO) grade hematite iron ore mineralisation (Table 1) with better intersections including:

- 99.15m at 62.0% Fe in SDD006; and
- 70.05m (cumulative thickness from two zones) at 60.6% Fe in SDD004.

These results, together with the previously reported intersection of 135.45m at 61.0% Fe in SDD001, have confirmed potential for significant DSO iron ore mineralisation at this prospect, which was initially discovered during helicopter-supported field reconnaissance in August 2011.

Due to lack of vehicular access, a portable diamond rig, with the support of a helicopter, was used to carry out the drilling programme consisting of 8 holes (Table 2). The location of all drill holes is shown in Figure 2 and a cross-section provided in Figure 3. The deposit is situated in the eastern end of the Parmelia Syncline, a moderately overturned syncline with both the northern and southern limbs dipping sub-vertically to moderately to the south. The iron mineralisation is hosted in the lower units of the Boolgeeda Iron Formation.

#### **Coondiner Prospect**

Results have been received for all remaining RC holes drilled at Coondiner in late 2011. Significant drill intersections for all holes, including holes previously reported, are listed in Table 3 below. Drilling has identified two main target areas, namely the Pallas and Castor prospects, as shown in Figure 4. Of particular interest is the very wide zone of mineralisation up to 1km across that remains open at depth at the eastern end of the Pallas prospect. Deeper infill RC drilling has just commenced to follow up these results.

#### **Kalgan Creek Prospect**

Results from resampling at Kalgan Creek have confirmed and increased the extent of mineralisation previously reported (see ASX release dated 25 January, 2012). The previously reported intercept in hole KRC0017 was for composite samples – assay results for the 1m split samples have confirmed and slightly upgraded the tenor of the mineralisation in that hole. In hole KRC0016, assays for the interval from 16m to 38m (which were pending at the last announcement) confirmed continuity of mineralisation across the entire interval from 8m to 44m. An updated table of significant drill intersections is provided as Table 4.

**Table 1: Significant drill intersections – Sirius Prospect**

Hole ID	From (m)	To (m)	Width (m)	Fe (%)	Fe Calcined (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
SDD001*	27.25	162.70	135.45	61.0	64.5	2.10	3.85	0.18	0.01	5.38
SDD002	14.20	28.60	14.40	56.1	60.0	7.52	4.89	0.11	0.01	6.52
SDD003	4.90	12.10	7.20	55.7	60.0	8.03	4.47	0.14	0.05	7.24
	18.40	51.40	33.00	58.6	62.3	4.36	4.93	0.18	0.01	5.94
SDD004	0.00	29.80	29.80	59.7	63.1	5.13	3.66	0.12	0.03	5.37
	36.30	76.55	40.25	61.2	64.2	3.47	3.63	0.20	0.01	4.69
	(Cumulative)		<b>70.05</b>	<b>60.6</b>	<b>63.7</b>	<b>4.18</b>	<b>3.64</b>	<b>0.17</b>	<b>0.01</b>	<b>4.98</b>
SDD005	1.50	28.45	26.95	61.0	63.7	3.80	3.54	0.18	0.02	4.25
SDD006	0.00	74.55	74.55	62.2	65.0	2.04	3.52	0.22	0.01	4.31
	74.55	82.90	8.35	Core loss due to difficult ground conditions						
	82.90	99.15	16.25	60.9	63.8	3.54	4.03	0.22	0.01	4.43
	(Cumulative)		<b>99.15**</b>	<b>62.0</b>	<b>64.8</b>	<b>2.31</b>	<b>3.61</b>	<b>0.22</b>	<b>0.01</b>	<b>4.33</b>
SDD007	0.00	33.15	33.15	62.1	64.8	3.25	3.01	0.15	0.01	4.15
SDD008	4.50	43.00	38.50	59.5	62.5	4.27	4.83	0.17	0.01	4.75
	59.15	64.80	5.65	58.4	61.2	7.98	3.31	0.13	0.00	4.50

\* Reported previously

\*\* assuming core loss is of the same grade as the remainder of the intersection

Notes: Intercepts calculated at a nominal 55% Fe cut off grade including up to 2m of internal dilution. analyses by Ultratrace Laboratories using XRF spectrometry.

Fe Calcined is calcined iron and is calculated by the formula: CaFe = Fe%/(100-LOI)\*100.

**Table 2: Drill hole details – Sirius Prospect**

Hole ID	MGA East (m)	MGA North (m)	RL (m)	Dip (deg)	Azim (deg)	Final depth (m)	Date Drilled
SDD001	780336	7429489	632	-60	0	163.5	13/12/2011
SDD002	780334	7429489	632	-55	180	100.7	24/01/2012
SDD003	780799	7429981	634	-80	0	102.4	1/02/2012
SDD004	781052	7429718	632	-80	270	96.3	9/02/2012
SDD005	780360	7429742	577	-75	180	165.4	21/02/2012
SDD006	780354	7429990	571	-60	0	136.1	5/03/2012
SDD007	780993	7429470	590	-90	–	76.7	11/03/2012
SDD008	781450	7429348	575	-90	–	69.2	23/03/2012
Total						910.3	

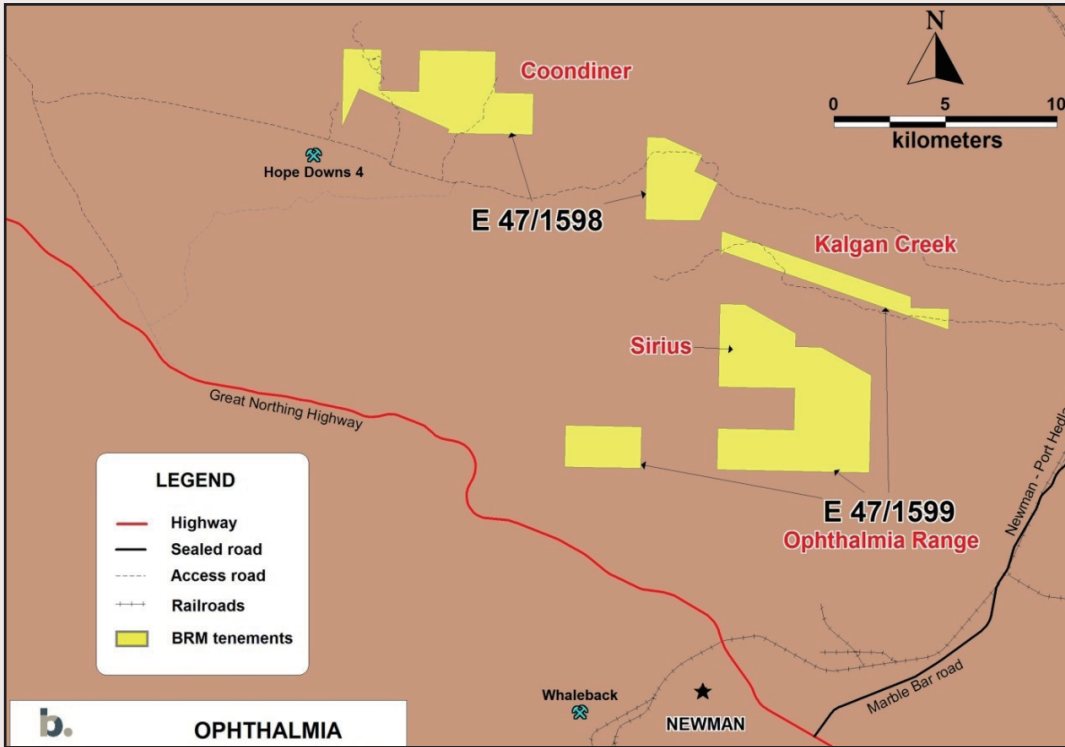


Figure 1: Location of Sirius Prospect

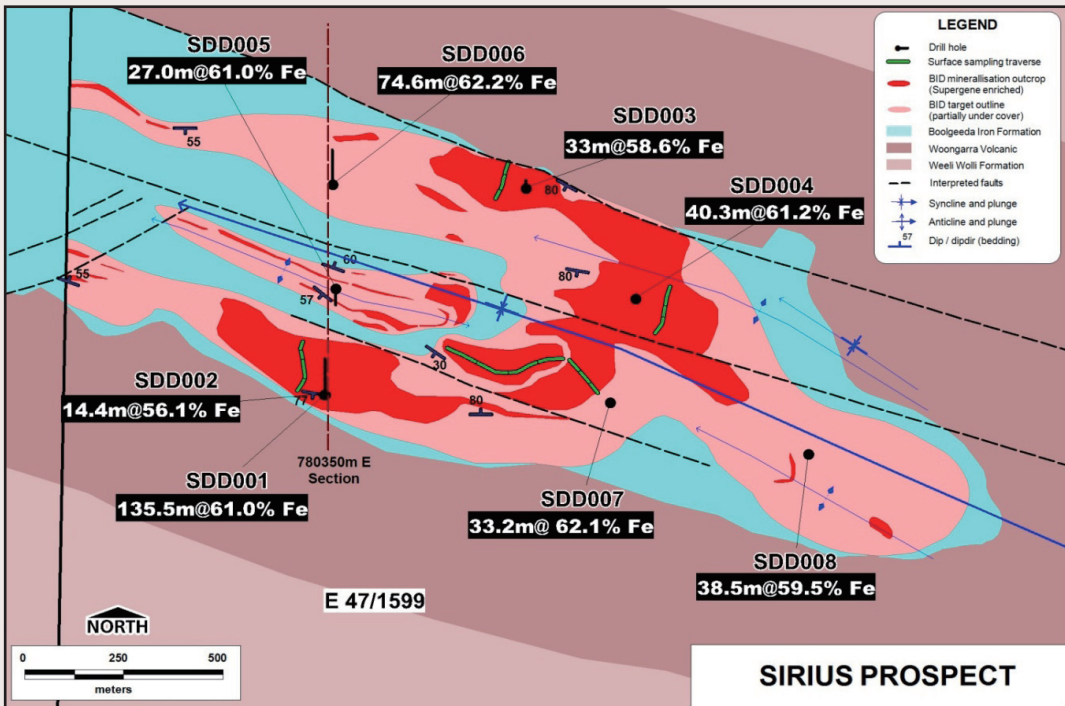


Figure 2: Geology map showing the drill hole locations at Sirius prospect and best intersection in each hole.

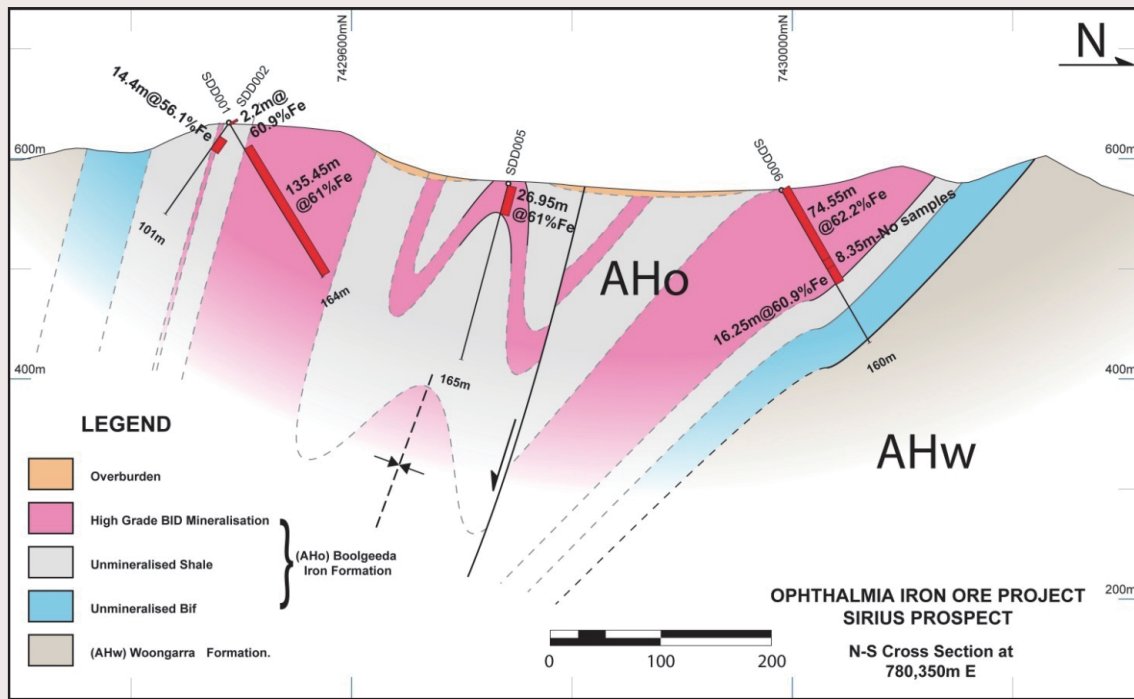


Figure 3: Geological Cross Section at 780,350m E – Sirius Prospect

Table 3: Significant drill intersections – Coondiner Prospect

Hole ID	From (m)	To (m)	Width (m)	Fe %	Fe Calcined %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	LOI %
CNRC0004 <sup>#</sup>	18	36	18	59.24	62.52	5.33	3.77	0.146	0.01	5.25
CNRC0007 <sup>#*</sup>	16	49	33	58.90	62.96	4.65	3.62	0.161	0.01	6.44
CNRC0008 <sup>#*</sup>	22	37	15	59.13	62.71	4.53	3.98	0.139	0.01	5.71
CNRC0009 <sup>#*</sup>	18	49	31	57.74	61.74	5.21	4.54	0.143	0.02	6.48
CNRC0016 <sup>#</sup>	12	24	12	61.12	63.17	5.15	3.14	0.099	0.01	3.25
CNRC0014	32	36	4	57.24	60.20	6.83	5.55	0.139	0.01	4.91
CNRC0019 <sup>*</sup>	18	31	13	58.29	61.72	6.23	4.01	0.141	0.01	5.55
CNRC0020 <sup>*</sup>	4	31	27	58.17	61.23	6.61	4.38	0.127	0.02	5.00
CNRC0021 <sup>*</sup>	24	31	7	55.55	59.06	8.16	5.70	0.196	0.01	5.95
CNRC0049 <sup>*</sup>	16	49	33	58.13	61.44	6.00	4.76	0.192	0.01	5.37
CNRC0050 <sup>*</sup>	14	61	47	57.61	61.33	5.41	5.22	0.174	0.01	6.06
CNRC0051	10	16	6	56.38	59.67	8.63	4.49	0.139	0.01	5.52

<sup>#</sup> Results previously reported

<sup>\*</sup> Hole ended in mineralisation

Notes: Intercepts calculated at a nominal 55% Fe cut off grade including up to 2m of internal dilution. analyses by Ultratrace Laboratories using XRF spectrometry.

Fe Calcined is calcined iron and is calculated by the formula:  $CaFe = Fe\% / (100 - LOI) * 100$ .

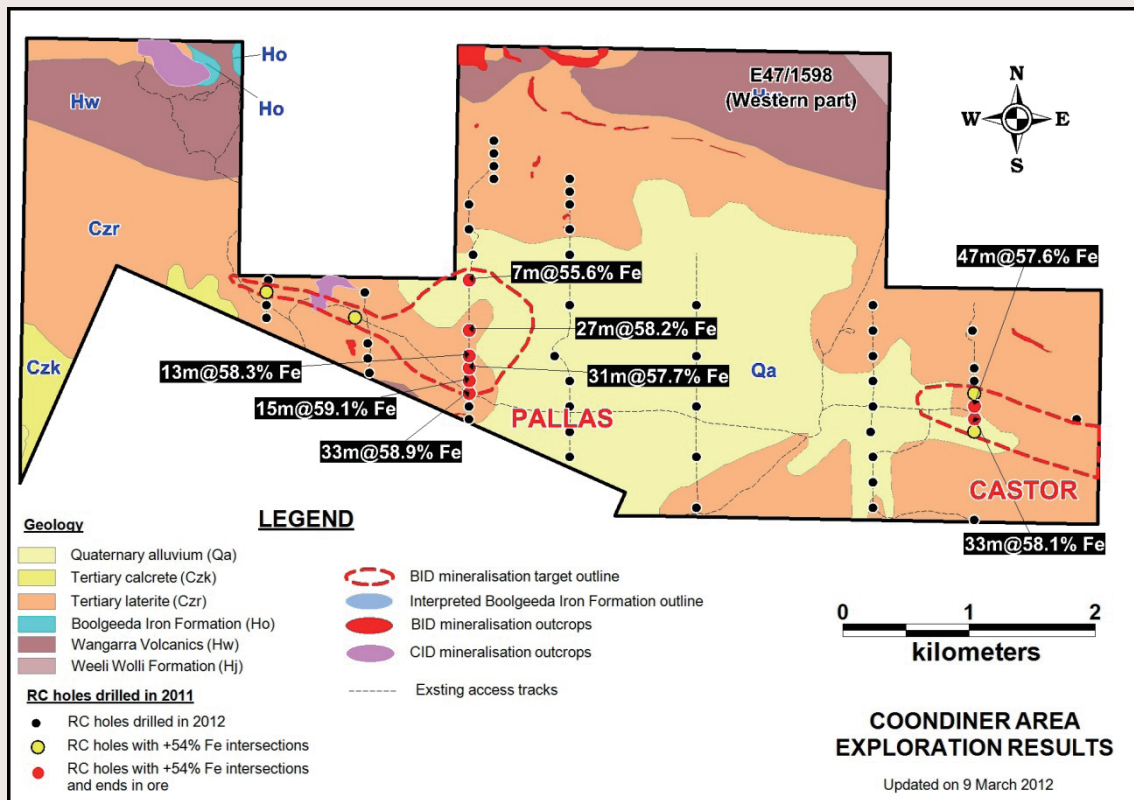


Figure 4: Geology map of Coondiner Prospect showing exploration results

Table 4: Significant drill intersections – Kalgan Creek Prospect

Hole ID	From (m)	To (m)	Width (m)	Fe %	Fe Calcined %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	LOI %
KRC0001	16	24	8	56.93	56.93	9.52	5.46	0.023	0.01	3.08
	32	36	4	56.54	56.55	10.40	5.28	0.028	0.01	3.13
KRC0003	4	12	8	55.38	55.39	9.98	5.05	0.037	0.02	5.03
	16	30	14	58.10	58.11	9.05	4.47	0.022	0.01	2.90
KRC0009	60	76	16	59.71	59.71	6.26	2.94	0.154	0.01	4.96
KRC0015	12	20	8	60.31	60.32	5.90	3.24	0.075	0.01	4.16
KRC0016	8	16	8	58.34	58.35	5.31	5.32	0.161	0.02	5.28
	38	44	6	62.09	62.09	2.68	2.93	0.219	0.01	4.71
<b>KRC0016*</b>	<b>8</b>	<b>44</b>	<b>36</b>	<b>59.64</b>	<b>59.65</b>	<b>4.13</b>	<b>4.39</b>	<b>0.204</b>	<b>0.01</b>	<b>5.25</b>
KRC0017	16	78	62	58.65	58.65	4.55	4.69	0.150	0.01	5.98
<b>KRC0017*</b>	<b>16</b>	<b>78</b>	<b>62</b>	<b>60.04</b>	<b>60.04</b>	<b>2.95</b>	<b>4.99</b>	<b>0.197</b>	<b>0.01</b>	<b>5.24</b>
KRC0018	28	34	6	56.61	56.61	4.25	5.12	0.097	0.01	8.90
KRC0020	10	78	68	59.83	59.84	2.80	5.14	0.194	0.01	5.46
KRC0021	6	12	6	57.47	57.49	4.83	3.83	0.044	0.03	8.29

\* Replaces previously reported results (shaded). All other results reported previously.

Notes: Intercepts calculated at a nominal 55% Fe cut off grade including up to 2m of internal dilution. analyses by Ultratrace Laboratories using XRF spectrometry.

Fe Calcined is calcined iron and is calculated by the formula:  $CaFe = Fe\% / ((100 - LOI) * 100)$ .

#### Management Appointments

Mr. Russell Tipper has been appointed as Chief Executive Officer commencing on 1 March 2012. Russell was most recently General Manager Iron Ore with ASX listed Aquila Resources where he was responsible for oversight of the West Pilbara Iron Ore Project. He brings a wealth of experience in Pilbara iron ore project development, including rail and port infrastructure solutions.

#### Agreements signed with Process Minerals International

Subsequent to the March Quarter, Brockman has entered into a Haul Road Agreement and a General Access Licence with Process Minerals International ("PMI"). These agreements allow PMI to construct a haul road for the transport of PMI ore through the Project tenement. This road development will be of ultimate benefit to Brockman once development and operational activities commence on site.

#### 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\$30.5 million during the quarter ended 31 March 2012, decreased by 12.9% from HK\$35 million as recorded in the corresponding quarter last year. We will continue to monitor the market development 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  
Chu Chung Yue Howard  
Chan Kam Kwan Jason

#### Non-executive Director:

Liu Zhengui (appointed on 27 April 2012)

#### 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  
Chu Chung Yue Howard (appointed on  
12 March 2012)

#### Secretaries

Bryn Scott  
Ng Kai Man Carmen

### **Registrars**

#### **Principal Share Registrars and Transfer Office**

Butterfield Fulcrum Group (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
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 31 March 2012:

6,387,427,539 fully paid shares on issue  
15,000,000 options quoted, expiring  
30 September 2014

As at the date of the report:

6,574,826,673 fully paid shares on issue  
15,000,000 options quoted, expiring  
30 September 2014

#### **Unquoted securities**

As at 31 March 2012 and as at the date of this  
report:

209,500,000 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  
— 50,000,000 share options, expiring  
31 Dec 2014 EX HK\$0.72  
— 85,000,000 share options, expiring  
13 Dec 2015 EX HK\$0.72

By order of the Board of Directors of

**Wah Nam International Holdings Limited**

**Chan Kam Kwan, Jason**

Company Secretary

Hong Kong, 30 April 2012



## GLOSSARY

ASX	ASX Limited ACN 008 624 691, or the financial products market, the Australian Securities Exchange, as the situation requires
Board	the board of Directors
Bond	the bond to be issued by the Company to Ocean Line in the principal amount of HK\$78,000,000 in aggregate subject to the terms of the Bond Subscription Agreement
Bond Subscription	the subscription of the Bond by Ocean Line pursuant to the Bond Subscription Agreement
Bond Subscription Agreement	the bond subscription agreement entered into between the Company and Ocean Line on 6 March 2012
Brockman	Brockman Resources Limited ACN 009 372 150
CB Subscription	the subscription of the Convertible Bond by Ocean Line pursuant to the CB Subscription Agreement
CB Subscription Agreement	the subscription agreement entered into between the Company and Ocean Line on 6 March 2012
Convertible Bond	the new convertible bond to be issued by the Company to Ocean Line in the principal amount of HK\$78,000,000 subject to the terms of the CB Subscription Agreement
Company	Wah Nam International Holdings Limited ARBN 143 211 867, a company incorporated in Bermuda and listed on the SEHK and ASX
Group	Wah Nam International Holdings Limited, its associates and subsidiaries
Independent Brockman Director	the directors of Brockman from time to time but does not include those board members who are nominees of the Company
JORC Code	Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (4th Edition)
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
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 Luchun Xingtai Mining Co. Limited.
Takeover Offer	the off-market takeover offer by the Company through Wah Nam Australia to for the remaining ordinary fully paid shares in Brockman not already owned by the Company, details please refer to the Bidder's Statement dated 21 December 2011
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")

31 MARCH 2012

#### Consolidated statement of cash flows

##### Cash flows related to operating activities

	Current quarter HK\$'000	Year to date HK\$'000 (Note)
1.1 Receipts from product sales and related debtors	10,978	10,978
1.2 Payments for (a) exploration & evaluation	(34,618)	(34,618)
(b) development	(3,076)	(3,076)
(c) production	(5,773)	(5,773)
(d) administration expenses, and other working capital	(42,938)	(42,938)
1.3 Dividends received	—	—
1.4 Interest and other items of a similar nature received	14,839	14,839
1.5 Interest and other costs of finance paid	(257)	(257)
1.6 Income taxes paid	(492)	(492)
1.7 Other (provide details if material)		
1.7(a) Transaction costs associated with takeover of Brockman Resources Limited	(18,436)	(18,436)
1.7(b) Receipts from limousine rental & airport shuttle bus services	30,497	30,497
1.7(c) Repayment to related parties	(18,119)	(18,119)
<b>Net operating cash flows</b>	<b>(67,395)</b>	<b>(67,395)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	(5,950)	(5,950)
1.9 Proceeds from sale of: (a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	149	149
1.10 Loans to other entities	—	—
1.11 Loans repaid by other entities	—	—
1.12 Other (provide details if material)	—	—
<b>Net investing cash flows</b>	<b>(5,801)</b>	<b>(5,801)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	—	—
1.15	Proceeds from sale of forfeited shares	—	—
1.16	Proceeds from borrowings	—	—
1.17	Repayment of borrowings	(3,927)	(3,927)
1.18	Dividends paid	—	—
1.19	Other (provide details if material)		
	1.19(a) repayment under BRM employee loan scheme	48,415	48,415
	1.19(b) proceeds from exercise of BRM share options	2,165	2,165
	1.19(c) acquisition of additional interest in a subsidiary	(391,545)	(391,545)
	1.19(d) proceeds from issue of bond	78,000	78,000
<b>Net financing cash flows</b>		(266,892)	(266,892)
<b>Net decrease in cash held</b>		(340,088)	(340,088)
1.20	Cash at beginning of quarter/year to date	1,135,798	1,135,798
1.21	Exchange rate adjustments to item 1.20	20,444	20,444
<b>Cash at end of quarter/year to date</b>		816,154	816,154

Note: Pursuant to a resolution of the Board of Directors dated 8 November 2011, the financial year end date of the Group has been changed from 31 December to 30 June. Accordingly, the “Year-to-date” figure covers a three-month period from 1 January 2012 to 31 March 2012 during this transitional period.

**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	1,444
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

A total of 473,048,136 ordinary shares of the Company have been issued and allotted to Brockman shareholders who have accepted the Takeover Offer.

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	48,000	30,521
3.2 Credit standby arrangements	—	—

### Estimated cash outflows for next quarter

	HK\$'000
4.1 Exploration and evaluation	(57,788)
4.2 Development	(1,850)
4.3 Production	(14,799)
4.4 Administration expenses, other working capital and professional fee	(82,174)
4.5 Financing activities (i.e. cash consideration for acquiring the remaining equity interests in BRM, assuming 100% acceptance of the takeover offer)	(411,359)
<b>Total</b>	<b>(567,970)</b>

### 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	574,910	603,962
5.2 Deposits at call	239,952	529,767
5.3 Bank overdraft	—	—
5.4 Other (share of JV cash)	1,292	2,069
<b>Total: cash at end of quarter (item 1.22)</b>	<b>816,154</b>	<b>1,135,798</b>

### 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	E45/3644	Ground not available	100%	0%
	E47/2214	Ground not available	100%	0%
	E08/1922	Application withdrawn	100%	0%
	E47/2313	Ground not available	100%	0%
	E47/2314	Ground not available	100%	0%
6.2 Interests in mining tenements acquired or increased	E04/2190	Application lodged	0%	100%
	E47/2650	Application lodged	0%	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 <b>Preference <sup>+</sup>securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b><sup>+</sup>Ordinary securities</b>	6,387,427,539	6,387,427,539		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b><sup>+</sup>Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	8,500,000 27,000,000 39,000,000 15,000,000 50,000,000 85,000,000	15,000,000	<i>Exercise price</i> HK\$1.164 HK\$1.240 HK\$2.000 A\$0.2 HK\$0.72 HK\$0.72	<i>Expiry date</i> 17 January 2014 10 February 2014 10 November 2013 30 September 2014 31 December 2014 13 December 2015
7.8 Issued during quarter	78,000,000		HK\$0.72	13 December 2015
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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: 30 April 2012

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.

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+ See chapter 19 for defined terms.