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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 January 2012

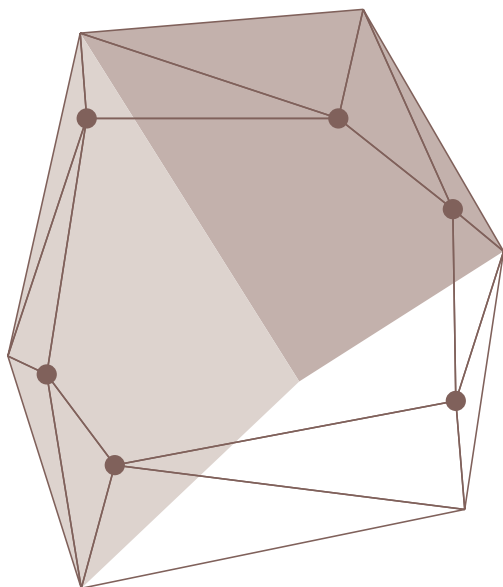
*As at the date of this announcement, the board of directors of the Company comprises Mr. Luk Kin Peter Joseph, Mr. Chu Chung Yue Howard and Mr. Chan Kam Kwan, Jason as executive directors and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny as independent non-executive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



# DECEMBER 2011

## HIGHLIGHTS

- Recommended Takeover Offer for Shares of Brockman Resources Limited ("Brockman") not already owned by the Company launched in Dec 2011.
- Disposal of shares in Atlas Iron Limited ("Atlas") completed.
- Appointment of Mr. Chu Chung Yue Howard as an executive director to the Board and as a non-executive director to the Brockman Board.
- Highly credentialed iron ore executive Mr. Russell Tipper appointed as Chief Executive Officer of Brockman.
- Review of the Marillana process plant has identified areas for increased efficiencies, primarily around plant layout and footprint. An engineering optimisation study has confirmed the viability of the revised layout.
- All environmental and heritage requirements over the mine site of Brockman are complete.
- Brockman continues to actively pursue rail haulage arrangements with existing and proposed railway owners in the Pilbara, as well as consideration of a standalone rail solution for the Marillana Project.
- The Environmental Protection Authority has recommended the conditional approval of the NWI port development in South West Creek, within the Port Hedland inner harbour.
- Intersection of **135.45m grading 61.02% Fe** recorded in first drill hole at the Sirius prospect, within the 100% owned Ophthalmia Project, further supporting potential for future DSO development in Pilbara.
- Encouraging RC drill intersections from Kalgan Creek (up to **68m @ 59.8% Fe**) and Coondiner (up to **33m @ 58.9% Fe**) confirm potential for multiple ore bodies at Ophthalmia.
- Discussions are taking place with potential investors in the Marillana Project and project financing options are being considered.

## OVERVIEW

Wah Nam International Holdings Limited (ASX: WNI, SEHK: 0159) (the "Company" or "Wah Nam") has made a significant progress in the fourth quarter of 2011. The Company has made an off-market takeover offer for the remaining shares in Brockman Resources Limited ("Brockman") that the Company does not already own, for the objective of consolidating the ownership of the assets of the Group in order to expedite the Marillana Project towards the production phase and improve the ability to secure funding for the Marillana Project.

The appointment of Mr. Chu Chung Yue Howard to the Wah Nam Board and the Brockman Board in November 2011 added invaluable expertise from within the mining industry to the Company. Mr. Chu held various positions with Teck Resources Limited (formerly Teck Cominco Limited) for a period of 33 years and the Company believes his capabilities will benefit the Company's transition into an iron ore producer. Following Mr. Chu's appointment in Brockman, Mr. Hendrianto Tee has tendered his resignation as Non-Executive Director of the Brockman Board.

**Wah Nam**  
**International Holdings Limited**  
ARBN 143 211 867  
ASX Code: WNI  
SEHK Code: 0159

**Head Office**  
Room 1003, 10/F  
Knutsford Commercial Building,  
4-5 Knutsford Terrace,  
Tsim Sha Tsui,  
Kowloon, Hong Kong

**Registered Office in Australia**  
Barringtons Your Business Advisors  
Barrington House  
283 Rokeby Road  
SUBIACO WA 6008

A strategic review was conducted covering the Marillana Project and all facets of the Brockman business. A revised timetable has been determined for key project milestones leading to production.

During the quarter, the Front End Engineering and Design ("FEED") report was received from UGL Resources Pty Ltd. It has been concluded that further changes and improvements can be made to the process plant design to optimise capital and operating costs. An engineering firm has been appointed to commence an optimisation study of the Marillana Project. Rail and port infrastructure options are progressing in parallel with the engineering optimisation study. The Company looks forward to the completion of a rail and port infrastructure solution and the financing of the Marillana Project.

The disposal of Atlas shares was completed during the quarter and, accordingly, net proceeds of approximately AUD32.5 million were received by Wah Nam International Australia Pty Ltd ("Wah Nam Australia").

## RECOMMENDED TAKEOVER OFFER

On 21 December 2011, the Company, through its wholly owned subsidiary Wah Nam Australia, made an off-market takeover offer for the remaining shares in Brockman that Wah Nam Australia does not already own ("Takeover Offer").

The Takeover Offer is unanimously recommended by the independent directors of Brockman (namely Mr Ross Norgard, Mr David (Michael) Spratt and Mr Colin Paterson) ("Independent Brockman Directors") in the absence of a superior proposal. The Takeover Offer is for AUD1.50 cash plus 18 Wah Nam Shares for every Brockman share held. Further details of the Takeover Offer are set out in Wah Nam Australia's Bidder's Statement sent to Brockman shareholders on 21 December 2011, which is available on the ASX.

In order to implement the Takeover Offer, the Company and Brockman entered into a Bid Implementation Agreement on 12 December 2011. Under the Bid Implementation Agreement, Brockman agreed that each Independent Brockman Director will recommend that Brockman shareholders accept the Takeover Offer in the absence of a superior proposal for Brockman, subject to the Independent Expert Report concluding the Takeover Offer is fair and reasonable to Brockman shareholders. According to Brockman's Target's Statement released on 15 December 2011, the Independent Expert determined that the Takeover Offer is fair and reasonable.

Under the Bid Implementation Agreement (as amended by an agreement between the Company and Brockman dated 31 January 2012), the Independent Brockman Directors, in the absence of a superior proposal, intend to accept the Takeover Offer in respect of all Brockman shares they own or control, representing approximately 11.35% of Brockman shares currently on issue, no later than 2 days after the satisfaction of the conditions of the Takeover Offer relating to Foreign investment approval, Wah Nam International Shareholder approval and the Subscription (as defined in the Bidder's Statement).

The conditions relating to Wah Nam Shareholder approval and the Subscription were satisfied on 6 January and 10 January 2012 respectively. The Placement condition was waived by Wah Nam Australia on 31 January 2012. The Foreign investment approval and 80% minimum acceptance conditions remain outstanding.

The Takeover Offer is currently open, and its closing date has been extended to 20 February 2012. The Board encourages Brockman shareholders to accept the Takeover Offer as it considers it will accelerate the development of the Marillana Project within one entity.

### **Subscription of Shares and Underwriting Agreement**

As set out in the Bidder's Statement (to be read together with Wah Nam Australia's First Supplementary Bidder's Statement dated 31 January 2012), the Takeover Offer will be financed using a combination of existing cash resources, proceeds from the issue of Wah Nam Shares and the issue of a convertible bond to Ocean Line Holdings Limited (under a Subscription Agreement dated 12 December 2011 between the Company and Ocean Line Holdings Limited) and, if Wah Nam elects in its absolute discretion to utilize the placement facility, the proceeds from the placement of Wah Nam Shares to places procured, on a fully underwritten basis, by the placing agent, REORIENT Financial Markets Limited (pursuant to an Underwriting Agreement between the Company and REORIENT Financial Markets Limited dated 12 December 2011).

As at the date of this report, the Subscription of 555,100,000 Wah Nam Shares and the issue of the convertible bond has completed. Ocean Line Holdings Limited has become the largest shareholder of the Company, with a shareholding of approximately 14.9%.

### **Bank and Cash Position**

The consolidated cash and bank balance of the Group for the quarter ended 31 December 2011 amounted to approximately HK\$1,135.8 million.

## **MINING OPERATION**

### **Luchun Xingtai Mining Co. Limited**

During the quarter ended 31 December 2011, cash receipts from product sales of approximately RMB2.5 million was contributed

by the Company's wholly owned subsidiary, Smart Year Investments Limited, a 90% owner and operator of the Damajianshan Mine. Copper ore processed and production volume of copper ore concentrates were approximately 56,600 tonnes and 336 metal tonnes respectively during the current quarter. Sales of copper ore concentrates were recorded at approximately 63 metal tonnes.

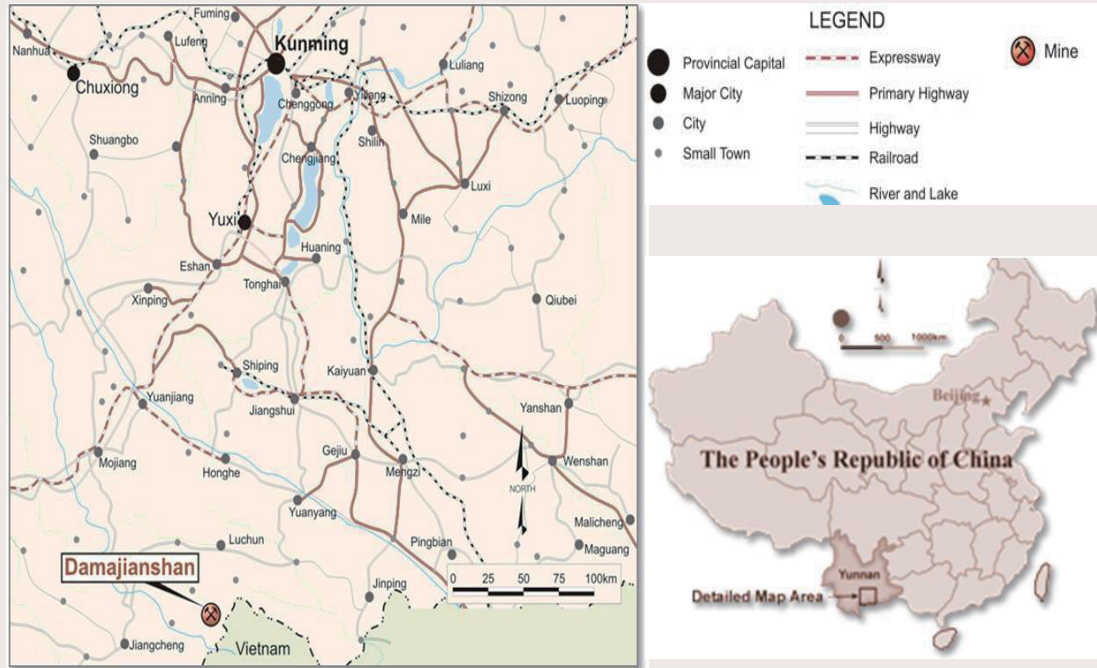
Cash payments for production associated with the mining operation during the quarter ended 31 December 2011 amounted to approximately RMB4.3 million and cash payments of expenditure associated with exploration activities amounted to approximately RMB0.5 million.

During the quarter, the Company has acquired a number of pieces of equipment to enhance production capacity. It is expected that production will be suspended after the Lunar New Year until May 2012 due to further enhancement for our production line with installation works. Production capacity will be significantly enhanced after such development.

The Damajianshan Mine is located in Qimaba Township, Luchun County of Yunnan Province in the PRC. The Damajianshan Mine 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%.

The Damajianshan Mine operation has the potential to produce over 429,000 tonnes per annum for more than 18 years.

**Map of Damajianshan Mine**



JORC Copper Ore Reserves and Resources for the Damajianshan Mine are set out in the Table below.

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 collaboration with Xianping Zhu, Consulting

As at November 2011, the Damajianshan Mine had Ore Reserves of 7,554kt (see Table 1) and Mineral Resources of 15,238.87kt (see Table 2).

**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

**Table 2: Mineral Resources**

JORC Mineral Resource	Tonnage (kilotonnes) ("kt")	Grades					
		Cu%	As%	Pb%	Zn%	Bi%	Ag g/t
Measured	4,408	1.79	6.83	1.54	0.37	0.24	51.1
Indicated	3,153	1.70	7.52	1.79	0.52	0.25	57.4
Subtotal	7,561	1.75	7.11	1.64	0.43	0.24	53.6
Inferred	7,678	1.61	6.48	2.18	0.48	0.24	63.1
Total	15,239	1.68	6.80	1.91	0.46	0.24	58.3

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 1,676 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.' 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**

Following completion of the Strategic Review by the Board and Management, Brockman Resources (ASX:BRM, "Brockman") has undertaken an optimisation study aimed at

reducing capital costs and de-risking the Marillana Iron Ore Project ("Marillana" or "the Project"). The optimisation study focussed on the overall plant layout and footprint, crushing equipment selection and the Dense Media Plant ("DMS") layout and has identified significant improvements in all areas. The optimisation study has not resulted in any changes to the process flow sheet.

In addition, testwork has continued on the plant feed material characteristics and handling properties, and the design strategy for the fines and coarse reject handling optimisation, to determine the possibility of additional operating cost savings in materials handling.

#### **Project Financing**

Discussions are taking place with potential investors in the Marillana Project, including end-users who could provide the equity component of the project funding while attracting financial institutions to provide the 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 standalone rail solution for the Marillana Project.

Discussions around project delivery were simplified during the quarter following completion of the merger of fellow founding members of the North West Infrastructure ("NWI") Group, Atlas Iron Limited and FerrAus Limited. Brockman worked closely with Atlas towards refocussing NWI into a project delivery vehicle to finalise tenure, approvals and engineering work for the development of new port facilities in South West Creek.

In late November 2011 the NWI received the Environmental Protection Authority conditional recommendation for the port development.



### **Mining and Metallurgy**

Results have now been received for the pilot plant beneficiation test work on a 150 tonne representative sample of ore from Pit 2. A full circuit concentrate for Pit 2 has been produced with an iron ("Fe") grade of 60.46% and combined silica/alumina grade of 10.47% at a mass recovery of 37.1% (from an initial head grade of 40.4% Fe). This yield exceeds that predicted from the metallurgical test work grade-recovery curve used in the DFS (the Pit 1 yield also exceeded expectations). All other contaminant grades remain within the required specifications.

Pit 2 is expected to be brought on line half way through year one of the current mining schedule and blended with ore mined from Pit 1 to provide a balanced feed blend to the processing plant.

The base case mining schedule for the project has been completed as a standard truck and shovel operation developing multiple pits to feed 42 million tonnes of ore to the process plant per annum. The full life of mine costing has been included in the cost model and potential improvements to the base case mining proposal are now being considered.

The current mine plan has significantly reduced the requirement to rehandle waste material envisaged in earlier studies. Due to the limited lease space, some material still requires rehandling late in the project life but the mine planning team continues to challenge and refine the mine schedule seeking to eliminate waste rehandle whilst keeping haul distances to a minimum.

Dewatering test work on the fine reject stream was conducted during the quarter. The test work has revealed that the "grit" component (nominally -1+0.25mm) of the fine reject can be dewatered, conveyed and co-disposed with coarse reject. Additional studies are currently underway to determine the impact that removal

of grit will have on the pumping solution/ approach and fine reject disposal methodology, but it is expected to generate significant savings within the fines reject handling circuit.

Other test work initiated during the quarter included an independent assessment by a service provider for selection of flocculant and coagulant for processing fine reject, high pressure grinding rolls, and crushability and dynamic fragmentation test work.

### **Project Approvals**

Brockman has been progressing required approvals in line with project requirements and development timeframes. Minor variations to the Marillana Project footprint will require a variation to the "early works" Mining Proposal and Project Management Plan currently with the WA Department of Mines and Petroleum. This Mining Proposal will seek permission to establish accommodation facilities for construction personnel, access roads and associated works. The heritage surveys (archaeology and ethnographic) for the preferred camp, airstrip and road locations have been completed and reports finalised. These reports are required to support the s45C application to vary Brockman's approved Public Environmental Review. All environmental and heritage requirements over the proposed mine site are now complete. A decision on progressing the API impact assessment document will be made as a rail solution strategy evolves, and submission of the s45C application will occur once the Project design has been agreed.

In December, Brockman submitted the Preliminary Documentation ("PD") for assessment by the Commonwealth Department of Sustainability, Environment, Water, Pollution and Communities ("DSEWPaC"). DSEWPaC approval is expected within four months (April 2012). The rail project PD was also submitted to DSEWPaC at the same time and is also expected to be approved by April 2012.



The Cultural Heritage Management Plan was finalised during the quarter and presented to the Martidja Banyjima and the Nyiyaparli native title claimant groups, and the WA Department of Indigenous Affairs. This plan will assist Brockman in avoiding disturbance to sites of cultural significance and engaging indigenous stakeholders in heritage management.

### Regional Iron Ore Exploration Projects (100% Interest)

#### Ophthalmia Project

A first-phase exploration drilling programme in the Ophthalmia iron ore project, which consists of two 100% owned Exploration Licences (E47/1598 and E47/1599), located 15km north of Newman in Western Australia's Pilbara region, was carried out in the December quarter. A total of 5,306m from 81 RC holes and one diamond

core hole (helidrill) were drilled. A statistical summary of the drilling is listed in Table 3 below.

Intersections of highly significant Direct Shipping Ore ("DSO") grade hematite iron ore mineralisation in the first diamond drill hole were recorded at the Sirius prospect within E47/1599. Hole SDD001, which is the first and only hole drilled to date, recorded an intersection of **135.45m @ 61.02% Fe** from 27.25m to 162.7m down-hole and ended in mineralisation. The Sirius mineralisation was discovered by surface rock chip sampling in August last year.

The true thickness of the mineralisation in the hole is estimated to be between 70 and 100m. The results from Sirius further demonstrate Brockman's continuing pipeline of project developments and the potential to expand the Company's resource base.

**Table 3: Exploration Drilling Statistics of Ophthalmia Project**

Project Area	No of Holes		Metres Drilled		No of Samples Submitted	No of Assays Received
	RC	Diamond	RC	Diamond		
Sirius	-	1	-	163.7	128	-
Kalgan Creek	21	-	1,555	-	520	520
Coondiner	60	-	3,588	-	1,761	-

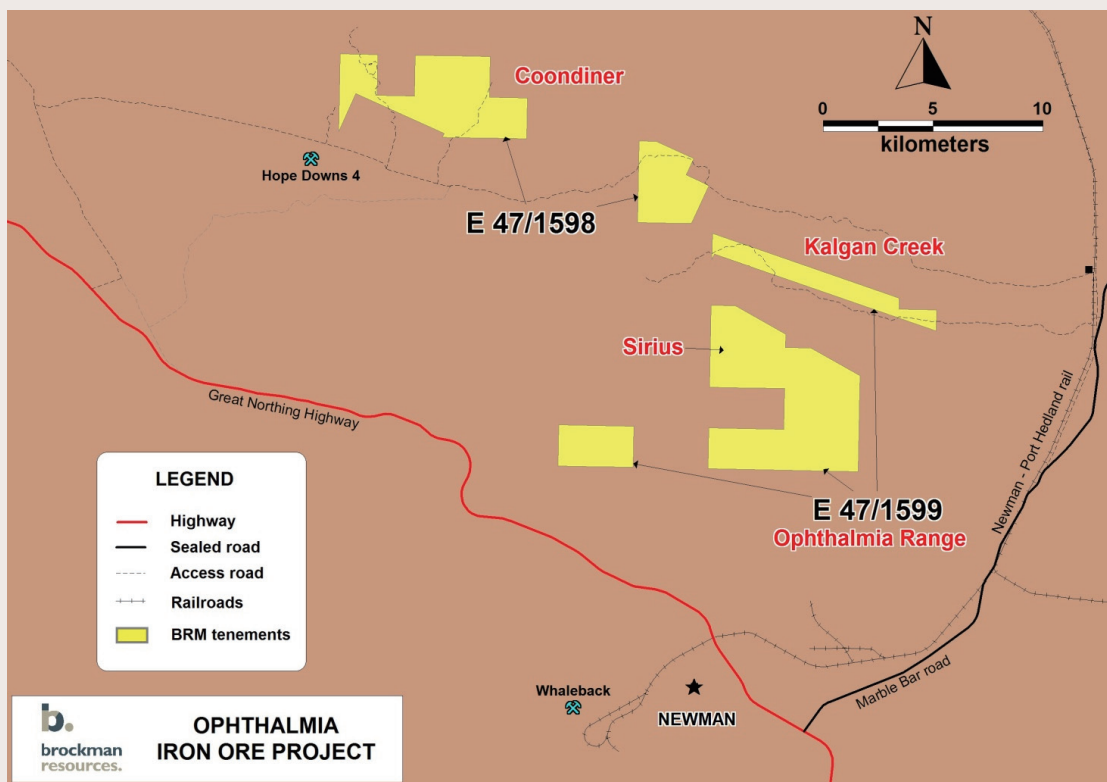
Results have also been received for the first 36 holes at Kalgan Creek and Coondiner and include a number of broad intercepts of DSO grade iron ore mineralisation at both prospects (Table 4), including 68m @ 59.8% Fe at Kalgan Creek and **33m @ 58.9% Fe** from Coondiner. Full details of these results were released to ASX on 25 January, 2012. Although the initial drilling was very wide spaced and further infill drilling is required to confirm continuity of mineralisation, Brockman considers these results demonstrate the potential of the Ophthalmia Project to host multiple iron ore deposits.

The Ophthalmia Project area is only about 70km from Marillana and could provide an opportunity to connect to any transport solution that Brockman develops for Marillana, or to develop an early start-up DSO trucking operation to Marillana. An internal scoping study to consider potential plant sites and infrastructure solutions will commence during the current quarter.

**Table 4: Ophthalmia Project – Significant Drill Intercepts**

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 (%)	Remark
<b>SIRIUS</b>											
SDD001	0.00	2.20	2.20	60.86	64.01	3.68	3.52	0.12	0.03	4.93	
	27.25	162.70	135.45	61.02	64.49	2.10	3.85	0.18	0.01	5.38	Ends in ore*
<b>Including</b>											
	27.25	159.10	131.85	61.01	64.48	2.09	3.86	0.18	0.01	5.39	
	159.10	162.70	3.60	61.83	64.97	2.78	3.16	0.18	0.00	4.84	
* Drilling was abandoned at 163.6m due to difficult ground condition and capacity constraints of the portable diamond drill rig											
<b>KALGAN CREEK</b>											
KRC0001	16	24	8	56.93	58.73	9.52	5.46	0.023	0.01	3.08	
	32	36	4	56.54	58.37	10.40	5.28	0.028	0.01	3.13	
KRC0003	4	12	8	55.38	58.31	9.98	5.05	0.037	0.02	5.03	
	16	30	14	58.10	59.84	9.05	4.47	0.022	0.01	2.90	
KRC0009	60	76	16	59.71	62.83	6.26	2.94	0.154	0.01	4.96	
KRC0015	12	20	8	60.31	62.92	5.90	3.24	0.075	0.01	4.16	
KRC0016*	8	16	8	58.34	61.58	5.31	5.32	0.161	0.02	5.28	
	38	44	6	62.09	65.16	2.68	2.93	0.219	0.01	4.71	
KRC0017**	16	78	62	58.65	62.38	4.55	4.69	0.150	0.01	5.98	
KRC0018	28	34	6	56.61	62.14	4.25	5.12	0.097	0.01	8.90	
KRC0020	10	78	68	59.83	63.29	2.80	5.14	0.194	0.01	5.46	
KRC0021	6	12	6	57.47	62.67	4.83	3.83	0.044	0.03	8.29	
* Assays pending for interval from 16-38m											
** Hole ended in mineralisation											
<b>COONDINER</b>											
CNRC0004	18	36	18	59.24	62.52	5.33	3.77	0.146	0.01	5.25	
CNRC0007	16	49	33	58.90	62.96	4.65	3.62	0.161	0.01	6.44	
CNRC0008	22	37	15	59.13	62.71	4.53	3.98	0.139	0.01	5.71	
CNRC0009	22	49	27	57.74	61.74	5.21	4.54	0.143	0.02	6.48	
CNRC0016	12	24	12	61.12	63.17	5.15	3.14	0.099	0.01	3.25	
Notes:											
Intercepts calculated at a nominal 54% Fe cut-off grade including up to 2m of internal dilution.											
Analyses by Ultratrace Laboratories using XRF spectrometry.											
Fe calcined is calculated by the formula: Fe calcined = Fe%/(100-LOI) *100.											

Figure 1. Location of Ophthalmia Project tenements.



### Board and Management Appointments

Russell Tipper has been appointed as Chief Executive Officer commencing with Brockman on 1 March 2012. Mr Tipper 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.

Michael Spratt was appointed as Non Executive Director on 2 December 2011 adding further depth of international experience.

Chu, Howard Chung Yue was appointed as Non Executive Director on 10 November 2011. Mr Chu is also an Executive Director of Wah Nam International Holdings Limited.

### Sinosteel Australia

The Company is aware of inaccurate media reports circulating in China stating that Brockman has cancelled a purchasing agreement with Sinosteel. The reports are incorrect and Brockman wishes to advise that the terms of the original Memorandum of Understanding remain current.

### **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\$27 million during the quarter ended 31 December 2011, decreased by 18% from HK\$33 million as recorded in the corresponding quarter last year. Higher comparative base as a result of the Shanghai World Expo last year coupled with the unforeseen adverse market conditions are the main reasons behind the decline in receipts for the current quarter. We will continue to monitor the market development, especially in the coming Chinese New Year Holidays 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

Chu Chung Yue, Howard (appointed on 7 November 2011)

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

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 December 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:

5,914,279,403 fully paid shares on issue

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

Unquoted securities

As at 31 December 2011:

131,500,000 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

— 7,000,000 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, 31 January 2012

## 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
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
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 Offer	the 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 DECEMBER 2011

#### Consolidated statement of cash flows

##### Cash flows related to operating activities

	Current quarter HK\$'000	Year to date (12 months) HK\$'000
1.1 Receipts from product sales and related debtors	3,086	13,828
1.2 Payments for (a) exploration & evaluation	(36,460)	(152,923)
(b) development	—	—
(c) production	(5,258)	(16,481)
(d) administration expenses, and other working capital	(67,843)	(213,148)
1.3 Dividends received	2,449	2,449
1.4 Interest and other items of a similar nature received	6,914	20,058
1.5 Interest and other costs of finance paid	(217)	(1,449)
1.6 Income taxes paid	—	(1,157)
1.7 Other (provide details if material)		
1.7(a) Takeover response costs from Brockman Resources Limited	(48)	(17,915)
1.7(b) Receipts from limousine rental & airport shuttle services	27,040	126,366
1.7(c) Advance from related parties	6,124	17,426
<b>Net operating cash flows</b>	<b>(64,213)</b>	<b>(222,946)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	(3,815)	(11,993)
1.9 Proceeds from sale of: (a) prospects	—	—
(b) equity investments	259,720	266,465
(c) other fixed assets	1,010	1,042
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
<b>Net investing cash flows</b>	<b>256,915</b>	<b>738,478</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	2,339	12,255
1.17	Repayment of borrowings	(4,498)	(18,429)
1.18	Dividends paid	—	—
1.19	Other (provide details if material)		
	1.19(a) repayment under BRM employee loan scheme	646	4,326
	1.19(b) cash backed performance bond guarantee of BRM	(215)	(215)
	1.19(c) deposit received from potential subscriber of shares and convertible bonds	505,694	505,694
<b>Net financing cash flows</b>		<b>503,966</b>	<b>503,631</b>
<b>Net increase in cash held</b>		<b>696,668</b>	<b>1,019,163</b>
1.20	Cash at beginning of quarter/year to date	428,505	135,590
1.21	Exchange rate adjustments to item 1.20	10,667	(18,913)
<b>Cash at end of quarter/year to date</b>		<b>1,135,840</b>	<b>1,135,840</b>

**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	2,691
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

N/A

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	49,200	34,448
3.2 Credit standby arrangements	—	—

### Estimated cash outflows for next quarter

	HK\$'000
4.1 Exploration and evaluation	(34,154)
4.2 Development	(1,287)
4.3 Production	(8,334)
4.4 Administration expenses, other working capital and professional fee	(64,832)
4.5 Financing activities (i.e. cash consideration for acquiring the remaining equity interests in BRM, assuming 100% acceptance of the takeover offer)	(768,005)
<b>Total</b>	<b>(876,612)</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	604,004	103,862
5.2 Deposits at call	529,767	319,225
5.3 Bank overdraft	—	—
5.4 Other (share of JV cash)	2,069	5,418
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,135,840</b>	<b>428,505</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	E45/3643	Application refused	100%	0%
6.2 Interests in mining tenements acquired or increased	L47/566	Application	0%	100%
	L47/567	Application	0%	100%
	E46/954	Application	0%	100%
	Eo8/2337	Application	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> (description)				
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>	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				
7.5 <b><sup>+</sup>Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	8,500,000 27,000,000 39,000,000 15,000,000 50,000,000 7,000,000	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	57,000,000		HK\$0.72	
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ 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 January 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.