THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wah Nam International Holdings Limited (the "Company"), you should at once hand this circular, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an offer or invitation to subscribe for, acquire or purchase any securities nor is it calculated to invite any such offer or invitation. In particular, this circular is not an offer of securities for sale in Hong Kong, the United States of America or elsewhere. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration.

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)

(I) MAJOR AND CONNECTED TRANSACTION CONDITIONAL GENERAL OFFER FOR ALL SHARES IN BROCKMAN RESOURCES LIMITED NOT ALREADY OWNED BY WN AUSTRALIA (II) SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BONDS AND (III) PLACING OF NEW SHARES

Financial Adviser

REORIENT Financial Markets Limited

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

KBC Bank N.V. Hong Kong Branch

A letter from the Board is set out on pages 11 to 59 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Conditional Offer (as defined herein) is set out on page 60 of this circular. A letter from KBC Bank N.V. Hong Kong Branch containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Conditional Offer is set out on pages 61 to 74 of this circular.

A notice convening a special general meeting of the Company to be held at Room 2805, 28/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong on Friday, 6 January 2012 at 11:00 a.m. is set out on pages SGM-1 to SGM-5 of this circular. Whether or not you intend to attend and vote at the special general meeting or any adjourned meeting in person, you are requested to complete and return the relevant enclosed form of proxy in accordance with the instructions printed thereon. **If your shares in the Company are recorded under the Company's Hong Kong branch registrar or the Company's Bermuda principal registrar, please complete the Hong Kong proxy form and return it to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited. Please read and follow the instructions, including the deadline, on the Hong Kong proxy form to lodge the form. If your shares in the Company are recorded under the Company's Australia branch registrar, please complete the Australia proxy form and return it to the Company's branch share registrar in Australia, Computershare Investor Services Pty Limited. Please read and follow the instructions, including the deadline, on the Australia proxy form to lodge the form.** Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting should you so wish.

* *for identification purpose only*

15 December 2011

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In this circular, unless the context requires otherwise, the following terms shall have the following meanings:

"Announcement Date"	the day the Conditional Offer was announced, being 12 December 2011
"ASIC"	Australian Securities and Investments Commission
"Associate"	has the meaning given in section 12 of the Corporations Act
"ASX"	ASX Limited (trading as the Australian Securities Exchange)
"ASX Listing Rules"	the official listing rules of the ASX, as amended from time to time
"AUD"	Australian dollars, the lawful currency of Australia
"AUD1.25 BRM Options"	BRM Options with an exercise price of AUD1.25 per BRM Share and expiring on 21 April 2013
"AUD1.30 BRM Options"	BRM Options with an exercise price of AUD1.30 per BRM Share and expiring on 11 November 2013
"AUD3.00 BRM Options"	BRM Options with an exercise price of AUD3.00 per BRM Share and expiring on 31 August 2014
"AUD3.21 BRM Options"	BRM Options with an exercise price of AUD3.21 per BRM Share and expiring on 16 March 2012 and 15 June 2014
"AUD5.85 BRM Options"	BRM Options with an exercise price of AUD5.85 per BRM Share and expiring on 16 January 2015
"Bid Implementation Agreement"	the bid implementation agreement entered into between the Company and BRM on 12 December 2011
"Bid Period"	the period starting when the Bidder's Statement is given to BRM and ending at the end of the Offer Period
"Bidder's Statement"	the offer document to be issued by WN Australia in respect of the Conditional Offer

"Bloomberg"	the Bloomberg Professional Service data product owned and distributed by Bloomberg Finance L.P.
"Board"	the board of Directors
"BRM"	Brockman Resources Limited ACN 009 372 150, the ordinary shares of which are listed on ASX
"BRM Board"	the board of directors of BRM
"BRM Group"	BRM and its subsidiaries
"BRM Options"	options issued by BRM carrying rights to subscribe for new BRM Shares subject to the terms and conditions of the options
"BRM Shareholders"	holders of any BRM Shares
"BRM Shares"	ordinary fully paid shares in BRM
"Business Day"	a day (not being a Saturday, Sunday and public holiday) on which licensed banks in Australia or in Hong Kong (as the case may be) are generally open for business throughout their normal business hours
"Company"	Wah Nam International Holdings Limited, the shares of which are dually listed on the Stock Exchange and ASX
"Competing Proposal"	any proposed transaction or arrangement (including any takeover bid, scheme of arrangement, share or asset sale, capital reduction or buy back, joint venture or dual listed company structure) under which a person other than the Company or any of its Associates would, subject to satisfaction of conditions: (a) acquire control (as defined in section 50AA of the Corporations Act) of BRM; (b) become the holder of a Relevant Interest in 10% or more of the shares in BRM;

	(c) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a substantial part of the assets or business of BRM and its subsidiaries;
	(d) otherwise acquire or merge with BRM; or
	(e) enter into any agreement or understanding requiring the Independent BRM Board to recommend a proposal referred to in (a) to (d) above
"Completion Date"	the second Business Day after the fulfilment (or waiver as applicable) of the conditions set out in the Subscription Agreement or such other date as may be agreed to in writing by the Company and the Subscriber
"Conditional Offer"	the takeover offer by WN Australia to acquire all the BRM Shares not held by it as set out in the Bidder's Statement
"connected person(s)"	has the meaning ascribed to such term in the Listing Rules
"Consideration WN Shares"	WN Shares which may be issued by the Company as part of the consideration for the Conditional Offer and the Options Offer (as the case may be)
"Conversion"	the exercise of the conversion rights attached to the Convertible Bonds and the issuance of the Conversion Shares accordingly
"Conversion Price"	the price at which each Conversion Share will be issued upon Conversion, being HK$0.60 per Conversion Share and subject to adjustments which may be made pursuant to the terms and conditions of the Convertible Bonds, provided that if such price shall be less than the nominal amount of a WN Share, the nominal amount of a WN Share
"Conversion Shares"	the new WN Shares to be issued upon Conversion
"Convertible Bonds"	the convertible bonds to be issued by the Company to the Subscriber in the principal amount of HK$173,940,000 in aggregate pursuant to the Subscription Agreement

"Corporations Act"	the Australian Corporations Act 2001 (Cth)
"Director(s)"	the director(s) of the Company
"Exercise Date"	a date on which a notice is given pursuant to the Subscription Agreement in respect of the Conversion
"FATA"	the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth)
"FIRB"	the Foreign Investment Review Board of Australia
"FRS Shares"	ordinary fully paid shares in FerrAus Limited ACN 097 422 529
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board, comprising the independent non-executive Directors, namely Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny, established for the purpose of advising the Independent Shareholders on the Conditional Offer
"Independent BRM Board"	the directors of BRM from time to time but does not include those board members who are nominees of the Company, being Mr. Luk Kin Peter Joseph, Mr. Chu Chung Yue, Howard, Mr. Richard (Dick) Melville Wright, Mr. Robert Brierley and Mr. Warren Beckwith
"Independent BRM Director"	an independent director of BRM from time to time but does not include those directors who are nominees of the Company, being Mr. Luk Kin Peter Joseph, Mr. Chu Chung Yue, Howard, Mr. Richard (Dick) Melville Wright, Mr. Robert Brierley and Mr. Warren Beckwith

"Independent Expert"	the independent expert of BRM to express an opinion on whether the Conditional Offer is fair and reasonable to BRM Shareholders
"Independent Shareholders"	holders of WN Shares other than the Subscriber and its associates
"Issue Date"	the date on which the Convertible Bonds are issued by the Company to the Subscriber under the Subscription Agreement
"JORC Code"	the Australasia Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (4th Edition)
"KBC Bank"	KBC Bank N.V., acting through its Hong Kong Branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Conditional Offer
"Latest Practicable Date"	9 December 2011, being the latest practicable date prior to printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Maturity Date"	a date falling on the second anniversary of the Issue Date
"Offer Period"	the period during which the Conditional Offer remains open which will commence on the date when the Bidder's Statement is despatched to BRM Shareholders and will end on such date as set out in the Bidder's Statement, or such later date to which the Conditional Offer has been extended
"Options Offer"	the offer by WN Australia to acquire all of the AUD1.25 BRM Options and AUD1.30 BRM Options which exist (or will exist) as at the Register Date

"Placees"	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Underwriting Agreement
"Placing"	the placing on a fully underwritten basis of the Placing Shares pursuant to the terms of the Underwriting Agreement
"Placing Agent"	REORIENT Financial Markets Limited, a licensed corporation under the SFO to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities
"Placing Completion"	completion of the placing of the Placing Shares in accordance with the terms as set out in the Underwriting Agreement
"Placing Price"	HK$0.60 per Placing Share
"Placing Shares"	130,000,000 new WN Shares to be placed by the Placing Agent under the Placing
"PRC"	the People's Republic of China
"Register Date"	the day set by WN Australia under section 633(2) of the Corporations Act
"Relevant Interest"	has the meaning given in sections 608 and 609 of the Corporations Act
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting to be convened and held by the Company in respect of inter alia the Conditional Offer, the Subscription and the Placing

"Shareholder(s)"	holder(s) of any WN Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Ocean Line Holdings Limited, who has agreed to subscribe for the Subscription Shares and the Convertible Bonds under the Subscription Agreement
"Subscription"	the subscription of the Subscription Shares and the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement entered into between the Company and the Subscriber on 12 December 2011
"Subscription Price"	HK$0.60 per Subscription Share
"Subscription Shares"	555,100,000 new WN Shares to be issued to the Subscriber pursuant to the Subscription
"Superior Proposal"	a Competing Proposal which: (a) is bona fide and in writing and in the determination of the Independent BRM Board acting in good faith after consultation with BRM's independent advisers, is capable of being valued and completed, taking into account all aspects of the Competing Proposal (including its terms and conditions and the identity of the person or persons making it); and (b) in the determination of the Independent BRM Board acting in good faith and in order to satisfy what the board considers to be its fiduciary or statutory duties would, if completed substantially in accordance with its terms, result in a transaction more favourable to BRM Shareholders than the Conditional Offer
"Takeovers Panel"	the Australia Takeovers Panel, a peer review body that regulates corporate control transactions in widely held Australian entities, and resolution of takeover disputes

"Trading Day"	the daily period that the Stock Exchange is open for trading
"Transaction Date"	the date on which the sale and purchase of the Placing Shares are input into the automatic order matching system as operated by the Stock Exchange, which shall be no later than 31 January 2012
"Underwriting Agreement"	the conditional underwriting agreement entered into between the Company and the Placing Agent on 12 December 2011 in relation to the Placing
"USD"	United States dollars, the lawful currency of the United States of America
"Voting Power"	has the meaning given in section 610 of the Corporations Act
"VWAP"	volume weighted average price
"WN Australia"	Wah Nam International Australia Pty Ltd, a wholly-owned subsidiary of the Company
"WN Shares"	ordinary shares of HK$0.10 each in the share capital of the Company
"%"	per cent

For illustration purposes in this circular, unless otherwise stated AUD is converted into HK$ at an exchange rate of AUD1.00 = HK$7.8825.

GLOSSARY

This glossary of technical terms contains terms used in this circular in connection with the Group. As such, these terms and their meanings may not correspond to standard industry meaning or usage of these terms:

"alumina"	a light, silvery-white, ductile metal with high electrical conductivity and good resistance to corrosion. Obtained from bauxite
"Bt"	billion tonnes
"CaFe"	calcined iron
"channel iron deposit"	a type of iron ore deposit that forms when iron accumulates in ancient channels as runoff from iron rich rocks. Over time, the iron accumulation silicifies into a hard rock. This hardness often results in less erosion over time with channel iron deposits often found as small hills
"direct shipping ore" or "DSO"	ore that requires little processing prior to delivery to customers. For DSO iron ore, the ore is crushed and screened, with material <6mm classed as fines and ≥6mm classed as lump
"dmtu"	dry metric ton unit
"Fe"	iron
"FOB"	free on board
"gravity circuit"	an instrument used for the grading of ores into different sorts and the separation of waste by the difference in the specific gravity of the minerals

"LOI"	means loss on ignition. As applied to chemical analyses, the loss in weight that results from heating a sample of material to a high temperature, after preliminary drying at a temperature just above the boiling point of water. The loss in weight upon drying is called free moisture; that which occurs above the boiling point of water, loss on ignition. Essentially, the loss on ignition is a measure of the water content of the ore, which evaporates when the ore is fed into a blast furnace
"m"	metres
"Mt"	million tonnes
"Mtpa"	million tonnes per annum
"phosphorous"	a non-metallic element of the nitrogen group (symbol: P); is never found free in nature, but is widely distributed in combination with minerals
"silica"	an igneous rock composes essentially of primary quartz
"sulphur"	a pale yellow non-metallic element occurring widely in nature in several free and combined allotropic forms. It is used in black gunpowder, rubber vulcanization, the manufacture of insecticides and pharmaceuticals, and in the preparation of sulphur compounds such as hydrogen sulfide and sulfuric acid
"water table"	the underground depth at which point the ground is totally saturated by water

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)

Executive Directors:
Mr. Luk Kin Peter Joseph
Mr. Chan Kam Kwan, Jason
Mr. Chu Chung Yue, Howard

Independent non-executive Directors:
Mr. Lau Kwok Kuen, Eddie
Mr. Uwe Henke Von Parpart
Mr. Yip Kwok Cheung, Danny

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal office of business in Hong Kong:
Room 2805, 28/F., West Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

15 December 2011

To the Shareholders

Dear Sirs,

(I) MAJOR AND CONNECTED TRANSACTION CONDITIONAL GENERAL OFFER FOR ALL SHARES IN BROCKMAN RESOURCES LIMITED NOT ALREADY OWNED BY WN AUSTRALIA (II) SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BONDS AND (III) PLACING OF NEW SHARES

INTRODUCTION

In 2010, the Company (through WN Australia, its wholly-owned subsidiary) launched two takeover offers respectively for the BRM Shares and the FRS Shares not at that time already owned by the Group. The takeover offers constituted very substantial acquisitions for the Company under the Listing Rules and were approved by the Shareholders. Details of the takeover offers were set out in the circular of the Company dated 26 November 2010 and the supplemental circular of the Company dated 17 October 2011.

* *for identification purpose only*

The takeover offer for BRM Shares became unconditional in May 2011 and upon completion of the takeover offer on 16 June 2011, the Group's interest in the BRM Shares in issue increased to approximately 55.33% and BRM became a subsidiary of the Company whilst the takeover for FRS Shares did not become unconditional and lapsed. The Company issued a total of 1,432,980,840 WN Shares as consideration for acceptances of the aforesaid takeover offer for BRM Shares.

With reference to the Company's announcement dated 12 December 2011, the Company announced among other things, the Conditional Offer, the Subscription and the Placing. The purpose of this circular is to provide you with, among other things, (1) details of the Conditional Offer, (2) details of the Subscription, (3) details of the Placing, (4) further information on the Group and BRM, (5) the recommendation of the Independent Board Committee and the advice of KBC Bank in relation to the Conditional Offer and (6) a notice of the SGM at which resolutions will be proposed to consider and, if thought fit, approve among other things the Conditional Offer, the Subscription and the Placing.

THE CONDITIONAL OFFER

Terms of the Conditional Offer

WN Australia, a wholly-owned subsidiary of the Company, offers to acquire:

(1) all BRM Shares in issue not already owned by WN Australia as at the Register Date; and

(2) all BRM Shares that are issued during the period from the Register Date to the end of the Offer Period as a result of the exercise of BRM Options,

for a consideration of AUD1.50 plus 18 Consideration WN Shares for each BRM Share.

As at the Latest Practicable Date, there were 144,803,151 BRM Shares and 4,900,000 BRM Options in issue, of which 80,113,433 BRM Shares were held by WN Australia.

If WN Australia pursuant to the Conditional Offer acquires (1) all BRM Shares in issue not already owned by WN Australia; and (2) all BRM Shares that are issued as a result of the exercise of BRM Options assuming that the BRM Options are exercised in full before the end of the Offer Period, the Group will have to pay approximately AUD104 million (equivalent to approximately HK$820 million) and issue and allot approximately 1,253 million Consideration WN Shares, representing (1) approximately 23.4% of the number of WN Shares in issue as at the Latest Practicable Date; and (2) approximately 17.2% of the number of WN Shares which will be in issue as enlarged by the issue and allotment of the Subscription Shares, the Placing Shares and such Consideration WN Shares. If none of the BRM Options outstanding as at the Latest Practicable Date are exercised, then the Group will have to pay approximately AUD97 million (equivalent to approximately HK$765 million) and allot and issue approximately 1,164 million Consideration WN Shares, representing (1) approximately 21.7% of the number of WN Shares in issue as at the Latest Practicable Date; and (2) approximately 16.2% of the number of WN Shares which will be in issue as enlarged by the allotment and issue of the Subscription Shares, the Placing Shares and such Consideration WN Shares.

Each Independent BRM Director has indicated to BRM that, in the absence of a Superior Proposal and subject only to the Independent Expert concluding that the Conditional Offer is fair and reasonable, they intend to accept the Conditional Offer in respect of any BRM Shares they own or control.

An announcement in relation to the Company's intention to make the Conditional Offer through WN Australia was released on ASX on the Announcement Date, a copy of which is available at the Company's websites at www.wnintl.com and www.irasia.com/listco/hk/wahnam. The Bidder's Statement has been lodged with the ASIC and will be despatched to BRM Shareholders.

Value of the Conditional Offer

As stated above, assuming 100% acceptance of the Conditional Offer (and assuming that all holders of BRM Options exercise their options and accept the Conditional Offer), the Company will have to pay approximately AUD104 million (equivalent to approximately HK$820 million) and allot and issue approximately 1,253 million Consideration WN Shares.

Based on the closing price of WN Shares on the Stock Exchange on 9 December 2011 (being the last day of trading in WN Shares before the Announcement Date) of HK$0.67 per WN Share, the aggregate value of such Consideration WN Shares is approximately HK$839.5 million (equivalent to approximately AUD106.5 million). Aggregating such value for the Consideration WN Shares with the cash portion of the consideration for the Conditional Offer, the Conditional Offer equates to an aggregate value of AUD211 million, equivalent to approximately AUD3.03 per BRM Share, which represents a premium of 34% over the closing price of BRM Shares as quoted on the ASX on 9 December 2011 (being the last day of trading in BRM Shares before the Announcement Date).

The Conditional Offer also represents a premium over the following historical trading prices of BRM Shares:

(1) Based on the VWAP of WN Shares for the 30 days to 9 December 2011, the Conditional Offer represents a premium of 38% over the VWAP of BRM Shares for the 30 days to 9 December 2011; and

(2) Based on the VWAP of WN Shares for the 90 days to 9 December 2011, the Conditional Offer represents a premium of 59% over the VWAP of BRM Shares for the 90 days to 9 December 2011.

The consideration for the Conditional Offer was determined having regard to the recent market prices of the BRM Shares and the WN Shares and the estimated mineral resources of BRM as detailed in the paragraph headed "Mineral resources projects of BRM" in this circular and in Appendix IV to this circular. The Directors including the independent non-executive Directors consider the consideration for the Conditional Offer is fair and reasonable. In the Company's last takeover offer for all BRM Shares launched in 2010, WN Australia offered to acquire each BRM Share (not owned by it then) for 30 WN Shares which on the basis of the closing price of WN Shares on 9 November 2010 (being the day before WN Australia announced the previous takeover offer in 2010) equates to a value of approximately AUD6.25 per BRM Share (based on the then exchange rate). Based on the closing price of BRM Shares on 9 November 2010 of AUD4.53, the consideration under the previous takeover offer represented a premium of approximately 40%. On the basis of the closing price of WN Shares as at the Latest Practicable Date, the consideration for the present Conditional Offer (including the cash consideration of AUD1.50 for each BRM Share accepted) equates to a value of approximately AUD3.03 per BRM Share, which represents a premium of approximately 34% over the closing price of BRM Shares on the Latest Practicable Date of AUD2.26. The premium offered by the Company under the present Conditional Offer is lower than that under the previous takeover offer launched in 2010 due to the fact that the present market conditions differ slightly from the time of the previous takeover offer and there is a substantial cash element in the present Conditional Offer as compared to a pure scrip offer under the previous takeover offer.

Revised offer

Subject to the applicable laws and regulations in Australia, WN Australia reserves its right to revise the terms of the Conditional Offer. Should the terms of the Conditional Offer be revised materially, the Company will issue further announcements and will re-comply with the then applicable requirements of the Listing Rules (including seeking Shareholders' approval if required).

Offer Period

The Offer Period will commence on the date of despatch of the Bidder's Statement to BRM Shareholders, and is expected to close one month thereafter, unless extended by WN Australia. The Company will issue further announcements when the Offer Period is determined.

If within the last 7 days of the Offer Period, the Conditional Offer is varied to improve the consideration offered, then the Offer Period will be automatically extended so that it ends 14 days after the variation. Further announcement(s) will be made by the Company regarding the Offer Period as and when appropriate.

Conditions

The Conditional Offer and any contract that results from acceptance of the Conditional Offer is subject to the following conditions:

(1) The Treasurer of the Commonwealth of Australia (the "Treasurer") consents, on an unconditional basis, under the FATA to the proposed acquisition by WN Australia of all of the BRM Shares not already held by WN Australia. The Treasurer is taken to have so consented:

   (a) if WN Australia and any other relevant foreign person receives written advice from or on behalf of the Treasurer to the effect that the acquisition of the BRM Shares is not inconsistent with the Australian Government's foreign investment policy or is not objected to under the FATA; or

   (b) if notice of the proposed acquisition of the BRM Shares is given to the Treasurer and the Treasurer has ceased to be empowered to make any order under Part II of the FATA in relation to the proposed acquisition because of lapse of time.

(2) The requisite majority of:

   (a) Independent Shareholders approves the acquisition by WN Australia of all of the BRM Shares not already owned by WN Australia on the terms as set out in the Bidder's Statement and the transactions contemplated thereunder, including the allotment and issue of the Consideration WN Shares;

(b) Shareholders approves the Subscription Agreement and the transactions contemplated thereunder, including:

(i) the allotment and issue of the Subscription Shares;

(ii) the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares which may fall to be issued upon Conversion; and

(c) Shareholders approves the Underwriting Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placing Shares;

at general meeting by poll.

(3) Completion of the Subscription.

(4) Completion of the Placing.

(5) At the end of the Offer Period, WN Australia has a Relevant Interest in at least 80% of all BRM Shares.

(6) Between the Announcement Date and the end of the Offer Period (each inclusive), no prescribed occurrence occurs.

Prescribed occurrence means any of the following events:

(a) BRM converts all or any of its shares into a larger or smaller number of shares;

(b) BRM or a subsidiary of BRM resolves to reduce its capital in any way;

(c) BRM or a subsidiary of BRM:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;

(d) BRM or a subsidiary of BRM issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;

(e) BRM or a subsidiary of BRM issue, or agrees to issue, convertible notes;

(f) BRM or a subsidiary of BRM disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(g) BRM or a subsidiary of BRM charges, or agrees to charge the whole, or a substantial part, of its business or property;

(h) BRM or a subsidiary of BRM resolves to be wound up;

(i) a liquidator or provisional liquidator of BRM or of a subsidiary of BRM is appointed;

(j) a court makes an order for the winding up of BRM or of a subsidiary of BRM;

(k) an administrator of BRM or of a subsidiary of BRM is appointed under section 436A, 436B or 436C of the Corporations Act;

(l) BRM or a subsidiary of BRM executes a deed of company arrangement; or

a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of BRM or of a subsidiary of BRM.

(7) Between the Announcement Date and the end of the Offer Period (each inclusive):

(a) there is not in effect any preliminary or final decision, order or decree issued by a government agency;

(b) no action or investigation is announced, commenced or threatened by any government agency; and

(c) no application is made to any government agency (other than by the Company or any of its Associates),

in consequence of or in connection with the Conditional Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, the making of the Conditional Offer or the acquisition of

BRM Shares under the Conditional Offer, or the completion of any transaction contemplated by the Bidder's Statement, or seeks to require the divestiture by WN Australia of any BRM Shares, or the divestiture of any material assets of BRM or the Group.

(8) The AUD/USD exchange rate as quoted on Bloomberg does not exceed USD1.10 for 50% or more of the time during each of the five Trading Days after the last of conditions 1, 2, 3, 4 and 5 is satisfied.

(9) A statutory condition that:

(a) an application is made to the Stock Exchange and the ASX for admission to quotation of (i.e. the grant of the listing of, and permission to deal in), the Consideration WN Shares within 7 days after the start of the Bid Period; and

(b) permission for admission to quotation of (i.e. the grant of the listing of, and permission to deal in) the Consideration WN Shares on the Stock Exchange and the ASX is granted no later than 7 days after the end of the Bid Period.

Subject to the Corporations Act, WN Australia may, at any time and at its sole and absolute discretion, waive any of the above conditions (except conditions 1, 2 and 9) and declare the Conditional Offer free from those conditions and in relation to any specific occurrence or any specific entity by giving notice in writing to BRM not less than seven days before the end of the Offer Period (or in the case of condition 6, not later than three Business Days after the end of the Offer Period). Save for conditions 1 and 2 which are conditions precedent, and condition 9 which is a statutory condition, all of which are required by specific laws, rules or regulations, the other conditions to the Conditional Offer are voluntary conditions for the benefit of the offeror i.e. WN Australia and thus can be waived by WN Australia. The Company will consider the risks and benefits to the Company when considering whether to waive any of such conditions. It will only waive a condition if the Board (including the independent non-executive Directors) considers it to be in the interests of the Company and the Shareholders as a whole.

To the extent not accepted at the relevant time, WN Australia may withdraw the Conditional Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent. If the Conditional Offer is withdrawn and at the time of withdrawal, not all of the conditions of the Conditional Offer have been satisfied or waived, all contracts arising from its acceptance will become void.

The Company will make an application to the ASX for admission to quotation of the Consideration WN Shares within 7 days after the start of the Bid Period.

The Company will make an application to the Stock Exchange for the grant of listing of, and permission to deal in, the Consideration WN Shares within 7 days after the start of the Bid Period.

Compulsory acquisition

If at the end of the Offer Period WN Australia and its Associates have a Relevant Interest in at least 90% of the BRM Shares in issue and WN Australia and its Associates have acquired at least 75% (by number) of BRM Shares that WN Australia offered to acquire under the Conditional Offer, WN Australia will be entitled to acquire the remaining BRM Shares through a compulsory acquisition procedure. Should this compulsory acquisition right become available to WN Australia, WN Australia intends to exercise its right to acquire any remaining BRM Shares not acquired during the Offer Period; following which the BRM Shares would be delisted from the ASX.

Bid Implementation Agreement

For the purposes of facilitating the implementation of the Conditional Offer, the Company and BRM entered into the Bid Implementation Agreement on 12 December 2011. A summary of the key terms of the Bid Implementation Agreement is set out below.

(1) Making of the Conditional Offer

The Company agreed to make an offer on terms and conditions no less favourable than as set out in the Bidder's Statement. As WN Australia is making the Conditional Offer on the Company's behalf, the Company must procure that WN Australia performs the Company's obligations under the Bid Implementation Agreement.

(2) BRM's assessment of the Conditional Offer

Independent BRM Directors' recommendation

BRM agreed that in any public statements relating to the Conditional Offer, each Independent BRM Director will recommend that BRM Shareholders accept the Conditional Offer in the absence of a Superior Proposal for BRM, subject only to the Independent Expert concluding that the Conditional Offer is fair and reasonable to BRM Shareholders.

Maintenance of recommendation

BRM agreed that the Independent BRM Directors and the Independent BRM Board will not make any public statement or take any other action that qualifies their support of the Conditional Offer or contradicts, or subsequently change, withdraw or modify, their recommendation.

This restriction does not apply where the Independent BRM Board determines (after the Company's right of last offer summarised in paragraph (4) under the heading "Notice of unsolicited approach and right of last offer" below have been exhausted) that (a) a Competing Proposal constitutes a Superior Proposal, or (b) where the Independent Expert (i) gives a report that concludes that the Conditional Offer is not fair and reasonable or (ii) having originally given a report that the Conditional Offer is fair and reasonable, changes its opinion to conclude that the Offer is not fair and reasonable, or (c) where the Independent BRM Board has determined in good faith after receiving expert advice that the Independent BRM Directors' duties require them to change their recommendation.

Independent BRM Directors' intentions

BRM represented and warranted to the Company that each Independent BRM Director has indicated their intention to accept the Conditional Offer in relation to any BRM Shares that they own or control within two days after conditions (1), (2), (3) and (4) set out under the paragraph headed "Conditions" above have been satisfied.

These intentions do not need to be proceeded with if the Independent BRM Board determines (after complying with the obligations in relation to the Company's right of last offer summarised in paragraph (4) under the heading "Notice of unsolicited approach and right of last offer" below) that (a) a Competing constitutes a Superior Proposal, or (b) the Independent Expert (i) gives a report that concludes that the Conditional Offer is not fair and reasonable or (ii) having originally given a report that the Conditional Offer is fair and reasonable, changes its opinion to conclude that the Conditional Offer is not fair and reasonable.

(3) Facilitating and promoting the Conditional Offer

During the Offer Period, in the absence of a Superior Proposal (which the Independent BRM Directors recommend to BRM Shareholders after BRM has complied with the obligations in relation to the Company's right of last offer summarised in paragraph (4) under the heading "Notice of unsolicited approach and right of last offer" below) and subject only to the Independent Expert concluding that the Conditional Offer is fair and reasonable, BRM has agreed to support and procure that the Independent BRM Directors support the Conditional Offer, and use its reasonable endeavours to procure that BRM's chief financial officer and company secretary, as reasonably requested by the Company, support the Conditional Offer.

BRM has also agreed that it will, during the Offer Period, participate in efforts which are reasonably required by the Company to promote the merits of the Conditional Offer. This may include meeting with key BRM Shareholders, analysts, management, customers, press and other parties mutually agreed with the Company.

BRM will not be required to comply with the above obligations if the Independent BRM Board has determined in good faith, after receiving external legal advice, that taking those actions would reasonably be likely to constitute a breach of the Independent BRM Board's fiduciary or statutory obligations.

(4) Exclusivity

BRM represented and warranted to the Company that neither BRM nor any of its representatives were engaged in any negotiations or discussions with any entity or any person in relation to the possible making of a Competing Proposal nor had they received any communication indicating that BRM will be approached to commence negotiations or discussions regarding a Competing Proposal.

BRM also represented and warranted that it and its representatives had ceased any existing discussions or negotiations with any party which may reasonably be expected to lead to a Competing Proposal.

No shop

During the Exclusivity Period, BRM will not, and will ensure that its representatives do not, except with the Company's prior written consent, directly or indirectly solicit or invite any Competing Proposal or expression of interest or offer which may lead to a Competing Proposal, or initiate discussions with any third party which may reasonably be expected to lead to a Competing Proposal.

No talk, no due diligence and no commitments

During the Exclusivity Period, BRM agreed not to, and to ensure that its representatives do not, except with the Company's prior written consent:

- participate in any discussions or negotiations in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal, or communicate any intention to do so;

- provide any information to any third party for the purposes of enabling that party to make a Competing Proposal, or communicate any intention to do so; or

- enter into any agreement, arrangement or understanding in relation to a Competing Proposal requiring BRM to abandon, or otherwise fail to proceed with, the Conditional Offer.

The restrictions and obligations described above do not apply to the extent that they restrict BRM from taking or not taking action in relation to a bona fide Competing Proposal (which was not encouraged, solicited or invited by BRM or its representatives) provided that the Independent BRM Board has determined in good faith that the proposal could reasonably be expected to lead to a Superior Proposal and, after receiving external legal advice, that failing to respond to the proposal would constitute or would be likely to constitute a breach of the Independent BRM Board's fiduciary or statutory obligations.

Notice of unsolicited approach and right of last offer

During the Exclusivity Period, BRM agreed that it would promptly notify the Company of any approach or attempt to initiate, resume or continue discussions or negotiations with BRM or any of its representatives, which may reasonably be expected to lead to a Competing Proposal. BRM also agreed to promptly notify the Company of any request for information relating to BRM or the BRM Group or any of their businesses or operations or any request for access to their books or records, other than requests occurring in the ordinary course of business.

If BRM notifies the Company of a Competing Proposal and of its intention to enter into an agreement, commitment, arrangement or understanding in relation to that proposal, the Company has the right to make a counterproposal to BRM within 3 Business Days after receiving the notice.

BRM and the Independent BRM Board will consider such a counterproposal in good faith and, if it considers that the counterproposal would provide a benefit to BRM Shareholders at least equal to the Competing Proposal, BRM and the Company have agreed to use reasonable endeavours to amend the Bid Implementation Agreement and implement the counterproposal as soon as reasonably practicable.

The restrictions and obligations described above do not apply if the Independent BRM Board has determined in good faith, after receiving external legal advice, that taking these actions would be reasonably likely to constitute a breach of the Independent BRM Board's fiduciary or statutory obligations.

(5) Options and shareholder loans

The Company represented and warranted that it will:

- make the Options Offer; and
- ensure that the Bidder's Statement contains appropriate disclosure regarding the remittance of the consideration for the Conditional Offer to BRM in respect of any acceptances of the Conditional Offer by a borrower under an employee loan scheme adopted by BRM (the "Loan Scheme").

BRM represented and warranted that it will use all reasonable endeavours and do everything reasonably practicable to:

- ensure that each borrower under the Loan Scheme is able to accept the Conditional Offer; and
- seek the agreement of the holders of the AUD3.00 BRM Options, AUD3.21 BRM Options and AUD5.85 BRM Options to the cancellation (subject to the Conditional Offer becoming unconditional) on arm's length terms, of their BRM Options.

(6) Reimbursement of legal costs

The Company has agreed to pay BRM a fee of up to AUD1 million (including goods and services tax) for BRM's reasonable legal costs and costs relating to the Independent Expert incurred and paid in relation to the Conditional Offer. This fee will be payable if any of the conditions 1, 2, 3 or 4 set out under the paragraph headed "Conditions" above have not been satisfied or waived by the end of the Offer Period. The fee will also be payable if BRM terminates the Bid Implementation Agreement for any of the following reasons:

- if the SGM is not held and concluded within 60 days after the Announcement Date;
- if the Subscription is not completed in accordance with its terms within 60 days after the Announcement Date;
- if the Placing is not completed in accordance with its terms within 60 days after the Announcement Date; or
- if the Company commits a material breach of the Bid Implementation Agreement and that material breach is not remedied within the prescribed time.

BRM employee loan holders

BRM has in place the Loan Scheme pursuant to which BRM may grant loans to its employees (the "Borrowers") to fund the exercise of BRM Options held by the respective employees. The BRM Shares (the "Loan Shares") issued to the Borrower using the funds (the "Loan") provided under the Loan Scheme are pledged to BRM as security for the repayment of the Loan.

In the event that the holders of the Loan Shares accept the Conditional Offer, the cash portion of the consideration of the Conditional Offer of AUD1.50 per BRM Share accepted will be utilised to repay the outstanding Loan and in respect of any outstanding Loan, the consideration of 18 Consideration WN Shares per BRM Share accepted will be pledged to BRM as security against such outstanding Loan.

In order to facilitate the above arrangement, the BRM Board has advised that they intend to amend the terms of the Loan Scheme so that Consideration WN Shares may be recorded as security for the Loan Scheme.

As at the Latest Practicable Date, Mr. Colin Paterson (a director of BRM) together with his family and Mr. Wayne Richards (an ex-director in the past year of BRM) together with his family, all of whom participants of the Loan Scheme as Borrowers, had an outstanding Loan balance as at 30 November 2011 of AUD2,745,723 and AUD3,998,741 respectively and pledged 1,450,000 BRM Shares and 2,000,000 BRM Shares to BRM respectively. If Mr. Colin Paterson (together with his family) and Mr. Wayne Richards (together with his family) accept the Conditional Offer, they will receive (1) cash of AUD2,175,000 and AUD3,000,000 respectively which will be used to settle their respective outstanding Loan amount; and (2) 26,100,000 Consideration WN Shares and 36,000,000 Consideration WN Shares respectively which will be pledged to BRM as security for their remaining outstanding Loans.

Options Offer

WN Australia also offers to acquire the following BRM Options which exist (or will exist) as at the Register Date at the following considerations:

Exercise price per BRM Option	Number of BRM Options	Consideration per BRM Option under the Options Offer
AUD1.25	250,000	18 Consideration WN Shares plus AUD0.25
AUD1.30	600,000	18 Consideration WN Shares plus AUD0.20

In order to facilitate the Options Offer, the BRM Board has agreed that it will approve the transfer of BRM Options to WN Australia pursuant to the Options Offer.

The Options Offer and any contract that results from acceptance of the Options Offer is subject to:

(1) the requisite majority of Independent Shareholders approving the acquisition by WN Australia of all of the AUD1.25 BRM Options and the AUD1.30 BRM Options and the transactions contemplated thereunder, including the allotment and issue of the Consideration WN Shares;

(2) the Conditional Offer being declared unconditional; and

(3) at the end of the Offer Period, WN Australia having a relevant interest in at least 90% of all BRM Shares.

THE SUBSCRIPTION

On 12 December 2011, the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Company shall issue and the Subscriber shall subscribe for the Subscription Shares and the Convertible Bonds.

Date of the Subscription Agreement

12 December 2011

Parties

(1) Subscriber: Ocean Line Holdings Limited

(2) Issuer: the Company

Subject to the terms and conditions of the Subscription Agreement, the Subscriber will subscribe for 555,100,000 WN Shares and Convertible Bonds in the principal amount of HK$173,940,000. As at the Latest Practicable Date, the Subscriber and its owners in aggregate held 323,604,440 WN Shares, representing approximately 6.04% of the entire issued share capital of the Company and the Subscriber also held 255,426 BRM Shares representing approximately 0.18% of the BRM Shares in issue. Following completion of the Subscription, the Subscriber and its owners will hold 14.86% of the issued WN Shares as enlarged by the Subscription Shares and will hold 14.16% of the issued WN Shares as enlarged by the Subscription Shares and the Conversion Shares pursuant to the Conversion in full.

Number of Subscription Shares

The number of Subscription Shares shall be 555,100,000 WN Shares (with an aggregate nominal value of HK$55,510,000) representing (1) approximately 10.36% of the issued share capital of the Company as at the Latest Practicable Date; and (2) approximately 9.39% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the WN Shares in issue on the date of allotment and issue of the Subscription Shares.

Principal terms of the Convertible Bonds

Principal amount	:	HK$173,940,000
Maturity date	:	a date falling on the second anniversary of the Issue Date
Interest	:	interest is payable on redemption of the outstanding principal amount of the Convertible Bonds on the Maturity Date at the rate of 5% per annum accruing from the Issue Date on a daily basis and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days in arrears and on the Maturity Date only, with interest payment date to fall on the Maturity Date. A default interest at the rate of 20% per annum, calculated on the basis of the actual number of days elapsed in a year of 365 days, shall apply if the Convertible Bonds become due and payable on the occurrence of any events of default (as set out in the Subscription Agreement)
Conversion right	:	for so long as the aggregate interests of the holder of the Convertible Bonds (and its associates as defined under section 6 of the FATA) prior to the exercise of the conversion rights under the Convertible Bonds do not exceed 14.9% of the then issued share capital of the Company, the exercise of the conversion rights of the relevant portion of the Convertible Bonds shall be automatically triggered at the end of each month prior to the Maturity Date if and to the extent that, immediately upon exercise of the conversion right of the relevant portion of such Convertible Bonds (provided always that, if it will result in the exercise of the conversion rights under the Convertible Bonds as held by the holder in part, the conversion of which shall represent a minimum of 1,000,000 Conversion Shares), the aggregate interests of the holder of the Convertible Bonds and its associates shall represent a percentage equivalent to or rounded up to (and in any event not exceeding) 14.9% of the then enlarged issued share capital of the Company. In such circumstances, the holder of the Convertible Bonds shall be obliged to give notification to the Company, whereupon the outstanding amount of such Convertible Bonds shall be converted into WN Shares.

		In addition to the above, the Company shall be entitled to elect for the conversion of the Convertible Bonds at any time by giving notice to the holder of the Convertible Bonds, in the event that immediately upon the Conversion, (a) the aggregate interests of the holder of the Convertible Bonds and its associates shall not be more than 14.9% of the then enlarged issued share capital of the Company; or (b) the aggregate interests of the holder of the Convertible Bonds and its associates shall be more than 14.9% of the then enlarged issued share capital of the Company, but the holder of the Convertible Bonds (and/or its associates) has obtained prior approval from FIRB in relation to such resultant shareholdings in the Company.
Mandatory redemption on Maturity Date	:	the principal amount of the Convertible Bonds which remain outstanding on the Maturity Date shall be automatically redeemed by the Company on the Maturity Date
Conversion Price	:	the Conversion Price of HK$0.60 per Conversion Share, subject to adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds
Adjustment to the Conversion Price	:	the Conversion Price is subject to adjustment for consolidation or subdivision of WN Shares provided that no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than one cent and any adjustment that would otherwise be required then to be made shall not be carried forward
Ranking of the Conversion Shares	:	the Conversion Shares, when allotted and issued, will rank pari passu in all respects with the WN Shares in issue as at the Exercise Date
Early redemption	:	At any time after the lapse of the Conditional Offer, the holder of the Convertible Bonds shall have the right to require the Company to redeem the whole or part of the outstanding principal amount of the Convertible Bonds at 100% of the face value of such outstanding principal amount. The term "lapse of the Conditional Offer" shall refer to the circumstance where the Conditional Offer does not become unconditional upon expiry of the Offer Period pursuant to its terms and conditions. For the avoidance of doubt, in the event that the early redemption right is exercised on the whole or part of the outstanding principal amount of the Convertible Bonds prior to the Maturity Date, no interest shall be payable in respect of the relevant principal amount of the Convertible Bonds being so redeemed.

Conversion Shares

Assuming the conversion rights attached to the Convertible Bonds are exercised in full, 289,900,000 Conversion Shares will be issued by the Company, representing (1) approximately 5.41% of the issued share capital of the Company as at the Latest Practicable Date; and (2) approximately 5.13% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Subscription Price/Conversion Price

The Subscription Price is HK$0.60 per Subscription Share while the Conversion Price is also HK$0.60 per Conversion Share. The Subscription Price and the Conversion Price represent (i) a discount of approximately 10.4% to the closing price of HK$0.67 per WN Share as quoted on the Stock Exchange on 9 December 2011, being the last trading day prior to the date of the Subscription Agreement; and (ii) a discount of approximately 1.6% to the average closing price per WN Share of approximately HK$0.61 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 9 December 2011.

The Subscription Price and the Conversion Price was determined with reference to the prevailing market price and the recent trading volume of the WN Shares and was negotiated on an arm's length basis between the parties. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Conditions of the Subscription

Completion of the Subscription is conditional upon the following conditions being satisfied (or waived as to conditions (1) and (4) below) by 6:00 p.m. on 31 January 2012 (or such other date as the parties may agree):

(1) there being no breach of the warranties given by the Company under the Subscription Agreement;

(2) the Stock Exchange granting listing of and permission to deal in the Subscription Shares and the Conversion Shares;

(3) the passing by the Shareholders at the SGM of the relevant resolution approving the Subscription Agreement and the transactions contemplated thereunder; and

(4) there being (from the date of the Subscription Agreement up to the Completion Date) no material adverse change in the financial position and trading prospects of the Group and no event which has or could reasonably be expected to have a material adverse effect on the Group to the reasonable satisfaction of the Subscriber.

Completion of the Subscription

Completion shall take place on the Completion Date.

Specific mandate

The Subscription Shares and the Convertible Bonds (including the allotment and issue of the Conversion Shares upon Conversion) will be issued under a specific mandate to be approved by the Shareholders at the SGM.

Listing application

The Convertible Bonds will not be listed on any stock exchange.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Conversion Shares.

The Company shall apply for quotation of the Subscription Shares and the Conversion Shares on the ASX once they have been allotted.

THE PLACING

On 12 December 2011, the Company and the Placing Agent entered into the Underwriting Agreement pursuant to which the Placing Agent agreed to place on a fully underwritten basis the Placing Shares at the Placing Price.

Date of the Underwriting Agreement

12 December 2011

Parties

(1) Issuer: the Company

(2) Placing Agent: REORIENT Financial Markets Limited

REORIENT Financial Markets Limited is the financial adviser of the Company regarding the Conditional Offer. Mr. Chu Chung Yue, Howard (an executive Director) is an independent non-executive director of REORIENT Group Limited, the holding company of REORIENT Financial Markets Limited while Mr. Uwe Henke Von Parpart (an independent non-executive Director) is an employee of REORIENT Financial Markets Limited. Save for the aforesaid, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placees

The Placees shall be independent investors and not connected persons of the Company. It is intended that the Placing Shares will be placed to six or more Placees which will be independent individuals, corporate and/or institutional investors. Further announcement will be made by the Company in the event there are less than six Placees. Upon the Placing Completion, it is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules).

The Placing is fully underwritten by the Placing Agent. The Placing Agent shall have the obligation to purchase the Placing Shares should the Placees fail to be procured or the Placees fail to purchase any or all of the Placing Shares.

Number of Placing Shares

The Placing Shares of 130,000,000 new WN Shares (with an aggregate nominal value of HK$13,000,000) represent (1) approximately 2.43% of the issued share capital of the Company as at the Latest Practicable Date; and (2) approximately 2.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK$0.60 represents (i) a discount of approximately 10.4% to the closing price of HK$0.67 per WN Share as quoted on the Stock Exchange on 9 December 2011, being the last trading day prior to the date of the Underwriting Agreement; and (ii) a discount of approximately 1.6% to the average closing price per WN Share of HK$0.61 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 9 December 2011.

The Placing Price was determined with reference to the prevailing market price and the recent trading volume of the WN Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and that the Placing is in the interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

The Placing Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them, including the right to receive all dividends declared, made or paid after the date of the Underwriting Agreement.

Conditions of the Placing

Completion of the Placing is conditional upon the following conditions being satisfied (or waived as to conditions (1) and (5) below) by 6:00 p.m. on 31 January 2012:

(1) there being no breach of the warranties given by the Company in any material respect to the reasonable satisfaction of the Placing Agent;

(2) there being no breach of the warranties given by the Placing Agent in any material respect to the reasonable satisfaction of the Company;

(3) the passing by the Shareholders at the SGM for the relevant resolution approving the Underwriting Agreement and the transactions contemplated thereunder;

(4) the Stock Exchange granting listing of and permission to deal in the Placing Shares; and

(5) there being (from the date of the Underwriting Agreement up till the time immediately prior to the Transaction Date) no material adverse change in the financial position and trading prospects of the Group and no event which has or could reasonably be expected to have a material adverse effect on the Group to the reasonable satisfaction of the Placing Agent.

Placing Completion

Placing Completion shall take place after the fulfilment (or waiver as applicable) of the all the conditions of the Placing, on the second business day from the Transaction Date.

Specific mandate

The Placing Shares will be issued under a specific mandate to be approved by the Shareholders at the SGM.

Listing application

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares. The Company shall apply for quotation of the Placing Shares on the ASX once they have been allotted.

INFORMATION ON BRM

Overview

BRM is an ASX-listed Australian iron ore development company with a market capitalisation of approximately AUD327.3 million (equivalent to approximately HK$2,580 million) as at the Latest Practicable Date. BRM was originally listed on the ASX on 17 August 2004 as Yilgarn Mining Ltd and was renamed BRM to reflect the company's strategic decision to position itself as an iron ore developer. BRM's main focus is the development of the Marillana Project (as described below).

Mineral resources projects of BRM

(a) Marillana Project

Background

The Marillana Project is BRM's principal project and is located approximately 100 kilometres north-west of Newman in the Hamersley Iron Province of Western Australia's Pilbara region. The Marillana Project covers a total area of 96 square kilometres and is held by a wholly-owned subsidiary of BRM.

Project development

The development of the Marillana Project up to the Latest Practicable Date is summarised in the table below:

Date	Event
December 2008	• Ausenco Ltd was contracted to complete a pre-feasibility study ("PFS")
August 2009	• PFS completed

Date	Event
September 2009	• Definitive feasibility study ("DFS") commenced
September 2010	• DFS completed
December 2010	• Front end engineering design ("FEED") services contract for the design and construction of stage one was awarded • Bankable feasibility study ("BFS") commenced
September 2011	• Strategic review of all operations, including project development was announced • Completion date for BFS was pushed out from December 2011 to a yet to be determined date
October 2011	• Receipt of FEED report which recommended the commissioning of an optimisation study on the plant design and a change to the construction contracting strategy
November 2011	• Commencement of optimisation study on the plant design with a target completion date of June 2012

The PFS on the development of the Marillana Project was completed on 10 August 2009 and confirmed the technical and financial robustness of a conventional mining and processing operation at the Marillana Project.

The DFS for the Marillana Project was completed and announced on the ASX on 29 September 2010, which confirmed that the Marillana Project is an economically robust, long-life iron ore project that will generate substantial returns for BRM and its shareholders. The key outcomes of the DFS include:

- An ore reserve totalling 1.05 billion tonnes.

- The ore reserves support a 25-year mine life, with potential to increase production output or mine life.

- An estimated net present value in the range of AUD2.3 billion to AUD2.6 billion calculated on a post-tax (existing tax regime) real basis at a discount cash flow rate of 10%.

- An internal rate of return in the range of 27.7% to 37.9% estimated on an ungeared basis.

- An improved waste to ore stripping ratio of 0.85 was confirmed following the development of the definitive mine plan and pit design and confirmation of the upgradability of the ore (at a 38% Fe head grade cut-off) to a marketable final product quality.

- The ore reserve (post beneficiation) supports the production of over 419 million tonnes of final product at an average grade of 60.5% to 61.5% Fe, with impurity levels comparable with other Direct Shipping Ores exported from the Pilbara.

- The life-of-mine average production rate for the Marillana Project will be 17 Mtpa, but will peak to a maximum of 21 Mtpa in various years of the mine plan.

- Pre-production mine and rail capital expenditures in the range of AUD1.3 billion to AUD1.9 billion.

BRM announced on 3 December 2010 that it has awarded the FEED services contract for the design and construction of the Marillana Project (Stage 1) to UGL Resources Pty Ltd ("UGL"), a wholly owned subsidiary of UGL Limited, one of Australia's leading providers of project delivery services in the mining and mineral processing, oil and gas, chemicals and industrial processing industries.

In conjunction with the FEED engineering, BRM engaged Evans and Peck Pty Ltd, an international advisory company that supports government and private organisations in the conception, development and delivery of major projects throughout Australia, Asia and the Middle East to assist with the compilation of the BFS. The BFS is currently progressing and is to be completed once BRM has resolved its arrangement with infrastructure providers. DRA Pacific, a recognised leader in the field of mineral beneficiation and process design, will be assisting BRM to review the plant operations philosophy and prepare an operational readiness plan.

UGL issued a FEED report in October 2011 setting out the outcome of the FEED process particularly in determining production certainty as well as cost and schedule certainty. Following a review of the FEED report and other information received by BRM, it was concluded that further changes and improvements can be made to the process plant design to optimise capital and operating costs. An engineering firm, Lycopodium, was appointed by BRM to commence such optimisation study. In addition, BRM is considering a change to the construction contracting strategy adopted for the FEED study, which was to provide a risk adjusted, maximum lump sum capital cost estimate for the project under an engineering, procurement and construction contract. The target completion date for the proposed optimisation study is June 2012.

Development schedule

According to the DFS, the Marillana Project is expected to begin production in early 2014. As stated in the paragraph headed "Project development" above, BRM has commenced an optimisation study that is due to be completed in June 2012. Furthermore, a strategic review was commenced following the recent changes to the BRM Board. The review covers the Marillana Project and all facets of BRM's business and is scheduled for completion by December 2011, at which point a revised timetable will be determined for the key project milestones leading to production. The Company will issue an announcement once the latest status of the development schedule has been ascertained.

Rail and port infrastructure

BRM announced on 16 December 2010 that it was in advanced negotiations with Fortescue Metals Group Limited ("FMG") regarding an agreement (the "FMG Agreement") for an end-to-end rail haulage, port access and marketing service for the Marillana Project. Negotiations were continuing with FMG regarding the commercial and legal aspects of the proposed FMG Agreement.

In consideration of these negotiations, work is continuing on the detailed engineering of the train loading configuration and rail alignment at the mine site to ensure alignment and integration with the potential train operating protocols. Pre-feasibility study on the rail spur to connect with FMG mainline has been completed. A further detailed engineering work is anticipated to move along with the progress of BRM's negotiation with FMG.

As a founding member of the North West Infrastructure ("NWI") Group, BRM has been working closely with fellow NWI members (Atlas Iron Limited and FerrAus Limited) towards establishing viable options for the development of new port facilities in South West Creek. In BRM's quarterly activities report for the quarter ended 30 June 2011, it was announced that the port development definitive feasibility study has been issued by Sinclair Knight Merz for review by the NWI Group members. The NWI Group continued to progress the necessary heritage, environmental and land approvals for the development of the port infrastructure at South West Creek and was continuing discussions with the Australian government, Port Hedland Port Authority and other infrastructure proponents for the determination of a rail access corridor connecting the South West Creek stockyards to existing rail infrastructure(s). The NWI Group engaged Evans and Peck Pty Ltd to deliver the port project delivery execution plan which would consider and develop a comprehensive report on the preferred project delivery options.

Mining and metallurgy

After the publication of the DFS for the Marillana Project on 29 September 2010, BRM performed several technical optimisation studies to support the FEED engineering processes including pilot plant beneficiation testwork based on a 150 tonne representative sample of ore from each of starter Pits 1 and 2, which would be reflective of the first six years of plant feed. BRM 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 grade of 61.6% Fe 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 quarter ending 31 December 2011.

Optiro Pty Ltd., mining consultants appointed by BRM, completed detailed pit scheduling, including fine and coarse reject movements and backfilling of pits, for the life of the mine. The mining contractors would utilise this schedule to determine the size and timing of mining fleet requirements and mining costs, which would then feed into the BFS.

Project approvals

BRM announced on 17 February 2011 that it received state environmental approval for the development of the Marillana mine.

BRM submitted an “Early Works” mining proposal and project management plan to the Department of Mines and Petroleum (“DMP”) to establish a temporary fly camp, a permanent accommodation camp and associated facilities for approximately 300 construction personnel, access roads and associated works. In conjunction with the mining proposal, a “Works Approval” application was lodged with the Western Australia Department of Environment and Conservation for the construction of the camp sewage facility and putrescible landfill, all proposals now are awaiting approval from the relevant department of Australian government. Other approval activities included flora and habitat survey work of the proposed re-alignment of the Munjina-Roy Hill Road which was required for vegetation clearing permits and finalisation of the draft operating strategy which would support the life-of-mine water abstraction licence.

The Commonwealth Department of Sustainability, Environment, Water, Pollution and Communities that administered the Environment Protection and Biodiversity Conservation Act 1999, notified BRM that the mine site had been assessed as a "Controlled Action" with the level of assessment set at preliminary documentation.

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

A heritage agreement was 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 2011.

(b) Other iron ore projects

West Pilbara

BRM's West Pilbara project hub (the "Project Hub") comprises the Duck Creek, Mt Stuart and West Hamersley tenements.

Duck Creek:

The Duck Creek iron ore project is located 115 kilometres west-northwest of Paraburdoo in the West Pilbara region. In late 2008, BRM reported that an assessment of results received from helicopter-supported surface rock-chip sampling has highlighted exploration targets at Duck Creek of iron ore grading 56% – 59% Fe.

West Hamersley:

The West Hamersley tenement is located in the West Pilbara region, Western Australia and is approximately 50 kilometres north of the Duck Creek iron ore project. West Hamersley comprises two granted Exploration Licences covering 120 square kilometres and on 1 June 2010 BRM reported that it has identified 5 new zones of hematite mineralisation grading 56% – 64% Fe. The recent work supports an exploration target of 20Mt – 30Mt grading 58% – 61% Fe for the West Hamersley tenement.

Mt Stuart:

The Mt Stuart project comprises two priority exploration licence applications. Previous reconnaissance sampling by BRM has identified direct shipping grade CID iron ore mineralisation, with 4 samples from a CID mesa averaging 58% Fe (calcined Fe = 64.3%), with low contaminants (4% SiO_2 and 2.7% Al_2O_3).

On 2 February 2011, BRM announced the results of the initial programme of broad spaced reconnaissance drilling at its Duck Creek and West Hamersley projects in the West Pilbara. These results are from the first drilling programmes conducted at both projects and have confirmed the results from surface reconnaissance in the area. Significant DSO grade mineralisation at shallow depths (often commencing at surface) were recorded from all targets drilled. Mineralisation contains very low levels of the contaminant phosphorous which should assist in finding markets for the mineralisation. Other contaminant levels (silica and alumina) were comparable with other West Pilbara CID mineral resources reported by aspiring producers. A total of 1,657m was drilled at Duck Creek in 45 holes, with a further 407m in 36 shallow holes drilled at West Hamersley.

The shallow depth and the nature of the mineralisation suggested low cost mining, with the added advantage that all mineralisation was above the water table. BRM would continue drilling on these and other recently approved West Pilbara tenements in 2011 to build up a resource base sufficient to support the Project Hub.

These results confirmed the prospectivity of BRM's West Pilbara ground and provided support for BRM's objective of developing a second operating hub in the West Pilbara, utilising the Anketell Port facility.

Based on BRM's quarterly report for the period ended 30 June 2011, a 120 hole infill and extension drilling program was prepared for the Duck Creek and West Hamersley projects within the West Pilbara project hub, with drilling expected to commence following completion of the requisite heritage surveys. An initial 40 hole drilling program was also planned for the recently granted Mt Stuart project areas, located between Duck Creek and West Hamersley. Exploration licence E08/2011 at Red Hill, located about 60km west of Mt Stuart, was granted in June 2011 and mapping was underway.

Ophthalmia

BRM completed the short reverse circulation drilling programme at the Kalgan prospect within the Ophthalmia project in December 2010. Reconnaissance mapping from the hematite mineralisation intersected in the 2010 drilling program identified DSO grade mineralisation in four areas at Coondiner (to 66% Fe), Kalgan Creek (to 66% Fe) and Ophthalmia Range (to 57% Fe), with six samples exceeding 60% Fe. Drilling to test these prospects was being planned in conjunction with the West Pilbara drilling.

BRM announced on 30 August 2011 that it has identified a significant new deposit of bedded hematite mineralisation at the Sirius prospect within the Ophthalmia 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 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.

(c) Other projects – Irwin-Coglia Nickel-Cobalt Laterite Project

BRM has a 40% interest in the Irwin-Coglia nickel-cobalt laterite joint venture located 150 kilometres south east of Laverton in Western Australia. The remaining 60% interest in the joint venture is held by Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd. Since establishing the joint venture, the co-venturers have completed extensive drilling programs and reported an indicated mineral resource of 16.8 million tonnes grading 1.07% Ni and 0.14% Co.

Resource estimates

As set out in the Competent Person's report in Appendix IV to this circular, the drilling programme has enabled Marillana to estimate a significant mineral resource of 1.63Bt of hematite (CID and Detrital) mineralisation comprising 173Mt of Measured Mineral Resources, 1,238Mt of Indicated Mineral Resources and 219Mt of Inferred Mineral Resources (see Tables 1 to 4 below).

This resource work was carried out by Golder Associates Pty Ltd. in accordance with the JORC Code.

Table 1 — Beneficiation Feed Mineral Resource Summary (Cut-off Grade: 38% Fe)

Mineralisation Type	Resource Classification	Tonnes *(Mt)*	Grade *(% Fe)*
Detrital	Measured	173	41.6
	Indicated	1,036	42.5
	Inferred	201	40.7
Pisolite	Indicated	117	47.4
Total	Measured	173	41.6
	Indicated	1,154	43.0
	Inferred	201	40.7
GRAND TOTAL		**1,528**	**42.6**

Table 2 — Marillana Project CID Mineral Resource Summary (Cut-off Grade: 52% Fe)

Resource Classification	Tonnes *(Mt)*	Fe *(%)*	CaFe *(%)*	AI_2O_3 *(%)*	SiO_2 *(%)*	P *(%)*	LOI *(%)*
Indicated	84.2	55.8	61.9	3.6	5.0	0.097	9.8
Inferred	17.7	54.4	60.0	4.3	6.6	0.080	9.3
TOTAL	**101.9**	**55.6**	**61.5**	**3.7**	**5.3**	**0.094**	**9.7**

CaFe represents calcined Fe and is calculated by BRM using the formula:
CaFe = Fe%/((100-LOI)/100)

Definitive mining studies by Perth-based Golder Associates Pty Ltd. as part of the DFS have demonstrated that the Marillana Project contains proved and probable detrital ore reserves within the optimal pit design in excess of one billion tonnes, as indicated in Table 3 below. Additionally the Marillana CID Ore Reserves within the pit design are estimated to be in excess of 48Mt, as shown in Table 4 below.

Table 3 — Marillana Detrital Ore Reserves*

Reserve Classification	**Mt**	**Fe** *(%)*
Proved	133	41.6
Probable	868	42.5
TOTAL	**1,001**	**42.4**

Table 4 — Marillana CID Ore Reserves*

Reserve Classification	**Mt**	**Fe** *(%)*	**CaFe** *(%)*	**SiO_2** *(%)*	**AI_2O_3** *(%)*	**P** *(%)*	**LOI** *(%)*
Probable	48.5	55.5	61.5	5.3	3.7	0.09	9.7
TOTAL	**48.5**	**55.5**	**61.5**	**5.3**	**3.7**	**0.09**	**9.7**

* *Reserves are included within Resources*

Based on extensive beneficiation testwork, the detrital Ore is expected to produce 378Mt of final product grading 60.5-61.5% Fe with impurity levels comparable with other West Australian DSO iron ore producers. The CID Ore is a DSO product that will be blended with the beneficiated detrital product at a maximum 1 in 6 ratio for export as a single (Fines only) product. The Marillana Project will produce in excess of 419Mt of final DSO equivalent product.

The Marillana Project will support a minimum of 25 years mining operations producing at a forecast production rate of 17-20Mtpa of beneficiated iron ore grading from 60.5-61.5% Fe.

Material developments after publication of the Company's supplemental circular dated 17 October 2011

(i) BRM received the FEED report in relation to the Marillana Project from UGL in October 2011 and following a review of the report, it was concluded that an optimisation study would be undertaken. Lycopodium, an engineering and project management consultancy company, was appointed by BRM to commence the optimisation study which is targeted to be completed by June 2012.

(ii) The strategic review instigated by BRM following changes to the BRM Board covering the Marillana Project and all facets of BRM's business is expected to be concluded in December 2011.

(iii) In respect of the Marillana Project, BRM completed the pilot plant beneficiation testwork on the ore sample from starter Pit 1 and a full circuit concentrate has been produced with an iron grade of 61.6% Fe and combined silica/alumina grade of 8.99% at a mass recovery of 43.7%. BRM will continue with similar testwork for Pit 2.

Competent Person's report and valuation report

The Competent Person's report and the valuation report (the "Valuation Report") on BRM's mineral resource projects are set out in Appendix IV and Appendix V to this circular respectively. Malcolm Castle, the Competent Person, has confirmed to the Company that there are no material changes affecting the Competent Person's report as set out in Appendix IV to this circular since 31 July 2011 (being the report date). Jones Lang LaSalle Sallmanns Limited, the Competent Evaluator, has stated to the Company that it noted that BRM had announced certain developments to its mineral assets after the publication of the valuation report which may be relevant to the valuation of BRM's mineral assets, but due to the lack of specific information in respect of such developments, it is unable to quantitatively evaluate the impact of such development and in the absence of specific information warranting changes to the valuation amount as of 16 June 2011 set out in the valuation report in Appendix V to this circular, it considers the valuation as of 16 June 2011 remains unchanged. Such developments in respect of BRM's mineral assets, which have been summarised under the paragraph headed "Material developments after publication of the Company's supplemental circular dated 17 October 2011" above, relate to the following:

- BRM received the FEED report and following a review of the report, it has been concluded that further changes and improvements can be made to the process plant design to optimise capital and operating costs ("Optmisation Study"). As part of the Optimisation Study, among other things, a mine plan redesign is planned, with resulting changes to waste dump layouts and the mine schedule which is predicted to eliminate the need for certain capital-intensive waste handling equipment, thereby reducing capital expenditure. Site layouts and schedules will continue to be revised and optimised over the next quarter. BRM has appointed an engineering firm to undertake the Optimisation Study targeted to be completed by June 2012.

- Pilot beneficiation testwork has resulted in processing yields and production quality surpassing the specifications of the definitive feasibility study. Testwork is ongoing, and the potential effects on production volume and operating cost are still uncertain.

- A strategic review of all aspects of BRM's operations ("Strategic Review") was commenced and is expected to conclude by December 2011, at which point a revised timetable will be determined for key project milestones leading to production.

As at the Latest Practicable Date, the Optimisation Study, beneficiation testwork and Strategic Review are still ongoing and no conclusion has been derived therefrom and there is no specific information in respect of such developments that can be made available to the Competent Evaluator.

The Competent Evaluator has also stated to the Company that it has considered the relevant bases and assumptions set out in the Valuation Report since publication of the report and considers that there is no overall impact causing material change to the valuation amount as of 16 June 2011.

Based on the above, the Directors confirm that no material changes affecting the Competent Person's report and the valuation report have occurred since their respective report date and valuation date.

Details of licenses/approvals obtained and to be obtained

Set out below are details of licenses/approvals obtained and to be obtained by BRM Group as at 16 November 2011:

Project	Tenement Type	Tenement Number	Commodity	Date Granted	Date Expiry	Status	Interest Held
Canning Basin	E	04/2036	Iron Ore			Application	100%
	E	04/2037	Iron Ore			Application	100%
	E	04/2038	Iron Ore			Application	100%
	E	04/2039	Iron Ore			Application	100%
	E	04/2040	Iron Ore			Application	100%
Cheela Plains	E	08/2264	Iron Ore			Application	100%
	E	45/3693	Iron Ore			Application	100%
	E	45/3752	Iron Ore			Application	100%
Coongan	E	45/3253	Iron Ore	20/8/2009	19/8/2014	Granted	100%
	E	45/3455	Iron Ore			Application	100%
	E	45/3451	Iron Ore	12/1/2011	11/1/2016	Granted	100%
	E	45/3452	Iron Ore	1/11/2010	31/10/2015	Granted	100%

Project	Tenement Type	Tenement Number	Commodity	Date Granted	Date Expiry	Status	Interest Held
Dalton	E	45/3643	Iron Ore			Application	100%
Deep Well	M	39/0129	Iron Ore	6/5/1988	5/5/2030	Granted	100%
Duck Creek *(Note 2)*	E	47/1725	Iron Ore	18/12/2007	17/12/2012	Granted	100%
Duck Creek South	E	47/2446	Iron Ore	16/9/2011	15/9/2016	Granted	100%
Duck Creek West	E	47/1936	Iron Ore	18/3/2010	17/3/2015	Granted	100%
	E	47/1937	Iron Ore	18/3/2010	17/3/2015	Granted	100%
Ethel Creek	E	46/0921	Iron Ore	16/9/2011	15/9/2016	Granted	100%
Fitzroy River	E	04/2066	Iron Ore			Application	100%
	E	04/2067	Iron Ore			Application	100%
Irwin Hills	E	39/1284	Nickel, Cobalt	13/10/2008	12/10/2013	Granted	40%
	E	39/1307	Nickel, Cobalt	14/11/2008	13/11/2013	Granted	40%
	E	39/1471	Nickel, Cobalt	11/2/2010	10/2/2015	Granted	40%
	L	39/0163	Nickel, Cobalt	28/10/2008	27/10/2029	Granted	40%
	P	39/4594	Nickel, Cobalt	17/10/2008	16/10/2012	Granted	40%
	P	39/4595	Nickel, Cobalt	17/10/2008	16/10/2012	Granted	40%
	P	39/4682	Nickel, Cobalt	18/11/2008	17/11/2012	Granted	40%
Lalla Rookh	E	45/3144	Iron Ore	21/5/2009	20/5/2014	Granted	100%
	E	45/3379	Iron Ore	7/10/2010	6/10/2015	Granted	100%
	E	45/3380	Iron Ore	7/10/2010	6/10/2015	Granted	100%
Marillana *(Note 2)*	E	47/1408	Iron Ore	6/10/2005	5/10/2012	Granted	100%
	L	45/0225	Iron Ore			Application	100%
	L	45/0235	Iron Ore			Application	100%
	L	45/0236	Iron Ore			Application	100%
	L	45/0237	Iron Ore			Application	100%
	L	45/0238	Iron Ore			Application	100%
	L	46/0097	Iron Ore			Application	100%
	L	47/0369	Iron Ore			Application	100%
	L	47/0389	Iron Ore			Application	100%
	L	47/0408	Iron Ore			Application	100%
	L	47/0544	Iron Ore			Application	100%
	L	52/0124	Iron Ore			Application	100%
	M	47/1414	Iron Ore	23/12/2009	22/12/2030	Granted	100%
	E	47/2176	Iron Ore			Application	100%
McPhee	E	45/3644	Iron Ore			Application	100%
Mt Florance *(Note 2)*	E	47/1738	Iron Ore	14/10/2007	13/10/2012	Granted	100%
Mt Goldsworthy	E	45/3931	Iron Ore			Application	100%
Mt Stuart *(Note 2)*	E	47/1845	Iron Ore	31/3/2010	30/3/2015	Granted	100%
	E	47/1850	Iron Ore	31/3/2010	30/3/2015	Granted	100%
	E	47/2214	Iron Ore			Application	100%
	E	47/2215	Iron Ore	18/2/2011	17/2/2016	Granted	100%
Newman	E	52/2376	Iron Ore	7/9/2011	6/9/2016	Granted	100%
	E	52/2377	Iron Ore			Application	100%

Project	Tenement Type	Tenement Number	Commodity	Date Granted	Date Expiry	Status	Interest Held
Ninghan	E	59/1423	Iron Ore			Application	100%
	E	59/1424	Iron Ore			Application	100%
Noreena Downs	E	46/0954	Iron Ore			Application	100%
Ophthalmia *(Note 2)*	E	47/1598	Iron Ore	13/2/2007	12/2/2012	Granted	100%
	E	47/1599	Iron Ore	3/4/2008	2/4/2013	Granted	100%
	E	47/2621	Iron Ore			Application	100%
	E	47/2622	Iron Ore			Application	100%
	E	47/2623	Iron Ore			Application	100%
Pannawonica	E	47/2409	Iron Ore			Application	100%
	E	47/2410	Iron Ore			Application	100%
Panorama	E	45/3538	Iron Ore			Application	100%
	E	45/3539	Iron Ore			Application	100%
Paraburdoo	E	47/1942	Iron Ore	6/10/2010	5/10/2015	Granted	100%
	E	47/2019	Iron Ore			Application	100%
	E	47/2081	Iron Ore			Application	100%
Peedamulla	E	08/2337	Iron Ore			Application	100%
Pippingarra	E	45/3948	Iron Ore			Application	100%
Perthledland	E	45/3939	Iron Ore			Application	100%
Red Hill	E	08/1922	Iron Ore			Application	100%
	E	08/2006	Iron Ore			Application	100%
	E	08/2011	Iron Ore	15/6/2011	14/6/2016	Granted	100%
	E	08/2297	Iron Ore			Application	100%
	P	08/0628	Iron Ore			Application	100%
	P	08/0629	Iron Ore			Application	100%
	P	08/0630	Iron Ore			Application	100%
	P	08/0631	Iron Ore			Application	100%
	P	08/0632	Iron Ore			Application	100%
	P	08/0633	Iron Ore			Application	100%
	P	08/0634	Iron Ore			Application	100%
	P	08/0635	Iron Ore			Application	100%
	P	08/0636	Iron Ore			Application	100%
	P	08/0637	Iron Ore			Application	100%
	P	08/0638	Iron Ore			Application	100%
	P	08/0639	Iron Ore			Application	100%
	P	08/0640	Iron Ore			Application	100%
	P	08/0641	Iron Ore			Application	100%
	P	08/0642	Iron Ore			Application	100%
	P	08/0643	Iron Ore			Application	100%
	P	08/0644	Iron Ore			Application	100%
	P	08/0645	Iron Ore			Application	100%
Shovelanna *(Note 2)*	E	46/0781	Iron Ore			Application	100%
Shovelanna South	E	52/2238	Iron Ore	2/11/2009	1/11/2014	Granted	100%
Table Hill	E	47/2556	Iron Ore			Application	100%

Project	Tenement Type	Tenement Number	Commodity	Date Granted	Date Expiry	Status	Interest Held
Tom Price	E	47/2098	Iron Ore			Application	100%
	E	47/2353	Iron Ore			Application	100%
	E	47/2354	Iron Ore			Application	100%
	E	47/2455	Iron Ore			Application	100%
Wallareenya	E	45/3766	Iron Ore	16/9/2011	15/9/2016	Granted	100%
	E	45/3808	Iron Ore	17/8/2011	16/8/2016	Granted	100%
West Hamersley *(Note 2)*	E	47/1603	Iron Ore	9/3/2007	8/3/2012	Granted	100%
	E	47/2313	Iron Ore			Application	100%
	E	47/2314	Iron Ore			Application	100%
Yarraloola	E	08/2236	Iron Ore			Application	100%
Yeeda	E	04/2148	Iron Ore			Application	100%

Notes:

1. *Tenement type: E — Exploration license, L — Miscellaneous license (e.g. water, power etc.), M — Mining license, P — program of works (e.g. drilling description, environmental issue, owner of tenement etc.)*

2. *Details of these projects have been set out in the Competent Person's report in Appendix IV to this circular.*

The Directors have discussed with the BRM Board and understand that, under the Mining Act 1978 (WA), granting of licenses/approvals is assessed on a case-by-case basis and time period for granting of licenses/approvals is not specified.

As at the Latest Practicable Date, the Board considers that there is no material impediment to obtain the above licenses/approvals under application.

As at the Latest Practicable Date, certain native title claims were made with respect to areas which include tenements in which the BRM Group have interests. The BRM Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the BRM Group or its projects. Further information in relation to the operation of the Native Title Act 1993 is set out in Appendix VI to this circular. The Marillana Project is a material project of the BRM Group. The BRM Group has entered into two native title agreements in respect of the Marillana Project, both of which contain clauses whereby the respective native title parties have indemnified BRM against claims for compensation should any new claim be lodged and accepted by the National Native Title Tribunal. This helps mitigate the risk of the BRM Group in the case of any new native title claims made against material tenements within the Marillana Project. To the best of the Directors' knowledge and belief, as at the Latest Practicable Date, the Directors confirm that there are no material legal claims or proceedings that may have an influence on BRM's rights to explore or mine.

BRM Board

Set out below are the background and experience of the members of the BRM Board:

Mr. Luk Kin Peter Joseph
Non Executive Chairman

Mr. Luk has been the chairman of the Company since February, 2009. Mr. Luk holds a Master Degree in Business Administration and the professional qualification of Chartered Financial Analyst. Mr. Luk has worked in several international financial institutions in the United States of America and Hong Kong and is well-experienced in international financial and investment management. Mr. Luk also has extensive experience in the mining industry, including being the past executive director and chief executive officer of China Mining Limited, a company listed on the Stock Exchange with operating mines in China.

Mr. Ross Stewart Norgard
Joint Deputy Non Executive Chairman

Mr. Norgard is a chartered accountant and former managing director of KMG Hungerfords and its successor firms in Perth, Western Australia. For the past 30 years he has worked extensively in the fields of raising venture capital and the financial reorganisation of businesses. He has held positions on industry committees including past Chairman of the Western Australian Professional Standards Committee of the Institute of Chartered Accountants, a current member of the National Disciplinary Committee, a former member of Lionel Bowens National Corporations Law Reform Committee, Chairman of the Duke of Edinburghs Awards Scheme and a former member of the University of Western Australia's Graduate School of Management (MBA programme). Mr. Norgard is also a director of Ipernica Limited (Chairman since 1987) and was a director of Ammtec Ltd (from 1994 to November 2010).

Mr. Warren Beckwith
Joint Deputy Non Executive Chairman

Mr. Beckwith is a director of a corporate advisory group with Perth and Hong Kong offices. For 13 years he was a partner in international Chartered Accountancy firms, including Senior Partner of a predecessor firm of Ernst & Young, Hong Kong. Currently, he is a director and chairman of the audit committee of China Properties Group Limited (a Hong Kong-listed property company), a director of Gondwana Resources Limited (an ASX-listed junior explorer) and WN Australia.

Mr. Colin Paterson
Chief Executive Director

Mr. Paterson has over 25 years experience in the resources sector covering a diverse range of geological environments throughout Australia, but principally in iron ore, gold and nickel exploration in the Pre-Cambrian of Western Australia. He has extensive experience in the technical supervision of exploration projects, resource development, project generation and project evaluations. Mr. Paterson was a founding director of BRM and previously held the position of principal geologist with Asarco Australia Ltd and held a similar position with Mining Project Investors Pty Ltd (subsequently MPI Mines Limited).

Mr. Richard (Dick) Melville Wright
Non Executive Director

Mr. Wright has held numerous directorships in private and publicly listed companies in Australia, Europe and the United States of America. Mr. Wright has significant expertise in the development of strategy, implementation and delivery of multi-billion dollar resource projects. He commenced his career in Broken Hill with CRA and graduated from the University of NSW as a Mechanical Engineer. At CRA, Mr. Wright was engaged on expansion projects at Hamersley Iron, Comalco and Bougainville Copper involving engineering, construction, procurement, and start up. After a period as managing director of Johns Perry UIE, a major contractor for the fabrication of the process modules for the North Rankin A offshore platform, he returned to Rio Tinto and undertook major feasibility studies for iron ore developments in the Pilbara. Mr. Wright was appointed managing director Australia of Fluor Daniel providing engineering, procurement and construction management and maintenance services for mining, oil and gas and industrial plant and infrastructure. After working for Fluor in the USA, Mr. Wright was appointed executive chairman of Adrail for the construction of the Darwin to Alice Springs Railway and after the completion of the railway project he took the position of executive chairman of Novacoat Holding Limited, now Decmil Group Limited, an ASX-listed company. Recently, Mr. Wright was engaged by Hancock Prospecting Pty Ltd as director, Roy Hill and Central Pilbara iron ore projects, to undertake the prefeasibility and bankable feasibility studies.

Mr. Robert Brierley
Non Executive Director

Mr. Brierley is a mining engineer with senior executive management and major project and mine management experience. Mr. Brierley has multi-commodity experience in several geographical regions with particular emphasis on iron ore, having been mine superintendent, production superintendent and ultimately registered mine manager at the Yandi iron ore mine in the Pilbara region of WA during its growth from a 5mtpa to 15mtpa operation, presently producing around 50mtpa of iron ore. Mr. Brierley has also spent eight years in the stockbroking industry, most of which was spent in the role of Head of Equities Research for an Australian national stockbroking firm. Mr. Brierley is currently chairman of ASX-listed BrazIron Limited, an iron ore company operating in Brazil, and managing director of Alchemy Resources Limited, a Western Australian based gold and copper exploration company. Mr. Brierley is a graduate of the Western Australian School of Mines, Curtin University, and holds a Graduate Diploma in Applied Finance and Investment, Financial and Securities Institute of Australia. Mr. Brierley is also a graduate of the Australian Institute of Company Directors.

Mr. Chu Chung Yue Howard
Non Executive Director

Mr. Chu has extensive experience in the mining industry with Teck Resources Limited ("Teck") formerly Teckcominco Limited, a company listed on the Toronto Stock Exchange in Canada and the New York Stock Exchange in the United States. Mr. Chu held various positions with Teck over a period of 33 years including corporate controller, and in the last four years as the vice president, Asia and chief representative, the PRC. He has also sat on various corporate and mine management committees for the Antamina Mine in Peru and the Highland Valley Copper Mine in Canada. In his role in Beijing, the PRC, Mr. Chu was responsible for the development of an Asian strategy for the company and promoting business development opportunities for Teck in the PRC. Mr. Chu holds a bachelor degree in Commerce from University of British Columbia and is a Chartered Accountant in Canada.

Mr. Michael Spratt
Independent Non Executive Director

Mr. Spratt has more than 45 years experience in the mining, mineral processing and engineering/construction industries both in Australia and overseas. This included 15 years in the iron ore industry mainly associated with the Robe River Iron Ore Project where he served as general manager (North West Operations) for five years. Mr. Spratt also led the team which developed Simcoa, Australia's only silicon smelter where he served as managing director for six years. More recently he has been chief operating officer at Minproc Limited and subsequently vice president (Asia Pacific) for Kaiser Engineers; both of these companies were global engineering companies focused on the mining and mineral processing industries. Prior to returning to Australia in mid 2010 Mr. Spratt was managing director of Thailand Smelting and Refining Company Limited, one of the world's largest tin smelters and refineries. Mr. Spratt earned his Bachelor of Science in metallurgy with first class honours from the University of New South Wales in 1971. He is also a graduate of the Stanford University School of Business advanced management program. Mr. Spratt is a Fellow of the Institute of Engineers Australia, a Fellow of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors. Mr. Spratt is also chairman of ASX-listed Kasbah Resources Limited which is engaged in exploration for tin and gold in Morocco and a non-executive director of ASX-listed Galaxy Resources Limited which operates the Mt Cattlin spodumene mine in Western Australia, and is in the final stages of construction and commissioning a high purity lithium carbonate plant in China.

Among the BRM Board members, Mr. Luk Kin Peter Joseph, Mr. Richard (Dick) Melville Wright, Mr. Robert Brierley, Mr. Warren Beckwith and Mr. Chu Chung Yue Howard are nominees of the Company. After the completion of the Conditional Offer, the Company intends to review the composition of the BRM Board with a view to advancing the Marillana Project. In the meantime, BRM is in the process of conducting an executive search for a permanent chief executive officer and intends to appoint additional non-executive directors at the earliest possible opportunity with the aim of having a majority of independent non-executive directors in accordance with BRM's corporate governance policy.

Financial information

Based on BRM's annual report for the year ended 30 June 2011, it recorded audited net assets of approximately AUD51.3 million (equivalent to approximately HK$404.4 million).

Set out below are the financial results of BRM for each of the three years ended 30 June 2011:

	For the year ended 30 June					
	2009		**2010**		**2011**	
	AUD'000	*HK$'000*	*AUD'000*	*HK$'000*	*AUD'000*	*HK$'000*
Loss before taxation	15,212	119,909	24,239	191,064	40,807	321,661
Loss after taxation	14,752	116,283	24,239	191,064	40,807	321,661

The accountants' report on BRM for the three years ended 30 June 2011 is set out in Appendix II to this circular.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and in the following scenarios:

					Immediately upon completion of the Subscription and the Placing and assuming the Conditional Offer is fully accepted but before any Conversion				After completion of the Subscription and the Placing and assuming full Conversion and the Conditional Offer is fully accepted			
	As at the Latest Practicable Date		Upon completion of the Subscription and the Placing before any conversion of the Convertible Bonds and any acceptance of the Conditional Offer		Assuming there are no BRM Shares issued as a result of the exercise of BRM Options outstanding as at the Latest Practicable Date before the end of the Offer Period		Assuming all BRM Options outstanding as at the Latest Practicable Date are exercised before the end of the Offer Period		Assuming there are no BRM Shares issued as a result of the exercise of BRM Options outstanding as at the Announcement Date before the end of the Offer Period		Assuming all BRM Options outstanding as at the Announcement Date are exercised before the end of the Offer Period	
	No. of WN Shares	*%*	*No. of WN Shares*	*%*	*No. of WN Shares*	*%*	*No. of WN Shares*	*%*	*No. of WN Shares*	*%*	*No. of WN Shares*	*%*
The XSS Group Limited and its subsidiaries *(note 1)*	361,300,276	6.74%	361,300,276	5.98%	361,300,276	5.01%	361,300,276	4.94%	361,300,276	4.82%	361,300,276	4.76%
Shimmer Expert Investments Limited *(note 2)*	279,548,000	5.22%	279,548,000	4.62%	279,548,000	3.88%	279,548,000	3.83%	279,548,000	3.73%	279,548,000	3.69%
Parklane International Holdings Limited *(note 3)*	137,592,592	2.57%	137,592,592	2.28%	137,592,592	1.91%	137,592,592	1.89%	137,592,592	1.83%	137,592,592	1.81%
The Subscriber and its owners	323,604,440	6.04%	878,704,440	14.54%	883,302,108	12.25%	883,302,108	12.11%	1,173,202,108	15.65% *(note 5)*	1,173,202,108	15.46% *(note 5)*
Directors and ex-directors (in the past year) of BRM who accept the Conditional Offer *(note 4)*	–	–	–	–	371,348,298	5.15%	436,148,298	5.98%	371,348,298	4.95%	436,148,298	5.75%
Public Shareholders												
The Placees	–	–	130,000,000	2.15%	130,000,000	1.80%	130,000,000	1.78%	130,000,000	1.73%	130,000,000	1.71%
BRM Shareholders (other than the Subscriber and directors and ex-directors in the past year of BRM) who accept the Conditional Offer	–	–	–	–	788,468,958	10.94%	811,868,958	11.13%	788,468,958	10.52%	811,868,958	10.70%
Other public Shareholders	4,257,234,095	79.43%	4,257,234,095	70.43%	4,257,234,095	59.06%	4,257,234,095	58.34%	4,257,234,095	56.77%	4,257,234,095	56.12%
	5,359,279,403	100.00%	6,044,379,403	100.00%	7,208,794,327	100.00%	7,296,994,327	100.00%	7,498,694,327	100.00%	7,586,894,327	100.00%

Notes:

1. These WN Shares are held by The XSS Group Limited, a company incorporated in the British Virgin Islands, and 50%, 20% and 30% issued share capital of which is beneficially owned by Mr. Luk Kin Peter Joseph (an executive Director), Ms. Cheung Sze Wai (Mr. Luk's spouse) and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively. The XSS Group Limited owns, among others, the entire issued share capital of Equity Valley Investments Limited and Prideful Future Investments Limited.

2. These WN Shares are held by Shimmer Expert Investments Limited, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Groom High Investments Limited. Groom High Investments Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Ms. Zhang Li, a director of a subsidiary of the Company.

3. These WN Shares are held by Parklane International Holdings Limited, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Mr. Leung Chi Yan, a director of certain subsidiaries of the Company.

4. As at the Latest Practicable Date, Mr. Ross Stewart Norgard and Mr. Colin Paterson, both being directors of BRM, had a Relevant Interest in 13,503,000 BRM Shares and 2,933,247 BRM Shares respectively. Based on the Final Director's Interest Notice filed with ASX by each of Mr. Barry Cusack, Mr. Wayne Richards, Mr. John David Nixon and Mr. Ross Ashton, all of whom resigned as directors of BRM with effect from 16 September 2011, as at 21 September 2011, (i) Mr. Barry Cusack held 1,500,000 BRM Options; (ii) Mr. Wayne Richards held 3,000,000 BRM Shares and 1,500,000 BRM Options; (iii) Mr. John David Nixon held 100,000 BRM Shares and 600,000 BRM Options; and (iv) Mr. Ross Ashton held 1,094,214 BRM Shares.

5. These percentage interests to be held by the Subscriber and its owners are for illustrative purposes only. Pursuant to the terms of the Convertible Bonds, unless prior approval from FIRB has been obtained by the holder of the Convertible Bonds (and/or its associates as defined under section 6 of FATA), Conversion can only take place if the holder of the Convertible Bonds and its associates will not be interested in more than 14.9% of the then enlarged issued share capital of the Company.

Save as aforesaid and save for WN Australia, the Subscriber and certain directors (and ex-directors in the past 12 months) of BRM who hold BRM Shares, to the best of the Directors knowledge, information and belief having made all reasonable enquiry, the other BRM Shareholders are third parties independent of the Company and its connected persons.

Upon completion of the Conditional Offer (on the basis that the Conditional Offer is fully accepted and all BRM Options are exercised before the end of the Offer Period), the Subscription and the Placing, the Subscriber and its owners will hold 12.11% of the issued WN Shares as enlarged by the Consideration WN Shares, the Subscription Shares and the Placing Shares and will hold 15.46% of the issued share capital of the Company as enlarged by the Consideration WN Shares, the Subscription Shares, the Placing Shares and the Conversion Shares pursuant to full Conversion. However, pursuant to the terms of the Convertible Bonds, unless prior approval from FIRB has been obtained by the holder of the Convertible Bonds (and/or its associates as defined under section 6 of FATA) Conversion can only take place if the holder of the Convertible Bonds and its associates will not be interested in more than 14.9% of the then enlarged issued share capital of the Company. Save for the Subscriber, none of the other BRM Shareholders will become a substantial shareholder of the Company upon completion of the Conditional Offer.

FUNDRAISING IN THE PAST 12 MONTHS

There were no equity fund raising activities conducted by the Group in the past 12 months immediately preceding the Latest Practicable Date.

REASONS FOR THE TAKEOVER OFFER, THE SUBSCRIPTION AND THE PLACING

The Conditional Offer

The Group is principally engaged in: exploitation, processing and sales of mineral resources, including copper, zinc and lead ore concentrates in the PRC, provision of limousine rental and airport shuttle bus services in Hong Kong and the PRC, acquisition, exploration and development of mineral tenements in Australia, and investment in equity securities.

In 2010, WN Australia launched the takeover offer for BRM Shares not already then owned by the Group. The takeover offer for BRM became unconditional in May 2011 and upon completion of the takeover offer, the Company's interest in BRM Shares in issue increased to approximately 55.33% and BRM became a subsidiary of the Company. The Company's interest in BRM Shares remained at approximately 55.33% as at the Latest Practicable Date.

BRM has substantial mineral resources as indicated in the DFS on its Marillana Project and as set out in the paragraph headed "Mineral resources projects of BRM" above and in Appendix IV to this circular. The closing price of BRM Shares has declined from its peak at AUD6.15 per BRM Share on 22 November 2010 to AUD2.26 per BRM Share on the Latest Practicable Date. The consideration for the Conditional Offer was determined having regard to the recent market prices of the BRM Shares and the WN Shares and the estimated mineral resources of BRM. The Directors consider that the consideration is fair and reasonable and that at the current valuation of BRM the Conditional Offer presents a good opportunity for the Company to consolidate its control of BRM, raising its equity interest in BRM and increasing its share of interest in the mineral assets of BRM. On the basis of the closing price of WN Shares as at the Latest Practicable Date, the consideration for the present Conditional Offer (including the cash consideration of AUD1.50 for each BRM Share accepted) equates to a value of approximately AUD3.03 per BRM Share which represents a premium of approximately 34% over the closing price of BRM Shares on the Latest Practicable Date of AUD2.26; whereas under the Company's last takeover offer for all BRM Shares launched in 2010, WN Australia offered to acquire each BRM Share (not owned by it then) for 30 WN Shares which on the basis of the closing price of WN Shares on 9 November 2010 (being the day before WN Australia announced the previous takeover offer in 2010) equates to a value of approximately AUD6.25 per BRM Share (based on the then exchange rate) which represented a premium of approximately 40% over the closing price of BRM Shares on 9 November 2010. The premium offered by the Company under the present Conditional Offer is lower than that under the previous takeover offer launched in 2010 due to the fact that the present market conditions differ slightly from the time of the previous takeover offer and there is a substantial cash element in the present Conditional Offer as compared to a pure scrip offer under the previous takeover offer.

With a view to increasing its equity interests in BRM, the Company has set a minimum 80% Relevant Interest condition for the Conditional Offer, taking into account the following:

- The Company at present holds 55.33% of BRM Shares in issue and the Conditional Offer is expected to be supported by the Independent BRM Board who collectively hold approximately 11.35% of BRM Shares in issue.

- Under Australia's tax regime, if WN Australia becomes the owner of at least 80% of the BRM Shares in issue, BRM Shareholders who accept the Conditional Offer may be entitled to a relief from tax for capital gains made on the exchange of BRM Shares for the Consideration WN Shares (known as the capital gains tax scrip-for-scrip rollover relief).

Furthermore, the Conditional Offer may also bring about potential saving from compliance cost as explained as follows. If at the end of the Offer Period WN Australia and its Associates have a Relevant Interest in at least 90% of the BRM Shares in issue and WN Australia and its Associates have acquired at least 75% (by number) of BRM Shares that WN Australia offered to acquire under the Conditional Offer, WN Australia intends to exercise its right to acquire any remaining BRM Shares not acquired during the Offer Period and following which the BRM Shares would be delisted from the ASX. The Company is dually listed on the Stock Exchange and on ASX. BRM, a 55.33%-owned subsidiary of the Company, is also listed on ASX. At present, both the Company and BRM are subject to the requirements of ASX Listing Rules while the Company is also subject to the requirements of the Listing Rules. If BRM were to become a wholly-owned subsidiary of the Company and the BRM Shares were to be delisted from ASX, while the Company will continue to be subject to the requirements of ASX Listing Rules (and the Listing Rules), BRM on its own would no longer be subject to the ASX Listing Rules requirements which would result in savings in compliance costs for the Group.

Taking into account the terms of the Conditional Offer including the consideration for the offer, the mineral assets and prospects of BRM, the transaction cost for the offer and the potential saving from compliance cost if BRM is delisted from ASX as a result of the offer, the Directors including the independent non-executive Directors consider the terms of the Conditional Offer are fair and reasonable and the Conditional Offer is in the interests of the Company and its shareholders as a whole.

The Subscription

The purpose of the Subscription is to raise funds to finance the cash portion of the consideration for the Conditional Offer. The Subscription Price and the Conversion Price was determined with reference to the prevailing market price and the recent trading volume of the WN Shares and was negotiated on an arm's length basis between the parties. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Subscription will be HK$507,000,000 (equivalent to approximately AUD64.3 million). The estimated net proceeds, after the deduction of all related expenses, will be approximately HK$506.8 million (equivalent to approximately AUD64.3 million), representing a net issue price of approximately HK$0.60 per Subscription Share and will be used to partially fund the cash portion of the consideration for the Conditional Offer. In the event that the Conditional Offer does not complete and lapses, the proceeds from the Subscription will be used for the development of the Group's mining business.

The Placing

The gross proceeds of the Placing will be HK$78,000,000 (equivalent to approximately AUD9.90 million). The estimated net proceeds, after the deduction of the commission and brokerage and other related expenses of the Placing, will be approximately HK$76 million (equivalent to approximately AUD9.64 million), representing a net issue price of approximately HK$0.585 per Placing Share and will be used to partially fund the cash portion of the consideration for the Conditional Offer. In the event that the Conditional Offer does not complete and lapses, the proceeds from the Placing will be used for the development of the Group's mining business.

FINANCIAL EFFECTS OF THE CONDITIONAL OFFER

Effect on assets and liabilities

BRM is a 55.33%-owned subsidiary of the Company and its assets and liabilities are consolidated into the consolidated balance sheet of the Company. BRM had net assets of approximately AUD51.3 million (equivalent to approximately HK$404.4 million) as at 30 June 2011. The Conditional Offer provides an opportunity for the Company to increase its interest in BRM. The consideration for the Conditional Offer will be satisfied by new WN Shares to be issued by the Company plus cash to be financed by the funds raised in the Subscription and the Placing and the Group's internal financial resources, if required.

In respect of the issue of the Convertible Bonds, it will in part be recognised as issuance of shares which is reflected in the equity of the consolidated balance sheet of the Company and in part be recorded as a debt in the Company's consolidated balance sheet.

A proforma statement on the assets and liabilities of the Group combining those of BRM assuming that BRM would become a wholly-owned subsidiary of the Company is set out in Appendix III to this circular.

Effect on earnings

BRM is a 55.33%-owned subsidiary of the Company and its profits and loss accounts are consolidated into the consolidated profits and loss accounts of the Company. BRM is still in the exploration stage and has not commenced production. It made a net loss of approximately AUD40.8 million (equivalent to approximately HK$321.6 million) for the year ended 30 June 2011. Upon completion of the Conditional Offer, the Company's share of the profit and loss accounts of BRM will be increased by the increase in the Company's interest in BRM.

Subsequent to the issue of the Convertible Bonds, the Company will record in its profit and loss account interest expense arising from the debt portion of the Convertible Bonds.

REMUNERATION OF DIRECTORS

The bye-laws of the Company provide that Directors' remuneration shall be determined by the Company in general meeting. The Shareholders passed the resolution at the Company's annual general meeting on 19 July 2011 to authorise the Board to fix the Directors' remuneration.

At the Company's special general meeting held on 13 December 2010, the Shareholders passed the resolution approving, among other things, the remuneration of a maximum sum of AUD2 million (equivalent to approximately HK$15.8 million) in aggregate for executive Directors per annum. Given that there is no statutory or regulatory requirement imposing such maximum limit, subject to Shareholders' approval at the SGM, the Company intends to remove the aforesaid maximum limit of AUD2 million in respect of the remuneration for executive Directors in order to allow more flexibility for the Company to recruit high calibre persons to serve on the Board.

LISTING RULES REQUIREMENTS AND THE SGM

Based on the percentage ratios under Rule 14.07 of the Listing Rules, the Conditional Offer and the Options Offer constitute a major transaction for the Company under the Listing Rules. As at the Latest Practicable Date, certain directors of BRM had an aggregated Relevant Interest in 16,436,247 BRM Shares. Based on the Final Director's Interest Notice filed by each of Mr. Barry Cusack, Mr. Wayne Richards, Mr. John David Nixon and Mr. Ross Ashton, all of whom resigned as directors of BRM with effect from 16 September 2011, as at 21 September 2011 they held in aggregate 4,194,214 BRM Shares and 3,600,000 BRM Options (of which Mr. John David Nixon held 600,000 BRM Options which WN Australia is offering to acquire under the Options Offer). The total acquisition costs of the BRM Shares held by such directors and ex-directors of BRM amounts to AUD10.3 million (equivalent to approximately HK$81.2 million). As such, the Conditional Offer and the Options Offer also constitute a connected transaction for the Company subject to independent shareholders' approval under the Listing Rules. None of the Directors have a material interest in the Conditional Offer and the Options Offer and as such none of the Directors abstained from voting on the relevant board resolution in relation to the Conditional Offer and the Options Offer.

As at the Latest Practicable Date, the Subscriber and its owners in aggregate held 323,604,440 WN Shares (approximately 6.04% of the WN Shares in issue) and the Subscriber also held 255,426 BRM Shares (approximately 0.18% of the BRM Shares in issue). The Subscriber and its associates shall abstain from voting in respect of the resolutions in relation to each of the Conditional Offer, the Subscription and the Placing.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of KBC Bank, consider that the Conditional Offer is fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote for the resolution to approve the Conditional Offer and the transactions contemplated thereunder. The text of the letter from the Independent Board Committee is set out on page 60 of this circular.

Having considered the above-mentioned reasons for the Conditional Offer, the Subscription and the Placing, the Board considers that the terms of the Conditional Offer, the Subscription and the Placing are on normal commercial terms, fair and reasonable and in the interests of the Shareholders and the Company as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM in relation to the Conditional Offer, the Subscription and the Placing.

GENERAL

The Company will issue further announcements informing Shareholders and potential investors the progress of the Conditional Offer, the Subscription and/or the Placing as and when appropriate or required.

Shareholders and potential investors should note that the Conditional Offer, the Subscription and the Placing are conditional on and subject to various terms and conditions and may or may not be completed. You are advised to be cautious when dealing in the Company's securities.

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
Wah Nam International Holdings Limited
Luk Kin Peter Joseph
Chairman

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders which has been prepared for the purpose of inclusion in this circular:

WAH NAM INTERNATIONAL HOLDINGS LIMITED
華南投資控股有限公司 *

(incorporated in Bermuda with limited liability)
(Stock code: 159)

15 December 2011

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNNECTED TRANSACTION
CONDITIONAL GENERAL OFFER FOR ALL SHARES IN
BROCKMAN RESOURCES LIMITED**

We refer to the circular of the Company dated 15 December 2011 (the "Circular"), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the Conditional Offer. KBC Bank has been appointed as the independent financial adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 61 to 74 of this Circular. Your attention is also drawn to the letter from the Board in the Circular.

Having considered the terms of the Conditional Offer and the advice of KBC Bank, in particular the principal factors and reasons set out in its letter on pages 61 to 74 of the Circular, we consider that the terms of the Conditional Offer are fair and reasonable so far as the Independent Shareholders are concerned, and the Conditional Offer is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Conditional Offer.

Yours faithfully,
Independent Board Committee

Lau Kwok Kuen, Eddie	**Uwe Henke Von Parpart**	**Yip Kwok Cheung, Danny**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

* *for identification purpose only*

The following is the text of a letter of advice from KBC Bank, the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Conditional Offer which has been prepared for the purpose of incorporation into this circular.

KBC

39/F Central Plaza
18 Harbour Road
Hong Kong

15 December 2011

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the independent non-executive directors of the Company in connection with the Conditional Offer, details of which are set out in the circular dated 15 December 2011 (the "Circular") of which this letter forms part. Unless otherwise defined herein, terms used in this letter shall have the same meaning as those defined in the Circular.

On 12 December 2011, the Board announces that WN Australia, a wholly-owned subsidiary of the Company, intends to make a takeover offer to acquire (i) all BRM Shares in issue not already owned by WN Australia as at the Register Date; and (ii) all BRM Shares that are issued during the period from the Register Date to the end of the Offer Period as a result of the exercise of BRM Options, for an aggregate consideration of AUD1.5 plus 18 Consideration WN Shares for each BRM Share. BRM is a company listed on the ASX and is a 55.33%-owned subsidiary of the Company. Based on the 144,803,151 BRM Shares and 4,900,000 BRM Options in issue and the 80,113,433 BRM Shares held by WN Australia as at the Latest Practicable Date, assuming acquisition of the entire remaining 64,689,718 BRM Shares and the additional 4,900,000 BRM Shares to be issued as a result of the exercise of the BRM Options, the Company will have to pay approximately AUD104 million (equivalent to approximately HK$820 million) in cash and issue and allot 1,252,614,924 Consideration WN Shares. In order to raise additional fund to finance part of the cash portion of the consideration for the Conditional Offer, the Company also entered into the Subscription Agreement and Underwriting Agreement for the Company to obtain gross proceeds of approximately HK$585 million from issue of the Subscription Shares, Placing Shares and the Convertible Bonds.

As the relevant percentage ratios (as defined in the Listing Rules) in respect of the Conditional Offer are greater than 25% but less than 100%, the Conditional Offer constitutes a major transaction for the Company. Since (i) certain existing directors of BRM had an aggregated Relevant Interest in 16,436,247 BRM Shares; (ii) certain ex-directors of BRM had an aggregated Relevant Interest in 4,194,214 BRM Shares and 3,600,000 BRM Options; and (iii) the Conditional Offer will be extended to all BRM Shareholders including the aforesaid existing directors and ex-directors of BRM (both of whom are considered connected persons of the Company), the Conditional Offer will constitute a connected transaction for the Company and is subject to the approval of the Independent Shareholders under Chapter 14A of the Listing Rules. As described in the paragraph headed "Bid Implementation Agreement" of the sectioned headed "Letter from the Board" (the "Board Letter") in the Circular, BRM will engage an Independent Expert to express an opinion to the Independent BRM Board and the BRM Shareholders regarding as the fairness and the reasonableness of the Conditional Offer. As a result, no part of our letter should form any advice to the BRM Shareholders regarding the Conditional Offer.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny, has been established to advise the Independent Shareholders in respect of the Conditional Offer. We, KBC Bank N.V. Hong Kong Branch, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Conditional Offer is conducted in the ordinary and usual course of the business of the Company and on normal commercial terms and the terms of the Conditional Offer are fair and reasonable in so far as the interest of the Company and the Independent Shareholders as a whole are concerned.

In formulating our recommendation, we have relied on the information and facts supplied to us by the Company. We have assumed that all information, opinions and representations contained or referred to in the Circular are true, complete and accurate in all material respects and we have relied on the same. Also, we have relied on the representations made by the directors and the management of the Company that having made all reasonable enquiries and careful decisions, and to the best of their information, knowledge and belief, there is no other fact or representation or the omission of which would make any statement contained in the Circular, including this letter, misleading. In addition, we have also assumed that all information, statements and representations made or referred to in the Circular, which have been provided to us by the Company, and for which it is wholly responsible, are true, complete and accurate in all material respects at the time they were made and continue to be so at the date of despatch of the Circular.

We consider that we have reviewed sufficient information to enable us to reach an informed view regarding the Conditional Offer to provide us with a reasonable basis for our recommendation. We have no reason to suspect that any material facts have been omitted or withheld, nor are we aware of any facts or circumstances, which would render the information and the representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Company; nor have we conducted any independent in-depth investigation into the business and affairs of the Company and its respective associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background of BRM

BRM is an ASX-listed Australian iron ore development company which develops and operates a number of iron ore development projects with a principal focus on the Marillana Project. The Marillana Project is located approximately 100km north-west of Newman in the Hamersley Iron Province of Western Australia's Pilbara region. The definitive feasibility study ("DFS") for the Marillana Project completed in September 2010 has confirmed that the Marillana Project is an economically robust and long-life iron ore project. In addition, we also note in the section headed "Competent Person's Report on BRM's Mineral Assets" contained in appendix IV to the Circular (the "Competent Person's Report") that the estimated mineral resources of the Marillana Project amounts to 1.63 Bt of hematite mineralisation comprising (i) 173 Mt of Measured Mineral Resources; (ii) 1,238 Mt of Indicated Mineral Resources; and (iii) 219 Mt of Inferred Mineral Resources and the Marillana Project will support a minimum of 25 years mining operations producing at a forecast production rate of 17-20 Mtpa of beneficiated iron ore grading from 60.5%-61.5% Fe.

Since BRM's mining projects were still under exploration development stage, BRM did not generate any turnover and recorded loss before and after tax of approximately AUD24.2 million and AUD40.8 million for the two years ended 30 June 2010 and 2011 respectively. As at 30 June 2011, BRM recorded a consolidated audited net asset value of approximately AUD51.3 million. As set out in the section headed "Financial information of the Group" in appendix I to the Circular, the Group will maximise its efforts to move the Marillana Project forward to become a producing iron ore mine, and the transformation of the Marillana Project from the exploration stage to implementation stage and ultimately to the production stage will present positive contribution to the Group's overall performance.

2. Background of and reasons for the Conditional Offer

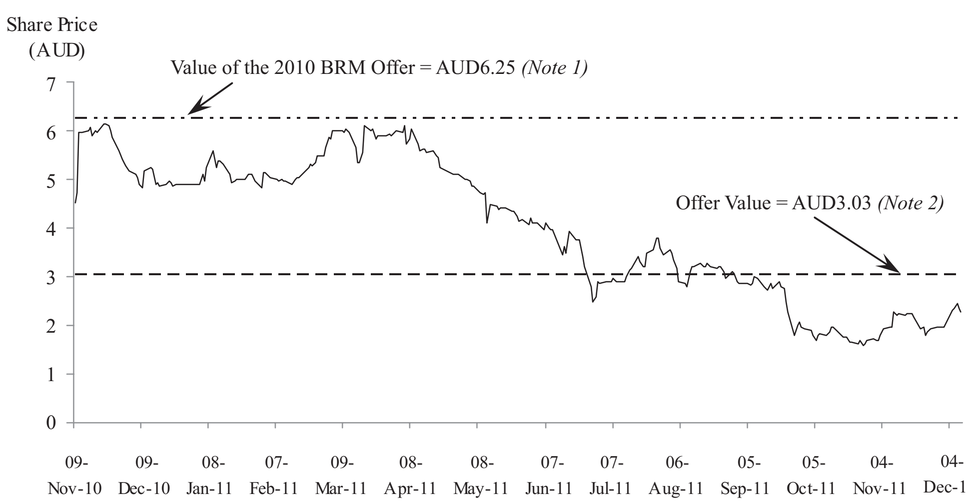
(i) The Conditional Offer being in line with the Group's development strategy

The Group is principally engaged in (i) exploitation, processing and sales of mineral resources, including copper, zinc and lead ore concentrates in the PRC; (ii) acquisition, exploration and development of mineral tenements in Australia; (iii) provision of limousine rental and airport shuttle bus services in Hong Kong; and (iv) investment in equity securities. As disclosed in the circular of the Company dated 26 November 2010 (the "2010 Circular"), it is the development plan of the Company to become a developer of strategic mining assets in politically stable, mineral resource-rich countries, and it has restructured its business to focus on strategic acquisitions of iron ore projects, including the launching of two takeover offers in November 2010 for the acquisition of all of the shares of BRM (the "2010 BRM Offer") and FerrAus Limited (the "2010 FRS Offer"), two iron ore development companies listed on the ASX, that were not owned by the Company at the time these offers were made. Furthermore, as set out in the 2010 Circular, both the 2010 BRM Offer and 2010 FRS Offer represented a significant step for the Group in achieving its objectives to (i) become a developer of strategic mining assets; (ii) substantially increase its mineral resources; and (iii) position itself as an international iron ore producer. However, only the 2010 BRM Offer became unconditional in May 2011 whilst the 2010 FRS Offer did not become unconditional and lapsed. Following the 2010 BRM Offer, BRM became a 55.33%-owned subsidiary of the Company.

(ii) A good opportunity for the Group to fully benefit from the prospects of BRM and reduce costs

Based on our discussion with the management of the Company, we understand that, given the mineral resources of the Marillana Project of 1.63 Bt hematite as stated in the Competent Person's Report, it has been the intention of the Company to have BRM becoming its wholly-owned subsidiary since the launching of the 2010 BRM Offer. As set out in the 2010 Circular and the Board Letter, the Group is entitled to and has the intention to exercise the compulsory acquisition rights under the 2010 BRM Offer and the Conditional Offer to fully control BRM if such right is available to it. Under the circumstances, the implied value of the consideration for the 2010 BRM Offer (which amounted to 30 new WN Shares for each BRM Share) represented a substantial premium over the closing prices of BRM Shares quoted on the recent dates prior to the date of announcement of the 2010 BRM Offer. Since the Group has only achieved a shareholding of approximately 55.33% in BRM following the 2010 BRM Offer, we also understand from the management that the Conditional Offer is primarily for the purpose of obtaining further equity interests in BRM so as to capture a larger portion, or if possible, all of the future economic benefit from the Marillana Project and other mining projects of BRM (particularly given that it is the Group's intention to accelerate the development of the Marillana Project to its production stage).

The chart set out below illustrates the closing prices of the BRM Shares during the period from 9 November 2010 (the day before the announcement of the 2010 BRM Offer) up to and including the Latest Practicable Date:



Source: Bloomberg

Note 1: based on 30 WN Shares for each BRM Share under the 2010 BRM Offer, the closing price of WN Shares on 9 November 2010 (the day before announcement of the 2010 BRM Offer) and the then exchange rate

Note 2: based on the cash component of AUD1.5 and 18 WN Shares under the Conditional Offer, the closing price of the WN Shares on the Latest Practicable Date (also being the last trading day before the Announcement Date)

As illustrated above, the closing price of BRM following the announcement of the 2010 BRM Offer on 10 November 2010 has declined from its peak at AUD6.15 per BRM Share on 22 November 2010 to AUD2.26 per BRM Share as at the Latest Practicable Date. In addition, under the 2010 BRM Offer, WN Australia offered to acquire each BRM Share (not owned by it then) for 30 WN Shares which, based on the closing price of WN Shares on 9 November 2010 (being the day before WN Australia announced the 2010 BRM Offer), would equate to a value of approximately AUD6.25 per BRM Share (based on the then exchange rate) and in turn represented a premium of approximately

40% over the closing price of BRM Shares on 9 November 2010. Therefore, the Conditional Offer will not only represent an extension of the 2010 BRM Offer to achieve the aforesaid objective of the Group and increase the net profit attributable to the Shareholders in the future when the Marillana Project has developed into its production stage, but also a good opportunity for the Company to acquire the remaining BRM Shares at a relatively lower value of AUD3.03 (based on the closing price of HK$0.67 per WN Shares as at the Latest Practicable Date (or the last trading day before the Announcement Date) and the cash consideration of AUD1.5 for each BRM Share) as compared to the 2010 BRM Offer. Furthermore, in the event that BRM were to become a wholly-owned subsidiary of the Company and the BRM Shares were to be delisted from ASX, the Conditional Offer would also result in a reduction in the compliance cost of the Group since BRM would no longer be subject to the requirements of ASX Listing Rules.

Having considered the above, we considered that the Conditional Offer is in line with the Group's overall development strategy and is conducted in the usual and ordinary course of the business of the Group.

3. Major terms of the Conditional Offer

Consideration

The Company, through its wholly-owned subsidiary, WN Australia, offers to acquire (i) all BRM Shares in issue not already owned by WN Australia as at the Register Date; and (ii) all BRM Shares that will be issued during the period from the Register Date to the end of the Offer Period as a result of the exercise of the BRM Options, for a consideration of AUD1.5 plus 18 Consideration WN Shares for each BRM Share.

Conditions

In addition to the relevant approval and/or consents to be obtained by the relevant regulatory authorities (such as ASX and the Treasurer of the commonwealth of Australia), the Conditional Offer is subject to, among other things, the following conditions:

(i) the majority of Independent Shareholders approves at general meeting by poll, the acquisition by WN Australia of all of the BRM Shares not already owned by WN Australia on the terms as set out in the Bidder's Statement and the transactions contemplated thereunder, including the allotment and issue of the Consideration WN Shares;

(ii) the majority of the Shareholders approves (a) the allotment and issue of the Subscription Shares; and (b) the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares which may fall to be issued upon Conversion at general meeting by poll;

(iii) Completion of the Subscription;

(iv) at the end of the Offer Period, WN Australia has a Relevant Interest in at least 80% of all BRM Shares;

(v) The AUD/USD exchange rate as quoted on Bloomberg does not exceed USD1.10 for 50% or more of the time during each of the five Trading Days after the last of the aforesaid conditions is satisfied; and

(vi) a statutory condition that (a) an application is made to the Stock Exchange and the ASX for admission to quotation of (i.e. the grant of the listing of, and permission to deal in), the Consideration WN Shares within 7 days after the start of the Bid Period; and (b) permission for admission to quotation of (i.e. the grant of the listing of, and permission to deal in) the Consideration WN Shares on the Stock Exchange and the ASX is granted no later than 7 days after the end of the Bid Period.

Compulsory acquisition

If at the end of the Offer Period, WN Australia and its Associates have a Relevant Interest in at least 90% of the BRM Shares in issue and WN Australia and its Associates have acquired at least 75% (by number) of BRM Shares that WN Australia offered to acquire under the Conditional Offer, WN Australia will be entitled to acquire the remaining BRM Shares through a compulsory acquisition procedure. As disclosed in the Board Letter, it is the intention of WN Australia to exercise such compulsory acquisition right when it becomes available and WN Australia will acquire any remaining BRM Shares not being acquired during the Offer Period. Following the exercise of such compulsory acquisition right, the BRM Shares would be delisted from the ASX.

The Bid Implementation Agreement

For purposes of facilitating the implementation of the Conditional Offer, the Company and BRM, on 12 December 2011, also entered into the Bid Implementation Agreement (details of which are disclosed in the Board Letter). Pursuant to the Bid Implementation Agreement, among other things, BRM has agreed that (i) in any public statements relating to the Conditional Offer, each Independent BRM Director will recommend that BRM Shareholders to accept the Conditional Offer in the absence of a Superior Proposal (subject only to the opinion of the Independent Expert concluding that the Conditional Offer is fair and reasonable to the BRM Shareholders); and (ii) the Independent BRM Directors and the Independent BRM Board will not make any public statement or take any other action that qualifies their support of the Conditional Offer or contradicts, or subsequently change, withdraw or modify, their recommendation. In addition, BRM has represented and warranted to the Company that each Independent BRM Director has indicated their intention to accept the Conditional Offer in relation to the BRM Shares that they own or control.

The Company represented and warranted that it would make the Options Offer. BRM represented and warranted that it would use all reasonable endeavours and do everything reasonably practicable to seek the agreement of the holders of the AUD3.00 BRM Options, AUD3.21 BRM Options and AUD5.85 BRM Options to the cancellation (subject to the Conditional Offer becoming unconditional) on arm's length terms, of their BRM Options.

The Company has agreed to pay BRM a fee of up to AUD1 million (including goods and services tax) for BRM's reasonable legal costs and costs relating to the Independent Expert incurred and paid in relation to the Conditional Offer subject to several conditions stated in the Board Letter.

The underlying intention of the Conditional Offer is to further increase the Group's equity interest in BRM so as to increase the future profit contribution from the BRM's mineral assets. As advised by the management of the Company, the inclusion of the condition precedent for having WN Australia to obtain a Relevant Interest of at least 80% of all BRM Shares will provide an incentive for the BRM Shareholders to accept the Conditional Offer because if WN Australia were to become the owner of at least 80% of the BRM Shares in issue, the BRM Shareholders who had accepted the Conditional Offer might be entitled to a relief from tax for capital gains made on the exchange of BRM Shares for the Consideration WN Shares under the tax regime of Australia.

4. Value of the Conditional Offer

As at the Latest Practicable Date, there were 144,803,151 BRM Shares and 4,900,000 BRM Options in issue, of which 80,113,433 BRM Shares were held by WN Australia. Assuming 100% acceptance of the Conditional Offer and all holders of BRM Options exercise their options and accept the Conditional Offer, the Company will have to pay approximately AUD104 million (equivalent to approximately HK$820 million) and issue and allot approximately 1,252,614,924 Consideration WN Shares. As mentioned above, part of the cash portion of the consideration for the Conditional Offer will be partly funded by the issue of the Subscription Shares and the Convertible Bonds.

Based on the closing price of WN Shares on the Stock Exchange on the Latest Practicable Date of HK$0.67 per WN Shares (equivalent to approximately AUD0.085 per WN Share) and aggregating such value for 18 Consideration WN Shares with the cash portion of the consideration of AUD1.5 per BRM Share for the Conditional Offer, the consideration of the Conditional Offer equates to a value of approximately AUD3.03 per BRM Share (the "Offer Value"), which represents:

(i) a premium of approximately 34% over the closing price of BRM Shares of AUD2.26 as quoted on the ASX on the Latest Practicable Date (or the last trading day before the Announcement Date);

(ii) a premium of approximately 38% over the VWAP of BRM Shares for the 30 trading days up to and including the Latest Practicable Date (or the last trading day before the Announcement Date); and

(iii) a premium of approximately 59% over the VWAP of BRM Shares for the 90 trading days up to and including the Latest Practicable Date (or the last trading day before the Announcement Date).

As mentioned above, it has been the intention of the Company to, if possible, acquired all of the BRM Shares that were not owned by WN Australia, for reference purpose, we have, based on information available from the website of the ASX and to the best of our knowledge, identified all the offers which have resulted in the delisting of mining companies listed on the ASX (the "Comparable Transactions") and closed during the 3-month period prior to and including the Latest Practicable Date (the "Review Period") which we consider reasonable for comparison purpose:

				Premium of the offer price over the		
Takeover bid closing date	**Company**	**ASX Stock code**	**Offer value**	**closing price on the last trading day prior to the announcement relating to the offer**	**average closing price for the 5 trading days prior to the announcement relating to the offer**	**average closing price for the 10 trading days prior to the announcement relating to the offer**
2011			*AUD*	*%*	*%*	*%*
5 October	FerrAus Limited	FRS	0.86 *(Note 2)*	34.4%	34.4%	30.3%
13 October	Northern Energy Corporation Limited	NEC	2.00	29.0%	30.7%	35.1%
24 October	Minara Resources Limited	MRE	0.87	35.9%	31.8%	29.9%
7 November	Hunnu Coal Limited	HUN	1.80	29.5%	40.6%	41.7%
	The Conditional Offer	BRM	3.03 *(Note 1)*	34.1%	29.5%	40.3%
	Maximum			35.9%	40.6%	41.7%
	Mean			32.2%	34.4%	34.3%
	Median			32.0%	33.1%	32.7%
	Minimum			29.0%	30.7%	29.9%

Source: website of the ASX and Bloomberg

Notes:

1. the Offer Value based on the closing price of the WN Shares as at the Latest Practicable Date (or the last trading day before the Announcement Date).

2. as the offer involved share exchange between the offeror and the offeree, balance represented the implied value of the offer based on the closing price of the offeror's shares on last trading day before the relevant announcement as described in the relevant bidder's statement.

3. for the offers which did not result in delisting of companies, their respective considerations may not contain the necessary premium to acquire all the shares of the companies for obtaining full control. Therefore, such offers are not included for comparison.

As noted from above, all of the considerations for takeover bids were at a premium to the recent trading prices of the shares of the underlying listed companies prior to the relevant announcement. The premium of approximately 34.1%, 29.5% and 40.3% represented by the Offer Value over the closing price of BRM on the last trading day, the 5 trading days and the 10 trading days prior to the date of the announcement of the Offer respectively, are within the range of the premiums and/or comparable to the mean and median of the Comparable Transactions. Based on the above, we consider that the Conditional Offer is in line with the offer prices for takeover bids involving mining companies listed on the ASX and the consideration for the Conditional Offer (based on the Offer Value calculated by using the closing price of the WN Shares as at the Latest Practicable Date) is fair and reasonable in so far as the Independent Shareholders are concerned. Independent Shareholders shall note that the Offer Value, calculated based on (i) the cash portion of consideration of AUD1.5; and (ii) the 18 Consideration WN Shares per each BRM Share, would change as a result of any price fluctuation in WN Shares after the Latest Practicable Date.

5. Options Offer

As disclosed in the Board Letter, as at the Latest Practicable Date, BRM had 4,900,000 outstanding BRM Options entitling the holders thereof to subscribe for an aggregate of 4,900,000 BRM Shares with exercise prices ranging from AUD1.25 to AUD5.85 per BRM Share. Based on the share price of BRM Shares of AUD2.26 as at the Latest Practicable Date, 850,000 BRM Options are in the money, which consist of 250,000 AUD1.25 BRM Options and 600,000 AUD1.30 BRM Options. As disclosed in the Board Letter, WN Australia offers to acquire all of the AUD1.25 BRM Options and the AUD1.30 BRM Options which exist (or will exist) as at the Register Date for a consideration of AUD1.50 plus 18 Consideration WN Shares. For holders of the AUD1.25 BRM Options and the AUD1.30 BRM Options who accept the Options Offer, they will receive cash amounting to the difference between the cash component of the consideration of AUD1.50 and the exercise price of the relevant class of BRM Options (i.e. AUD1.25 or AUD1.30, as the case may be) plus 18 Consideration WN Shares for each BRM Option.

The Options Offer is subject to (i) the majority of the Independent Shareholders approving the acquisition by WN Australia of all of the AUD1.25 BRM Options and the AUD1.30 BRM Options and the transactions contemplated thereunder, including the allotment and issue of the Consideration WN Shares; (ii) the Conditional Offer being declared unconditional; and (iii) at the end of the Offer Period, WN Australia having a relevant interest in at least 90% of all BRM Shares.

Having considered that the fairness and reasonableness of the Offer Value and the mechanism under the Option Offer for acquiring the BRM Options is effectively equal to that under the Conditional Offer, we are of the view that the Options Offer is also fair and reasonable.

6. Financial Impact of the Conditional Offer

(i) Earnings and net asset value

BRM is already a subsidiary of the company with its profit and loss accounts are consolidated into the consolidated profits and loss accounts of the Company. Upon completion of the Conditional Offer, the Company's profit/loss attributable to the Shareholders will be increased by the Company's increase in the share of the profit/loss recorded by BRM, depending on the results of the Conditional Offer. Subsequent to the issue of the Convertible Bonds, the Company will record in its profit and loss account the interest expense arising from the debt portion of the Convertible Bonds.

Based on the unaudited consolidated net asset value attributable to the Shareholders of approximately HK$3,804.2 million as at 30 June 2011 and the total of 5,359,279,403 Shares in issued as at the Latest Practicable Date, the net asset value per Share attributable to Shareholders amounted to approximately HK$0.71. As described in the section headed "Unaudited Pro forma Financial Information" in appendix III to the Circular (the "Pro forma Financial Statements"), assuming BRM had become a wholly-owned subsidiary of the Company and the holders of the AUD1.25 BRM Options and AUD 1.30 BRM Options have exercised the BRM Options (amounting to 850,000 BRM Shares), the net asset value attributable to the Shareholders and the total number of issued Shares (after taking into account (i) the 1,179,715,000 Consideration WN Shares, the 555,100,000 Subscription Shares, 130,000,000 Placing Shares and 226,900,000 Conversion Shares to be issued; and (ii) the approximately HK$773.7 million cash to be utilised for the settlement of the cash portion of the consideration for the Conditional Offer) will be increased to approximately HK$5,524.2 million and 7,450,994,403 Shares respectively. Accordingly, the shareholdings of the existing Shareholders will be diluted by approximately 28.1% but the net asset value per Share attributable to the Shareholders following the Conditional Offer will be increased by approximately 4.2% to approximately HK$0.74.

(ii) Gearing and working capital

As at 30 June 2011, the total borrowings (the sum of the Group's total bank borrowings, obligations under finance leases, amounts due to related parties and outstanding convertible bonds) and total assets of the Group amounted to approximately HK$97.6 million and HK$7,981.1 million respectively, and the gearing ratio of the Group (expressed as a percentage of the Group's total borrowings over the total assets) was approximately 1.2%. As described in the Pro forma Financial Statements, as the cash portion of the Conditional Offer will be funded partly by the issue of Subscription Shares, Placing Shares and Convertible Bonds and partly by the cash available to the Group (assuming 100% acceptance of the Conditional Offer and holders of the AUD1.25 BRM Options and AUD 1.30 BRM Options have exercised their BRM Options and accept the Conditional Offer), the Group's total borrowings and total assets would amount to approximately HK$133.1 million and HK$7,792.4 million respectively, implying a gearing ratio of approximately 1.7%. Despite the slight increase in the gearing ratio of the Group as a result of the Conditional Offer, the Group will still have net current assets of approximately HK$161.1 million and cash and cash equivalents of approximately HK$376.4 million. Furthermore, as stated in the paragraph "Working capital sufficiency statement of the Group for the 12 months after the date of this circular" in appendix I to the Circular, the Directors are of the opinion that, after taking into account (i) the completion of the proposed acquisition of the remaining 44.67% equity interest in BRM; (ii) the financial resources available to the Group (including internally generated funds and the funding from a related party of the Group); and (iii) the proposed issuance of Convertible Bonds, Subscription Shares and the Placing Shares, the Group will have sufficient working capital for its present requirements for a period of 12 months from the date of the Circular.

RECOMMENDATION

Having considered the aforesaid principal factors, we are of the view that the Conditional Offer is conducted in the ordinary and usual course of business of the Company and on normal commercial terms and the terms of the Conditional Offer are fair and reasonable in so far as the interest of the Company and the Independent Shareholders as a whole are concerned. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Conditional Offer.

Yours faithfully,
For and on behalf of
KBC Bank N.V. Hong Kong Branch

Kenneth Chan
Head of Corporate Finance, Greater China

Gaston Lam
Corporate Finance

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the years ended 31 December 2010, 2009 and 2008 together with the relevant notes to the financial statements of the Group can be found on pages 49 to 128 of the annual report of the Company for the year ended 31 December 2010, pages 22 to 79 of the annual report of the Company for the year ended 31 December 2009 and pages 23 to 87 of the annual report of the Company for the year ended 31 December 2008.

The consolidated financial statements of the Group for the three years ended 31 December 2010, 2009 and 2008 were audited by PricewaterhouseCoopers, Certified Public Accountants. PricewaterhouseCoopers issued qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2008 in respect of certain former subsidiaries of the Group. These subsidiaries were disposed of during the year ended 31 December 2008. No qualified opinion was issued by PricewaterhouseCoopers on the consolidated financial statements of the Group for the years ended 31 December 2009 and 2010.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2011 and 2010 respectively, together with the relevant notes to the financial information of the Group can be found on pages 3 to 23 of the interim report of the Company for the six months ended 30 June 2011.

The said annual reports and interim report of the Company are available on the Company's website at http://www.wnintl.com and http://www.irasia.com/listco/hk/wahnam and the website of the Stock Exchange at http://www.hkexnews.hk.

A summary of the consolidated statements of comprehensive income of the Group for the years ended 31 December 2010, 2009 and 2008 and for the six months ended 30 June 2011 and 2010 and the consolidated balance sheets of the Group as at 30 June 2011, 31 December 2010, 2009 and 2008 is set out below:

Summary of the Consolidated Statements of Comprehensive Income

	For the six months ended 30 June		For the year ended 31 December		
	2011	2010	2010	2009	2008
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Continuing operations					
Revenue	67,984	55,189	131,996	95,374	88,837
Direct costs	(59,414)	(45,349)	(106,792)	(84,729)	(80,384)
Gross profit	8,570	9,840	25,204	10,645	8,453
Other income	3,201	295	168	300	1,561
Other gains/(losses), net	513,243	(210)	1,790	505	(14,501)
Selling and administrative expenses	(48,114)	(25,866)	(95,485)	(31,048)	(30,058)
Exploration and evaluation expenses	(17,678)	(511)	(1,070)	(570)	—
Impairment losses	—	(153,000)	(153,000)	(38,314)	(118,414)
Finance costs	(828)	(3,286)	(4,001)	(20,914)	(15,692)
Excess payment on asset acquisition	—	—	—	—	(167,481)
Profit/(loss) before income tax	458,394	(172,738)	(226,394)	(79,396)	(336,132)
Income tax credit/(expense)	82	(264)	(338)	(608)	15,886
Profit/(loss) for the period/year from continuing operations	458,476	(173,002)	(226,732)	(80,004)	(320,246)
Profit for the year from discontinued operation	—	—	—	—	37,784
Profit/(loss) for the period/year	458,476	(173,002)	(226,732)	(80,004)	(282,462)

	For the six months ended 30 June		For the year ended 31 December		
	2011	2010	2010	2009	2008
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other comprehensive income/(loss):					
Exchange differences arising on translation of foreign operation	85,800	11,403	32,405	(285)	4,165
Change in fair value on available-for-sale investments, net of tax	(175,560)	(35)	491,187	133,644	—
Release of deferred tax upon step acquisitions	125,559	—	—	—	—
Release of available-for-sale investments reserve upon step acquisitions	(513,243)	—	—	—	—
Release of reserve upon disposal of subsidiaries	—	—	—	—	(32,214)
Other comprehensive (loss)/income for the period/year	(477,444)	11,368	523,592	133,359	(28,049)
Total comprehensive (loss)/income for the period/year	(18,968)	(161,634)	296,860	53,355	(310,511)
Profit/(loss) for the period/year attributable to:					
Equity holders of the Company	466,189	(157,363)	(210,644)	(78,935)	(296,660)
Non-controlling interests	(7,713)	(15,639)	(16,088)	(1,069)	14,198
	458,476	(173,002)	(226,732)	(80,004)	(282,462)
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company	(42,420)	(147,045)	309,987	54,433	(323,807)
Non-controlling interests	23,452	(14,589)	(13,127)	(1,078)	13,296
	(18,968)	(161,634)	296,860	53,355	(310,511)
	HK cents	*HK cents*	*HK cents*	*HK cents*	*HK cents*
Earnings/(loss) per share attributable to the equity holders of the Company during the period/year					
— Basic	10.95	(5.58)	(5.99)	(3.44)	(28.06)
— Diluted	10.93	N/A	(5.99)	(3.44)	(28.06)

Summary of the Consolidated Balance Sheets

	As at 30 June 2011 (Unaudited) *HK$'000*	As at 31 December 2010 (Audited) *HK$'000*	2009 (Audited) *HK$'000*	2008 (Audited) *HK$'000*
Non-current assets				
Mining right	865,795	850,616	980,568	987,005
Property, plant and equipment	98,568	87,668	81,726	86,024
Goodwill	11,405	11,405	11,405	49,719
Intangible assets	6,050,443	11,217	12,819	14,421
Available-for-sale investments	307,987	1,545,224	309,929	—
Deferred income tax assets	—	—	337	966
Other non-current assets	12,130	8,685	8,900	8,419
	7,346,328	2,514,815	1,405,684	1,146,554
Current assets				
Inventories	15,333	12,164	4,516	7,379
Trade receivables	25,285	30,013	21,456	12,246
Other receivables, deposits and prepayments	22,714	11,445	7,470	7,232
Amount due from a related party	1,156	1,067	1,139	1,500
Financial assets at fair value through profit or loss	—	5,187	3,397	2,894
Restricted cash	5,200	5,200	5,200	—
Cash and cash equivalents	565,110	135,590	16,758	59,757
	634,798	200,666	59,936	91,008
Current liabilities				
Trade payables	8,421	12,350	9,738	10,667
Other payables and accrued charges	84,663	46,069	44,529	40,008
Amounts due to directors	—	—	—	305
Amounts due to related parties	10,005	4,368	1,363	—
Bank borrowings due within one year	42,411	41,622	39,258	30,131
Obligations under finance leases	3,453	1,951	1,965	1,739
	148,953	106,360	96,853	82,850
Net current assets/(liabilities)	485,845	94,306	(36,917)	8,158
Total assets less current liabilities	7,832,173	2,609,121	1,368,767	1,154,712

	As at 30 June 2011 (Unaudited) *HK$'000*	As at 31 December 2010 (Audited) *HK$'000*	2009 (Audited) *HK$'000*	2008 (Audited) *HK$'000*
Equity				
Share capital	535,542	392,244	278,226	151,534
Reserves	3,268,639	1,875,371	844,930	610,018
Equity attributable to the equity holders of the Company	3,804,181	2,267,615	1,123,156	761,552
Non-controlling interest	2,164,003	82,298	95,425	96,503
Total equity	5,968,184	2,349,913	1,218,581	858,055
Non-current liabilities				
Obligations under finance leases	8,636	2,860	1,168	2,230
Amount due to a related party	33,096	32,360	21,353	23,829
Convertible notes	—	—	74,119	262,828
Deferred income tax liabilities	1,821,171	223,499	53,074	7,298
Provisions	1,086	489	472	472
	1,863,989	259,208	150,186	296,657
	7,832,173	2,609,121	1,368,767	1,154,712

2. PROSPECT

The Group, through its 90% owned subsidiary, Luchun Xingtai Mining Co., Ltd. ("Luchun Xingtai"), owns and operates the Damajianshan Mine, a copper mine located in Qimaba Township, Luchun County of Yunnan Province in the PRC. A total of 3.67km^2 is covered by the mining right. During the six months ended 30 June 2011, Luchun Xingtai contributed revenue of approximately HK$7.8 million and the loss before amortisation and impairment of mining right was approximately HK$0.3 million. The production volume of copper ore concentrates were approximately 61 metal tonnes and sales of the copper ore concentrates was approximately 143 metal tonnes. Total expenditure associated with the mining operation of Luchun Xingtai during the six months ended 30 June 2011 amounted to approximately HK$8.0 million. In February 2011, production of copper ore concetrates was halted as a result of electric power cutback by the Yunnan provincial power plant in preparation for an upgrade and increase of supply capacity. In September 2011, electric power to the Group's mine site gradually resumed. The management of the Company expects that with the electric power supply being fully upgraded coupled with the new crushing and screening machines invested by the Company which has better crushing strength to enhance production and reduce spoilage, the Group's production capacity will be significantly enhanced in the future. As stated in the Company's quarterly activities report for the quarter ended 30 September 2011, a concrete production plan has been drawn up for the upcoming quarter for the purpose of opitimising efficiency and productivity on the Group's copper mining site.

The takeover offer for BRM Shares launched by the Group in 2010 closed on 15 June 2011, upon which, the Company held approximately 55.33% of the issued share capital of BRM resulting in BRM becoming a subsidiary of the Company. Certain changes were made to the board of directors of BRM thereafter. The principal project of BRM is the Marillana Project. A strategic review covering among other things the Marillana Project was commenced following the changes to the board of directors of BRM and the review is scheduled for completion by December 2011. A revised timetable will be determined for the key project milestones leading to production then. Further information on BRM's projects are stated under the paragraph headed "Information on BRM" in the letter from the Board in this circular. BRM has not commenced production yet. During the period from the date of acquisition of BRM to 30 June 2011, total expenditure associated with the mineral exploration operation amounted to approximately HK$17.4 million. The Group will maximise its efforts to move the Marillana Project forward to become a producing iron ore mine. The transformation of the Marillana Project from an exploration project to project implementation stage and ultimately to production stage will present a positive impact to the Group's overall performance.

The Group's limousine rental and airport shuttle bus services segments (the "Limousine Business") are operated by Parklane Limousine Service Limited and Airport Shuttle Services Limited, both operations are wholly owned by Perryville Group Limited (collectively the "Perryville Group"). The Perryville Group contributed approximately 88.6% of the overall revenue of the Group for the six months ended 30 June 2011 with revenue recorded of HK$60.2 million, representing an increment of approximately 16.2% as compared to the corresponding period in 2010. The increase was attributed to the surging demand for limousine rental services in both Hong Kong and PRC, as a result of the booming travel industry in these areas during the six months ended 30 June 2011. The increase however, was partially offset by higher fuel consumption and staff costs due to inflationary pressures in the first half of 2011. The segment pre-tax profit for the six months ended 30 June 2011 narrowed to HK$1.0 million from HK$2.3 million in the corresponding period in 2010.

As stated in the Company's quarterly activities report for the quarter ended 30 September 2011, the management expects that the upcoming quarter will be challenging to the Limousine Business 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 cost pressure of increasing labour costs resulting from the enforcement of a statutory minimum wage in Hong Kong since May 2011. The Group will continue to monitor the market development, especially in the coming Christmas and New Year's Day as more tourists are expected at that time, and formulate the best business strategy so as to sustain the Limousine Business's overall profit margin.

3. INDEBTEDNESS STATEMENT OF THE GROUP AS AT 31 OCTOBER 2011

As at 31 October 2011, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this circular, the Group had secured bank borrowings of approximately HK$35.5 million, finance lease obligations of approximately HK$12.5 million and amounts due to related parties of approximately HK$52.4 million. The secured bank borrowings and the finance lease obligations of the Group were secured by the motor vehicles with net book value of approximately HK$25.2 million and cash deposits of approximately HK$5.2 million as at 31 October 2011. The secured bank borrowings of the Group were provided under the banking facilities for which guarantees amounting to HK$75.2 million and HK$38 million were respectively given by the Group and a related party of a former shareholder of Perryville Group Limited.

Save as aforesaid and apart from intra-group liabilities, the Group did not have, at close of business on 31 October 2011, any bank borrowings, bank overdrafts, liabilities under acceptances or other similar indebtedness, debentures or other loan capital, mortgages, charges, finance lease, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors are not aware of any material adverse change in the Group's indebtedness and contingent liabilities since the close of business on 31 October 2011.

4. WORKING CAPITAL SUFFICIENCY STATEMENT OF THE GROUP FOR THE 12 MONTHS AFTER THE DATE OF THIS CIRCULAR

After taking into account the completion of the proposed acquisition of the remaining 44.67% equity interest in BRM and the financial resources available to the Group, including internally generated funds, the funding from a related party of the Group and the net proceeds from the proposed issuance of the Convertible Bonds, the Subscription Shares and the Placing Shares as well as the expenses to be incurred by the Group in connection with the proposed acquisition, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for a period of 12 months from the date of this circular.

5. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospect of the Group since 31 December 2010, the date to which the latest published audited consolidated financial statements of the Group were made up.

1. ACCOUNTANTS' REPORT ON BRM

The following is the text of an accountants' report on Brockman Resources Limited received from KPMG Australia, for the purpose of inclusion in this circular.

KPMG
235 St Georges Terrace
Perth WA 6000
Australia

15 December 2011

The Directors
Wah Nam International Holdings Limited
Room 2805, 28/F, West Tower
Shun Tak Centre
168 – 200 Connaught Road Central
Sheung Wan
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information relating to Brockman Resources Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") including the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements of the Group, for each of the three years ended 30 June 2011, 30 June 2010 and 30 June 2009 (the "Relevant Period"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 30 June 2011, 30 June 2010 and 30 June 2009, together with the explanatory notes thereto (the "Financial Information"), for inclusion in the circular of Wah Nam International Holdings Limited ("Wah Nam") dated 15 December 2011 (the "Circular").

The Company was incorporated in Australia on 27 February 1989 as a public company with limited liability under the Corporations Act 2001 (Australia). The Company's shares have been listed on the Australian Securities Exchange since 21 May 1999.

The Company and its subsidiaries have adopted 30 June as their financial year end date. Details of the companies comprising the Group are set out in note 19 of Section B. As at the date of this report, except for the Company, no audited financial statements have been prepared for the other companies comprising the Group as they are not subject to statutory audit requirements under the relevant rules and regulations in Australia, which is the country of incorporation of these companies. The statutory financial statements of the Company were prepared in accordance with Australian Accounting Standards ("AASs") issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 (Australia). These financial statements also comply with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board. The statutory financial statements of the Company were audited by KPMG Australia.

The Financial Information has been prepared by the directors of Wah Nam (the "Directors") based on the audited consolidated financial statements of the Group with no adjustment made thereto, which are in accordance with AASs and comply with IFRSs, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules). The consolidated financial statements of the Group for the Relevant Period were audited by KPMG, Australia in accordance with Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

The Directors are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with IFRSs issued by the International Accounting Standards Board, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules, and for such internal control as the Directors determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to form an opinion on the Financial Information based on our procedures.

BASIS OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have carried out such appropriate procedures in respect of the Financial Information for the Relevant Period as we considered necessary in accordance with Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the Hong Kong Institute of Certified Public Accountants.

We have not audited any financial statements of the Company, its subsidiaries or the Group in respect of any period subsequent to 30 June 2011.

OPINION

In our opinion, for the purpose of this report, the Financial Information, prepared in accordance with the accounting policies set out in Section B below, gives a true and fair view, in all material respects, of the Group's historical financial information for the Relevant Period, and the state of affairs of the Group as at 30 June 2011, 30 June 2010 and 30 June 2009.

A. FINANCIAL INFORMATION

1. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Australian dollars)

		As at 30 June		
		2011	**2010**	**2009**
	Section B Note	*$*	*$*	*$*
Assets				
Fixed assets — property, plant & equipment	*8*	278,999	324,099	208,702
Restricted cash deposits	*10*	322,410	308,410	503,167
Total non-current assets		**601,409**	**632,509**	**711,869**
Cash and cash equivalents	*11*	53,506,681	84,233,523	100,868,784
Trade and other receivables	*9*	1,352,478	783,496	1,158,920
Financial assets at fair value through profit or loss		—	110,000	—
Total current assets		**54,859,159**	**85,127,019**	**102,027,704**
Total assets		**55,460,568**	**85,759,528**	**102,739,573**
Liabilities				
Other payables	*16*	3,766,303	3,805,081	3,626,870
Provisions	*15*	318,365	198,980	114,959
Total current liabilities		**4,084,668**	**4,004,061**	**3,741,829**
Net current assets		**50,774,491**	**81,122,958**	**98,285,875**
Total assets less current liabilities		**51,375,900**	**81,755,467**	**98,997,744**
Provisions	*15*	70,141	99,546	50,575
Total non-current liabilities		**70,141**	**99,546**	**50,575**
Total liabilities		**4,154,809**	**4,103,607**	**3,792,404**
Net assets		**51,305,759**	**81,655,921**	**98,947,169**
Equity				
Share capital	*12*	133,304,408	128,640,442	127,171,094
Reserves		13,604,437	7,812,003	2,334,082
Accumulated losses		(95,603,086)	(54,796,524)	(30,558,007)
Total equity		**51,305,759**	**81,655,921**	**98,947,169**

The accompanying notes form part of the Financial Information.

2. STATEMENTS OF FINANCIAL POSITION

(Expressed in Australian dollars)

		As at 30 June		
		2011	2010	2009
	Section B Note	*$*	*$*	*$*
Assets				
Fixed assets — property, plant & equipments	*8*	174,973	230,872	152,401
Restricted cash deposits	*10*	208,160	194,160	386,483
Total non-current assets		**383,133**	**425,032**	**538,884**
Cash and cash equivalents	*11*	52,999,056	84,171,813	100,807,326
Trade and other receivables	*9*	707,820	420,673	614,029
Total current assets		**53,706,876**	**84,592,486**	**101,421,355**
Total assets		54,090,009	85,017,518	101,960,239
Liabilities				
Other payables	*16*	1,226,094	915,519	1,051,156
Provisions	*15*	310,879	198,980	114,959
Total current liabilities		**1,536,973**	**1,114,499**	**1,166,115**
Net current assets		**52,169,903**	**83,477,987**	**100,255,240**
Total assets less current liabilities		**52,553,036**	**83,903,019**	**100,794,124**
Provisions	*15*	70,141	99,546	50,575
Total non-current liabilities		**70,141**	**99,546**	**50,575**
Total liabilities		**1,607,114**	**1,214,045**	**1,216,690**
Net assets		**52,482,895**	**83,803,473**	**100,743,549**
Equity				
Share capital	*12*	133,304,408	128,640,442	127,171,094
Reserves		13,604,436	7,812,003	2,334,082
Accumulated losses		(94,425,949)	(52,648,972)	(28,761,627)
Total equity		**52,482,895**	**83,803,473**	**100,743,549**

The accompanying notes form part of the Financial Information.

3. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in Australian dollars)

		Years ended 30 June		
		2011	**2010**	**2009**
	Section B Note	*$*	*$*	*$*
Other income		118,250	110,000	—
Exploration and evaluation expenditure		(32,980,253)	(19,941,343)	(17,422,373)
Administration expenditure				
— general		(6,481,721)	(3,351,816)	(2,780,581)
— share-based payments transactions	*14*	(5,792,434)	(5,477,921)	(1,109,097)
Loss from operations		**(45,136,158)**	**(28,661,080)**	**(21,312,051)**
Finance income	*5*	4,439,596	4,422,563	6,099,759
Finance cost	*5*	(110,000)	—	—
Net finance income		**4,329,596**	**4,422,563**	**6,099,759**
Loss before taxation		**(40,806,562)**	**(24,238,517)**	**(15,212,292)**
Income tax benefit	*6*	—	—	460,771
Loss for the year attributable to owners of the Company		**(40,806,562)**	**(24,238,517)**	**(14,751,521)**
Other comprehensive income for the year, net of tax		—	—	—
Total comprehensive income for the year attributable to owners of the Company		**(40,806,562)**	**(24,238,517)**	**(14,751,521)**
Loss per share (cents per share)				
Basic and diluted loss per share	*13*	(30.10)	(18.00)	(11.10)

The accompanying notes form part of the Financial Information.

4. CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Australian dollars)

		Years ended 30 June		
		2011	**2010**	**2009**
	Section B Note	*$*	*$*	*$*
Cash flows from operating activities				
Cash paid to suppliers and employees		(39,536,381)	(22,681,602)	(18,554,936)
Interest received		4,254,830	4,581,592	5,672,423
Tax refund received		—	—	460,771
Net cash flows used in operating activities	*11*	**(35,281,551)**	**(18,100,010)**	**(12,421,742)**
Cash flows from investing activities				
Proceeds from sale of financial assets at fair value through profit or loss		69,959	—	—
Payments for acquisition of property, plant and equipment		(165,216)	(205,082)	(188,201)
Net cash flows used in investing activities		**(95,257)**	**(205,082)**	**(188,201)**
Cash flows from financing activities				
Proceeds from issue of share capital		4,679,334	1,495,500	81,949,205
Payment of share issue costs	*12(b)*	(15,368)	(26,152)	(4,196,027)
Movement in restricted cash		(14,000)	200,483	—
Net cash flows generated from financing activities		**4,649,966**	**1,669,831**	**77,753,178**
Net (decrease)/increase in cash and cash equivalents		(30,726,842)	(16,635,261)	65,143,235
Cash and cash equivalents at 1 July		84,233,523	100,868,784	35,725,548
Cash and cash equivalents at 30 June	*11*	**53,506,681**	**84,233,523**	**100,868,784**

The accompanying notes form part of the Financial Information.

5. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Australian dollars)

	Share Capital	Accumulated Losses	Equity Compensation Reserve	Total
	$	$	$	$
At 1 July 2008	**49,101,913**	**(15,806,486)**	**1,540,988**	**34,836,415**
Total comprehensive income for the 2009 year				
Loss	—	(14,751,521)	—	(14,751,521)
Total comprehensive income for the year	**—**	**(14,751,521)**	**—**	**(14,751,521)**
Transactions with owners, recorded directly in equity				
Share issue costs recognised directly in equity	(4,196,027)	—	—	(4,196,027)
Share issue proceeds	81,949,205	—	—	81,949,205
Share-based payment transactions	—	—	1,109,097	1,109,097
Share options exercised	316,003	—	(316,003)	—
Total contributions by and distributions to owners	**78,069,181**	**—**	**793,094**	**78,862,275**
Balance at 30 June 2009	**127,171,094**	**(30,558,007)**	**2,334,082**	**98,947,169**
Total comprehensive income for the 2010 year				
Loss	—	(24,238,517)	—	(24,238,517)
Total comprehensive income for the year	**—**	**(24,238,517)**	**—**	**(24,238,517)**
Transactions with owners, recorded directly in equity				
Share issue costs recognised directly in equity	(26,152)	—	—	(26,152)
Share issue proceeds	1,495,500	—	—	1,495,500
Share-based payment transactions	—	—	5,477,921	5,477,921
Total contributions by and distributions to owners	**1,469,348**	**—**	**5,477,921**	**6,947,269**
Balance at 30 June 2010	**128,640,442**	**(54,796,524)**	**7,812,003**	**81,655,921**

5. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY *(Continued)*

(Expressed in Australian dollars)

	Share Capital	Accumulated Losses	Equity Compensation Reserve	Total
	$	*$*	*$*	*$*
Total comprehensive income for the 2011 year				
Loss	—	(40,806,562)	—	(40,806,562)
Total comprehensive income for the year	**—**	**(40,806,562)**	**—**	**(40,806,562)**
Transactions with owners, recorded directly in equity				
Share issue costs recognied directly in equity	(15,368)	—	—	(15,368)
Share issue proceeds	4,679,334	—	—	4,679,334
Share-based payment transactions	—	—	5,792,434	5,792,434
Total contributions by and distributions to owners	**4,663,966**	**—**	**5,792,434**	**10,456,400**
Balance at 30 June 2011	**133,304,408**	**(95,603,086)**	**13,604,437**	**51,305,759**

The accompanying notes form part of the Financial Information.

B. NOTES TO FINANCIAL INFORMATION

1. Reporting entity

Brockman Resources Limited ("Brockman" or "the Company") is a company incorporated on 27 February 1989 domiciled in Australia. The address of the Company's registered office is Level 1, 117 Stirling Highway, Nedlands, Western Australia. The Accountant's Report of the Company as at and for each of the three years ended 30 June 2011, 2010 and 2009 comprise the Company and its subsidiaries (together referred to as "Consolidated" or "the Group"). The Group primarily is involved in the acquisition, exploration, and development of mineral tenements currently in Australia.

2. Significant accounting policies

a. Statement of compliance

The Financial Information set out in this report has been prepared in accordance with IFRSs, which collective term includes International Accounting Standards ("IASs") and related interpretations issued by the IASB. Further details of the significant accounting policies adopted by the Group are set out in the remainder of this Section B.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the Financial Information, the Group has adopted all these new and revised IFRSs applicable to the Relevant Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning 1 July 2010. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning 1 July 2010 are set out in notes 2(t) of this section.

The Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules.

The accounting policies set out below have been applied consistently to all periods presented in the Financial Information.

b. Basis of measurement

The Financial Information has been prepared on the historical cost basis except for financial assets at fair value through profit or loss.

c. Functional and presentation currency

The Financial Information is presented in Australian dollars, which is the Company's functional currency.

d. Use of estimates and judgements

The preparation of the Financial Information in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Information are described in Section B note 14, measurement of share based payments.

e. Basis of consolidation

The Financial Information comprises the financial statements of the Company and its subsidiaries as at 30 June 2011, 2010 and 2009.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has power to govern the financial operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the Financial Information from the date that control commences until the date that control ceases.

(ii) Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venture using its own assets in pursuit of the joint operations. The Financial Information includes the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Financial Information.

f. Financial instruments

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise other receivables and cash and cash equivalents (cash balances and bank deposits). They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

(iii) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purposes of the statements of cash flow, cash includes cash on hand and in banks, and money market investments readily convertible to cash.

g. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

h. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/expenses in profit or loss.

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment is as follows:

plant equipment	3 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

i. Impairment

Non-derivative financial assets

Loans and receivables are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit or loss. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is transferred to profit or loss.

j. Employee benefits

Share-based payment transactions

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with participants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions").

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

a. the extent to which the vesting period has expired; and

b. the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at the time. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management personnel) have been altered or modified by the issuing entity during the Relevant Periods other than where employee have been exercised utilising the Employee Loan Scheme ("ELS") as approved by shareholders at the November 2008 Annual General Meeting. Interest is charged on the loan at statutory rates. Under the terms of the ELS the Company retains security over the Loan shares until the associated loan amount and related interest is repaid. Due to the limited recourse nature of the ELS, the Loan, accrued interest and the Loan shares contribution to equity are not recorded.

k. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Short and long term employee benefits

Provision is made for amounts expected to be paid to employees of a controlled entity in respect of their entitlement to annual leave and long service leave arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year arising from wage and salaries and annual leave have been measured at the rates of pay expected when the liability is expected to be settled. Long service leave entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Employee benefits expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits are recognised against profits on a net basis in their respective categories.

(ii) Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised if land is contaminated. During the Relevant Period there are no such provisions.

l. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

m. Finance income and finance costs

Finance income comprise interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise fair value losses on financial assets at fair value through profit or loss and impairment losses recognised on financial assets (other than receivables).

n. Exploration and evaluation costs

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

o. Trade payables and accrued expenses

Trade payables and accrued expenses are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services and is measured initially at fair value and subsequently at its amortised cost.

p. ***Income tax***

Deferred tax is recognised using the balance sheet method providing for temporary differences at the end of the reporting period date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future;

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted to substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

The Company and its wholly owned subsidiaries are a tax consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity of the tax consolidated group is the Company.

q. Goods and services tax ("GST") — Indirect taxes

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

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

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

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

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

r. Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise of share options granted to employees.

s. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

t. New accounting standards and interpretations

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2011, but have not been applied in preparing this financial report.

(i) IFRS 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IAS will become mandatory for the Group's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.

(ii) IAS 24 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for the Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.

(iii) IFRS 11 *Joint Arrangements*, which becomes mandatory for the Group's 30 June 2014 financial statements and could change the classification and measurement of investments in jointly controlled entities. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

(iv) Amended IAS 19 *Employee Benefits*, which becomes mandatory for the Group's 30 June 2014 financial statements and could change the definition of short-term and other long-term employee benefits and some disclosure requirements. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

3. Financial risk management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout the Financial Information.

Risk management framework

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of directors on its activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

i. *Cash and cash equivalents*

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. During the Relevant Period, the Group focused it investment of its cash resources on short term deposits, seeking to maximise return from these standard banking investments, but minimising term exposure to individual institutions. In addition, the Group aimed to spread its deposits between three or more Australian banks to spread individual institutional risk.

ii. *Other receivables*

As the Group operates primarily in exploration activities, its other receivables are primarily receivables from GST refundable and interest receivable. There were no significant concentrations of credit risk at the end of each reporting period. Management does not expect parties to fail to meet their obligations.

As at 30 June 2011, 2010 and 2009 there are no receivables that were past due.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring acceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is not exposed to currency risk as at the end of each reporting date as the Group holds no financial assets or liabilities denominated in foreign currency.

Interest rate risk

The Group is exposed to interest rate risk (primarily on cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short-term deposits at fixed interest rates maturing at the end of each term to minimise exposure to interest rate volatility.

Other market price risk

The Group's activities are currently in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

Capital management

The Group's objectives when managing capital are safeguarding the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to increase cash. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group's net assets to adjusted equity ratio at the end of the reporting date was as follows:

	As at 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
Total liabilities	4,154,809	4,103,607	3,792,404
Less: cash and cash equivalents	53,506,681	84,233,523	100,868,784
Net assets	**49,351,872**	**80,129,916**	**97,076,380**
Total equity	51,305,759	81,655,921	98,947,169
Net assets to equity rate at 30 June	**0.962**	**0.981**	**0.981**

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

4. Expenses

	Years ended 30 June 2011 $	2010 $	2009 $
(a) Employment expenses			
Wages and salaries	3,468,628	2,877,067	2,281,843
Superannuation	288,831	233,985	204,829
Fringe benefits tax	8,242	7,142	10,836
Payroll tax	218,122	210,993	94,985
Temporary staff	264,144	249,918	886
Share based payments	5,792,434	5,477,921	1,109,097
Other employment expenses	238,018	185,045	194,215
	10,278,419	**9,242,071**	**3,896,691**
(b) Other expenses			
Rental expenses on operating leases	352,087	363,199	318,957
Depreciation	201,958	93,138	84,110
Auditors' remuneration	50,503	45,994	37,500

5. Finance income and finance costs

	Years ended 30 June 2011 $	2010 $	2009 $
Interest income from bank deposits	4,439,596	4,422,563	6,099,759
Finance income	4,439,596	4,422,563	6,099,759
Impairment loss on financial assets at fair value through profit or loss	110,000	—	—
Finance costs	110,000	—	—
Net finance income recognised in profit or loss	**4,329,596**	**4,422,563**	**6,099,759**

6. Income tax on the consolidated statements of comprehensive income

	2011	2010	2009
	Years ended 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
(a) Major components of income tax benefit for the year ended 30 June are:			
Current income tax	—	—	(460,771)
Deferred tax expense	—	—	—
Income tax benefit reported in the comprehensive income	—	—	**(460,771)**
(b) A reconciliation of effective tax rate			
Accounting loss before tax	(40,806,562)	(24,238,517)	(15,212,292)
At statutory income tax rate of 30% (2010: 30% and 2009: 30%)	(12,241,969)	(7,271,555)	(4,563,688)
Non-deductible items	1,819,617	48,271	939,205
Over-provision in respect of prior years	(1,672,923)	(651,931)	(766,896)
Share based payments	1,737,730	1,643,377	332,729
Tax losses not recognised	10,357,545	6,231,838	3,597,879
Income tax benefit reported in comprehensive income	—	—	**(460,771)**

The tax benefit for the year ended 30 June 2009 represents tax incentives given by Australian Tax Office on certain research and development expenditure.

There is no tax provision for the Relevant Period as the Group sustained losses for taxation purposes.

7. Deferred income tax

	The Group Statement of financial position As at 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
Deferred income tax at each 30 June relates to the following:			
Deferred tax liabilities			
Other	(138,977)	(108,703)	(156,811)
Deferred tax assets			
Share raising costs	1,414,047	998,608	1,377,785
Other	435,023	889,402	280,490
Income tax losses	23,696,339	13,264,538	7,322,735
Tax losses not recognised	(25,406,432)	(15,043,845)	(8,824,200)
Gross deferred tax asset	**138,977**	**108,703**	**156,811**
Net deferred tax asset	—	—	—

Deferred income tax — the Company

No deferred tax assets and liabilities have been recognised in the statement of financial position as the Company does not have any temporary differences which would give rise to net deferred tax assets and liabilities.

Losses

The Group has unrecognised tax losses arising in Australia of $78,987,796, $44,215,127 and $24,409,118 as at 30 June 2011, 2010 and 2009 respectively that are available indefinitely for offset against future taxable income subject to the satisfaction of the loss recoupment rules. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

The deferred tax relating to losses will only be recognised if:

i. Future assessable income is serviced of a nature and of an amount sufficient to enable the benefit to be realised;

ii. The conditions for deductibility imposed by tax legislation continue to be complied with; and

iii. No changes in tax legislation adversely affect the group in realising the benefit.

Tax consolidation

The Company and its wholly owned Australian resident subsidiaries formed a tax consolidated group during the year ended 30 June 2006. The Company is the head entity of the tax consolidated Group. Members of the Group have entered into a tax funding arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis.

8. Property, plant and equipment

	The Group As at 30 June			The Company As at 30 June		
	2011	**2010**	**2009**	**2011**	**2010**	**2009**
	$	*$*	*$*	*$*	*$*	*$*
Cost						
Opening balance	576,850	368,315	180,114	420,433	276,287	135,417
Additions	165,215	208,535	188,201	69,178	144,146	140,870
Disposals	(8,743)	—	—	—	—	—
Closing balance	**733,322**	**576,850**	**368,315**	**489,611**	**420,433**	**276,287**
Accumulated depreciation expense						
Opening balance	(252,751)	(159,613)	(75,503)	(189,561)	(123,886)	(65,605)
Depreciation for the year	(201,958)	(93,138)	(84,110)	(125,077)	(65,675)	(58,281)
Disposals	386	—	—	—	—	—
Closing balance	**(454,323)**	**(252,751)**	**(159,613)**	**(314,638)**	**(189,561)**	**(123,886)**
Carrying amounts	**278,999**	**324,099**	**208,702**	**174,973**	**230,872**	**152,401**

9. Trade and other receivables

	The Group As at 30 June			The Company As at 30 June		
	2011	**2010**	**2009**	**2011**	**2010**	**2009**
	$	*$*	*$*	*$*	*$*	*$*
Goods and services tax receivable	764,469	220,421	386,089	242,498	12,015	58,204
Interest receivable	431,448	356,682	524,963	431,448	356,682	521,437
Prepayments	67,067	51,057	141,970	29,780	51,976	19,770
Other receivables	89,494	155,336	105,898	4,094	—	14,618
Receivable from wholly-owned entities:						
Non-interest bearing[1]	—	—	—	79,491,058	45,432,022	25,219,414
Less: provision for impairment[2]	—	—	—	(79,491,058)	(45,432,022)	(25,219,414)
	1,352,478	**783,496**	**1,158,920**	**707,820**	**420,673**	**614,029**

1 The loan to the controlled entities are unsecured, non-interest bearing and is payable on demand. The loan has been utilised on exploration and evaluation expenditure.

2 Loans to controlled entities are fully provided as the subsidiaries control insufficient cash to satisfy the amounts owned to the parent entity. The provision will be reassessed at any time that a subsidiary develops a project to a decision to mine.

10. Restricted cash deposits

	The Group As at 30 June			The Company As at 30 June		
	2011	2010	2009	2011	2010	2009
	$	$	$	$	$	$
Restricted cash deposits	322,410	308,410	503,167	208,160	194,160	386,483

The Group has entered into arrangements with the Group's banks to provide guarantees to the Group's Lessor and the Department of Mines and Petroleum. The arrangements are supported by term deposits for the amounts disclosed above, which are considered restricted cash.

11. Cash and cash equivalents

	The Group As at 30 June			The Company As at 30 June		
	2011	2010	2009	2011	2010	2009
	$	$	$	$	$	$
Cash on hand	467	400	350	3,499,056	2,171,813	1,667,344
Cash at banks	53,506,214	84,233,123	100,868,434	49,500,000	82,000,000	99,139,982
Cash and cash equivalents in the statements of cash flows	53,506,681	84,233,523	100,868,784	52,999,056	84,171,813	100,807,326
Reconciliation of cash flows from operating activities						
Cash flows from operating activities						
Loss for the period	(40,806,562)	(24,238,517)	(14,751,521)			
Adjustments for:						
— gain on sale of investment	(69,959)	—	—			
— depreciation	201,960	93,138	84,110			
— equity-settled share-based payment transactions	5,792,434	5,477,921	1,109,097			
— gain on sale of property, plant and equipment	8,355	—	—			
— change in fair value of financial assets	110,000	(110,000)	—			
	(34,763,772)	**(18,777,458)**	**(13,558,314)**			
Change in restricted cash	—	(5,726)	(128,779)			
Change in receivables	(568,982)	375,424	(393,266)			
Change in payables	(38,778)	174,759	1,587,348			
Change in provisions and employee benefits	89,981	132,991	71,269			
Net cash flows used in operating activities	**(35,281,551)**	**(18,100,010)**	**(12,421,742)**			

12. Share capital

	As at 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
(a) ***Issued and paid up capital***			
Ordinary shares issued and fully paid	133,304,408	128,640,442	127,171,094

	2011		2010		2009	
	Number	*$*	*Number*	*$*	*Number*	*$*
(b) ***Movements in shares on issue***						
Beginning of the financial year ordinary shares	136,228,151	128,640,442	134,038,151	127,171,094	99,866,331	49,101,913
Beginning of the financial year loan shares	5,260,000	7,424,500	850,000	425,000	—	—
Issued during the year	3,315,000	5,862,900	6,600,000	8,495,000	35,021,820	82,690,208
Share issue expenses	—	(15,368)	—	(26,152)	—	(4,196,027)
Issue capital inclusive of loan shares	**144,803,151**	**141,912,474**	**141,488,151**	**136,064,942**	**134,888,151**	**127,596,094**
Loan shares *(note 12(d))*	(5,166,112)	(8,608,066)	(5,260,000)	(7,424,500)	(850,000)	(425,000)
Total consolidated issued capital at 30 June	**139,637,039**	**133,304,408**	**136,228,151**	**128,640,442**	**134,038,151**	**127,171,094**

(c) Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. Holders of ordinary shares have the right to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders are entitled to participate in the proceeds from the sale of all surplus assets in proportion to the number amounts paid up on shares held.

(d) Loan shares

A total of 2,160,000 options, 5,475,000 options and 1,000,000 options during the years ended 30 June 2011, 2010 and 2009 respectively were exercised utilising the Employee Loan Scheme ("ELS") and requiring the issue of 2,160,000 shares, 5,475,000 shares and 1,000,000 shares during the years ended 30 June 2011, 2010 and 2009 respectively. The rules of the ELS impose a holding lock and retain power of sale of shares issued utilising the ELS with the Company. These shares are recorded as Loan Shares. Interest is charged on the loan balance. 2,253,888 loan shares, 1,065,000 loan shares and 150,000 loan shares were sold during the years ended 30 June 2011, 2010 and 2009 respectively at the direction of the employees and the proceeds of sale first used to satisfy the related portion of the Loan and interest outstanding. There were 5,166,112, 5,260,000 and 850,000 loan shares outstanding as at 30 June 2011, 2010 and 2009, respectively.

(e) Distributability of reserves

There were no reserves available for distribution to shareholders at the end of each reporting period. The accumulated losses of the Company as at 30 June 2011 amounted to $94,425,950.

(f) ***Options outstanding***

30 June 2011			30 June 2010			30 June 2009		
Number of shares	Exercise price	Expiry date (on or before)	Number of shares	Exercise price	Expiry date (on or before)	Number of shares	Exercise price	Expiry date (on or before)
250,000	$1.25	20-Apr-13	1,000,000	$0.50	01-Jul-12	200,000	$0.30	04-Dec-09
600,000	$1.30	11-Nov-13	250,000	$1.25	20-Apr-13	100,000	$0.30	16-Apr-11
2,100,000	$3.21	15-Jun-14	450,000	$1.25	10-May-13	2,000,000	$0.50	01-Jul-12
1,500,000	$3.00	31-Aug-14	450,000	$1.25	03-Aug-13	1,000,000	$0.50	14-Nov-11
450,000	$5.85	16-Jan-15	75,000	$1.70	11-Nov-13	600,000	$1.25	20-Apr-13
			700,000	$1.30	11-Nov-13	100,000	$2.50	13-Jul-12
			3,390,000	$3.21	15-Jun-14	200,000	$2.50	31-Aug-12
						1,250,000	$1.86	15-Dec-12
						600,000	$1.25	10-May-13

(g) ***Statements of changes in equity***

The Company

2009

	Share Capital $	Accumulated Losses $	Equity Compensation Reserve $	Total $
At 1 July 2008	49,101,913	(15,441,642)	1,540,988	35,201,259
Total comprehensive income for the 2009 year				
Loss	—	(13,319,985)	—	(13,319,985)
Total comprehensive income for the year	—	(13,319,985)	—	(13,319,985)
Transactions with owners, recorded directly in equity				
Share issue costs recognised directly in equity	(4,196,027)	—	—	(4,196,027)
Share issue proceeds	81,949,205	—	—	81,949,205
Share-based payment transactions	316,003	—	793,094	1,109,097
Total contributions by and distributions to owners	78,069,181	—	793,094	78,862,275
Balance at 30 June 2009	**127,171,094**	**(28,761,627)**	**2,334,082**	**100,743,549**

(g) Statements of changes in equity (continued)

The Company

2010

	Share Capital	Accumulated Losses	Equity Compensation Reserve	Total
	$	$	$	$
Total comprehensive income for the 2010 year				
Loss	—	(23,887,345)	—	(23,887,345)
Total comprehensive income for the year	—	(23,887,345)	—	(23,887,345)
Transactions with owners, recorded directly in equity				
Share issue costs recognised directly in equity	(26,152)	—	—	(26,152)
Share issue proceeds	1,495,500	—	—	1,495,500
Share-based payment transactions	—	—	5,477,921	5,477,921
Total contributions by and distributions to owners	1,469,348	—	5,477,921	6,947,269
Balance at 30 June 2010	**128,640,442**	**(52,648,972)**	**7,812,003**	**83,803,473**

2011

	Share Capital	Accumulated Losses	Equity Compensation Reserve	Total
Total comprehensive income for the 2011 year				
Loss	—	(41,776,977)	—	(41,776,977)
Total comprehensive income for the year	—	(41,776,977)	—	(41,776,977)
Transactions with owners, recorded directly in equity				
Share issue costs recognised directly in equity	(15,368)	—	—	(15,368)
Share issue proceeds	4,679,334	—	—	4,679,334
Share-based payment transactions	—	—	5,792,433	5,792,433
Total contributions by and distributions to owners	4,663,966	—	5,792,433	10,456,399
Balance at 30 June 2011	**133,304,408**	**(94,425,949)**	**13,604,436**	**52,482,895**

(h) Loss attributable to equity shareholders of the Company

The consolidated loss attributable to equity holders of the company includes losses of $41,776,977, $23,887,345, and $13,319,985 for the year ended 30 June 2011, 2010 and 2009, respectively, which have been dealt with in the financial statements of the Company.

13. Basic and diluted earnings per share

	Years ended 30 June		
	2011	2010	2009
	$	$	$
Loss attributable for the year	(40,806,562)	(24,238,517)	(14,751,521)
Weighted average number of ordinary shares for basis and diluted			
Weighted average number of ordinary shares at 30 June	135,591,869	134,951,526	133,052,591

The Company's potential ordinary shares, being its 4,900,000 options, 6,315,000 options and 6,050,000 options as at 30 June 2011, 2010 and 2009 respectively and 5,166,112 loan shares, 5,260,000 loan shares and 850,000 loan shares as at 30 June 2011, 2010 and 2009 respectively, are not considered dilutive as the conversion of these securities would result in a decrease in the net loss per share.

14. Share based payments

The Company has an employee share option plan which was adopted by the Board of Directors on 26 August 2008, whereby the directors of the Company are authorised, at their discretion, to issue options to employees at nil consideration for the option to subscribe for shares in the Company. Options issued to directors require the approval of shareholders. The options vest between 0 and 3 years from their grant date, and are exercisable immediately upon vesting. Each option gives the holder the right to subscribe for one ordinary share in the Company. Under the employee share option plan the Company will provide a non-recourse loan to its employees to exercise their share option entitlement. This represents a modification of the original share option. The shares that are subject to the plan are treated as treasury shares on the basis that the loan is non-recourse. Upon repayment of the loan, the shares are recognised as share capital.

2011

During the year ended 30 June 2011 the Group has the following share-based payment arrangements:

Options granted as part of compensation have been valued using a Binomial Option Pricing Model which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. Changes in the subjective input assumptions could materially affect the fair value assessment.

The following weighted average assumptions used for the grants made are:

Date of grant	1 September 2010[1] Tranche 1	Tranche 2	15 June 2011 Tranche 1	Tranche 2	Tranche 3
Fair value at grant date	**$1.7939**	**$1.8817**	**$1.174**	**$1.174**	**$1.174**
Share price	**$3.02**	**$3.02**	**$3.63**	**$3.63**	**$3.63**
Exercise price	**$3.00**	**$3.00**	**$5.85**	**$5.85**	**$5.85**
Expected volatility	**90%**	**92%**	**67.70%**	**67.70%**	**67.70%**
Historical volatility	**90%**	**92%**	**67.70%**	**67.70%**	**67.70%**
Option life (expected)	**3 years**	**3.25 years**	**2.70 years**	**2.70 years**	**2.70 years**
Expected dividends	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Risk-free interest rate (based on Australian government bonds)	**4.47%**	**4.50%**	**4.84%**	**4.84%**	**4.84%**

1 Issued to B Cusack – key management personnel

2010

During the year ended 30 June 2010, options were issued to key management personnel. Options granted as compensation have been valued using a Binomial Option Pricing Model which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. Changes in the subjective input assumptions could materially affect the fair value assessment.

The following weighted average assumptions used for the grants made are:

Date of grant	3 August 2009[1]	12 November 2009[2]	12 November 2009[3]	27 and 31 May 2010[4]
Fair value at grant date	$0.73 – $0.81	$1.40 – $1.42	$1.12 – $1.30	$0.34 – $0.95
Share price	$1.24	$1.98	$1.98	$3.15 – $3.17
Exercise price	$1.25	$1.30	$1.70	$3.21
Expected volatility	94.75 – 99.36%	96.94 – 97.27%	97.27 – 97.54%	65.00 – 100%
Historical volatility	94.75 – 99.36%	96.94 – 97.27%	97.27 – 97.54%	65.00 – 100%
Option life (expected)	2.50 – 4.00 years	3.00 – 3.25 years	2.00 – 3.00 years	0.10 – 1.27 years
Expected dividends	Nil	Nil	Nil	Nil
Risk-free interest rate (based on Australian government bonds)	4.85 – 5.30%	4.96 – 5.04%	4.96 – 5.26%	4.06 – 4.32%

1 Issued to D Humphry
2 Issued to JD Nixon
3 Issue included W Richards, C Paterson, P Bartlett and T Robson
4 Issue included W Richards, C Paterson, P Bartlett, T Robson, D Humphry and J Greive.

2009

During the year ended 30 June 2009, options were issued to key management personnel. Options granted as part of key management personnel compensation have been valued using a Binomial option pricing model which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. Changes in the subjective input assumptions could materially affect the fair value assessment.

The following weighted average assumptions used for the grants made are:

Date of grant	**16 December 2008[1]**	**14 May 2009[2]**
Fair value at grant date	$0.19	$0.66 – $0.72
Share price	$0.53	$1.14
Exercise price	$1.86	$1.25
Expected volatility	97.26%	94.30 – 103.60%
Historical volatility	97.26%	94.30 – 103.60%
Option life (expected)	4 years	4 years
Expected dividends	Nil	Nil
Risk-free interest rate (based on Australian government bonds)	3.30%	3.61 – 3.99%

[1] Issued to W Richards and C Paterson
[2] Issued to J Greive

Disclosure of share option programme and replacement awards

The number and weighted average exercise prices of share options are as follows:

	2011	**2011**	**2010**	**2010**	**2009**	**2009**
		Number of		*Number of*		*Number of*
	$	*shares*	*$*	*shares*	*$*	*shares*
Outstanding at 1 July	2.194	6,315,000	1.019	6,050,000	0.508	6,321,820
Granted during the year	3.658	1,950,000	2.358	6,865,000	1.779	2,150,000
Forfeited during the year	(3.210)	(50,000)	—	—	—	—
Exercised during the year	(1.769)	(3,315,000)	(1.287)	(6,600,000)	(0.361)	(2,421,820)
Outstanding 30 June	**3.054**	**4,900,000**	**2.194**	**6,315,000**	**1.019**	**6,050,000**

The weighted average share price at the date of exercise for share options exercised during the year ended 30 June 2011, 2010 and 2009 was $4.53, $2.42 and $0.91 respectively.

The options outstanding at 30 June 2011 had an exercise price ranging from $1.25 to $5.85, and a weighted average remaining contractual life of 2.95 years.

The options outstanding at 30 June 2010 had an exercise price ranging from $0.50 to $3.21, and a weighted average remaining contractual life of 3.39 years.

The options outstanding at 30 June 2009 had an exercise price ranging from $0.30 to $2.50, and a weighted average remaining contractual life of 3.06 years.

Employee expenses

	Note	2011 $	2010 $	2009 $
Share options expense		5,792,434	5,477,921	1,109,097
Total expense recognised as employee costs	4(a)	**5,792,434**	**5,477,921**	**1,109,097**

Terms and conditions of share-option programme

The terms and conditions related to the grants of the share option programme during the Relevant Period are as follows; all options are to be settled by physical delivery of shares.

Grant date/empolyees entitled	Number of instruments	Vesting conditions	Contractual life of options
Option grant to key management personnel (KMP) on 2 July 2007	1,000,000	vest on 2 July 2010	5 years
Option grant to KMP on 6 March 2008	250,000	—	5 years
Option grant to KMP on 14 May 2009	450,000	200,000 on 11 May 2011, and 250,000 on 11 May 2012	4 years
Option grant to KMP on 3 August 2009	450,000	100,000 on 3 August 2010, 150,000 on 3 August 2011, and 200,000 on 3 August 2012	4 years
Option grant to KMP on 12 November 2009	700,000	500,000 vest on 12 November 2010	4 years
Option grant to KMP on 12 November 2009	600,000	—	4 years
Option grant to employees and KMP on 12 November 2009	75,000	—	4 years
Option grant to employees and KMP on 12 November 2009	3,390,000	1,695,000 vest on 1 July 2010, balance on 1 September 2011	4 years
Option grant to KMP on 27 May 2010	1,500,000	750,000 vest on 1 September 2011	4 years
Option grant to KMP on 31 May 2011	100,000	50,000 vest on 1 September 2011	4 years
Option grant to KMP on 31 May 2010	200,000	80,000 vest on 1 September 2011	4 years
Option grant to KMP on 31 May 2010	250,000	—	4 years
Option grant to employee on 31 May 2010	50,000	25,000 vest on 1 September 2011	4 years
Option grant to KMP on 1 September 2010	1,500,000	—	4 years
Option grant to employee on 15 June 2011	450,000	100,000 vest on 17 January 2012, 150,000 vest on 17 January 2013 & 200,000 vest on 17 January 2014	4 years

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered to modified by the issuing entity during the reporting period or the prior period other than where employee options have been exercised utilising the ELS as approved by shareholders at the November 2008 Annual General Meeting. 2,160,000, 5,475,000 and 1,000,000 options were exercised during the years ended 30 June 2011, 2010 and 2009 respectively, utilising the ELS resulting in the issue of 2,160,000, 5,475,000 and 1,000,000 loan shares for the years ended 30 June 2011, 2010 and 2009 respectively. Interest is charged on the loan at statutory rates. Under the terms of the ELS the Company retains security over the Loan shares until the associated loan amount and related interest is repaid. 5,166,112, 5,260,000 and 850,000 loan shares remained under the ELS as at 30 June 2011, 2010 and 2009 respectively. Due to the limited recourse nature of the ELS, the Loan, accrued interest and the Loan shares contribution to equity are not recorded.

For the purposes of IAS 2 Share Based Payments, the ELS are considered, in substance, to provide a modification to the underlying option. As a result IAS 2 requires a valuation of the ELS option compared to the valuation of the underlying share option at the time the ELS was utilised. Any additional fair value associated with the modification is then expensed in the period incurred. During the year ended 30 June 2011, twenty four instances of ELS modifications were identified which provided additional fair value and accordingly an additional expense of $377,865 was recognised. Of this amount $144,260 related to Mr Paterson, $25,235 related to Mr Humphry, $86,375 related to Mr Bartlett and $39,500 related to Mr Greive. During the year 30 June 2010, four instances of ELS modifications were identified which provided additional fair value and accordingly an additional expense of $345,000 was recognised. Of this amount $261,000 related to Mr Richards and $73,000 related to Mr Paterson. During the year ended 30 June 2009 there were no modifications.

15. Provisions

	The Group As at 30 June			The Company As at 30 June		
	2011	2010	2009	2011	2010	2009
	$	$	$	$	$	$
Current						
Employee benefits	318,365	198,980	114,959	310,879	198,980	114,959
Non-current						
Employee benefits	70,141	99,546	50,575	70,141	99,546	50,575
	388,506	**298,526**	**165,534**	**381,020**	**298,526**	**165,534**

16. Other payables

	The Group As at 30 June			The Company As at 30 June		
	2011	2010	2009	2011	2010	2009
	$	$	$	$	$	$
Other payables	3,654,077	2,312,428	3,448,915	307,486	52,958	294,262
Accrued expenses	112,226	1,492,653	177,955	150,974	148,704	28,500
Payables to wholly owned entities — unsecured[1]	—	—	—	767,634	713,857	728,394
	3,766,303	**3,805,081**	**3,626,870**	**1,226,094**	**915,519**	**1,051,156**

1 The loan is unsecured, non-interest bearing and payable on demand.

17. Expenditure commitments

(a) Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	The Group and the Company		
	As at 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
Less than one year	411,856	412,778	387,211
Between one and five years	522,955	1,028,914	1,418,894
	934,811	**1,441,692**	**1,806,105**

The Group and Company have obligations under the terms of the lease of its office premises for a term expiring October 2013 and for office equipment for a term expiring in October 2012.

(b) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration, the Group is required to perform minimum exploration work to meet the minimum expenditure of $1,411,764, $1,269,760 and $675,500 over the next financial year for 2011, 2010 and 2009 respectively.

Exploration expenditure commitments for subsequent years are contingent upon future exploration results. Obligations are subject to change upon expiry of the exploration leases or when application for a mining licence is made and have not been provided for in the Financial Information.

The Company has no exploration commitment.

(c) Joint venture commitments

The Company is involved in a number of Joint Venture arrangements. The Company's share of commitments made by these entities amounts to $820,143, $37,664 and $16,064 as at 30 June 2011, 2010 and 2009 respectively.

18. Related parties

(a) Key management personnel compensation

	Years ended 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
Short-term employee benefits	2,149,526	1,741,618	1,177,066
Post-employment benefits	158,095	147,672	96,067
Share-based payments	4,804,561	5,034,279	1,003,396
	7,112,182	**6,923,569**	**2,276,529**

(b) Key management personnel and director transactions

A number of key management persons, or their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The Group used the services of Ammtec Limited for the provision of metallurgical testwork. Amounts billed were $23,375, $1,156,560 and $800,890 for the years ended 30 June 2011, 2010 and 2009 respectively and were based on normal market rates for such services and were due and payable under normal payment terms. Mr Ross Norgard was a director of Ammtec Limited, until resignation on 5 November 2010.

Brockman Iron used the services of MacMahon Holdings Limited totalling $150,000 during the 2011 financial year for the provision of early contract involvement. As at 30 June 2011, $100,000 was outstanding. For the year ended 30 June 2010, there were no related party transactions with MacMahon Holdings Limited. For the year ended 30 June 2009, MacMahon Holdings Limited was not a related party. Brockman Iron used the services of Toll Holdings Limited totalling $11,535 during the 2011 financial year for the provision of freight services and both were based on normal market rates for such services. For the year ended 30 June 2010, there were no related party transactions with Toll Holdings Limited. For the year ended 30 June 2009, Toll Holdings Limited were not a related party. Mr Barry Cusack is a director of McMahon Holdings Limited and Toll Holdings Limited and was appointed a director of the Company on the 10 June 2010.

(c) Employee Loan Scheme

2,160,000 options, 5,475,000 options and 1,000,000 options were exercised during the years ended 30 June 2011, 2010 and 2009 respectively utilising the ELS resulting in the issue of 2,160,000 loan shares, 5,475,000 loan shares and 1,000,000 loan shares for the years ended 30 June 2011, 2010 and 2009 respectively. Interest was charged on the loan at statutory rates. Under the terms of the ELS the Company retains control of the Loan shares until the associated loan amount and related interest is repaid. There were 5,166,112 loan shares, 5,260,000 loan shares and 850,000 loan shares as at 30 June 2011, 2010 and 2009 respectively. Due to the non-recourse nature of the ELS the loan, accrued interest and the loan shares contribution to equity are not recorded.

(d) Directors' and executive officers' remuneration

Details of the nature and amount of each major element of each director and other key management personnel of the Group are:

		Short-term				Post-employment		Share-based payments			
		Salary & fees	STI cash bonus	Non-monetary benefits	Total	Superannuation benefits	Termination benefits	Options and rights[3]	Total	Value of options as proportion of remuneration	Proportion of remuneration performance related
Non-executive directors											
B Cusack[7]	2011	128,440	—	—	128,440	11,560	—	2,756,700	2,896,700	95%	—
	2010	7,410	—	—	7,410	667	—	—	8,077	—	—
	2009	—	—	—	—	—	—	—	—	—	—
R Norgard	2011	85,000	—	—	85,000	7,650	—	—	92,650	—	—
	2010	60,000	—	—	60,000	5,400	—	—	65,400	—	—
	2009	60,000	—	—	60,000	5,400	—	—	65,400	—	—
R Ashton	2011	70,000	—	—	70,000	6,300	—	—	76,300	—	—
	2010	40,000	—	—	40,000	3,600	—	—	43,600	—	—
	2009	40,000	—	—	40,000	3,600	—	—	43,600	—	—
JD Nixon[5]	2011	70,000	—	—	70,000	6,300	—	269,233	345,533	78%	—
	2010	40,000	—	—	40,000	3,600	—	1,146,221	1,189,821	96%	—
	2009	11,061	—	—	11,061	995	—	—	12,056		
Executive directors											
W Richards	2011	525,000	—	—	525,000	24,988	—	660,065	1,210,053	55%	—
	2010	461,501	—	—	461,501	20,999	—	2,007,613	2,490,113	81%	—
	2009	400,000	—	—	400,000	36,000	—	451,252	887,252	51%	
C Paterson	2011	255,963	—	—	255,963	23,037	—	176,017	455,017	39%	—
	2010	236,697	—	—	236,697	21,303	—	553,643	811,643	68%	—
	2009	200,000	—	—	200,000	18,000		47,147	265,147	18%	—
Executives											
D Humphry[6]	2011	286,250	—	—	286,250	24,999	—	315,684	626,933	50%	—
	2010	229,167	—	—	229,167	20,625	—	229,610	479,402	48%	—
	2009	—	—	—	—	—	—	—	—	—	—
T Robson	2011	137,084	—	—	137,084	—	—	43,454	180,538	24%	—
	2010	100,851	—	—	100,851	—	—	132,496	233,347	57%	—
	2009	109,648	—	—	109,648	—	—	—	109,648	—	—
P Bartlett	2011	373,853	—	—	373,853	33,647	—	324,209	731,709	44%	—
	2010	334,862	—	—	334,862	30,138	—	696,153	1,061,153	66%	—
	2009	321,101	—	—	321,101	28,899	—	475,289	825,289	58%	
J Greive[1]	2011	208,333	—	—	208,333	19,614	9,603	259,199	496,749	52%	—
	2010	250,000	—	—	250,000	22,500	—	257,043	529,543	49%	—
	2009	35,256	—	—	35,256	3,173	—	29,708	68,137	44%	—
TOTAL REMUNERATION	**2011**	**2,139,923**	**—**	**—**	**2,139,923**	**158,095**	**9,603**	**4,804,561**	**7,112,182**	**68%**	**—**
	2010	**1,760,488**	**—**	**—**	**1,760,488**	**128,832**	**—**	**5,022,779**	**6,912,099**	**73%**	**—**
	2009	**1,177,066**	**—**	**—**	**1,177,066**	**96,067**	**—**	**1,003,396**	**2,276,529**	**44%**	

No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Period. No director waived or agreed to waive any emoluments during the Relevant Period.

Notes in relation to the table of directors' and executive officers' remuneration

[1] J Greive was appointed on 11 May 2009 and resigned on 29 April 2011;

[2] Messrs Beckwith and Tee were appointed on 17 June 2011 and will be remunerated at levels commensurate with other non executive directors subject to shareholder approval;

[3] The fair value of the options is calculated at the date of grant using a Binomial pricing model, and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised in this reporting period. Market conditions have been taken into account within the valuation model;

[4] The Wah Nam International Holdings Limited takeover offer during the year ended 30 June 2011 resulted in acceleration of vesting;

[5] Mr Nixon was appointed on 23 March 2009;

[6] Mr Humphry was appointed on 3 August 2009;

[7] Mr Cusack was appointed on 10 June 2010.

(e) Individuals with the highest emoluments

For the years ended 30 June 2011 and 2010, the five individuals with the highest emoluments are disclosed in note 18(d). For the year ended 30 June 2009 of the five individuals with the highest emoluments four are disclosed in note 18(d). The emolument in respect of the other individual is as follows:

	2009
	$
Salary and fees	144,999
Superannuation benefits	13,050
Share-based payment	61,900
Total	**219,949**

No emoluments have been paid to those individuals as inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Period.

19. Investments in subsidiaries

	The Company		
	As at 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
Investment in subsidiaries at cost	981,097	981,097	981,097
Less: Provision for diminution in value of investment	(981,097)	(981,097)	(981,097)
Carrying amount	—	—	—

The Company has direct interests in the following subsidiaries during the relevant periods, all of which are proprietary companies. The particulars of the subsidiaries are set out below:

Name of Company	Place and date incorporation and operation	Registered capital/issued	% of attributable equity interest 30 June			Principal Activities
			2011	2010	2009	
Yilgarn Mining (WA) Pty Ltd	Australia 5 Mar 2002	$1.00	100%	100%	100%	Exploration
Brockman East Pty Ltd	Australia 5 Sept 2002	$1.00	100%	100%	100%	Exploration
Brockman Infrastructure Pty Ltd	Australia 4 Oct 2010	$1.00	100%	—	—	Infrastructure
Brockman Exploration Pty Ltd	Australia 19 Jan 2005	$1.00	100%	100%	100%	Exploration
Brockman Iron Pty Ltd	Australia 14 Nov 2006	$2.00	100%	100%	100%	Evaluation

As at 30 June 2011, the Group's parent entity is Brockman Resources Limited and the Group's ultimate parent entity is Wah Nam International Holdings Limited.

20. Financial instruments — Group

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As at 30 June		
	2011	2010	2009
	$	$	$
Cash and cash equivalents	53,506,681	84,233,523	100,868,784
Other receivables	1,352,478	732,439	1,013,947
Financial assets	—	110,000	—
	54,859,159	85,075,962	101,882,731

Impairment losses

An impairment loss of $110,000 in respect of held-to-maturity investments was recognised during 30 June 2011 and 30 June 2010 an increase in value of the held-to-maturity investment of $5,000 was recorded in the comprehensive income statement. For 30 June 2009 Nil.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at 30 June 2011

	Carrying amount	Contractual cash flows	6 months or less
	$	*$*	*$*
Non-derivative financial liabilities			
Trade and other payables	3,766,303	3,766,303	3,766,303
	3,766,303	3,766,303	3,766,303

As at 30 June 2010

	Carrying amount	Contractual cash flows	6 months or less
	$	*$*	*$*
Non-derivative financial liabilities			
Trade and other payables	3,805,081	3,805,081	3,805,081
	3,805,081	3,805,081	3,805,081

As at 30 June 2009

	Carrying amount	Contractual cash flows	6 months or less
	$	*$*	*$*
Non-derivative financial liabilities			
Trade and other payables	3,626,870	3,626,870	3,626,870
	3,626,870	3,626,870	3,626,870

Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instrument was:

	As at 30 June		
	2011	2010	2009
	$	*$*	*$*
Fixed rate instruments			
Financial assets	49,500,000	82,060,000	99,139,982
Financial liabilities	—	—	—
	49,500,000	82,060,000	99,139,982
Variable rate instruments			
Financial assets	4,006,681	2,173,523	1,728,802
Financial liabilities	—	—	—
	4,006,681	2,173,523	1,728,802

Cash flow sensitivity analysis for variable rate instruments

A change if 100 basis points in interest rates would have increased or decreased profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	The Group Profit or loss	
	100bp increase	**100bp decrease**
	$	*$*
30 June 2011		
Variable rate instruments	40,067	(40,067)
Cash flow sensitivity (net)	**40,067**	**(40,067)**
30 June 2010		
Variable rate instruments	21,735	(21,735)
Cash flow sensitivity (net)	**21,735**	**(21,735)**
30 June 2009		
Variable rate instruments	17,288	(17,288)
Cash flow sensitivity (net)	**17,288**	**(17,288)**

21. Financial instruments — Company

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As at 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
Cash and cash equivalents	52,999,056	84,171,813	100,807,326
Other receivables[1]	707,820	420,673	614,029
	53,706,876	**84,592,486**	**101,421,355**

1 *Includes prepayments*

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

As at 30 June 2011

	Carrying amount	Contractual cash flows	6 months or less
	$	*$*	*$*
Non-derivative financial liabilities			
Trade and other payables	1,226,095	1,226,095	1,226,095
	1,226,095	**1,226,095**	**1,226,095**

As at 30 June 2010

	Carrying amount	Contractual cash flows	6 months or less
	$	*$*	*$*
Non-derivative financial liabilities			
Trade and other payables	915,519	915,519	915,519
	915,519	**915,519**	**915,519**

As at 30 June 2009

	Carrying amount	Contractual cash flows	6 months or less
	$	*$*	*$*
Non-derivative financial liabilities			
Trade and other payables	1,051,151	1,051,151	1,051,151
	1,051,151	**1,051,151**	**1,051,151**

Interest rate risk

At the reporting date the interest rate profile of the Company interest-bearing financial instrument was:

	Carrying amount as at 30 June		
	2011	**2010**	**2009**
	$	*$*	*$*
Fixed rate instruments			
Financial assets	49,500,000	82,000,000	99,139,982
	49,500,000	**82,000,000**	**99,139,982**
Variable rate instruments			
Financial assets	3,499,056	2,171,813	1,667,344
	3,499,056	**2,171,813**	**1,667,344**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have increased or decreased profit and loss by the amounts shown below. This analysis assumes that all other variables remain constants.

	Profit or loss	
	100bp increase	**100bp decrease**
	$	*$*
30 June 2011		
Variable rate instruments	34,991	(34,991)
Cash flow sensitivity (net)	**34,991**	**(34,991)**
30 June 2010		
Variable rate instruments	21,718	(21,718)
Cash flow sensitivity (net)	**21,718**	**(21,718)**
30 June 2009		
Variable rate instruments	16,673	(16,673)
Cash flow sensitivity (net)	**16,673**	**(16,673)**

22. Interest in joint ventures

The Group has an interest in the following Joint Ventures:

Name	**Principal activities**	**Percentage interest**		
		2011	**2010**	**2009**
		%	*%*	*%*
Irwin-Coglia JV[1]	Nickel exploration	40%	40%	40%
North West Infrastructure Pty Ltd[2]	Port and related infrastructure	33.3%	33.3%	33.3%

[1] Irwin-Coglia is an unincorporated joint venture for the purpose of exploration activities and holding of tenement interests. During the years ended 30 June 2011, 2010 and 2009 the Group contributed $36,017, $39,744 and $43,715 respectively cash towards the exploration activities of the Irwin Hills joint venture. All contributions were expensed as incurred in the statement of comprehensive income.

[2] North West Infrastructure Pty Ltd is a joint venture company which is seeking to develop port and related infrastructure on behalf of the North West Infrastructure Group ("NWI") members. The joint venture is a jointly controlled operation and the Group's share of the net assets of the NWI for the year ended 30 June 2011 was $379,767, for the years ended 30 June 2010 and 2009 a different accounting policy was applied. The Group expense their share of Alliance expenditure as incurred as part of exploration expenditure.

23. Immediate and ultimate controlling party

At 30 June 2011, the directors consider the immediate parent and ultimate controlling party of the Group to be Wah Nam International Holdings Limited, which is incorporated in Bermuda.

24. Contingencies

Controlled entities

Native title claims have been made with respect to areas which include tenements in which controlled entities of Brockman Resources haves interests. These controlled entities are unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect them or their projects.

25. Segment information

The Company and its controlled entities have a single operating segment, being iron ore exploration and evaluation of its tenement interests in Western Australia. The Managing Director reviews internal monthly management reports on the consolidated results for the Group as a single reportable segment.

26. Subsequent events

On 16 September 2011, directors Barry Cusack, Ross Ashton, David Nixon and Managing Director Wayne Richards resigned from the Company. On the same date, Messers Peter Luk, Richard Wright and Robert Brierley were appointed as directors.

There has not been any other matter or circumstance, other than that referred to the financial statements, or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

C. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2011.

Yours faithfully,
KPMG
Perth, Western Australia

2. MANAGEMENT DISCUSSION AND ANALYSIS ON THE BRM GROUP

For the year ended 30 June 2009

Business review and financial highlights

During the year ended 30 June 2009, the BRM Group continued exploration and evaluation activities on its mineral tenements within Australia. The main focus of activities was the Marillana Project with a positive pre-feasibility completed post year end.

The BRM Group did not record any revenue for the year ended 30 June 2009 as it was still in the exploration and evaluation stage. During the year ended 30 June 2009, the BRM Group incurred exploration and evaluation expenditure of approximately AUD17.42 million, mainly in relation to the pre-feasibility studies on the Marillana Project.

During the year ended 30 June 2009, the BRM Group recorded (i) general administration expenses of approximately AUD2.78 million which comprised mainly of employment expenses; (ii) share-based payments expenditure of approximately AUD1.11 million in respect of BRM Options granted to the BRM Group's employees; and (iii) interest income from its bank deposits of approximately AUD6.1 million.

Loss attributable to owners of the company for the year ended 30 June 2009 was approximately AUD14.75 million.

Capital structure, liquidity and financial resources

During the year ended 30 June 2009, BRM issued 35,021,820 BRM Shares comprising 32,600,000 BRM Shares pursuant to the second tranche of a placement to international and domestic institutional and sophisticated investors, and 2,421,820 BRM Shares in relation to the exercise of options by employees of the BRM Group, raising total net proceeds of AUD77.8 million and an increase in the employee loan scheme balance from nil to AUD0.4 million.

As at 30 June 2009, the BRM Group's unrestricted cash balance was approximately AUD100.87 million and the BRM Group did not have any borrowings. The BRM Group generally finances its short term funding requirement with cash raised from issuance of shares. The current ratio of the BRM Group for the year ended 30 June 2009 measured at 27.3 times.

During the year ended 30 June 2009, the BRM Group did not engage in the use of any financial instruments for hedging purposes, and there was no outstanding hedging instrument as at 30 June 2009. During the year ended 30 June 2009, the BRM Group was not exposed to fluctuations in exchange rates.

Contingent liabilities

As at 30 June 2009, native title claims were made with respect to areas which include tenements in which the BRM Group have interests. The BRM Group was unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the BRM Group or its projects. Further information in relation to the operation of the Native Title Act 1993 is set out in Appendix VI to this circular.

Human resources

As at 30 June 2009, the BRM Group employed 16 full-time and part-time employees, all of whom were based on Australia. The remuneration of the BRM Group's employees consists of three components: fixed remuneration, short term cash incentives and long term incentive remuneration by the issuance of options under BRM's employee share option plan.

Remuneration levels of the employees of the BRM Group are reviewed annually by BRM's nomination and compensation committee through a process that considers employee performance.

Charge of assets

BRM entered into arrangements with its banker to provide guarantees to the BRM Group's lessor and the Department of Mines and Petroleum. The arrangements were supported by term deposits which are considered restricted cash.

Material investment, acquisitions and disposals

As at 30 June 2009, the BRM Group did not have any significant investments nor did it make any material acquisitions and disposals of subsidiaries and associated companies during the year ended 30 June 2009. As at 30 June 2009, the BRM Group did not have any plans for material investments or capital assets in the year ended 30 June 2010.

Performance and prospect of significant investments of BRM

As at 30 June 2009, BRM did not hold any significant investments. The core business of the BRM Group is exploration and evaluation of its tenements.

For the year ended 30 June 2010

Business review and financial highlights

During the year ended 30 June 2010, the BRM Group continued exploration and evaluation activities on its mineral tenements within Australia. The main focus of activities was the Marillana Project resource development and definitive feasibility study.

The BRM Group did not record any revenue for the year ended 30 June 2010 as it was still in the exploration and evaluation stage. For the year ended 30 June 2010, the BRM Group recorded other income of AUD110,000 relating to a revaluation gain of the BRM Group's investment in the equity of a company listed on ASX, which was revalued to market value as at 30 June 2010.

During the year ended 30 June 2010, the BRM Group incurred exploration and evaluation expenditure of approximately AUD19.94 million, representing an increase of approximately 14.5% from the previous year. The increase was mainly due to moving ahead with the definitive feasibility studies on the Marillana Project and at the same time advancing exploration on the BRM Group's other Pilbara exploration targets.

During the year ended 30 June 2010, the BRM Group recorded general administration expenses of approximately AUD3.35 million, representing an increase of approximately 20.5% from the year ended 30 June 2009. Such increase was mainly attributable to an increase in employment expenses. For the year ended 30 June 2010, share-based payments expenditure increased by close to 4 times to that recorded in the year ended 30 June 2009. The increase was due to additional BRM Options granted to the BRM Group's employees.

The BRM Group recorded interest income from its bank deposits of approximately AUD4.42 million for the year ended 30 June 2010.

Loss attributable to owners of the company for the year ended 30 June 2010 was approximately AUD24.24 million.

Capital structure, liquidity and financial resources

During the year ended 30 June 2010, BRM issued 6,600,000 BRM Shares in relation to the exercise of options by employees of the BRM Group, raising total net proceeds of AUD1.5 million and an increase in the employee loan scheme balance from AUD0.4 million to AUD7.4 million.

As at 30 June 2010, the BRM Group's unrestricted cash balance was approximately AUD84.23 million and the BRM Group did not have any borrowings. The BRM Group generally finances its short term funding requirement with cash raised from issuance of shares. The current ratio of the BRM Group for the year ended 30 June 2010 measured at 21.26 times compared to 27.3 times as at 30 June 2009.

During the year ended 30 June 2010, the BRM Group did not engage in the use of any financial instruments for hedging purposes, and there was no outstanding hedging instrument as at 30 June 2010. During the year ended 30 June 2010, the BRM Group was not exposed to fluctuations in exchange rates.

Contingent liabilities

As at 30 June 2010, native title claims were made with respect to areas which include tenements in which the BRM Group have interests. The BRM Group was unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the BRM Group or its projects. Further information in relation to the operation of the Native Title Act 1993 is set out in Appendix VI to this circular. The Marillana Project is a material project of the BRM Group. The BRM Group has entered into two native title agreements in respect of the Marillana Project, both of which contain clauses whereby the respective native title parties have indemnified BRM against claims for compensation should any new claim be lodged and accepted by National Native Title Tribunal. This helps mitigate the risk of the BRM Group in the case of any new native title claims made against material tenements within the Marillana Project.

Human resources

As at 30 June 2010, the BRM Group employed 13 full-time employees, all of whom were based on Australia. The remuneration of the BRM Group's employees consists of three components: fixed remuneration, short term cash incentives and long term incentive remuneration by the issuance of options under BRM's employee share option plan.

Remuneration levels of the employees of the BRM Group are reviewed annually by BRM's nomination and compensation committee through a process that considers employee performance.

Charge of assets

BRM entered into arrangements with its banker to provide guarantees to the BRM Group's lessor and the Department of Mines and Petroleum. The arrangements were supported by term deposits which are considered restricted cash.

Material investment, acquisitions and disposals

As at 30 June 2010, the BRM Group did not have any significant investments nor did it make any material acquisitions and disposals of subsidiaries and associated companies during the year ended 30 June 2010. As at 30 June 2010, the BRM Group did not have any plans for material investments or capital assets in the year ended 30 June 2011.

Performance and prospect of significant investments of BRM

As at 30 June 2010, BRM did not hold any significant investments. The core business of the BRM Group is exploration and evaluation of its tenements.

For the year ended 30 June 2011

Business review and financial highlights

During the year ended 30 June 2011, the BRM Group continued exploration and evaluation on its mineral tenements within Australia. The main focus of activities was the finalisation of the definitive feasibility study, progress of approvals and front end engineering and design for the Marillana Project.

The BRM Group did not record any revenue for the year ended 30 June 2011 as it has not commenced production and is still in the exploration and evaluation stage. For the year ended 30 June 2011, the BRM Group recorded other income of AUD118,250, representing an increase of 7.5% from AUD110,000 recorded in the year ended 30 June 2010. Other income for the year ended 30 June 2011 related mainly to gain on disposal of investments and proceeds from a government grant.

During the year ended 30 June 2011, the BRM Group incurred exploration and evaluation expenditure of approximately AUD32.98 million, representing an increase of 65.4% from approximately AUD19.94 million recorded in the year ended 30

June 2010. During the year ended 30 June 2011 the BRM Group's focus was on completing the definitive feasibility study and then undertaking front end engineering and design for the Marillana Project. In addition, BRM progressed its investment in port studies through the North West Infrastructure. These programs resulted in an increase in exploration and evaluation expenditure for the year ended 30 June 2011.

General administration expenses increased from approximately AUD3.35 million in the year ended 30 June 2010 to approximately AUD6.48 million in the year ended 30 June 2011 representing an increase of approximately 93.4%. The increase was mainly due to additional costs incurred by BRM in response to the BRM Offer launched by the Company.

For the year ended 30 June 2011, the BRM Group recorded share-based payments expenditure of approximately AUD5.79 million, representing an increase of approximately 5.7% from AUD5.48 million recorded in the year ended 30 June 2010. The share-based payments represent the value of the options granted to the key management and other staff members of the BRM Group.

The BRM Group recorded interest income from its bank deposits of approximately AUD4.44 million for the year ended 30 June 2011. For the year ended 30 June 2011, the BRM Group recognised impairment loss on financial assets at fair value through profit or loss of AUD110,000 in respect of its investment in a ASX-listed company which was disposed by BRM during the year ended 30 June 2011.

Loss attributable to owners of the company increased from approximately AUD24.24 million recorded in the year ended 30 June 2010 to approximately AUD40.81 million for the year ended 30 June 2011.

Capital structure, liquidity and financial resources

During the year ended 30 June 2011, BRM issued 3,315,000 BRM Shares in relation to the exercise of options by employees of the BRM Group, receiving net proceeds of approximately AUD4.7 million and an increase in the employee loan scheme balance from AUD7.4 million to AUD8.6 million.

As at 30 June 2011, the BRM Group's unrestricted cash balance was approximately AUD53.51 million and the BRM Group did not have any borrowings. The BRM Group generally finances its short term funding requirement with cash raised from issuance of shares.

The current ratio of the BRM Group for the year ended 30 June 2011 measured at 13.43 times compared to 21.26 times in the previous year.

During the year ended 30 June 2011, the BRM Group did not engage in the use of any financial instruments for hedging purposes, and there was no outstanding hedging instrument as at 30 June 2011. During the year ended 30 June 2011, the BRM Group was not exposed to fluctuations in exchange rates.

Contingent liabilities

As at 30 June 2011, native title claims were made with respect to areas which include tenements in which the BRM Group have interests. The BRM Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the BRM Group or its projects. Further information in relation to the operation of the Native Title Act 1993 is set out in Appendix VI to this circular. The Marillana Project is a material project of the BRM Group. The BRM Group has entered into two native title agreements in respect of the Marillana Project, both of which contain clauses whereby the respective native title parties have indemnified BRM against claims for compensation should any new claim be lodged and accepted by National Native Title Tribunal. This helps mitigate the risk of the BRM Group in the case of any new native title claims made against material tenements within the Marillana Project.

Human resources

As at 30 June 2011, the BRM Group employed 18 full time employees, all of whom are based in Australia. The remuneration of the BRM Group's employees consists of three components: fixed remuneration, short term cash incentives and long term incentive remuneration by the issuance of options under BRM's employee share option plan.

Remuneration levels of the employees of the BRM Group are reviewed annually by BRM's nomination and compensation committee through a process that considers employee performance.

Charge of assets

BRM entered into arrangements with its banker to provide guarantees to the BRM Group's lessor and the Department of Mines and Petroleum. The arrangements were supported by term deposits which were considered restricted cash.

Material investment, acquisitions and disposals

As at 30 June 2011, the BRM Group did not have any significant investments nor did it make any material acquisitions and disposals of subsidiaries and associated companies during the year ended 30 June 2011. As at 30 June 2011, the BRM Group did not have any plans for material investments or capital assets in the year ending 30 June 2012.

Performance and prospect of significant investments of BRM

As at 30 June 2011, BRM did not hold any significant investments. The core business of the BRM Group is exploration and evaluation of its tenements.

INTRODUCTION

The unaudited pro forma consolidated statement of assets and liabilities of the Group as at 30 June 2011 and the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group (collectively, the "Unaudited Pro Forma Financial Information") have been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the financial impact of the acquisition of the remaining 44.67% equity interest in Brockman Resources Limited ("BRM") and its subsidiaries (collectively referred to as the "BRM Group") (the "Acquisition") on the Group as if the Acquisition had taken place on 30 June 2011.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Acquisition been completed as at 30 June 2011, or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

(I) Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Group

	The Group as at 30 June 2011	Pro forma adjustments			The Group Pro forma as at 30 June 2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Non-current assets					
Mining right	865,795				865,795
Property, plant and equipment	98,568				98,568
Goodwill	11,405				11,405
Intangible assets	6,050,443				6,050,443
Available-for-sale investments	307,987				307,987
Investment in subsidiaries	—	1,564,105	(1,564,105)		—
Other non-current assets	12,130				12,130
	7,346,328				7,346,328
Current assets					
Inventories	15,333				15,333
Trade receivables	25,285				25,285
Other receivables, deposits and prepayments	22,714				22,714
Amount due from a related party	1,156				1,156
Restricted cash	5,200				5,200
Cash and cash equivalents	565,110	(188,696)			376,414
	634,798				446,102
Current liabilities					
Trade payables	(8,421)				(8,421)
Other payables and accrued charges	(84,663)			(136,000)	(220,663)
Amounts due to related companies	(10,005)				(10,005)
Bank borrowings due within one year	(42,411)				(42,411)
Obligations under finance leases	(3,453)				(3,453)
	(148,953)				(284,953)
Net current assets	485,845				161,149
Total assets less current liabilities	7,832,173				7,507,477

	The Group as at 30 June 2011	Pro forma adjustments			The Group Pro forma as at 30 June 2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Capital and reserves					
Share capital	(535,542)	(209,171)			(744,713)
Reserves	(3,268,639)	(1,130,728)	(516,146)	136,000	(4,779,513)
Equity attributable to the equity holders of the Company	(3,804,181)				(5,524,226)
Non-controlling interest	(2,164,003)		2,080,251		(83,752)
Total equity	(5,968,184)				(5,607,978)
Non-current liabilities					
Obligations under finance leases	(8,636)				(8,636)
Convertible bonds	—	(35,510)			(35,510)
Amount due to a related party	(33,096)				(33,096)
Deferred income tax liabilities	(1,821,171)				(1,821,171)
Provisions	(1,086)				(1,086)
	(1,863,989)				(1,899,499)
	(7,832,173)				(7,507,477)

(II) Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Liabilities of the Group

The statement of adjusted consolidated net tangible liabilities of the Group before completion of the Acquisition is compiled based on the unaudited condensed consolidated balance sheet of the Group as at 30 June 2011 as extracted from the interim report of the Company for the six months ended 30 June 2011. The unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group after completion of the Acquisition is compiled based on the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 30 June 2011 as set out in this Appendix:

	Unaudited consolidated net tangible liabilities of the Group as at 30 June 2011	**Unaudited consolidated net tangible liabilities of the Group per Share as at 30 June 2011**	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group as at 30 June 2011**	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group per Share as at 30 June 2011**
	HK$'000	*HK cents*	*HK$'000*	*HK cents*
	(Note 6)	*(Note 7)*	*(Note 8)*	*(Note 9)*
Net tangible liabilities attributable to the equity holders of the Company	(338,802)	(6.33)	(1,316,838)	(17.68)

Notes:

1. The balances are extracted from the unaudited condensed consolidated balance sheet of the Group as at 30 June 2011, as set out in the interim report of the Company for the six months ended 30 June 2011.

2. The adjustment represents the fair value of the consideration of HK$1,564,105,000 for the Acquisition, comprising:

   (i) the issuance of 1,179,715,000 new ordinary shares of the Company at a price of HK$0.67 per share of HK$790,409,000 for acquiring the remaining 44.67% BRM shares in issue and the shares to be issued as a result of the exercise of 850,000 BRM options. The remaining 4,050,000 BRM options are assumed not to be exercised based on the closing share price of BRM, A$2.26 as at 9 December 2011. The fair value of the consideration is determined by the closing share price of the Company, HK$0.67 as at 9 December 2011. Had the share price of the Company as at the completion date of the Acquisition been adopted, the fair value of the total consideration may be different from the amount presented above;

(ii) the proceeds from the issuance of 555,100,000 new ordinary shares of the Company of HK$333,060,000. Pursuant to the Subscription Agreement dated 12 December 2011 entered into between the Company and the Subscriber, the Company has agreed to issue and the Subscriber agreed to subscribe for, among others, 555,100,000 Subscription Shares at a price of HK$0.60 per Subscription Share;

(iii) the proceeds from the issuance of 130,000,000 new ordinary shares of the Company of HK$78,000,000. Pursuant to the Underwriting Agreement dated 12 December 2011 entered into between the Company and the Placing Agent, the Placing Agent agreed to procure, on a fully underwritten basis, Placees for 130,000,000 Placing Shares at a price of HK$0.60 per Placing Share;

(iv) the issuance of convertible bonds in the principal amount of HK$173,940,000 by the Company pursuant to the Subscription Agreement, the fair value of which is also HK$173,940,000. According to the Terms of Subscription Agreement, part of the convertible bonds of HK$136,140,000 is recognised as share issue, assuming the shares to be issued based on notes 2(i), (ii) and (iii) upon the completion of the Acquisition. In respect of the remaining convertible bonds, the estimated fair value of the liability component of the convertible bond, based on a valuation determined using the effective interest method as of 12 December 2011 is HK$35,510,000. The excess of proceeds over the amount initially recognised as the liability component, HK$2,290,000 is recognised as the equity component; and

(v) the cash portion of the Acquisition of HK$188,696,000 paid out by internal resources.

3. The adjustment in non-controlling interests of approximately HK$2,080,251,000 represents the increase in the share of net assets of BRM attributable to the equity holders of the Company.

The adjustment in the reserve of approximately of HK$516,146,000 attributable to the equity holders of the Company, represents the difference between the consideration of approximately HK$1,564,105,000 and the increase in the share of net assets of BRM attributable to the Company of approximately HK$2,080,251,000.

4. The adjustment represents the recognition of transaction costs related to the Acquisition of approximately HK$21,098,000 and the estimated amount of Western Australian stamp duty of approximately HK$114,902,000. The Western Australian stamp duty is assessed when the Company effectively acquires 90% or more of the shares in BRM. However, the estimated amount of the stamp duty for the purpose of this Unaudited Pro Forma Financial Information is based on a number of assumptions and estimates which may be subject to change in the future. In the absence of a full assessment of the valuation of the assets of BRM, the Directors consider that it is difficult to accurately determine the stamp duty that would be payable by the Group, and it does not represent any agreement of the Directors of the Company that such amount is the actual tax payable in the future.

5. For the purpose of preparing the unaudited pro forma consolidated statements assets and liabilities of the Group, the translation of AUD into HK$ was made at the rate of AUD1 to HK$7.87 as of 9 December 2011.

6. The unaudited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2011 of HK$338,802,000 is derived from the unaudited condensed consolidated balance sheet of the Group as set out in the interim report of the Company as of 30 June 2011, which is based on the unaudited consolidated net assets of the Group attributable to the equity holders of the Company as at 30 June 2011 of HK$3,804,181,000 with an adjustment for intangible assets as at 30 June 2011 of HK$4,142,983,000 comprising approximately HK$11,405,000 for goodwill of the Group, approximately HK$779,216,000 for

controlling interests' proportionate share (90%) of mining right of the Group, approximately HK$3,341,947,000 for controlling interests' proportionate share (55.33%) of intangible assets arising from the acquisition of BRM completed in June 2011 and approximately HK$10,415,000 intangible asset arising from the acquisition of Perryville Group Limited in 2007.

7. The unaudited consolidated net tangible liabilities of the Group per Share as at 30 June 2011 is determined based on 5,355,416,000 shares issued and outstanding as at 30 June 2011.

8. The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2011 of HK$1,316,838,000 is derived from the unaudited pro forma consolidated statement of assets and liabilities of the Group as set out in section I of this appendix, which is based on the unaudited pro forma adjusted consolidated net assets of the Group attributable to the equity holders of the Company as at 30 June 2011 of HK$5,524,226,000 with an adjustment for intangible assets as at 30 June 2011 of HK$6,841,064,000. The adjustment for intangible assets comprises approximately HK$11,405,000 for goodwill of the Group, approximately HK$779,216,000 for controlling interests' proportionate share (90%) of mining right of the Group and approximately HK$6,050,443,000 for the intangible assets of the Group.

9. The unaudited pro forma adjusted consolidated net tangible liabilities of the Group per Share as at 30 June 2011 is determined based on 7,447,131,000 Shares assumed to be issued and outstanding as at 30 June 2011, representing 5,355,416,000 existing Shares and 2,091,715,000 new ordinary shares to be issued pursuant to the Acquisition.

10. For the purpose of this Unaudited Pro Forma Financial Information, the Company has ensured the steps taken on the assessment of impairment on property, plant and equipment, intangible assets and goodwill has been properly performed in accordance with International Accounting Standard 36 "Impairment of Assets" which is consistent with the accounting policy of the Company. On that basis, the Directors concluded that no impairment in the value of property, plant & equipment, intangible assets and goodwill is considered necessary.

11. Other than the above adjustments, no other adjustment has been made to reflect any trading result or other transaction of the Group (including the BRM Group) entered into subsequent to 30 June 2011, including the disposals of available-for-sale investments in FerrAus Limited ("FerrAus") and Atlas Iron Limited ("Atlas"). WN Australia has disposed of 40,934,400 shares in FerrAus held in exchange for 10,234,000 shares in Atlas pursuant to the acceptance of the takeover offer by Atlas. Based on the closing price of the shares of Atlas of A$3.62 per share as well as the closing price of the shares of FerrAus of A$0.89 on 20 September 2011 (i.e. date of acceptance of the takeover offer by Atlas), a net gain of approximately HK$54,310,000 comprising the gain on disposal of the available-for-sale investment in FerrAus and the release of the available-for-sale investment reserve has been therefore recognised. Subsequently the Atlas shares received under the acceptance of the offer were disposed of and a loss on disposal of HK$37,182,000 was recognised.

(III) Accountant's Report on Unaudited Pro Forma Financial Information

The following is the text of a report received for PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

Accountant's Report on Unaudited Pro Forma Financial Information of the Group
To the directors of Wah Nam International Holdings Limited

We report on the unaudited pro forma financial information set out on pages III-1 to III-6 under the heading of "Unaudited Pro Forma Financial Information" (the "Unaudited Pro Forma Financial Information") in Appendix III of the circular dated 15 December 2011 (the "Circular") of Wah Nam International Holdings Limited (the "Company"), in connection with the acquisition of the remaining 44.67% equity interest in Brockman Resources Limited (the "Acquisition") by the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Transaction might have affected the relevant financial information of the Company and its subsidiaries (hereinafter collectively referred to as the "Group"). The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages III-1 to III-6 of the Circular.

Respective Responsibilities of Directors of the Company and the Reporting Accountant

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F:+852 2810 9888, www.pwchk.com

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unaudited condensed consolidated balance sheet of the Group as at 30 June 2011 as set out in the "Unaudited Pro forma Financial Information" section of this circular with the unaudited condensed consolidated balance sheet of the Group as at 30 June 2011 as set out in the 2011 interim report of the Company, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2011 or any future date.

Opinion

In our opinion:

a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 15 December 2011

The following is the text of the report from Mr. Malcolm Castle, a competent person, for the purpose of Chapter 18 of the Listing Rules and incorporation in this circular.

Malcolm Castle
Consulting Geologist
P.O. Box 473, South Perth, WA 6951
Phone: 08 9474 9351
Mobile: 04 1234 7511
Email: mcastle@castleconsulting.com.au
ABN: 84 274 218 871

31 July 2011

The Directors
Wah Nam International Holdings Limited
Room 2805, 28th Floor
West Tower Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan
Hong Kong
China

Dear Sirs,

Re: INDEPENDENT GEOLOGIST'S REPORT ON IRON ORE PROJECTS HELD BY BROCKMAN RESOURCES LIMITED IN WESTERN AUSTRALIA

I have been commissioned to provide an independent technical report on the projects of Brockman Resources Limited in Western Australia ("Report").

The Properties

Brockman Resources Limited has been exploring for iron ore in the Hamersley Iron Province of Western Australia since 2006. This work has resulted in the discovery of several iron ore deposits, one of which, the Marillana project, is approaching final mine planning. The other projects are: Duck Creek, West Hamersley, Mt Stuart, Opthalmia, and Mt Florance.

DECLARATIONS

Relevant codes and guidelines

This Report has been prepared as a technical assessment in accordance with the *"Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports"* (the "VALMIN Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the ASX Limited ("ASX") which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112).

Where and if mineral resources have been referred to in this Report, the classifications are consistent with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the "JORC Code"), prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia, effective December 2004.

Where assay values for rock chip samples and drill intercepts are quoted they represent the best results from a series of lower grade values. They should not be taken to represent the average grade of the samples unless otherwise stated.

Under the definition provided by the ASX and in the VALMIN Code, the Projects are classified as "exploration projects", which are inherently speculative in nature. The Projects are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the exploration and development programs proposed by the Company.

Sources of Information

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by the title holders, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. I have endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

In compiling this Report, I did not carry out a site visit to any of the Project areas. Based on my professional knowledge and experience and the availability of extensive databases and technical reports made available by various Government Agencies, I considered that sufficient current information was available to allow an informed appraisal to be made without such a visit.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given for the distribution of this Report in the form and context in which it appears. I have no reason to doubt the authenticity or substance of the information provided.

Qualifications and Experience

The person responsible for the preparation of this Report is:

Malcolm Castle, B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM.

Malcolm Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company 20 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical Audits in many countries.

Mr. Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc. (Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Mr. Castle is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and has the appropriate relevant qualifications, experience, competence and independence to be considered as an "Expert" and "Competent Person" the Australian Valmin and JORC Codes, respectively.

Independence

I am not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the Projects or the Company. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully

Malcolm Castle

B.Sc.(Hons), MAusIMM, GCertAppFin (Sec Inst)

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INTRODUCTION

Brockman Resources Limited has been exploring for iron ore in the Hamersley Iron Province of Western Australia since 2006. This work has resulted in the discovery of several iron ore deposits, one of which, the Marillana project, is approaching final mine planning. The other projects are: Duck Creek, West Hamersley, Mt Stuart, Opthalmia, and Mt Florance.

The location of Brockman Resources projects are shown in Fig 1.

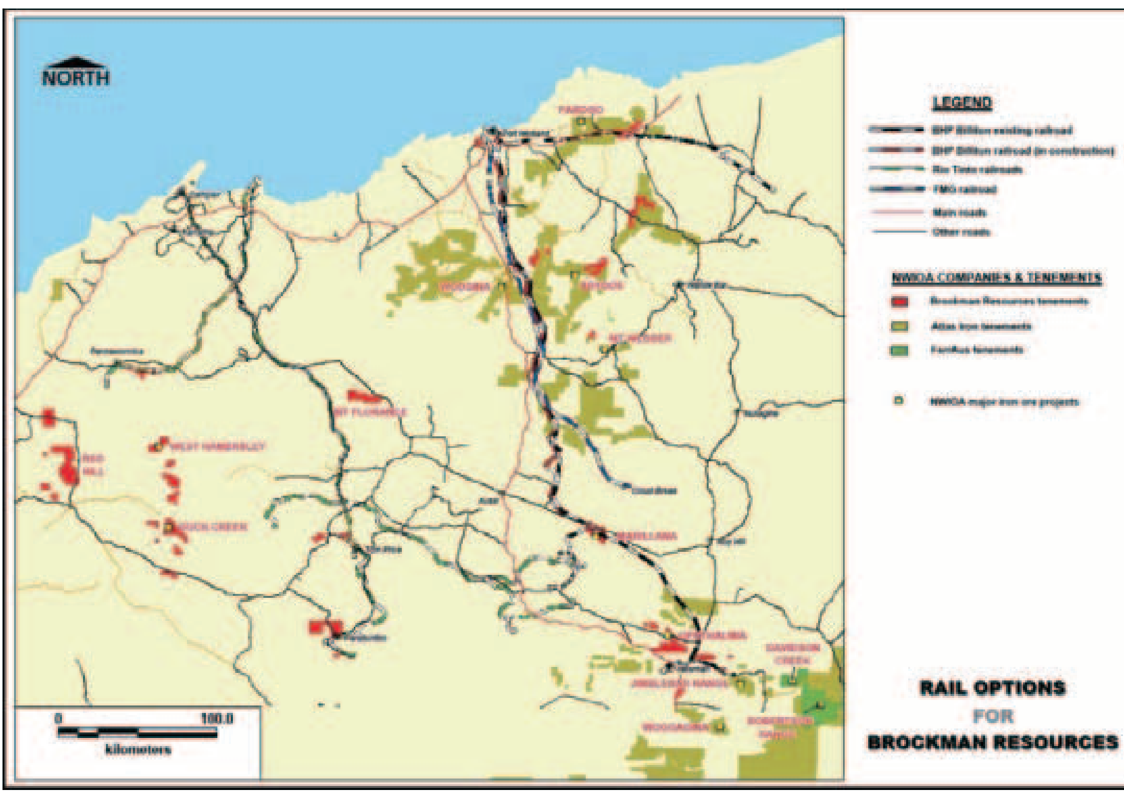


Fig. 1 Location of Brockman Resources projects in Hamersley Iron Province

THE HAMERSLEY IRON PROVINCE GEOLOGY AND IRON ORE DEPOSITS

The main iron ores of the Hamersley province are hosted within the Archaean to PaleoProterozoic volcanic and sedimentary sequence the Mount Bruce Supergroup. It rests unconformably on granitoids and greenstones of the Archaean Pilbara Block in the far north-west of the state of Western Australia, and is overlain by the Wyloo Group sediments which comprise the remainder of the Hamersley province sequence.

The Mount Bruce Supergroup is in turn sub-divided into three Groups. The lowermost of these, the Fortescue Group, commences with an early phase of clastic sediments and mafic volcanism in localised grabens (the Bellary Formation), followed by extensive sandstones and conglomerates (the 500 to 2,000m thick Hardy Sandstone) which thicken markedly from north to south, with near 50% of the thickness in the south being mafic sills. These sediments are unconformably overlain by the volcanics and sediments of the Mt Jope Volcanics, with similar thickness and mafic sill percentage increases from north to south. The uppermost unit is the 100 to 150m thick organic and sulphide rich fine clastics of the Jeerinah Formation, with mafic volcanics and sills increasing southwards. The Fortescue Group is conformably overlain by the 2,500m thick Hamersley Group which hosts most of the main iron ore deposits of the Pilbara area of Western Australia. It is characterised by 1,000m of laterally extensive banded iron formation representing three major episodes.

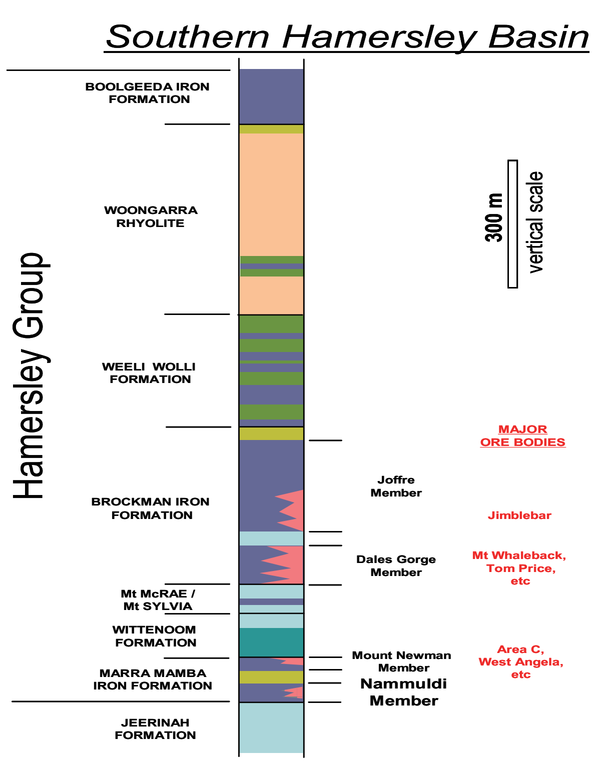
The basal Marra Mamba Formation and the medial Brockman Iron Formations are separated by the carbonate, shale and minor chert of the Wittenoom, Mount Sylvia and Mount McRae Shale Formations. This passive sequence is followed after the Brockman Iron Formation by the third phase of iron formation deposition (the Weeli Wolli Iron Formation) which was accompanied by intense bimodal volcanism and mafic sills (which locally account for up to 80% of the sequence), overlain by the felsic volcanics of the Woongarra Formation. Thickness variations in the Hamersley Group are only minor.

The Turee Creek Group is the youngest unit of the Mt Bruce Supergroup. The uppermost unit of the Hamersley Group, the Boolgeeda Iron Formation passes conformably upwards into the thick basal Kungarra Shale of the 3,000 to 5,000m thick Turee Creek Group which is basically a coarsening upwards clastic sequence in a choked basin — marking a major change from the starved basin of the Hamersley Group. The southern half of the Hamersley Group was deformed by the Ophthalmia orogeny into an east west trending fold belt that decreases in intensity to the north and records north-south compression. The top of the Mount Bruce Supergroup is separated from the overlying Lower Wyloo Group Beasley River Quartzites by a first order unconformity. The basal conglomerate includes clasts of Hamersley Group banded iron formations and very rare hematite. These coarse sediments pass upwards into finer clastics and mafic volcanics to the 2,000m thick Cheela Springs Basalt which are followed by dolomites to the west, but are cut by the major unconformity that separates the Lower and Upper Wyloo Groups which cuts down as far as the Fortescue Group. A generation of NW trending folds developed at the close of the Lower Wyloo Group interacted with the Ophthalmia orogeny structures to form a series of domes and basins.

The Upper Wyloo Group was deposited above a major unconformity. It was formed in an extensional basin and comprises up to 12km of sediments which are overlain to the south by the poorly sorted clastics of the Ashburton Formation which includes bimodal volcanics. The Upper Wyloo Group was terminated at the time of the intrusion of the Boolaloo Granite.

Ores mined in the Hamersley province may be divided into enriched, bedded ores and goethitic pisolitic accumulations within extensive palaeo-channels tens of kilometres in length, now largely preserved as mesas. The bedded ores are sub-divided into extensive flat lying martite-goethite ores developed from both Marra Mamba and Brockman Iron Formations by deep supergene enrichment of precursor banded iron formations, and high grade hematite, often with martite and microplaty hematite, but little goethite, and usually developed within the Brockman Iron Formation. The latter commonly occur to much greater depths (to more than 400m) and account for the largest high grade deposits of the province, including Mt Tom Price and Mt Whaleback.

STRATIGRAPHIC COLUMN OF THE WESTERN PILBARA AREA



Top

Tertiary Sediments

- various alluvial and colluvial deposits
- CID (channel iron deposits) ***(Fe mineralisation)***

Proterozoic Sediments

Wyloo Group

- Ashburton Formation
- Duck Creek Dolomite
- Mt McGrath Beds
- Beasley River Quartzite
- Turee Creek Formation

Hamersley Group

- Boolgeeda Iron Formation
- Woongarra Formation
- Weeli Wolli Iron Formation
- Brockman Iron Formation
  - Yandicoogina Shale Member
  - Joffre Member ***(Fe mineralisation)***
  - Whaleback Member
  - Dales Gorge Member ***(Fe mineralisation)***
- Mt McRae Shale
- Mt Sylvia Formation
- Wittenoom Formation
  - Bee George Member
  - Paraburdoo Member
  - West Angeles Member
- Marra Mamba Iron Formation
  - Mt Newman Member ***(Fe mineralisation)***
  - MacLeod Member
  - Nammuldi Member ***(Fe mineralisation)***

Fortescue Group

- Jeerinah Formation
- Mt Jope Volcanics
- Hardey Sandstone
- Bellary Formation

Base

IRON ORE DEPOSIT TYPES IN THE WESTERN PILBARA

Where Banded Iron Formation (BIF) has been enriched by natural processes, these zones can become Bedded Iron Deposits. Many of the commercially important iron ore deposits in the Pilbara were formed by natural enrichment of BIF. These enriched deposits include the commercially viable ores in the Brockman and Marra Mamba Iron Formations.

The BIF in the Brockman and Marra Mamba Iron Formations was enriched to a high degree forming ore grade ore with more than 60 per cent iron. The natural processes that accomplished this (hypogene and supergene enrichment) involved circulating ground waters. Non-iron minerals in the BIF were largely replaced by hydrous iron oxides (notably goethite) and partly dissolved out. At the same time, magnetite in the BIF oxidised to hematite. Favourable climate and geological structures (folds and faults) stimulated the process. Sedimentary rocks that were interspersed with the BIF became shales.

In the Pilbara, other types of ore deposit exist, notably channel iron deposits, but these are derived from the original bedded iron formations. Detrital deposits are also formed as scree deposits.

BROCKMAN FORMATION DEPOSITS IN THE WEST PILBARA

The Brockman Iron Deposits have four parts: the lower most Dales Gorge Member, the Whaleback Shale Member, Joffre Member, and the uppermost Yandicoogina Shale Member. Brockman ore is mostly in the Dales Gorge and Joffre Members within the Brockman Iron Formation.

The Brockman Iron Formation overlies the McRae Shale (also of the Hamersley Group), the uppermost member of which — the Colonial Chert — also contains some ore enrichment. The Brockman commences with the Dales Gorge Member, the main horizon containing extensive high grade hematite ore. It is an alternating assemblage of 17 BIF and

16 shale macro-bands. The shale macro-bands are each 0.1 to 2m thick, and the BIF bands 1 to 7m. This member is approximately 65m thick, but is up to 135m thick where not enriched.

The Dales Gorge Member is overlain by the Whaleback Shale Member which forms the hangingwall of the main ore horizon. It is locally split into three zones, namely the 6 to 8m thick basal shale, the 2 to 7.5m central chert and the 12 to 25m thick upper shale. The basal shale contains five alternating shale, cherty BIF macro-bands, the lower of which is commonly enriched and included in the orebody. The central chert is not usually enriched, but is strongly contorted, while the upper shale contains numerous chert bands and has a gradational contact with the overlying Joffre Member.

The Joffre Member is approximately 240m thick and comprises mainly BIF with only minor thin shale interbeds, with regular macro-banding being absent. It is the host for some hematite enrichment, and at depth this ore is indistinguishable from that of the Dales Gorge Member. In general the ores in this member are more goethitic and softer.

Brockman Iron Deposits typically have hematite as the dominant iron mineral. Brockman deposits also have goethite in varying amounts and have varying phosphorus content and physical characteristics.

The variation exhibited by Brockman deposits is a result of different degrees of dehydration of goethite to microplaty haematite which also affects the amount of residual phosphorus content.

Brockman deposits range from blue grey in colour for deposits with the greatest degree of dehydration to grey-yellow-brown for deposit with higher amounts of goethite and less dehydration.

BROCKMAN DEPOSIT (RIO TINTO GROUP)

The Brockman operation, which commenced production in 1992 is located 60km north-west of Mt Tom Price and around 250km SSW of its export port of Dampier. The mine is owned and operated by the Rio Tinto Group company Hamersley Iron Pty Ltd.

The operation commenced mining the high grade Brockman detrital iron deposits adjacent to the Brockman No. 2 in 1992 and was completed in 1998. Operations then shifted to the Brockman No. 2 bedded iron deposit which is hosted by the Dales Gorge Member of the

Brockman Iron Formation. The reserve in 2001 was stated at 30Mt at a grade of 62.86% Fe, 2.59% SiO_2, 1.86% Al_2O_3, 0.128% P, 0.037% Mn, 5.08% LOI. The adjacent Nammuldi Marra Mamba deposit has developed a resource of 330 Mt @ 62.5% Fe.

MT TOM PRICE DEPOSIT (RIO TINTO GROUP)

The Mount Tom Price mine, which commenced production in 1965 is located 210km WNW of Newman and 260km SSW of its export port of Dampier. It is owned and operated by the Rio Tinto Group company Hamersley Iron Pty Ltd. The orebody at Mount Tom Price originally contained the second largest known accumulation of high grade hematite in the Hamersley province and occurs near the keel of the large Turner Syncline, close to its eastern extremity. The initial reserve totalled around 900Mt @ 64% Fe with a high lump to fines ratio, and low impurities. The impurity content of the high grade ore reserve in 1990 was 0.053% P, 3.5% SiO_2 and 1.9% Al_2O_3. The deposit is some 7.5km long and up to 1.6km wide, but averages 0.6km, occupying two local synclines and part of the intervening anticline. These early folds have been subjected to later cross folding producing an en echelon pattern, while two south dipping normal faults parallel and in part limit the ore. The base of the northern syncline is higher than that of the southern giving an overall southerly dip and apparent thickness of 150m, extending to a depth of 250m below surface.

The orebody is composed mainly of hematite within the Brockman Iron Formation, with the majority of the ore associated with the Dales Gorge and underlying Colonial Chert Members. The deepest drilling at the mine is generally to the top of the Marra Mamba Iron Formation which is overlain by the 150m thick Paraburdoo Member (the carbonate unit of the Wittenoom Formation), that passes up into the shaly 157m thick Bee Gorge Member, followed by the 30 to 40m thick cherty Mount Sylvia Formation. The overlying 50m thick Mount McRae Shale is composed of black pyritic shale, capped by the uppermost unit of the Wittenoom Formation, a 12m thick chert band, the Colonial Chert Member.

The Colonial Chert is followed by the 150m thick basal Dales Gorge Member of the Brockman Iron Formation, comprising 17 alternations of BIF and shale. These have been grouped into 3 sub-units on the basis of shale content. The lowest, DG1, and uppermost DG3 have 6% and 7% shale respectively, while the intervening DG2 has 31%. The Dales Gorge is overlain by the 50m thick Whaleback Shale Member composed of green to black shale and chert, which is in turn followed by a 360m thick BIF unit with only minor shale, the Joffre Member.

90% of the ore at Mount Tom Price is within the Dales Gorge Member, with local enrichment in the Joffre Member where it is in fault contact with mineralised Dales Gorge. The remainder of the ore is in the Colonial Chert and Whaleback Shale Members. Primary Dales Gorge Member BIFs away from any enrichment are dominated by chert and magnetite, accompanied by variable, but lesser hematite, carbonate and Fe-silicates. The high grade mineable reserves at Mount Tom Price are present as hematite ore which preserves the meso- and micro-banding of the original BIF, is characteristically porous (averaging 30% porosity), has a high lump yield and low contaminants. In places the porous ore alternates with dense bright metallic lustre hematite with only around 4% porosity to produce a defined banding. It is essentially composed of randomly oriented fine grained platy hematite and martite with individual plates being 0.001 to 0.25mm across. Fusing of these micro-plates, gives the lump ore its character. Ultra-fine earthy hematite filling the voids is generally less than 5%. Shale macro-bands within the orebody have been partially replaced by iron oxides and at times may exceed 50% Fe.

The orebody was capped by a variable layer of low grade hydrated material, predominantly goethite, averaging 18m in thickness, but down to 50m in synclinal troughs. It has an irregular and patchy distribution controlled by fractures and joints, etc. Minor deposits of "canga" — 1 to 20cm fragments of hematite and/or BIF cemented by goethite — occur as scree deposits and hillside wash in streams.

PARABURDOO DEPOSIT (RIO TINTO GROUP)

The Paraburdoo operation, which commenced production in 1972 is located 65km south of Mt Tom Price and around 320km SSW of its export port of Dampier. The mine is owned and operated by the Rio Tinto Group company Hamersley Iron Pty Ltd.

Enrichment to ore grade is developed in both the Dales Gorge and Joffre Member of the Brockman Iron Formation forming two lenticular hematite masses separated by a thinner low grade zone corresponding to the intervening Whaleback Shale Member. About half of the ore is within the Joffre Member. The orebodies now lie entirely within the Tertiary weathering profile.

The main deposit is divided by a creek valley into two sections, 4 West and 4 East. It lies within a locally flattened near surface part of the steeply south dipping Brockman Iron Formation sequence.

Hematite is the dominant iron mineral in the high grade zones with subsidiary goethite and limonite. This ore is very similar to that at Mt Tom Price. The hematite ore is blue-grey, massive to porous and mostly micro-platy. Goethite associated with the hematite is dense, while massive, vitreous and porous cellular types are found closer to the surface. The amount of goethite decreases with depth and the hematite becomes more porous suggesting the goethite is a Tertiary weathering product.

Pre-mining in 1972, the reserve was 300Mt @ 63% Fe, 0.088% P, 3.8% SiO_2, 2.1% Al_2O_3. In 1975 the total potential was quoted at 700Mt of +60% Fe, composed of 411Mt of proven ore at 63.6% Fe, 0.076% P, 3.1% SiO_2, 2.5% Al_2O_3, 2.8% LOI; 108Mt of drill indicated high grade ore in 3 deposits @ 62.9% Fe, 0.097% P, 3.5% SiO_2, 2.7% Al_2O_3, 3.6% LOI; 181 Mt of indicated high grade ore in 13 deposits with 60 to 62% Fe. The reserve grade in 2001 was 62.42% Fe, 3.77% SiO_2, 2.08% Al_2O_3, 0.113% P, 0.095% Mn, 3.97% LOI. The developed resource in the currently operating Paraburdoo orebodies and Eastern Ranges is 185Mt @ 63% Fe. The Western Range deposits to be developed in coming years have a reported undeveloped resource of 245Mt @ 62.5% Fe.

CHANNAR DEPOSIT (RIO TINTO GROUP)

The Channar operation, which commenced production in 1990, is based on five deposits known collectively as the Channar Mining Area located 20km SE of the Paraburdoo mine and around 320km SSW of its export port of Dampier. Ore is transported to Paraburdoo by conveyor to be loaded for rail transport to the coast. The mine is operated by the Rio Tinto Group company Hamersley Iron Pty Ltd on behalf of the Channar Joint Venture (60% Hamersley Iron and 40% China Iron & Steel Industry & Trade Group).

Enrichment to ore grade is developed in both the Dales Gorge and Joffre Member of the Brockman Iron Formation as well as to a limited extent in the Colonial Chert and Whaleback Shale Members. The Channar Mining Area covers a strike length of approximately 12km, a width of 1 to 2km and maximum depth extent of 150m.

The five deposits comprise Channar, Channar East and 64 East (all of which are Low Phosphorous Brockman microplaty hematite ore with lesser goethite) and 84 East and 94 East (which are High Phosphorous Brockman martite-goethite ores).

Pre-mining in 1990, the measured resource was 290Mt @ 63% Fe, 0.088% P, 3.8% SiO_2, 2.1% Al_2O_3. The reserve grade in 2001 was 62.84% Fe, 4.04% SiO_2, 2.18% Al_2O_3, 0.099% P, 0.098% Mn, 3.39% LOI with a Resource + Reserve of over 200 Mt.

MARRA MAMBA DEPOSITS IN THE WEST PILBARA

The Marra Mamba Iron Formation, particularly in its upper section, is host to major iron deposits in the Hamersley Province. The Formation consists of three Members:

The upper Mount Newman Member (~65m) consists of more typical BIF with interbedded carbonates and shales. Prior to the discovery of the Chichester Range deposits the Mount Newman Member hosted the majority of mineralisation developed in the Formation throughout the Hamersley Province.

The MacLeod Member (~75m) consists of BIF, chert and carbonate with numerous interbedded shales and several prominent podded BIF horizons which provide marker horizons invaluable in field mapping.

The lowermost Nammuldi Member (~80m thick) consists of cherty BIF interbedded with thin shales. It hosts mineralisation in the Chichester Range but is typically unmineralised elsewhere.

There are numerous high grade Marra Mamba Iron Deposits. Marra Mamba deposits all have goethite hematite mineralogy, with a greater proportion of goethite compared to Brockman ores. There is also a range of physical properties exhibited within Marra Mamba deposits.

The iron content of most high grade Marra Mamba ores is about 62 per cent but can vary significantly. Key characteristics of Marra Mamba ores include a lower phosphorus content compared to most Brockman ores and a higher loss on ignition which reflects the different goethite mineralogy exhibited in Marra Mamba deposits compared to Brockman ores. Phosphorus is usually less than 0.07 per cent. Silica and alumina percentages are moderately low. Marra Mamba ores are typically grey-yellow-brown.

WEST ANGELES DEPOSIT (RIO TINTO GROUP)

West Angelas is located 110km west of Newman, 110km south-east of Mt Tom Price and 330km from the coast.

It is one of a number of large Marra Mamba Iron Formation deposits and is composed of a number of zones which in March 2000 comprised probable reserves totalling 440Mt @ 62% Fe, with a further 585Mt @ 61.5% Fe in the indicated + inferred category. These are mainly martite — ochreous goethite ores which carry around 0.065% P, 3.5% SiO_2, 2.2%

Al_2O_3 and 6.5% LOI. The lump to fines ratio of the reserve is 1:2. A production of 7.9Mt was planned or the first year of operation, increasing to around 20Mtpa in year 8.

The two larger orebodies are found in association with synclinal structures on the flanks of the west plunging Wanna Munna Anticline, although other minor deposits located around the anticline do not appear to be related to synclines. Mineralisation is mainly developed in the Mt Newman Member, the uppermost of the Marra Mamba Iron Formation, with minor occurrences in the West Angelas Member at the base of the overlying Wittenoom Dolomite.

The Marra Mamba Iron Formation in this area has been sub-divided into three units, commencing with the basal 135m thick Nammuldi Member comprising cherty BIF interbedded with thin shales, followed by the medial 35m thick MacLeod Member made up of BIF, chert and carbonate with numerous shale interbeds. The uppermost Mount Newman Member hosts most of the mineralisation and is 60m of interbedded BIF with carbonate and shale.

These are conformably overlain by the West Angelas Member, the basal of three recognised packages that make up the Wittenoom Dolomite. This member is 40m thick, composed of shale (often manganiferous), chert and dolomite with minor BIF near its base. The other succeeding members comprise a 150m thick package of crystalline dolomite with minor chert, capped by an alternating shale, dolomite and minor chert package.

The mine is owned and operated by Robe River Iron Associates, an unincorporated joint venture of Rio Tinto Ltd (53%), Mitsui Iron Ore Development Pty Ltd (33%), Nippon Steel Australia Pty Ltd (10.5%) and Sumitomo Metal Australia Pty Ltd (3.5%).

MARANDOO DEPOSIT (RIO TINTO GROUP)

The Marandoo deposit is located 35km to the east of Tom Price and is owned and operated by the Rio Tinto Group company and Hamersley Iron Pty Ltd. The mine was opened in 1994 and produces martite-goethite ore ranging to martite-ochreous goethite from a pre-mining measured resource of 360Mt @ 62.6% Fe with 0.053% P, 2.9% SiO_2, 1.7% Al_2O_3, 0.7% Mn and 4.8% LOI. Manganese oxides, mainly pyrolusite and cryptomelane, occur sporadically through the ore and shales.

The mine produces ore that is mostly confined to the upper 25 to 28m of the 50m thick Mt Newman Member of the Marra Mamba Iron Formation, although at surface the entire member is enriched. The Mt Newman Member is usually composed of interbedded BIF with carbonate and shale. The deposit extends over a length of more than 7km along strike, with a width of 1.6km. The ore is composed of an upper hard band and a lower soft material that must be mined in equal quantities and blended. The orebody is found on the drag folded northern limb of the Milli Milli Anticline, associated with early folds modified by later, open north trending cross-folds. It is intensely deformed in outcrop, with folds becoming more open down dip where strata dip at 3 to 5 degrees north, and plunge gently east with no major faults or shears.

CHICHESTER RANGE DEPOSITS (FORTESCUE METALS GROUP LTD)

The Cloudbreak, Christmas Creek, Mount Nicholas, Mount Lewin and Mindy Mindy iron deposits are located in the ESE elongated Chichester Range in the Pilbara of Western Australia, approximately 250km south to SSE of Port Hedland.

Mineralisation in the Chichester Range is distributed over a strike length of 200km, while the more significant Cloudbreak and Christmas Creek deposits whose centres are approximately 50km apart are in an 80km strike length of the range.

The mineralisation of the Chichester Range is confined to the Nammuldi Member, the lowermost unit of the Marra Mamba Formation, overlying the black shales of the Jeerinah Formation at the top of the Fortescue Group.

The Marra Mamba Formation has been sub-divided into three units, commencing with the basal 135 m thick Nammuldi Member which locally is characterised by extensive, thick and podded iron enriched Banded Iron Formation (BIF) separated by equally extensive units of siliceous and carbonate rich chert and shale. The Nammuldi Member tends to form low, flat topped ridges with relief generally of <30m with a deep weathering profile with no fresh rock evident at surface. The weathering profile comrises Tertiary colluvium containing generally uncemented detrital material derived from BIF, chert and shale with a matrix of fine sediments which has allowed percolation of groundwater and the precipitation of both calcrete and ferricrete which forms local hardcaps.

These basal sediments of the Nammuldi Member are followed by the medial 35m thick MacLeod Member made up of BIF, chert and carbonate with numerous shale interbeds. The uppermost Mount Newman Member comprises 60m of interbedded BIF with carbonate and shale.

Within the Chichester Range, the Nammuldi Member has a very gentle south dip, overprinted by open NE-SW folding and associated faulting. Hypogene enriched microplaty hematite mineralisation is structurally controlled, while supergene enriched mineralisation is very extensively developed as a sheet continuing for kilometres under recent cover. The majority of the mineralisation is typically a mixture of goethite, martite and hematite in varying amounts, similar to other Marra Mamba ores of the Hamersley Basin.

At Christmas Creek and Cloudbreak, in contrast to Mt Nicholas and Mt Lewin, the dip of the Namuldi Member is more gentle, typically at 2 to 5°, exposing the ore over a broader width at shallow depths. Much of the ore is covered by shallow, free digging Cenozoic sediments, up to a few tens of metres in thickness, with the Namuldi Member only having limited direct outcrop. The ore zone varies from 3 to 20m in thickness and is at shallow depths over widths of as much as 4km.

The Mindy Mindy deposit is a Channel Iron Deposit, developed within an ancient riverbed which follows, and passes through the Weeli Wolli Formation higher in the Hamersley Group, although the northern section passes through section of the Brockman Formation. Unlike other Channel iron Deposits of the Hamersley Basin, Mindy Mindy is in topographic lows rather than occurring as mesas.

The reserves in the Chichester Range in 2005 totalled more than 2.3 Gt and included Cloudbreak — 730Mt @ 58.5% Fe, including 293Mt @ 60.4% Fe, Christmas Creek — 1,410Mt @ 58.1% Fe, including 465Mt @ 60.3% Fe, Mt Lewin — 198Mt @ 56.5% Fe, including 48Mt @ 60.5% Fe. The higher grade mineralisation may be represented as follows also Indicated — 322Mt @ 60.2% Fe, 3.39% SiO_2, 2.01% Al_2O_3, 0.051% P, 7.40% LOI. Inferred — 48Mt @ 60.4% Fe, 3.16% SiO_2, 1.92% Al_2O_3, 0.056% P, 7.42% LOI.

These deposits are being developed by Fortescue Metals Group Ltd, who have shipped the first ore in May 2008.

CHANNEL IRON DEPOSITS IN THE WEST PILBARA

The Channel Iron Deposits (CIDs) were formed in ancient meandering river channels. As bedded iron deposits were eroded by weathering, iron particles were concentrated in these river channels. Over time these particles were rimmed with goethite deposited by percolating iron-enriched ground water approximately 15-30 million years ago, which also fused the particles together.

Channel Iron Deposits appear as low flat-topped hills called mesas and have also been located concealed under the cover of more recent rocks. These deposits range in thickness between 5m and 40m thick. This type of deposit is believed to be unique to Western Australia.

CIDs are quite different from bedded ores. Their chief characteristic is their pisolitic "texture": rounded hematitic "pea-stones", 0.1mm to 5mm in diameter, rimmed and cemented by a goethitic matrix. The ore is brown-yellow in colour. They typically contain minor amounts of clay in discrete lenses.

ROBE RIVER, MESA "J" DEPOSITS (RIO TINTO GROUP)

Pisolitic ores have been mined from a number of deposits near Pannawonica by Robe River Associates since 1972. The current long term operation in the district is the Mesa "J" deposit. Pannawonica is 190km NW of Tom Price and 140km SW of its export port at Cape Lambert.

Mineralisation at Robe River consists of a series of mesas, mantled by hard goethitic pisolitic deposits of Tertiary age which occur on either side of the Robe River from Pannawonica Hill in an ESE direction for more than 35km. In general the mesas are from 46 to 62m above the current flood plains of the river and have steep walls from recent erosion. Most of the deposits are unconformably developed above the middle to upper Fortescue Group, particularly the basalts of the Mount Jope Member, although rocks of the Marra Mamba Iron Formation are found in the extreme south-west. The unconformity between the basalts and pisolitic deposits is usually marked by a zone of white to grey kaolinitic clay.

Mesa "J" is the largest of the deposits worked in the district, and is a pisolitic goethite-hematite ore with a grade of 57.2% Fe over a thickness of up to 50m. Overburden consists of thin soil horizons, clay and weathered goethite and sometimes calcrete, colluvium and alluvium which are usually thin but may be up to 15m thick. These are underlain by the main ore zone which is generally 5 to 40m thick. Typically the goethite-hematite pisolitic ore yields grades of 55-59% Fe, 0.04% P, 5-6% SiO_2 and 2.5-3% Al_2O_3. Discontinuous horizontal lenses of clay and claystone occur within the main ore horizon, while clay (alumina contaminant) occurs as an alteration product around joints and fracture. Solution cavities up to several metres across are common, particularly below the water table. The ore zone is usually stratified with a porous pisolitic texture and a dark brown metallic lustre. Lower grade material is usually more friable with a high content of orange/yellow ochreous clay.

The pisolitic ores have a pisolitic to oolitic character. Generally spherulites of oolitic dimensions (ie. less than 2mm in diameter) tend to be of higher grade and more indurated. Those with pisolitic sized concretions and up to 10 mm in diameter are of lower grade and higher in diluent and porosity.

The iron oxides goethite, limonite, hematite and maghemite are mixed in both the pisolites and ground mass. In general pisolites have a hematitic core surrounded by thin concentric concretionary spheres of goethite, hematite and maghemite. Diluents are usually minute particles of silica, generally more abundant in the outer shells. The groundmass consists of colloform isotropic yellow to brown limonite or brownish-black goethite. Minute cavities in more friable ores are often lined with opaline silica.

The Robe River operation currently produces more than 30Mt of ore per annum for export, with a total cumulative production since 1972 of more than 500Mt of sinter fines and lump ore. The mine is owned and operated by Robe River Iron Associates, an unincorporated joint venture of Rio Tinto Ltd (53%), Mitsui Iron Ore Development Pty Ltd (33%), Nippon Steel Australia Pty Ltd (10.5%) and Sumitomo Metal Australia Pty Ltd (3.5%).

YANDICOOGINA DEPOSIT (RIO TINTO GROUP AND BHP BILLITON)

The Yandicoogina deposits of BHP Billiton and Hamersley Iron are located 90km north-west of Newman and 150km east of Marandoo. They are part of a single, continuous, high grade, low phosphorous pisolitic goethite body which is over 80km in length. The deposit averages 500 to 650m in width and is around 70m thick in the channel centre.

Together resources of 4,700Mt have been indicated. In 2000 proven + probable reserves at the BHP Billiton Yandi deposits totalled 817Mt @ 58.4% Fe, while Hamersley Iron had a proven reserve of 310Mt @ 58.5% Fe plus a further 870Mt @ 58% Fe in the indicated and inferred categories. The ores assay approximately 0.05% P, 5% SiO_2, 1.4% Al_2O_3, 10% LOI, with around 65% calcined Fe. BHP Billiton and Hamersley Iron are each mining approximately 15Mtpa from their respective leases to produce low alumina pisolitic goethite-hematite fines ore. 90% of the Hamersley Iron reserves are below the water table and require dewatering before mining.

The deposits infill east-west trending Tertiary palaeo-channels that were incised into shale, dolerite and BIF of the Weeli Wolli Formation in the core of a regional easterly trending syncline which plunges to the east, and exposes broad widths of shallow dipping Brockman Iron Formation on both of its flanks and around the western closure.

The main pisolitic zone is up to 80m thick and overlies a basal gravel bed. The basal gravel is irregular and comprises a cemented gravel of 1 to 2cm hematite pebbles rimmed by black goethite and siliceous cement, varying from 1 to 2, up to 12m in thickness. The pisolitic unit is composed in turn of a 0 to 20m thick basal zone around 300m wide with 45-57% Fe, comprising a pisolitic goethite-ochreous goethite claystone in the channel centres averaging 15m thick, and a massive goethitic clay unit on the lateral margins and the overlying main pisolitic zone, or ore zone, which is 40 to 70m thick and from 400 to 1,100m wide with average grades of 56-59% Fe.

The basal and main ore zones are separated by a 1 to 5m thick band that varies from clay to clay matrix conglomerate to a massive banded vitreous goethite. At surface the main ore zone has an up to 12m thick interval of sub-ore grade (<56% Fe) material, underlain from 12 to 20m in depth by 56-58% Fe which is transitional with the underlying high grade (>58% Fe) ore. The deposit is basically composed of masses of cemented concretionary iron oxides occurring as irregular, sub-rounded goethitic clasts (up to 3mm in diameter) separated by either a loose matrix, or a subsequent brown to grey sub-vitreous to vitreous goethite cement, or are just densely packed. The ore is composed of either cemented sub-rounded to rounded iron oxide pisoliths, with some void space; or more commonly pseudo pisoliths of non-iron oxides coated by goethite from iron charged ground waters.

The pisoliths are composed of concentric shells of limonite and vitreous goethite, generally with a core of goethite. Replacement of angular to sub-angular BIF and shale cores by limonite is discernible in some hand specimens. Hematite is subordinate to goethite in these ores.

SERENITY DEPOSIT (FORTESCUE METALS GROUP)

The Serenity channel iron deposit (CID) is located approximately 60km NNW of Tom Price and 85km due west of Wittenoom in the Pilbara region of Western Australia and is part of the Solomon Project of the Fortescue Metals Group.

The deposit lies within a large palaeo-channel incised into late Neoarchaean to early Paleoproterozoic Hamersley Group sediments and iron formations. The exposed incised sequence includes the Dales Gorge, Whaleback shale and Joffre members of the Brockman Iron Formation which host the large Banded Iron Formation (BIF) hosted iron deposits of the Hamersley Ranges.

The channel systems hosting the CIDs are of the order of 1 to 2km in width and several tens of km in length, incised into the bedrock geology. During the period of Tertiary weathering and erosion of the basement BIFs, iron rich sediments were deposited into these channels and were subsequently buried by younger sediments, indurated and preserved.

The CID deposits can be subdivided into an upper Hard Ore CID and a lower Ochreous CID, with intercalated clay lenses are observed as semi-discreet bands often several metres thick and of a poddy nature although often traceable between drill holes.

Some of the younger, late Tertiary cover has also been derived from the same BIFs and constitute Detrital Iron (Canga) Deposits.

Inferred resource estimates at November 2007 (Fortescue Metals Group, 2007) are quoted at:

Upper + Lower CID – 1.014 Gt @ 56% Fe, 7.3% SiO_2, 3.8% Al_2O_3, 0.081% P, 8.06% LOI, including, Upper CID – 337Mt @ 56.7% Fe, 6.3% SiO_2, 2.9% Al_2O_3, 0.079% P, 9.2% LOI.

These estimates are based upon a minimum grade of 52.5% Fe and a minimum thickness of 2m.

DETRITAL IRON DEPOSITS

Detrital Iron Deposits (DIDs) are found where weathering has eroded bedded iron deposits and deposited ore fragments in natural traps formed by topography, usually drainage channels or valleys. Some Detrital Iron Deposits are loose gravels while others are naturally cemented (hematite conglomerate). Both types are often found in the same deposit.

The quality of the iron ore in these deposits is dependent on the bedded iron ore deposit which was the source of the ore particles. Typically these deposits are valued for the high proportion of high quality lump contained within them, as lump sized particles have a greater tendency to be captured in the trap site.

MARILLANA PROJECT

The 100% owned Marillana Iron Ore Project ("Marillana" or "the Project") is Brockman Resources' most advanced project located in the Hamersley Iron Province (see Figure 1) within the Pilbara region of Western Australia approximately 100km north west of the township of Newman. The Project is located within mining lease M47/1414.

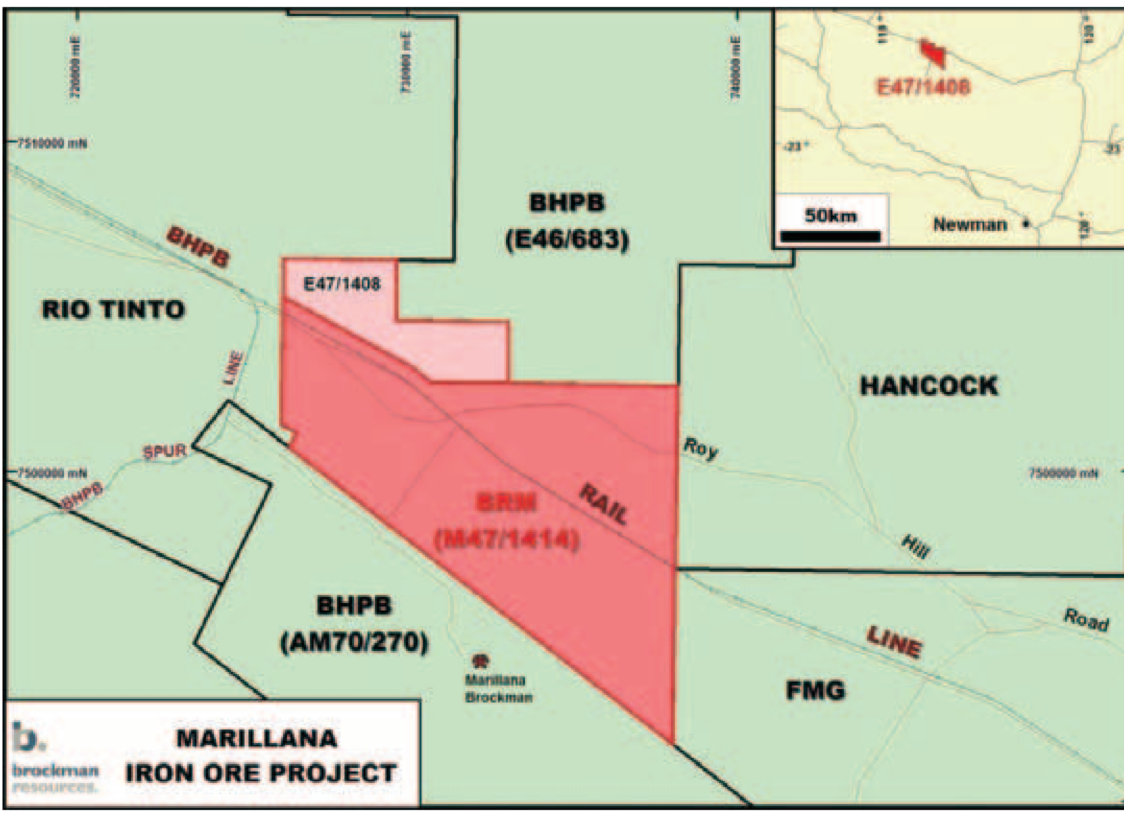


Fig. 2 The location of the Marillana Mining Lease M47/1414 and M47/1419

The Project area covers 96km^2 of the Fortescue Valley and borders the Hamersley Range, where extensive areas of supergene iron ore mineralisation have developed within the dissected Brockman Iron Formation which caps the range.

Marillana is surrounded by deposits owned by major iron ore players including BHP Billiton ("BHPB"), Rio Tinto ("Rio") and Fortescue Metals Group ("FMG"). Marillana is in close proximity to existing infrastructure, with BHPB's railway traversing the lease, Rio's Yandicoogina mine 40km south and FMG's Cloud Break mine approximately 35km north east. The Marillana tenement is also bisected by a gazetted road and is in close proximity to working mines and airstrips. Brockman will export its ore through the Port of Port Hedland — the largest bulk commodity (iron ore) facility in Australia.

EXPLORATION

Brockman Resources has been exploring its Marillana leases since 2006, initially under its previous name, Yilgarn Mining Limited, which was changed to Brockman Resources Limited in November, 2007.

Since an initial resource estimate was announced in 2007, Brockman Resources has carried out an extensive drilling programme to delineate the resources on the leases. Much of this drill out was achieved using RC rigs, but diamond drilling using PQ triple tube and sonic rigs were also used to provide drill core.

Fig 3 RC drilling at Marillana

RESOURCE ESTIMATES

The drilling programme has enabled Marillana to estimate a significant mineral resource 1.63Bt of hematite (CID and Detrital) mineralisation comprising 173Mt of Measured Mineral Resources, 1,238Mt of Indicated Mineral Resources 219Mt of Inferred Mineral Resources (see Tables 1 to 4).

This resource work was carried out by Golder Associates Pty Ltd. and is in accordance with the JORC code.

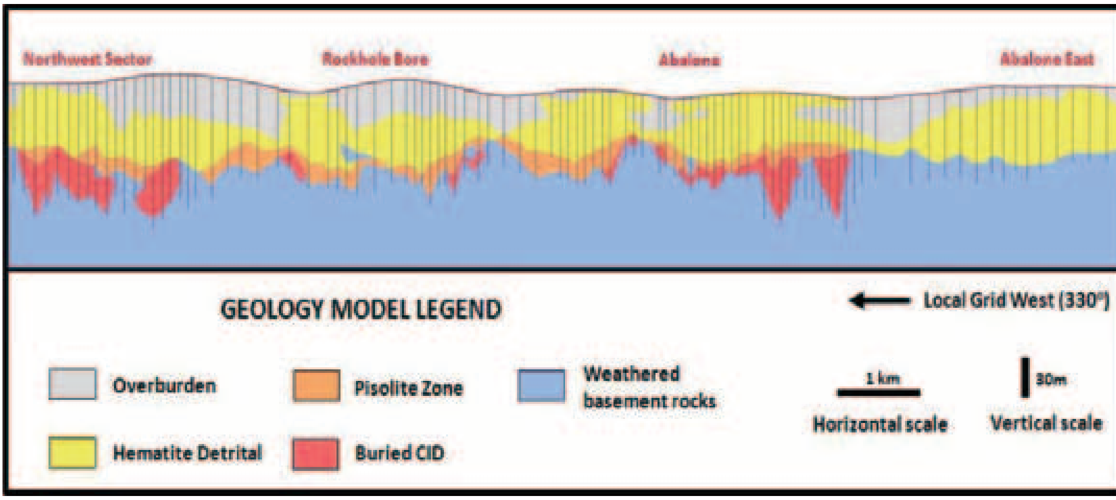


Table 1 — Beneficiation Feed Mineral Resource Summary (Cut-off Grade: 38% Fe)

Mineralisation Type	Resource Classification	Tonnes *(Mt)*	Grade *(% Fe)*
Detrital	Measured	173	41.6
	Indicated	1,036	42.5
	Inferred	201	40.7
Pisolite	Indicated	117	47.4
Total	Measured	173	41.6
	Indicated	1,154	43.0
	Inferred	201	40.7
GRAND TOTAL		**1,528**	**42.6**

Table 2 — Marillana Project CID Mineral Resource Summary (Cut-off Grade: 52% Fe)

Resource Classification	Tonnes *(Mt)*	Fe *(%)*	CaFe *(%)*	AI_2O_3 *(%)*	SiO_2 *(%)*	P *(%)*	LOI *(%)*
Indicated	84.2	55.8	61.9	3.6	5.0	0.097	9.8
Inferred	17.7	54.4	60.0	4.3	6.6	0.080	9.3
TOTAL	**101.9**	**55.6**	**61.5**	**3.7**	**5.3**	**0.094**	**9.7**

CaFe represents calcined Fe and is calculated by Brockman using the formula
CaFe = Fe%/((100-LOI)/100)

Definitive mining studies by Perth based Golder Associates as part of the Definitive Feasibility Study ("DFS") have demonstrated that the Marillana Project contains Proved and Probable detrital Ore Reserves within the optimal pit design in excess of one billion tonnes, as indicated in Table 3. Additionally the Marillana CID Ore Reserves within the pit design are estimated to be in excess of 48Mt, as shown in Table 4.

Table 3 — Marillana Detrital Ore Reserves*

Reserve Classification	Mt	Fe *(%)*
Proved	133	41.6
Probable	868	42.5
TOTAL	**1,001**	**42.4**

Table 4 — Marillana CID Ore Reserves*

Reserve Classification	Mt	Fe *(%)*	CaFe *(%)*	SiO_2 *(%)*	AI_2O_3 *(%)*	P *(%)*	LOI *(%)*
Probable	48.5	55.5	61.5	5.3	3.7	0.09	9.7
TOTAL	**48.5**	**55.5**	**61.5**	**5.3**	**3.7**	**0.09**	**9.7**

* *Reserves are included within Resources*

Based on extensive beneficiation testwork, the detrital Ore is expected to produce 378Mt of final product grading 60.5-61.5% Fe with impurity levels comparable with other West Australian direct shipping hematite ore ("DSO") iron ore producers. The CID Ore is a DSO product that will be blended with the beneficiated detrital product at a maximum 1 in 6 ratio for export as a single (Fines only) product. The Marillana Project will produce in excess of 426Mt of final DSO equivalent product.

The Marillana Project will support a minimum of 25 years mining operations producing at a forecast production rate of 17-20Mtpa of beneficiated iron ore grading from 60.5-61.5% Iron ("Fe").

The information in this report that relates to Mineral Resources is based on information compiled by Mr. J Farrell and Mr. A Zhang.

Mr. J Farrell, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Golder Associates Pty Ltd, produced the Mineral Resource estimates based on the data and geological interpretations provided by Brockman. Mr. Farrell 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, Mineral Resource and Ore Reserves".

Mr. A Zhang, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Brockman Resources Limited, provided the geological interpretations and the drill hole data used for the Mineral Resource estimation. 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, Mineral Resource and Ore Reserves".

Statements relating to resources announced by Brockman Resources have been examined by Malcolm Castle and he is satisfied that they reflect the ASX announcements made by those companies and that the ASX announcements contain declarations that they are in accordance with the JORC code and are prepared by competent persons. These resource estimates were not audited by him but are taken directly from the ASX announcements. He has relied in the ASX auditing procedure to verify that the announcements are acceptable for public release.

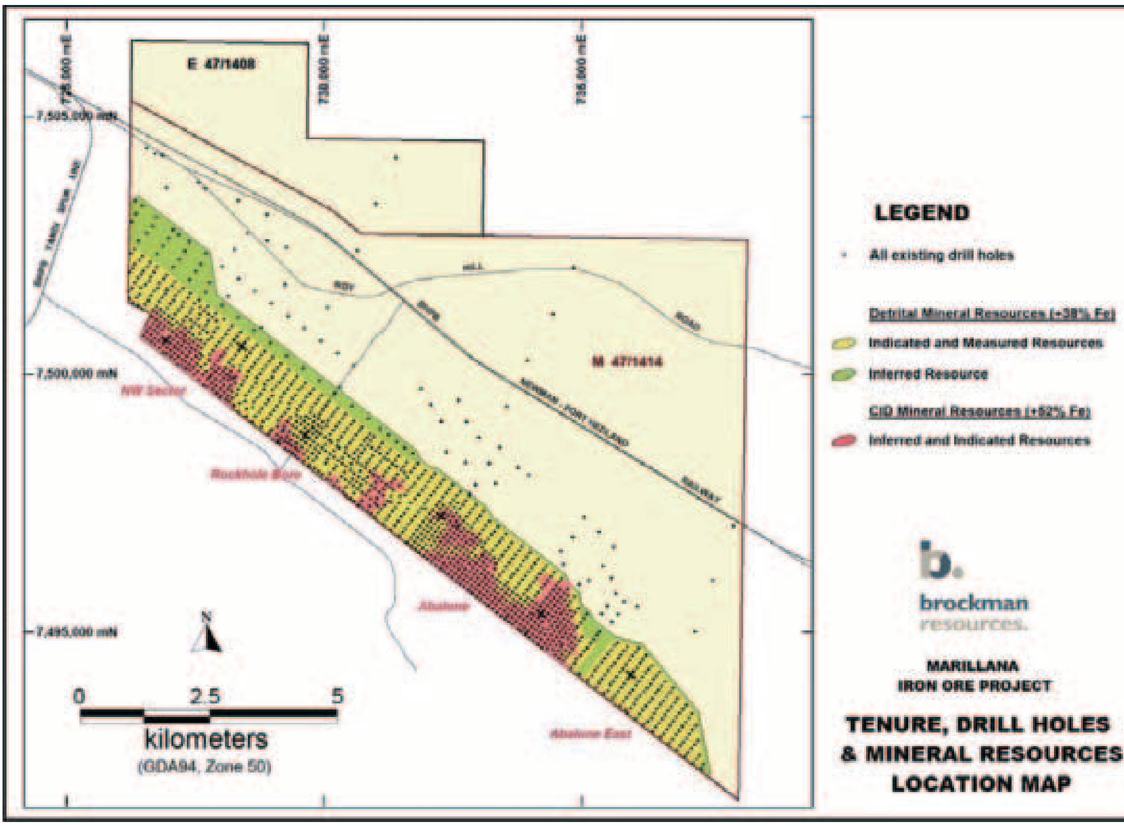


Fig. 4 Tenure, Location of Drill holes and Mineral Resources Location Map

PRE FEASIBILITY STUDY

A Pre-Feasibility Study on the Marillana deposits was commenced in December 2008 by Ausenco, as the principle consultant, in consultation with specialist service groups and sub consultants including:

- Geology and Resources: Coffey Mining
- Mine Scheduling: Coffey Mining
- Processing Plant: Ausenco
- Rail Infrastructure: Engenium
- Metallurgy: Ammtec/Nagrom/Coffey

- Capital Cost Estimate: Ausenco
- Operating Cost Estimate: Ausenco
- Financial Analysis: CS Consulting
- Environmental: Ecologia
- Hydrology/Hydrogeology: Aquaterra
- Land Access/Native Title/Heritage: ACHM/PNTS

The Study reviewed four principal development options for the Marillana Project with varying rail and port infrastructure logistics and construction programs: 37.5Mtpa plant feed commencing in 2012 and utilising BHP Billiton rail and NWI port infrastructure (base case); 37.5Mtpa plant feed commencing in 2012 and utilising TPI rail and NWI port infrastructure; 37.5Mtpa plant feed commencing in 2012 and utilising TPI rail and TPI port infrastructure; and 18.75Mtpa plant feed commencing in 2012, increasing to 37.5Mtpa feed in 2015, utilising BHP Billiton rail and NWIOA port infrastructure.

Total operating costs for the four scenarios reviewed are forecast to range from AUD31.50 to AUD34.80 a tonne on a Free on Board ("FOB") basis (excluding state royalties). The capital and operating costs were developed to a plus or minus 25 per cent accuracy and include all direct and indirect costs, EPCM costs and contingency and accuracy provisions.

MINE DESIGN AND PIT OPTIMISATION

The Ore Reserves reported are within pit designs based on open pit optimisations carried out on Measured and Indicated Mineral Resources classifications only. The resource model used for the pit optimisations was prepared by Golder Associates in February 2010 and reported to the Australian Securities Exchange on 9 February 2010. The model was regularised to a parent block size of 20m by 20m by 6m (minimum mining bench height) reflecting the scale of mining to be employed. The pit optimisation took into account dilution and ore loss associated with the 6m minimum mining benches, setbacks along tenement boundaries and overall pit slope angles.

The pit optimisation was based on a detrital ore cut-off grade of 38% Fe and a CID cut-off grade of 52% Fe. An iron ore price of AUD65/tonne free on board was utilised (based on USD0.8117/dmtu and an exchange rate of USD0.75). The pit optimisation took into account dilution and ore loss associated with 6m minimum mining benches, set-backs along tenement boundaries and 34-37 degree overall pit slope angles. The pit optimisation was based on a detrital ore Fe cut-off grade of 38% and an iron ore price of AUD65/tonne FOB, Port Hedland.

Sensitivity analysis demonstrated that the pit optimisation was extremely robust, with virtually no change in the optimum pit shell in reaction to 25% adverse movements in iron ore price, mining or processing costs.

The waste-to-ore stripping ratio within this optimum pit shell is 0.8:1, which is almost half of the 1.4:1 stripping ratio used in the PFS. This decrease in waste stripping is reflective of the enhancements within the new resource model, which is based on the results of the definitive metallurgical testwork program. The definitive metallurgical testwork has discounted the need for a number of conservative assumptions made in the resource model during the PFS.

The results have confirmed that the Marillana Project will have a mine life of approximately 25 years at production rates between 17Mtpa and 20Mtpa of final product with a specification that is comparable to DSO being mined from other major Pilbara iron ore operations. The substantial reduction in the stripping ratio has the potential to significantly increase the NPV of the Marillana Project.

MINE PLANNING AND SCHEDULING

The development of the Marillana Project mine schedule has resulted in a requirement for concurrent reclamation and closure strategies as well as the optimal use of water resources while minimising environmental impacts, in particular the total area of disturbance. The completion of the DFS mine schedule has facilitated the final design and layout of the mine site including the locations and designs of ore, top soil and waste rock stockpiles and processing plant reject storage facilities, and has also informed and substantiated the process plant design basis.

In conjunction with the mining equipment selection studies and finalisation of site layout drawings, the completion of the mine schedule has also brought about a convergence in mining strategy and methodology. This will harness a combination of traditional mobile mining fleet, semi mobile in-pit crushing and overland conveying techniques to provide an effective mining solution for the Marillana Project.

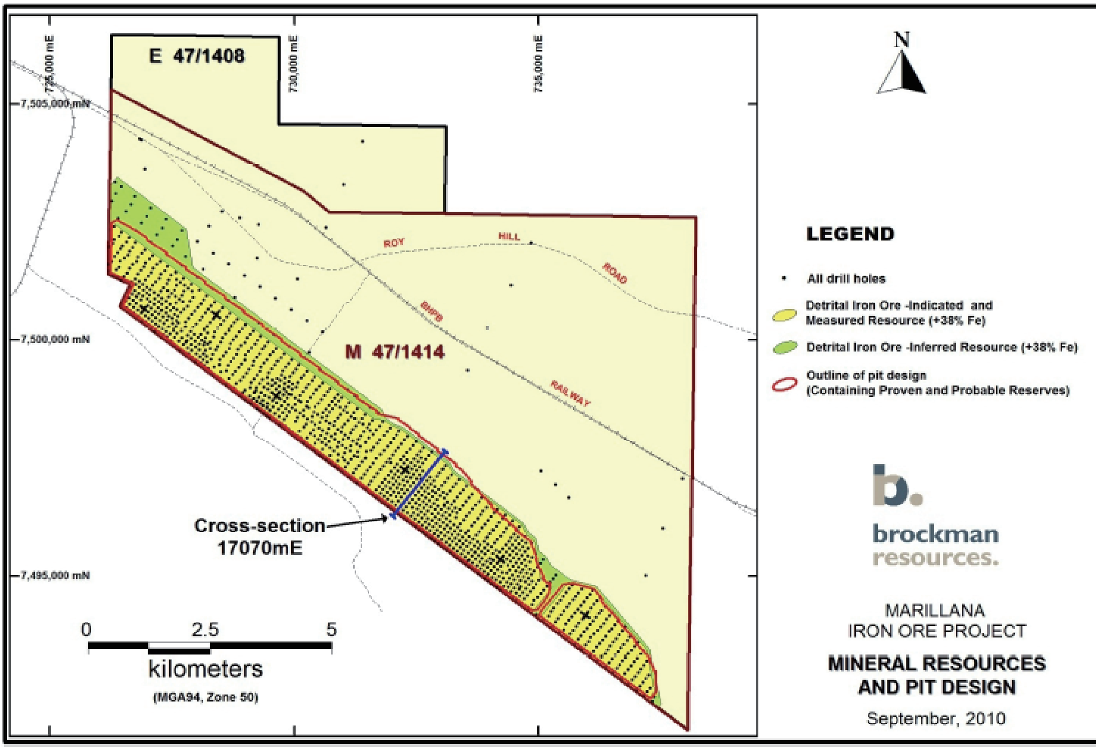


Fig. 5 Plan showing extent of pit design in relation to Measured and Indicated Resources

METALLURGY AND PROCESS DEVELOPMENT

Following successful completion of the PFS in August 2009, Brockman's metallurgical testwork and process development program moved into a series of definitive phases in preparation for the Marillana Project DFS. The metallurgical testwork program was completed over seven months and was developed to provide explicit information with respect to ore variability and pilot scale flow sheet verification respectively. Each of the test phases utilised an alliance of specialised metallurgical testwork facilities including Ammtec, Nagrom, Downer EDI and AML Laboratories. Subsequent product sinter testing was completed at an independent laboratory.

METALLURGICAL TESTWORK

The variability testwork program consisted of Heavy Liquid Separation ("HLS") testing of 57 PQ core composites (nominal 8m intersections, consistent with proposed mining bench heights), of which 51 were detrital mineralisation representative of the spatial, chemical and lithological variations throughout the Marillana deposit. The testwork program was undertaken as a joint arrangement between Ammtec Ltd in Perth, Western Australia and Downer EDI Mineral Technologies in Carrara, Queensland.

Of the 51 representative samples tested, the average iron grade and impurity levels of the final product, in accordance with Fe head grade ranges, are shown below:

Table 3 – Metallurgical Variability Summary – Marillana Average

Feed Samples			Average Product Grades						
Average Resource Grade Fe (%)	Indicative Lithology	No of Samples Tested	Mass Recovery (%)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	S (%)	P (%)	LOI 1000C (%)
36 - 38	Low Grade Detrital	3	31.8	60.4	7.23	2.52	0.02	0.08	2.74
38 - 40	Low Grade Detrital	10	36.7	60.6	7.05	2.91	0.02	0.07	2.12
40 - 42	Detrital	10	39.2	61.1	6.35	2.76	0.02	0.07	2.66
42 - 44	Detrital	9	41.9	60.9	5.96	3.12	0.02	0.07	2.39
44 - 46	Detrital	11	46.4	61.3	5.90	3.22	0.02	0.07	2.75
46 - 48	Detrital - Pisolites Evident	7	52.7	61.4	5.00	3.38	0.02	0.07	3.33
48 - 52	Pisolite Rich Detritals	1	56.6	63.5	2.84	3.09	0.02	0.08	2.05

Results from the variability program were subsequently used to define the geo-metallurgical relationships for the new Marillana Project resource model and process design parameters. As a result of these studies, the Marillana Project resource model and mine plan was developed with beneficiated mass recovery data and product specification data implicit within individual ore block specifications. In addition, the Marillana Project metallurgical testwork program included pilot-scale testwork conducted by Nagrom and Allied Mineral Laboratories in Perth, Western Australia. Pilot tests were conducted on three separate bulk samples which were considered representative of the overall Marillana deposit.

Plant design verification testwork confirmed the ability to upgrade the Marillana Project detrital ore at economic mass recoveries using a conventional Process Flow Sheet and simple, low-Capex beneficiation techniques. Pilot plant tests have verified the optimal and simplistic nature of the Process Flow Sheet for the DFS and allowed determination of scaling factors between the variability tests ("HLS") and final process plant performance.

Based on the Measured plus Indicated component of the upgraded Marillana Project detrital resource model and applied geo-metallurgical relationships developed from these metallurgical testwork programs, the projected beneficiated product specification range for blended Marillana Project final fines product is shown in below.

Table 4 – Final Product Grades for Marillana Detrital Resources

Average Plant Feed Grade	Final Product Grade Ranges						
Fe (%)	Mass Recovery (%)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	S (%)	P (%)	LOI 1000C (%)
42.4	36 - 39	60.5 - 61.5	6.0 - 6.5	2.5 - 3.0	<0.02	<0.08	2.0 - 3.0

Sinter Testing

Brockman requested an independent laboratory to evaluate the granulating and sintering characteristics of the beneficiated Marillana detrital iron ore fines product generated from the 2010 pilot plant trials. These characteristics were determined in a simulated Chinese coastal sinter blend consisting of 30% Brazilian ores and 60% Australian ore as well as 10% magnetite concentrate (base blend). Marillana fines were blended at levels of 15% and 30% in substitution for composite Australian fines in the base blend. The Australian composite fines were representative of ore marketed by BHP Billiton Iron Ore Pty Ltd ("BHPB") and Rio Tinto Iron Ore ("Rio Tinto"). The granulation testwork indicated that, as the blending ratio of Marillana detrital fines increased, the optimum mix moisture content required for efficient granulation decreased slightly and that there were no significant changes in permeability as the proportion of Marillana detrital fines was increased in the blend.

This result confirms the potential for a high value in use outcome, for the furnaces and sintering process. All blends containing Marillana detrital fines produced a sinter of quality well above the minimum sinter quality required for the steel producing mills as measured by the standard sinter test indices TI, RDI and RI. The sinter from the blends containing Marillana detrital fines showed a slightly coarser mean sinter size than the base blend.

Additionally, substitution of Marillana detrital fines for the Australian composites did not affect the fuel requirement for sintering and improved the sintering productivity. Both of these outcomes will result in a more efficient sintering process and increased steel production within the blast furnaces.

The sinter testwork also indicated that the alumina (Al_2O_3) present in the Marillana detrital fines was present in the coarse size fractions and, as such, is less likely to report to the sinter melt. Consequently, the Al_2O_3 partitioning in the Marillana detrital fines assisted in mitigating the adverse impact that Al_2O_3 typically has no effect on sinter quality and performance. The overall results of the sinter program were extremely positive and verify the viability of the Marillana product in terms of both its metallurgy and marketability.

PROCESS DEVELOPMENT

With the pilot plant trials successfully validating the PFD and establishing the basis of design in Q1 2010, process engineering completed by Ausenco has since progressed to a level consistent with the requirements of the DFS. The resulting plant layout — comprising conventional scrubbing, wet screening and gravity separation techniques — has again highlighted the simplistic and robust nature of the proposed processing facility for the Marillana Project.

The final results from the variability and pilot test programs completed in January 2010 and the subsequent process plant design and successful sinter testing represent further key milestones for the Marillana Project, confirming that the detrital mineralisation can be cost effectively upgraded to a final product grading between of 60.5% to 61.5% Fe, delivering a final product specification and sintering characteristics that are comparable with the DSO being mined from other major Pilbara iron ore projects.

PRE FEASIBILITY STUDY OUTCOMES

Based on the base case total feed rate of 37.5Mtpa (2 x 18.75Mtpa capacity front end plants), the Marillana Project will be capable of producing between 17 to 20Mtpa of product (i.e. beneficiated detritals and/or CID fines), depending upon the modus operandi of the two processing plants (hereby known as the processing facility) and the overall net weight recovery of iron ore fines.

The Study has been initially developed and modelled on the basis of a minimum mine life of 20 years at a nominal production (output) rate of 17Mtpa. The Marillana Project has assumed an average weight recovery of Run of Mine (ROM) feed of 45% and the processing facility has been designed to produce a fines only product. All operating and capital costs have been modelled on the basis of concurrent mining and processing of both the Channel Iron Deposit ("CID") and Detrital Ore with initial production from the mine scheduled to commence by late 2012.

Financial analysis of the four development options was conducted utilising price forecasts for iron ore and currency exchange rates provided by a number of independent international banking and research groups. Brockman adopted a long term iron ore pricing forecast for the Study (see table below) well below recently executed benchmark pricing agreements between Rio Tinto and a number of Japanese and Korean steel groups of USD0.97/dmtu (dry metric ton unit), and significantly below those prices currently being achieved on the international spot market. The adoption of either 2009 contract or current spot prices would have an extremely positive impact on the valuation range for the Marillana Project, as demonstrated by the table below:

	2013 (Long Term) BRM Forecast	2009 Contract Price	Current Spot Price
Hamersley Fines (USc/dmtu) FOB	81.2	97.0	132.3*
Exchange Rates $A/$US	0.75	0.82	0.82
NPV - base case (A$M)	**1,643**	**2,226**	**4,573**

**Source – FIS Iron Ore Swap Report – 29 July 2009*

Capital costs were developed by Ausenco in accordance with their industry experience and benchmarked against other major iron ore projects currently being undertaken within the Pilbara district. A post tax real discount rate of 8% has been used in determining the NPV for the Project. The capital cost estimates are in Q2 2009 dollars and are fully inclusive of direct and indirect costs and a 10% contingency.

Total upfront capital investment in the Marillana Project is estimated to be $997 million (base case), which represents the total direct and indirect costs for the development of the project. This figure includes $166 million for mine pre strip, infrastructure and civil works; $532 million for processing plants, stockyards and support facilities; and $299 million in indirect costs and contingency. The mining and processing operating cost estimate includes all site related costs associated with processing of two types of ore from the ROM pad. The operating costs for haulage and shipping of the products via rail infrastructure to stockyard and loading facilities in Port Hedland include a capital payback charge plus the operating costs for rail haulage, unloading and stockpiling, and ship loading.

The averages of "life of mine" pre-tax operating costs (excluding depreciation) were utilised in the financial model to calculate the per unit tonne cost on a Free on Board (FOB) basis.

Brockman has reported to the ASX that the Pre-Feasibility Study found that the Net Present Value (NPV) of the Marillana Project ranges from AUD1.4 billion to AUD1.64 billion using an 8% real discount rate, with Internal Rates of Return (IRR) ranging from 19.5% to 25.1% and capital paybacks ranging from 5 to 6 years. Upfront capital costs are forecast to range from AUD705 million to AUD1.35 billion depending on different logistical, development and ore transportation options. These are based on a nominal production rate of 17 million tonnes per annum (Mtpa).

RAIL AND PORT ACCESS AND INFRASTRUCTURE

During the completion of the Marillana DFS, Brockman remained actively engaged in the development of the proposed multi-user iron ore export facilities at South West Creek, within the "inner harbour" at Port Hedland. A Pre-Feasibility Study for the design of the new port facilities, including supporting infrastructure and dedicated stockpiling space, was completed in April 2010 on behalf of the NWI Group by global engineering company Sinclair Knight Merz ("SKM") in conjunction with engineering management consultants Evans and Peck.

Fig. 7 Port Hedland Port

The port PFS report concluded that the proposed Port Hedland development is viable and, based on a staged development approach, could be operational as early as the second half of 2013. This completion date has been incorporated into the master schedule for the development, construction and commissioning of the Marillana Project.

The port project will incorporate train unloading and stockpiling facilities as well as new berths and ship-loading facilities for the export of up to 50Mtpa of iron ore. An estimate of the port facility's capital and operating costs per tonne of ore on a "Free on Board" basis was developed as part of the PFS and was factored into the Marillana DFS operating costs.

DFS works associated with the landside (non-dredging) environmental approvals are currently being carried out by Coffey International. The level of environmental assessment for the NWI port development is currently being defined. The Port Hedland Port Authority

("PHPA") has provided notification of the area allocated for NWI port infrastructure, as defined by the port ultimate development plan. This includes the rail unloading and stockyard facilities.

The environmental approval for the dredging of South West Creek is being managed by the PHPA using the consulting services of SKM. The current forecast for approvals indicates that dredging can commence in Q3, CY 2011.

Brockman is finalising detailed discussions with legislative authorities, government departments and existing and future railway owner/operators to finalise the optimal rail infrastructure solution for the Marillana Project.

The West Australian Government has provided support for Brockman's application for the development of a State Agreement to facilitate construction of the vital rail infrastructure required for the Marillana Project. Brockman is now engaged with the Department of State Development to expedite the process required to gain the necessary land tenure for any alternate rail corridors from Marillana to the port of Port Hedland, should this be required.

The financial evaluation within the Marillana Project DFS considered two principal rail infrastructure solutions. One with a rail loop on the Marillana site, and another with a rail spur from the Marillana site to an alternate rail head, owned and operated by an existing mining company.

Both rail scenarios were modelled utilising the NWI port facility as the port of destination. Modelling assumed Brockman would be responsible for its pro-rata cost of capital for the NWI Port Hedland facility by way of a tariff per tonne secured by a "take or pay" arrangement. Capital and operating costs were based on information supplied by the NWI Feasibility Study into the development of the port facilities.

APPROVALS AND NATIVE TITLE

In February, 2011, the Western Australian Minister for Environment granted the final environmental approvals for the development of Brockman's 100%-owned Marillana Iron Ore Project in the Pilbara region of Western Australia.

This key approval is a significant milestone for Brockman and the communities in which the Project will operate, paving the way for on-site construction and development of this large-scale project to proceed, subject to the completion of the current Definitive Feasibility Study and a Final Investment Decision due in the third quarter of 2011.

There are no established Aboriginal communities in the vicinity; however, the Project area is subject to two non-overlapping Native Title Claims. The western half of the licence is held by Martu Idja Banyjima ("MIB") people and the eastern half of the licence is held by the Nyiyaparli people.

Brockman has established strong relationships with groups, built on trust and understanding developed during the negotiation of the Native Title Mining Agreements. In October 2008, Brockman signed a landmark Native Title Agreement with the Martu Idja Banjima (MIB) people that will facilitate mining on the western portion of the Marillana Project area. In December 2009, a similar Agreement was executed with the Nyiyaparli people covering the eastern portion of the deposit. These Agreements address the two groups' concerns regarding the management of Cultural Heritage and protection of the lands on which the Marillana Project will be operated, as well as providing opportunities to participate in the Marillana Project through employment, training and contracting opportunities.

Following the signing of the second agreement, Mining Lease M47/1414 was granted by the DMP in late December 2009 over an area of 82.5km^2. The Mining Lease covers the entire deposit and all proposed infrastructure areas. Heritage surveys completed by both groups in the second half of 2009 completed the heritage coverage over the entire deposit and project footprint expected to be impacted during operations (including mining, processing and infrastructure). Four artefact clusters and a number of isolated artefacts were identified during the surveys, but none of these are located in areas to be Process Development. Native Title Agreements are in place between Brockman and both groups.

The Native Title Agreements address the native title claimants concerns regarding the management of Cultural Heritage and protection of the lands on which the Project will be operated, as well as providing them with opportunities to participate in the Project, through employment, training and contracting opportunities.

EXPLORATION PROJECTS

As well as the advanced Marillana Project, Brockman Resources have three exploration projects in the Western Pilbara, one in the North and one in the East Pilbara.

- Duck Creek
- West Hamersley
- Mt Stuart
- Opthlamia
- Mt Florance

Please note, where assay values for rock chip samples and drill intercepts are quoted they represent the best results from a series of lower grade values. They should not be taken to represent the average grade of the samples unless otherwise stated.

WEST PILBARA PROJECTS

The location of these projects is shown in Fig. 8.

Fig. 8 Location of Brockman Resources Limited Projects in the West Pilbara

DUCK CREEK

The Duck Creek iron ore project is located about 115km WNW of Paraburdoo in the West Pilbara region. Mineralisation forms discrete mesas of channel iron deposits (CID) 15-30m above the surrounding plains and so stripping ratios would be expected to be very low for the targets identified. Exploration work carried out to date has been a helicopter assisted chip sampling programme and an initial reconnaissance RC drilling programme. The sampling programme identified nine mesas containing ore grade CID mineralisation.

The RC drilling programme comprising 1,657m in 45 holes and confirmed significant DSO grade mineralisation at shallow depths (often commencing at surface) from all targets drilled. Mineralisation contains very low levels of the contaminant phosphorous (P) which should assist in finding markets for the mineralisation. Other contaminant levels (silica and alumina) are comparable with other West Pilbara CID Mineral Resources reported by aspiring producers. Significant results include:

- 20m at 56.6% Fe (61.5% CaFe) from 1m in DRC032
- 17m at 56.8% Fe (61.8% CaFe) from 0m in DRC029
- 19m at 55.3% Fe (62.0% CaFe) from 4m in DRC008
- 16m at 54.6% Fe (62.0% CaFe) from 4m in DRC002

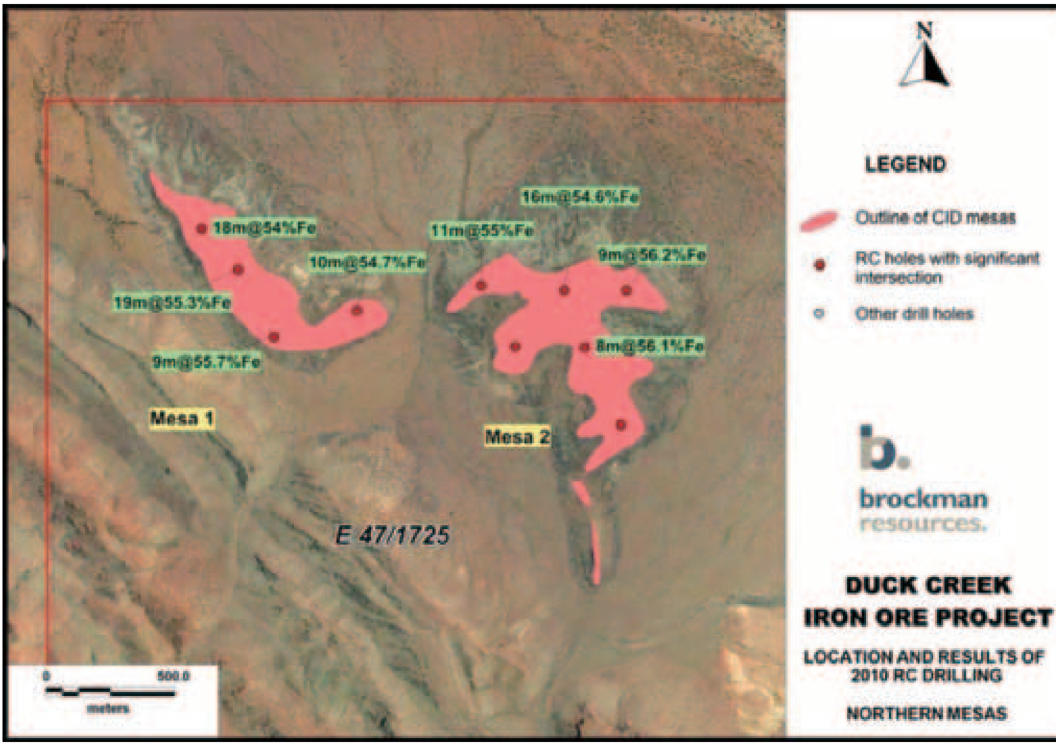


Fig. 9 Location and Drilling results — Duck Creek Iron Ore project — Northern Areas

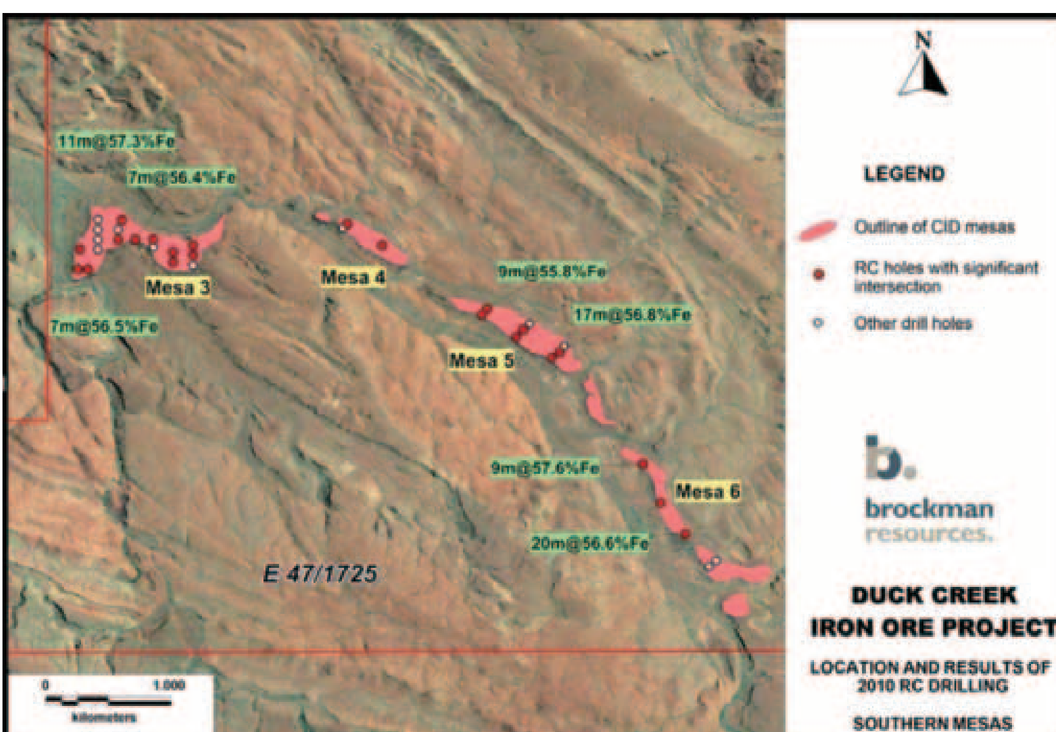


Fig. 10 Location and Drilling results — Duck Creek Iron Ore project — Southern Areas

WEST HAMERSLEY

The West Hamersley Project comprises one granted Exploration Licence (E47/1603) covering 54km^2 and containing extensive areas of outcropping Brockman Iron Formation. Mineralisation at West Hamersley is in the form of cemented hematite-goethite "canga", formed as valley-fill deposits at the base of the Brockman Iron Formation ranges within the project area. While individual valley targets range up to 2km in length and 500m in width, much of the area is covered by scree and therefore the continuity of the canga mineralisation cannot be ascertained with certainty.

Helicopter-supported reconnaissance mapping and sampling over West Hamersley as part of its broader resource and business development strategy in the Pilbara region identified six zones of hematite mineralisation grading 56-64% Fe.

An initial programme of reconnaissance RC drilling in late 2010 comprising 407m in 36 shallow holes drilled at West Hamersley confirmed significant shallow DSO grade hematite mineralisation, with results including:

- 13m at 55.6% Fe (62.9% CaFe) from 7m in WHRC025
- 9m at 58.8% Fe (60.5% CaFe) from 0m in WHRC031

The following table shows the detailed results from the drilling Hamersley to date on both Duck Creek and West Hamersley.

Hole No.	East (GDA94)	North (GDA94)	Hole Depth	From (m)	To (m)	Int (m)	Fe (%)	CaFe (%)	SiO2 (%)	Al2O3 (%)	P (%)	S (%)	LOI (%)
DUCK CREEK E47/1725													
DRC0001	462260	7507380	30	0	3	3	54.9	**62.0**	5.50	3.78	0.04	0.02	11.4
And				8	20	11	55.0	**62.4**	3.83	2.60	0.04	0.02	11.9
DRC0002	462580	7507360	48	4	20	16	54.6	**62.0**	4.65	3.23	0.04	0.09	12.1
Incl				11	19	8	57.1	**64.9**	3.31	2.05	0.05	0.06	11.7
DRC0003	462820	7507360	28	10	19	9	56.2	**63.6**	3.69	2.75	0.04	0.03	11.6
DRC0004	462392	7507142	51	13	18	5	55.7	**63.2**	4.15	2.70	0.03	0.02	11.8
DRC0005	462660	7507140	42	10	18	8	56.1	**63.6**	3.87	2.84	0.04	0.05	11.7
DRC0006	462800	7506840	45	3	8	5	54.6	**62.3**	4.82	3.38	0.02	0.18	12.4
DRC0007	461180	7507600	48	2	20	18	54.0	**61.0**	6.66	3.39	0.03	0.02	11.5
Incl				12	20	8	56.7	**64.3**	3.53	2.53	0.04	0.02	11.9
DRC0008	461320	7507440	45	4	23	19	55.3	**62.8**	4.54	3.07	0.03	0.04	11.9
DRC0009	461460	7507180	36	11	20	9	55.7	**63.0**	5.20	2.55	0.03	0.02	11.5
DRC0010	461780	7507280	48	1	6	5	53.3	**60.5**	6.73	3.84	0.03	0.04	11.9
And				9	19	10	54.7	**62.0**	4.89	2.83	0.03	0.02	11.8
DRC0011	460840	7501940	54	0	6	6	56.8	**62.1**	4.83	4.43	0.06	0.02	8.5
DRC0015	461440	7502180	30	0	6	6	56.6	**62.4**	5.31	3.96	0.04	0.03	9.3
DRC0016	461600	7502080	34	0	4	4	55.4	**61.1**	7.16	3.53	0.06	0.01	9.3
DRC0018	462995	7502307	42	12	18	6	56.3	**62.0**	5.87	3.64	0.08	0.02	9.3
DRC0021	463271	7502133	33	14	18	4	56.6	**61.9**	6.83	2.96	0.07	0.01	8.5
And				21	24	3	56.3	**61.6**	7.00	3.26	0.08	0.02	8.6
DRC0022	464114	7501621	33	2	11	9	55.8	**61.5**	6.52	3.84	0.06	0.02	9.2
DRC0023	464074	7501576	33	0	4	4	57.5	**62.2**	5.66	3.95	0.05	0.03	7.5
And				18	22	4	56.6	**61.8**	6.77	3.14	0.12	0.02	8.5
DRC0025	464402	7501453	36	5	9	4	55.1	**60.1**	7.31	4.78	0.05	0.02	8.2
DRC0026	464345	7501397	36	3	7	4	55.2	**60.5**	7.42	4.17	0.06	0.02	8.7
DRC0027	464695	7501274	42	2	9	7	55.5	**60.5**	6.78	4.76	0.06	0.03	8.3
DRC0029	464632	7501232	33	0	17	17	56.8	**61.8**	5.78	4.14	0.08	0.02	8.1
DRC0030	465359	7500378	36	1	10	9	57.6	**62.4**	4.18	4.44	0.07	0.02	7.7
DRC0031	465500	7500067	33	8	14	6	58.7	**63.6**	5.42	2.09	0.11	0.01	7.8
DRC0032	465699	7499815	42	1	21	20	56.6	**61.5**	6.99	3.17	0.14	0.02	8.0
DRC0035	460855	7502100	45	5	16	11	57.3	**62.0**	5.65	4.13	0.07	0.02	7.6
DRC0036	460920	7501940	48	1	6	5	55.7	**63.2**	4.15	2.70	0.03	0.02	11.8
And				39	46	7	56.5	**62.1**	4.95	4.09	0.05	0.02	9.1
DRC0041	461300	7502180	24	9	16	7	56.4	**61.4**	5.82	4.65	0.07	0.03	8.1
WEST HAMERSLEY E47/1603													
WHRC025	450964	7551206	26	7	20	13	55.6	**62.9**	4.18	4.13	0.05	0.05	11.6
WHRC026	450811	7550862	12	0	6	6	62.0	**64.8**	2.68	3.34	0.08	0.04	4.2
WHRC027	450756	7551002	12	0	10	10	55.1	**62.3**	4.98	3.78	0.07	0.05	11.6
WHRC028	450737	7551153	9	1	7	6	54.8	**60.4**	5.98	5.44	0.08	0.05	9.4
WHRC031	450806	7551482	10	0	9	9	58.8	**60.5**	6.02	5.84	0.04	0.02	2.8
WHRC033	454944	7550796	7	0	4	4	62.9	**65.3**	3.58	1.57	0.08	0.04	3.6

MT STUART

The Mt Stuart Project comprises two priority Exploration Licence applications containing outcropping channel iron deposits ("CID") mineralisation as mapped by Geological Survey of Western Australia. Initial reconnaissance sampling over a mesa of CID mineralisation at Mt Stuart demonstrated that ore grade mineralisation is present. All four samples of CID mineralisation collected averaged 58% Fe (calcined Fe = 64.3%) with low contaminants. The thickness of CID mineralisation in the area is estimated at 10-20m.

POTENTIAL OF THE WEST HAMERSLEY TENEMENTS

Recent work supports an Exploration Target of 20-30Mt grading 58-61% Fe for the West Hamersley tenement, increasing the overall Exploration Target1 for Brockman's West Pilbara portfolio including the Duck Creek and Mt Stuart Projects to 80-100Mt grading 57-60% Fe. These results confirm the prospectivity of Brockman's West Pilbara ground.

OTHER EXPLORATION PROJECTS IN THE PILBARA

OPHTHALMIA

This project comprises two granted Exploration Licences and one Exploration Licence Application located 10-20km north of Newman and adjacent to the East Angeles prospects of Hancock Mining.

An initial programme of reconnaissance RC drilling was carried out over E47/1598 at Opthalmia in December 2010. Ophthalmia Project reconnaissance mapping and sampling at the Ophthalmia Project during the year has identified two new zones of hematite mineralisation grading up to 64% Fe. The Ophthalmia tenements (E47/1598, 1599 and E46/781), part of Brockman's extensive portfolio of iron ore projects in Western Australia's Pilbara region, are all located within a 30km radius from the town of Newman and close to existing and planned operations by BHPB and Rio Tinto.

The most significant mineralisation occurs at the Kalgan prospect within E47/1598, where surface sampling of supergene enriched basal Brockman Iron Formation returned grades from 55-64% Fe (60-66% calcined Fe). The Kalgan prospect contains approximately 1.5km of strike of Brockman Iron Formation and is located about 5km westalong strike from the East Angelas 2E deposit. The Ophthalmia prospect, located within E46/781, comprises poorly exposed Brockman Iron Formation that is interpreted to be a folded extension of the sequence hosting the Oreboby 21 deposit, held by BHPB. Surface samples returned up to 57% Fe (63% calcined Fe). The prospect contains about a 1km strike length of Brockman Iron Formation and the sequence is interpreted to dip north, into the tenement, enhancing the potential for substantial mineralisation in this area. An initial programme of reconnaissance RC drilling was carried out over E47/1598 at Opthalmia in December, 2010. A total of 462m in five holes were completed.

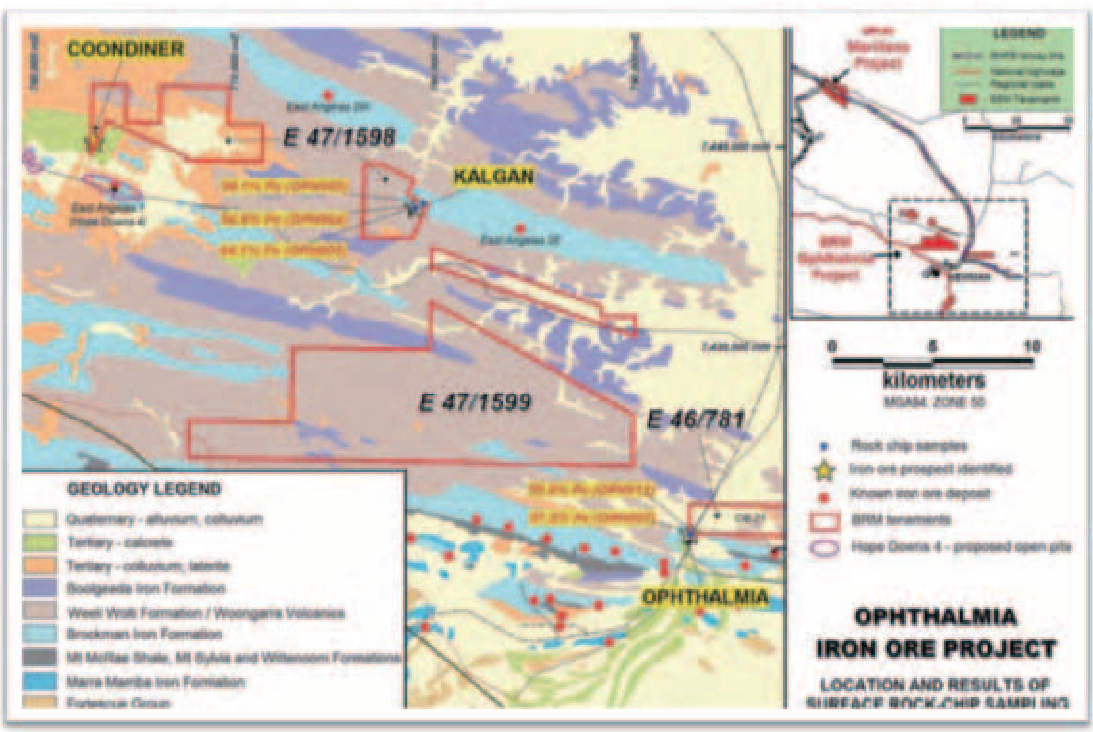


Fig. 11 Ophthalmia Iron Project — location of surface chip samples

MT FLORANCE

There is one granted Exploration Licence containing a 20km strike extent of Marra Mamba Iron Formation (under cover). The licence is located about 60km east of Fortescue Metals Group Marra Mamba-hosted Flinders deposit.

OTHER PROJECTS IN WESTERN AUSTRALIA

IRWIN-COGLIA NI-CO AND NI-CU

The Company has a 40% interest in the Irwin-Coglia nickel cobalt laterite project, located about 150km south-east of Laverton in Western Australia. The project comprises three adjoining tenement blocks, namely Irwin Hills, Coglia Well and Stella Range. The remaining 60% interest in the Joint Venture is held by Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd, the owners of the Murrin Murrin Ni-Co laterite mine and High Pressure Acid Leach treatment plant near Laverton.

Since establishing the Joint Venture, the partners have carried out extensive drilling programs and established significant Ni-Co laterite resources at Irwin-Coglia. The Joint Venture has been assessing various alternatives for the future development of these resources. The resources at Irwin-Coglia are substantial and reported by Brockman to be an Indicated Mineral Resource at a 0.8% Ni cut-off grade of 16.9Mt grading 1.07% Ni and 0.14% Co (for 180,000 tonnes contained nickel metal and 23,000 tonnes contained cobalt) in accordance with the JORC code. There is potential for a significant increase in the total mineral resources at Irwin-Coglia, with much of the eastern ultramafic succession untested by drilling. The eastern succession is similar in character to the western ultramafics and is interpreted to be either a thrust repeat or fold repeat or fold repetition of the western succession.

Exploration of the project was put on hold when the price of nickel and cobalt dropped significantly in 2008. However, these metal prices have now returned to levels at which Brockman considers its share of the Ni-Co resources at Irwin-Coglia to constitute an asset with potentially significant future value.

REFERENCES

All information contained in this report is sources from Brockman's numerous releases to the Australian Securities Exchange.

GLOSSARY

aerial photography	Photographs of the earth's surface taken from an aircraft.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.
airborne geophysical data	Data pertaining to the physical properties of the earth's crust at or near surface and collected from an aircraft.

alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification metals of interest within a sample.
basalts	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
bedrock	Any solid rock underlying unconsolidated material.
BIF	Banded Iron Formation-A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance.
BLEG sampling	Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold.
breccia	Rock containing angular fragments in a finer grained matrix.

brittle	Rock deformation characterised by brittle fracturing and brecciation.
Cainozoic	An era of geological time spanning the period from 65 million years ago to the present.
calcination	Heating a substance until it dissociates and volatile molecular components are removed, adj, calcined.
carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO_3. Essential component of limestones and marbles.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
CID	Channel Iron Deposit.
colluvium	A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.
Cretaceous	A geological era from 135 million years to 65 million years before present.
depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
dilational	Open space within a rock mass commonly produced in response to folding or faulting.

dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
DoIR	Department of Industry and Resources, WA.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
epigenetic	Geological processes at or near the earth's surface.
epithermal	A term applied to mineral deposits formed in and along fissures and other openings in rocks at shallow depths and low temperatures.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface.
fault zone	A wide zone of structural dislocation and faulting.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
goethite	Hydrated iron oxide mineral, FeO(OH).

granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
greywacke	A sandstone like rock, with grains derived from a dominantly volcanic origin.
GSWA	Geological Survey of Western Australia.
hematite	Iron oxide mineral, Fe_2O_3.
hinge zone	A zone along a fold where the curvature is at a maximum.
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
insitu, in situ	In the natural or original position.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
ironstone	A rock formed by cemented iron oxides.
itarbirite	A laminated, metamorphosed, oxide-facies iron formation in which the original chert or jasper bands have been recrystallized into megascopically distinguished grains of quartz and in which the iron is present as thin layers of hematite, magnetite, or martite.
jasperoid	A rock consisting of fine grained silica containing some hematite.
joint venture	A business agreement between two or more commercial entities.

laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
lithological contacts	The contacts between different rock types.
lithotypes	Rock types.
LOI	Loss on Ignition. The weight lost when a substance is calcined.
lopolith	A lopolith is a large igneous intrusion which is lenticular in shape with a depressed central region.
mafic	Pertaining to, or composed dominantly of dark coloured ferromagnesian rock forming silicates.
magnetite	A mineral comprising iron and oxygen which commonly exhibits magnetic properties.
martite	Hematite occurring in iron-black octahedral crystals pseudomorphous after magnetite.
mesa	Flat topped hill bounded on at least one side by a steep cliff. Mesas are erosional remnants that persist due to a more resistant surface.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
metasedimentary	A rock formed by metamorphism of sedimentary rocks.
Miocene	An age division of the Tertiary period.
Mt	Million Tonnes.

open pit	A mine working or excavation open to the surface.
outcrops	Surface expression of underlying rocks.
palaeochannels	An ancient preserved stream or river.
piedmont	Situated or formed at the base of a slope or hill.
pisolitic	Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile.
porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low level concentration.
ppm	Parts per million (numerically equivalent to g/t).
Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
Quaternary	A time period from 1.8 million years to the present.
quartz reefs	Old mining term used to describe large quartz veins.
RAB drilling	A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.

residual	Soil and regolith which has not been transported from its point or origin.
resources	In situ mineral occurrence from which valuable or useful minerals may be recovered. Usually refers to estimates in accordance with the Joint Ore Reserve Committee (JORC) code.
rock chip sampling	The collection of rock specimens for mineral analysis.
sanding	A type of silica alteration which can occur adjacent to mineralization of the Carlin style.
satellite imagery	The images produced by photography of the earth's surface from satellites.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events.

silcrete	Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silica	Dioxide of silicon, usually found as the various forms of quartz.
silts	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
strata	Sedimentary rock layers.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
subcrop	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralization.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
Tertiary	A division of geological time from 65 million years to 1.8 million years ago.

tholeiitic	A descriptive term for a basalt with little or no olivine.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.

The following is the text of the report from Jones Lang LaSalle Sallmanns Limited, a competent evaluator, for the purposes of Chapter 18 of the Listing Rules on the fair market value of the mineral assets held by the BRM Group.

Based on the competent person's report set out in Appendix IV to this circular, all the indicated or measured resources are based on the Marillana Project of the BRM Group. Accordingly, based on Rule 18.30(3) of the Listing Rules, only the valuation on the Marillana Project is included in this circular.

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09 August 2011

The Directors
Wah Nam International Holdings Limited
Room 2805, 28th Floor
West Tower Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

Dear Sirs,

INDEPENDENT VALUATION OF THE MINERAL ASSET ACQUIRED BY WAH NAM INTERNATIONAL HOLDINGS LIMITED

INTRODUCTION

In accordance with your instructions, Jones Lang LaSalle Sallmanns Limited ("JLLS") has prepared an independent opinion of the Fair Market Value of the 100% interest ownership in the Marillana Iron Project ("Marillana", or the "Project" or the "Mineral Asset"), located in the Pilbara region of Western Australia, held by Brockman Resources Limited ("Brockman") as at 16 June 2011 (the "Valuation Date"). Pursuant to the Hong Kong Listing Rules Chapter 18.30(3) the exploration assets owned by Brockman have not been included in the valuation. As at the Valuation Date, Wah Nam International Holdings Limited ("WNI" or the "Company") completed their takeover bid (the "Acquisition" or the "Transaction"), which saw WNI acquire a 32.99% interest in Brockman to bring their total equity interest up to 55.33%. WNI has appointed JLLS to perform the relevant valuation; JLLS understands that this report will be utilized as a reference in the circular to be issued by the Company. The report which follows is dated 09 August 2011 (the "Report Date").

The Mineral Asset is defined as "*all property including but not limited to real property, intellectual property, mining and exploration rights held by or acquired in connection with the development of and the production from those mining and exploration rights together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of mineral resources in connections with those rights*".

The valuation was carried out on a Fair Market Value basis. Fair Market Value is defined as "*the amount of money (or the cash equivalent of some other consideration) determined by the Expert for which the Mineral Asset or Security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion*".

The valuation complies with all relevant standards of the VALMIN Code (2005), and is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and consideration of various factors that are relevant to the operation of Brockman. Considerations of various risks and uncertainties that have potential impact on the business have also been considered.

No opinion has been expressed on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. The conclusions assume continuation of prudent management over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

The work completed to date includes acquisition and interpretation of all data pertaining to the Mineral Asset, retrieved from the relevant Brockman Circulars on the Australian Stock Exchange ("ASX"), and the Independent Geologist's Report produced by an independent consultant, Mr. Malcolm Castle, dated 31 July 2011, which indicates: detrital iron deposit proved reserves of 133,000,000 tonnes at a grade of 41.6%; detrital iron deposit probable reserves of 868,000,000 tonnes at a grade of 42.5%; and channel iron deposit probable reserves of 48,500,000 tonnes at a grade of 55.5%. The combined proved plus probable reserves for both detrital and channel iron deposits totals 1,049,500,000 tonnes at a grade of 43.0%.

Based on the results of our investigations and analysis outlined in the report which follows, we are of the opinion that the Fair Market Value of the Mineral Asset as at the Valuation Date is reasonably between **AUD515,000,000 to AUD843,000,000 (AUSTRALIAN DOLLARS FIVE HUNDRED AND FIFTEEN MILLION TO EIGHT HUNDRED AND FORTY THREE MILLION). This valuation is subject to the assumptions as set out in the valuation report which should be read in its entirety, including the sections regarding the assumptions and the sensitivity analysis, in order to understand the valuation in its context.**

The following pages outline the factors considered, methodology and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,

Jones Lang LaSalle Sallmanns

Jones Lang LaSalle Sallmanns Limited

PURPOSE OF VALUATION

This report is being prepared solely for the use of the directors and management of Wah Nam International Holdings Limited for its inclusion in the circular to its shareholders in relation to the acquisition of Brockman Resources Limited.

BASIS OF OPINION

In order to form an opinion on the Value of the Mineral Asset, it is vital to make assumptions of certain future events, e.g. economic and market factors. JLLS have taken all reasonable care in examining those assumptions made by Brockman to ensure that they are appropriate to the case. The valuation procedures employed include the review of physical and economic conditions of the subject assets, an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the Mineral Asset. All matters essential to the proper understanding of the valuation will be disclosed in the valuation report.

The following factors form an integral part of our basis of opinion:

- Assumptions on the market conditions and the subject assets that are considered to be fair and reasonable;
- Financial performance that shows a consistent trend of the operation;
- Consideration and analysis on the micro and macro economy affecting the subject assets;
- Analysis on tactical planning, management and synergy of the subject assets;
- Analytical review of the subject assets; and
- Assessment of the leverage and liquidity of the subject assets.

We planned and performed our valuation so as to obtain all the information which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets.

GEOGRAPHIC AND INDUSTRY BACKGROUND

Location

The Commonwealth of Australia ("Australia") is located in the Pacific Southwest and is considered a developed country, with the world's thirteenth largest economy according to GDP (USD1.2 trillion, as of 2009), and the seventeenth largest when adjusted for purchasing power parity — its output represents 1.7% of the global economy. Having grown at a rate of 3.6% per annum over the past 15 years, Australia's economic growth is considered robust for a developed country, especially compared to the OECD average of 2.5% per annum growth. Although Australia's economy is dominated by the services sector (68% of GDP) like many developed countries', it is still the 19th largest exporter globally. The mining industry is a particularly strong export industry, being responsible for 57% of the country's exports. Its currency is the Australian Dollar (AUD), which as at the Valuation Date had a closing foreign exchange rate of 1.062 against the US Dollar.

Western Australia ("WA") is the largest state in Australia, comprising the western one-third of the country (See Figure 1). With a relatively low population density (WA accounts for only 10% of the total population), Western Australia's economy is centered almost entirely on agriculture and natural resources. In addition to mineral resources, WA is also a net exporter of oil & natural gas, grains, seafood, and livestock; as of 2009, WA accounted for 36% of all Australian exports. Though still heavily reliant on commodity exports, WA has also recently seen an increase in the growth of their services industry — particularly financial services, construction, and tourism.

The Marillana Project is located in the state of Western Australia, specifically in the Pilbara region. The Pilbara region is located in the northwestern portion of WA and covers roughly 500,000 km^2.

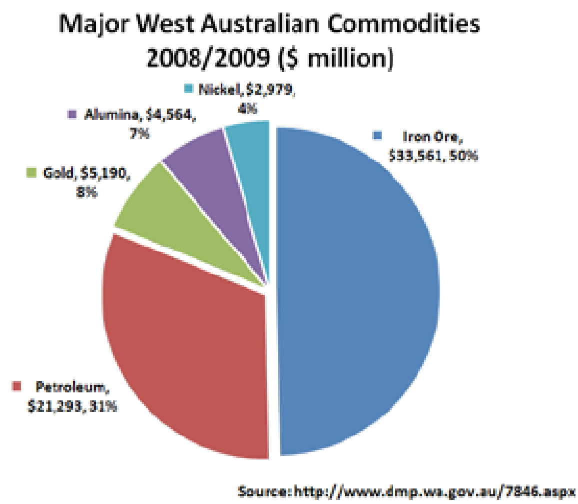
Figure 1: Western Australia and Pilbara

Source: Google Images

Domestic Iron Ore Industry

As mentioned, the iron ore industry is a major component of the economy of WA. The sector has been experiencing strong growth, with the iron output of the state growing 8.5% to 316 million tonnes of ore produced in 2008-09 — the total value of produced ore is estimated to be AUD33.56 billion (see Figure 2). Additionally, exploration expenditures for WA iron projects increased 33% in the same year, to a total of AUD560 million; this accounted for 45% of all exploration expenditures for all mineral resource sectors.

Figure 2: breakdown of major mineral/ petroleum resource sectors in WA mining industry



The majority of the iron mines in WA are located in the Pilbara region; Geoscience Australia estimates that Pilbara contains a comprehensive iron mineral resource in the range of 24 billion tonnes. Still, productive iron mines have been established in other regions of WA (see Table 1).

Table 1: List of currently active iron mines in WA

Mine	Proprietor	Location	Region	Capacity (Mtpa)	Opening year
Area C	BHP Billiton	Newman	Pilbara	42	2003
Brockman	Rio Tinto	Tom Price	Pilbara	8.7	1992
Brockman 4	Rio Tinto	Tom Price	Pilbara	22	2010
Channar	Rio Tinto	Paraburdoo	Pilbara	20	1990
Christmas Creek	FMG	Nullagine	Pilbara	16	2009
Cloud Break	FMG	Nullagine	Pilbara	28	2008
Cockatoo Island	Cliffs Natural Resources	Cockatoo Island	Kimberley		
Eastern Range	Rio Tinto	Paraburdoo	Pilbara	20	2004
Hope Downs	Rio Tinto	Newman	Pilbara	30	2007
Jack Hills	Crosslands Resources	Meekatharra	Mid West	2	2006
Jimblebar	BHP Billiton	Newman	Pilbara	14	1989
Koolan Island	Mount Gibson Mining	Koolan Island	Kimberley	4	2007
Koolanooka	Sinosteel Midwest Corporation	Geraldton	Mid West		2010
Koolyanobbing	Cliffs Natural Resources	Southern Cross	Wheatbelt		
Marandoo	Rio Tinto	Tom Price	Pilbara	15	1994
Mesa A	Rio Tinto	Pannawonica	Pilbara	25	2010
Mesa J	Rio Tinto	Pannawonica	Pilbara	7	1994

Mount Jackson	Cliffs Natural Resources	Mt Jackson	Esperance	33	2010
Mount Tom Price	Rio Tinto	Tom Price	Pilbara	28	1966
Mount Whaleback	BHP Billiton	Newman	Pilbara	38	1968
Nammuldi	Rio Tinto	Tom Price	Pilbara	6.6	2006
Pardoo	Atlas Iron	Port Hedland	Pilbara	2.4	2008
Paraburdoo	Rio Tinto	Paraburdoo	Pilbara	20	1972
Tallering Peak	Mount Gibson Mining	Mullewa	Mid West	3	2004
West Angelas	Rio Tinto	Newman	Pilbara	29.5	2002
Wodgina	Atlas Iron	Port Hedland	Pilbara	4	2010
Yandi	BHP Billiton	Newman	Pilbara	41	1992
Yandicoogina	Rio Tinto	Newman	Pilbara	52	1998

Source: Western Australian Mineral and Petroleum Statistic Digest 2008-09; Western Australian Department of Mines and Petroleum

The bulk of iron production is controlled by two companies: the Rio Tinto Group ("Rio") and BHP Billiton Ltd ("BHP"). According to the above table, together they account for over 80% of iron production in the state, with Rio producing 284 Mt and BHP producing 135 Mt in 2009. Fortescue Metals Group Ltd ("FMG") comes in a distant third at 44 Mt produced in 2009.

Nearly all the produced iron ore of WA are sold as exports, with an overwhelming 98% exported to East Asian neighbors. In 2009, China purchased 64% of all exported iron (valued at AUD21 billion); Japan purchased 21%; South Korea 10%; and Taiwan 3%. In contrast, all of Europe only purchased 1% of total WA iron exports, with the remaining 1% distributed elsewhere globally.

Distribution infrastructure underpinning WA iron mines is comprised of a private rail network linked to a series of major shipping ports — namely, Cape Lambert, Dampier, and Port Hedland. Similar to iron production itself, the rail network is controlled through each company's individual Rail State Agreement by the troika of Rio, BHP, and FMG. Rio controls the Hamersley and Robe River railways, which terminate at Cape Lambert and Dampier; BHP controls the Goldsworthy and Mt. Newman railways, which terminate at Port Hedland; and FMG controls the Fortescue railway, which also terminates at Port Hedland. Currently not all rail networks are accessible to 3rd parties (i.e. junior iron ore companies). Because BHP has now denied 3rd party access to its Mt. Newman rail, there are only two railways remaining for 3rd parties use: the FMG Rail is open through viable commercial arrangement by virtue of its State Agreement, and the BHP Goldsworthy line is open by virtue of 3rd party access declaration by the government. A map of the network is show in Figure 3.

Recently, a number of iron ore projects have experienced cost blowouts, with many of these projects in the developmental stage. From September of 2010 to the Valuation Date, notable examples include: the Oakajee Port and Rail Project, which was to service the Jack Hills Project and the Weld Range Project, suffered a capital expenditure blowout of AUD700 MM (+13%); The Karara Iron Project held by Gindalbie Metals Ltd suffered one of AUD595 MM (+30%); and CITIC Pacific's Sino Iron Project reported one of AUD900 MM (+17%). Additionally, a great number more of both developing/producing projects have reported increased operating expenses or estimates thereof, though some companies, such as Atlas Iron Ltd., have been relatively stable. The fundamental driver of these blowouts is the sudden surge of natural resource activity in the past few years; with so many producers descending upon WA simultaneously, a tremendous demand-side pressure has forced up the cost of labor, supplies, and machinery. It is currently unclear whether input prices will return to previous levels in time, or whether WA mining will now operate a new higher cost floor.

Figure 3: Private rail and port network in Pilbara

Global Price and Supply/Demand Trends

It is very difficult to obtain forecast iron prices that are generally accepted. Short term prices have shown high sensitivity to relatively small changes in short term supply and demand while long term prices remain sensitive not only to supply and demand issues but also changes in the macroeconomic environment. Although there appears to be a general consensus that prices for iron ore will decrease in the long term as a result of increasing supply which is expected to outpace global demand, the major suppliers continue to plan for increased production. The major producers frame their production plans to meet an increase in demand as forecast by those producers. In WA, BHP is currently undertaking the Rapid Growth Projects ("RGP") to increase their iron production via upgraded processing, rail, and port capacities. Currently completing RGP-4, BHP intends on completing RGP-5 and RGP-6 in the coming years at a combined cost of AUD8.8 billion, with the resulting ore production expected to increase to over 240 Mtpa by 2015; a nearly 75% increase from their current production. Meanwhile, Rio is targeting a goal of 330 Mtpa by 2015 through an investment of over AUD3.3 billion. Outside of Australia, Vale S.A. ("Vale") — the largest global mining company by market capitalization — is pressing ahead with their Serra Sul Iron Project, expected to begin production in 2014 with a 90 Mtpa capacity; this would bring their total production in 2015 to 470 Mtpa. Vedanta Resources Plc ("Vedanta") has three projects in India expected to begin production in 2013 with a 50 Mtpa capacity. The forecasted global iron supply and demand is shown below:

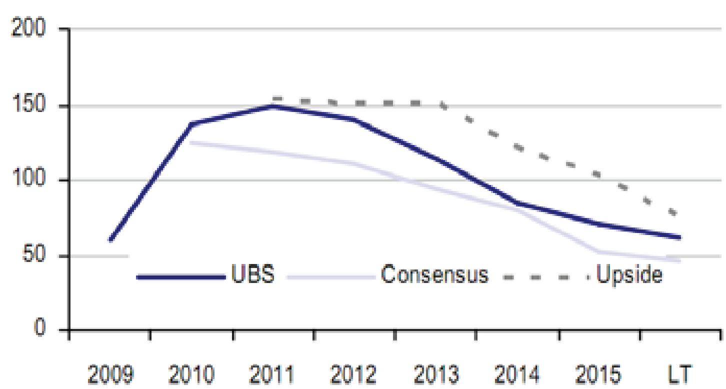
Table 2: Iron supply and demand projections

		2010e	2011e	2012e	2013e	2014e	2015e
Total seaborne iron ore demand	Mt	1,018	1,085	1,155	1,196	1,276	1,321
YoY growth	%	12.0%	6.6%	6.4%	3.5%	6.7%	3.5%
Total seaborne iron ore supply	Mt	1,009	1,079	1,158	1,252	1,383	1,488
YoY growth	%	12.0%	6.9%	7.3%	8.1%	10.4%	7.6%
Seaborne Balance	**Mt**	**-9.3**	**-6.3**	**3.0**	**56.5**	**106.9**	**167.5**

Source: UBS, Metalytics

In the scenario depicted in the above table, supply is expected to outpace demand by 2012, and will do so increasingly into the future. In response, price forecasts are expected to decline steadily, as below:

Figure 5: UBS iron price forecasts



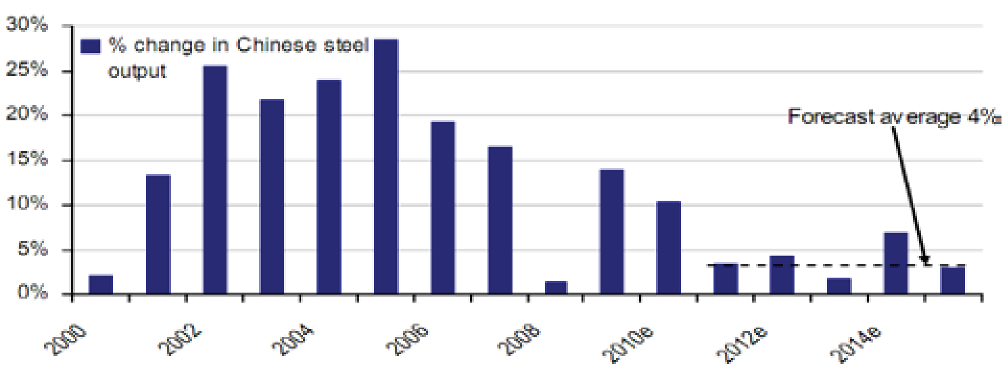
Source: UBS, Metalytics

The supply and demand assumptions, upon which these price forecasts are based, however, may require some reconsideration. On the supply side, the estimates may be somewhat high, as a number of the above mentioned projects have run into delays and environmental issues. BHP's RGP-5 and RGP-6 are both behind schedule, owing to increasing capital costs for upgrading its rail and port infrastructure; major projects in the WA-Midwest Region — including major projects such as Jack Hills, Weld range, and Karara — have run into similar issues in the construction of their major port, Oakajee. With increasing cost blow-outs, Sinosteel Midwest Corporation Ltd has, as a major partner in the infrastructure venture, announced a delay that could drastically reduce the global supply from the consensus forecast. Elsewhere, environmental regulatory delays have slowed progress on the Serra Sul and Sesa Goa projects. These issues, having affected the major producers of iron ore, are also likely to restrict development of new projects by rising junior mining companies.

Indian iron ores also figure to lower the supply forecast, as in July of 2010 all iron ore exports from the state of Karnataka was banned by government decree. The rationale for the ban was widespread corruption in the industry that resulted in illegal mining, environmental degradation, product mispricing, and tax evasion. Consequently, India's export capacity fell from 120 Mtpa in 2010 to a projected 70-80 Mtpa for 2011; of the 2010 exports, Karnataka accounted for 25% of the total and 3.6% of all seaborne trade. Therefore, should the export ban on Karnataka continue, seaborne iron ore supplies will be depressed below the consensus level.

The demand forecast, conversely, may be too low. For instance, the figure below forecasts Chinese steel production to grow 4% annually:

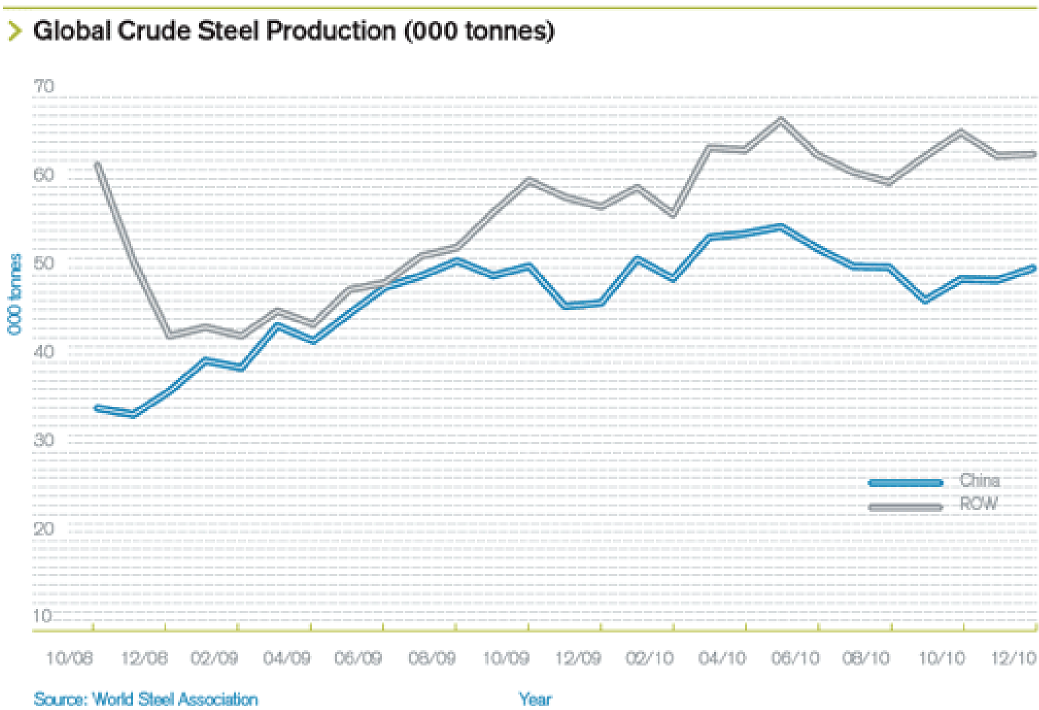
Figure 6: Chinese steel production forecasts



Source: CEIC

It is possible that Tier 1 Chinese cities have hit near peak steel demands, and this is accounted for in the low — relative to historical numbers — growth forecasts. However, even during the Financial Crisis, China has shown a strong appetite for the material, with their share of global steel consumption jumping from roughly 35% to a peak of 50% before settling back more recently in the 40-45% range.

Figure 7: Historical steel production, China vs. global



Additionally, 2^{nd} and 3^{rd} Tier cities in China continue to experience explosive growth, especially in commercial real estate construction and automobile ownership/use. Indeed, the 12^{th} Five-Year Plan calls for an increased focus on urbanization of these smaller cities in an effort to spread the economic growth more evenly; it is likely in this case that China has not yet reached a stable peak for steel demand. According to UBS Investment Research, accounting for this factor should result in a steel demand growth closer to 6%, rather than the 4% of the consensus forecast.

When the delays in major production expansion and higher Chinese steel demand are accounted for, the supply and demand forecasts are much more favorable to higher iron prices, as shown below:

Table 3: Iron supply and demand forecast, adjusted for project delayed-lower supply and Chinese growth-driven higher demand

		2010e	2011e	2012e	2013e	2014e	2015e
Total seaborne iron ore demand	Mt	1,018	1,114	1,201	1,288	1,365	1,450
YoY growth	%	12.0%	9.4%	7.8%	7.3%	6.0%	6.2%
Total seaborne iron ore supply	Mt	1,009	1,079	1,136	1,220	1,361	1,491
YoY growth	%	12.0%	7.0%	5.0%	7.0%	12.0%	10.0%
Seaborne Balance	**Mt**	**-9.3**	**-34.7**	**-64.9**	**-68.8**	**-4.5**	**40.7**

Source: UBS

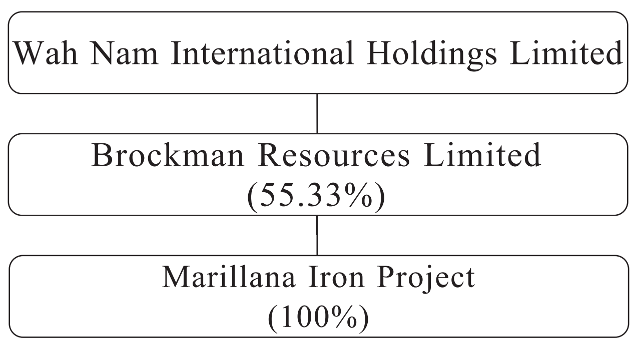
It should still be noted that while these factors could delay the onset and perhaps intensity of supply-driven price drops, it is possible that the farther into the future one looks there is a likelihood that iron ore prices will decline.

OWNERSHIP OF THE MINERAL ASSET

Subsequent to the Acquisition, WNI now owns a 55.33% interest in Brockman, which in turns owns a 100% interest in Marillana.

Corporate structure and ownership of the Mineral Asset held by Brockman is shown below:

Figure 8: Ownership structure of Brockman Resources Limited and the Mineral Asset

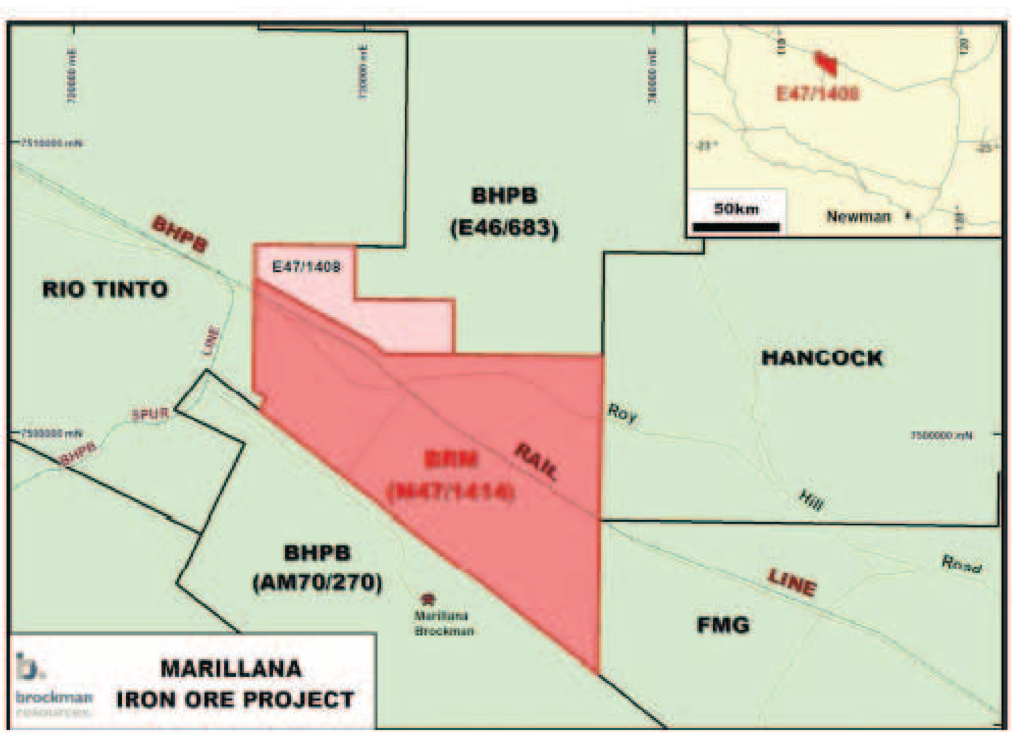


THE MINERAL ASSETS

The Marillana Iron Project

Marillana is Brockman's most advanced iron ore project, and is located in the Hamersley Iron Province of the Pilbara region of Western Australian. The Project covers an area of 96 km^2 granted by mining license M47/1414, located roughly 100km NW of Newman. The map below shows the location and tenement coverage:

Figure 11: Location and tenement area of Marillana Project



The Marillana Project contains extensive spans of supergene iron ore mineralisation, which exists in both detrital iron deposit ("DID") and channel iron deposit form. DID ore is formed as a result of the weathering of bedded iron deposits; the ore fragments are washed away and then deposited in natural topographic traps, such as drainage channels or valleys. They may exist as loose gravel or cemented conglomerates; DID ores often require beneficiation to bring the iron grade above necessary industrial cutoffs, depending on the original bedded iron source. CID ore is formed as a result of eroded and loose iron particles being deposited in ancient river beds and then fused over time by the percolation of iron-rich ground water. The resulting shape of the CID's are called mesas and resemble low, flat-topped hills when the overlying rocks are removed. This type of deposit is believed to be unique to Western Australia and its relatively high grade makes it such that it does not require beneficiation, making it suitable as a Direct Shipping Ore ("DSO").

Brockman has been exploring the Marillana Project since 2006 and produced initial Mineral Resource estimates in 2007. Since then, exploration programs have increased the Mineral Resource and Reserves estimates to over one billion tonnes; the most recent results from the DFS issued in September 2010 are shown in the table below:

Table 5: Marillana Reserves and Resources.

Note: Resources shown are inclusive of Reserves

Detrital Iron Deposits	**Tonnes (Mt)**	**Grade (% Fe)**
Proved Reserves	133.2	41.6%
Probable Reserves	868.0	42.5%
TOTAL RESERVES	**1,001.2**	**42.4%**
Measured Resources	173.0	41.6%
Indicated Resources	1,154.0	43.0%
Inferred Resources	201.0	40.7%
TOTAL RESOURCES	**1,528.0**	**42.6%**
Channel Iron Deposits	**Tonnes (Mt)**	**Grade (% Fe)**
Probable Reserves	48.5	55.5%
TOTAL RESERVES	**48.5**	**55.5%**
Indicated Resources	84.2	55.8%
Inferred Resources	17.7	54.4%
TOTAL RESOURCES	**101.9**	**55.6%**
Combined Deposits	**Tonnes (Mt)**	**Grade (% Fe)**
COMBINED RESERVES	**1,049.7**	**43.0%**
COMBINED RESOURCES	**1,629.9**	**43.4%**

The September 2010 DFS laid out preliminary mine design, ore processing, and infrastructure plans. Performed by Golder Associates Pty Ltd, the Marillana Project currently plans for an open pit design with a waste-to-ore stripping ratio of 0.8:1 and a DID ore cut-off grade of 38% Fe and CID ore cut-off grade of 52% Fe. The ore processing plant design consists of basic ore crushing; and for the beneficiated products, conventional scrubbing, wet screening, and gravity separation. With a projected annual production capacity of 17 Mtpa, the mine is expected to have an operating life of at least 25 years, and possibly upwards of 40 years pending on further conversion of Resources to Reserves. For rail and port planning, Brockman is expected to use the Northwest Infrastructure

Group (NWI) — of which they are a member — backed Port Hedland facilities, which is estimated to provide an annual shipping capacity of 18.5 Mtpa for Brockman's use. In terms of rail, Brockman is currently negotiating usage rights for the FMG rail line; however, a decision has not been made and an independent rail line to be constructed by Hancock Engineering Services remains as the fallback option. Brockman will have to construct a rail spur in either scenario, but other financial and technical terms — such as capacity and maintenance expense obligations — will determine the final selection.

Having recently published their DFS, Brockman aims to complete their Bankable Feasibility Study in 2012 and begin construction of mining, processing, rail, and port facilities in the same year. According to the DFS, the Project is expected to begin production at the beginning of calendar year 2014.

VALUATION APPROACH AND METHODOLOGY

We have considered three generally accepted approaches for the valuation of the Mineral Asset, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets with adjustments made to reflect condition and utility of the appraised assets relative to the market comparative. Assets with an established secondary market may be valued by this approach.

Benefits of using this approach include its simplicity, clarity, speediness and it requires only a few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It can also be difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market.

Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay for the asset no more than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar asset with a similar risk profile.

This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs, and it only presents a single scenario.

Selection of Valuation Methodology

For the Marillana Project, it is our opinion that the market approach and cost approach are inappropriate for valuing the underlying asset. Firstly, the market approach requires market transactions of comparable assets as an indication of value. However, we have not identified any current market transactions which are comparable. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the underlying asset. We have therefore relied solely on the income approach in determining our opinion of value.

In this study, the value of the Marillana Project was developed through the application of an income approach technique known as Discounted Cash Flow ("DCF") method to devolve the future value of the mining operation into a present market value. This method eliminates the discrepancy in time value of money by using a discount rate to reflect all business risks including intrinsic and extrinsic uncertainties in relation to the operation.

Under this method, the value depends on the present worth of future economic benefit to be derived from the projected income. Indications of value have been developed by discounting projected future net cash flows derived from the operation of the mining asset to their present worth at a discount rate which, in our opinion, is appropriate for the risks of the mining operation. In considering the appropriate discount rate to be applied, we have taken into account a number of factors including the current cost of finance and the considered risk inherent in the operation.

SOURCE OF INFORMATION

In conducting our valuation of the Fair Market Value of the Mineral Assets, we have reviewed information from several sources, including, but not limited to:

- Background/Operational
  - ➢ Description of the operating businesses; and
  - ➢ Other background and research materials.

- Financials
  - ➢ Audited Financial Statements of Brockman for the fiscal years of 2009 and 2010;
  - ➢ Other operations and market information in relation to the business;
  - ➢ Iron market demand and supply study and forecasts from the Government, internet, news, academic papers and other sources;
  - ➢ Iron ore price forecasts from industry consultants, Brockman and other sources; and
  - ➢ Comparable analysis

- Geological/Technical
  - ➢ Independent Geologists' Report from WNI;
  - ➢ Definitive Feasibility Study Results Circular ("DFS") from Brockman;
  - ➢ Production planning and scheduling;
  - ➢ Consultation with industry consultants contacted by JLLS

We were unable to conduct any site visits in the course of the valuation. This valuation exercise is based on the available public documentation and consultations with the industry consultants. We also held discussions with the management of the Company and have relied to a considerable extent on the information provided by the parties in arriving at our opinion of the Value.

ASSUMPTIONS

General Assumptions

— Because of the high levels of uncertainty involved in evaluating a mining project in development, JLLS has provided a range of values instead of a single value for the Marillana Project. This is in keeping with the VALMIN Code (2005), and also reflects several material changes that have occurred since the DFS was issued in September of 2010 — in particular the effects of the demand on limited resources to develop WA mining projects that have resulted in capital and operating cost overruns and project delays. JLLS believes that it is reasonable to consider the impact of these events on the value of Marillana. In doing so, JLLS believes that it is reasonable to consider impact of these events on the value of Marillana. In doing so, JLLS constructed a High Value Case ("High Case") and a Low Value Case ("Low Case"), which considered scenarios of increased operating and capital expenses. The High Case considers the more optimistic scenario, with no operating expense increase and a capital expense overrun of 13%; the Low Case considers the more pessimistic scenario, with a 12% operating expense increase and a capital expense overrun of 20%.

— JLLS was not provided with private information from Brockman. Instead, the data used for the valuation exercise utilizes only information released to the public domain (e.g. exchange circulars, annual reports, financial reporting articles, industry papers and studies).

— In order to realise the growth potential of the business and maintain a competitive edge, additional manpower, equipment and facilities are necessary to be employed. For the valuation exercise, we have assumed that all proposed facilities and systems will work properly and will be sufficient for future expansion.

— JLLS has not been provided with copies of the operating licenses and incorporating documents; we have assumed that the information provided in the public domain documents regarding said licenses and documents are accurate and up to date. We have relied to a considerable extent on such information in arriving at our opinion of the Value.

— We have assumed that there will be no material change in the existing political, legal, technological, fiscal or economic condition which may adversely affect the business of Brockman.

— We have assumed that operational and contractual terms bound by the contracts and agreements entered into by Brockman will be honored.

— We have assumed that Brockman's competitive advantages and disadvantages will not change significantly during the period under consideration.

— The valuation is done on a nominal basis, with inflation considered in the prices of inputs and outputs.

These assumptions have been made following discussions with Company Management, and the industry consultants. Additionally, we conducted market research into the financial performance of comparable companies, and believe that the projections offered by Brockman represent reasonable forecasts as compared to other companies in this field.

Please also refer to the specific assumptions that are discussed below regarding the Marillana Project.

THE MARILLANA PROJECT

Production Schedule

According to the DFS results issued by Brockman, Marillana is expected to produce 17 Mt of iron ore fines per year, starting in January of 2014 until 2038, resulting in a life of mine of 25 years; subsequent to market research, as at the Valuation Date, the start date is projected to be delayed six months to July of 2014 based on market research of comparable companies. Marillana will produce both beneficiated ore and DSO to be blended to produce a single product of Fines only; because the specifics of the mine engineering are still being determined as at the Valuation Date, JLLS has assumed that each product will be produced in a proportion such that both the detrital and CID ore reserves will be depleted in the same year of mining operations. To give recognition to the delays that are often experienced with similar projects and based on discussion with industry consultants and research into standard industry trends/practices, JLLS has conservatively assumed that for the first year of production the mine will only operate at 50% capacity; for the second year, the mine will operate at 80% capacity; and starting from the third year, it will operate at full capacity. The production schedule data is presented as below:

Table 9: Mining schedule parameter assumptions

Mine Life (Years):	**25**
Detrital Iron Deposit Ore Reserves (Mt):	**1,001.2**
Channel Iron Deposit Ore Reserves (Mt):	**48.5**
Final Product Grade	**60.5% — 61.5%**
Annual Beneficiated (DID Ore) Production (Mtpa):	**16.0**
Annual DSO (CID Ore) Production (Mtpa):	**1.0**
Total Annual Production (Mtpa)	**17.0**

Price Forecast

It is very difficult to obtain long term iron ore prices forecasts that are updated with ongoing global developments in the public domain although there are technical consultants that offer subscription services for their predictions of forecast iron ore prices. The situation is further complicated by the fact that the mechanisms for setting iron ore prices have recently changed and are still changing from long term contracts to mechanisms that favour short term and spot prices.

Given the sensitivity of iron ore prices to many, largely uncontrollable factors and the difficulty of accurately forecasting prices JLLS has decided to use price forecasts based on Credit Suisse future contracts for 62% West Hamersely Iron Ore Fines, issued as of April to June, 2011, with the three-year futures issued in 2011 also serving as the stable long-term price. It should be noted that the value of the project is very sensitive to price changes as illustrated in the Sensitivity analysis section of this report.

Based on market research into iron price forecasts and consultation with industry consultants, JLLS finds this forecast to be reasonable.

Table 10: Price forecast for iron ore

Year	FOB Beneficiated 61% (AUD/t)	FOB Beneficiated (Us¢/dmtu)	FOB DSO 61.5% (AUD/t)	FOB DSO (Us¢/dmtu)
2011	119.77	172.00	120.75	172.00
2012	124.66	149.55	125.68	149.55
2013	132.26	133.35	133.34	133.35
2014	128.96	136.50	130.01	136.50
2015-2038	108.52	136.50	109.41	136.50

Revenue

The total undiscounted revenue, in nominal terms, for the Marillana Project over the 25 year life-of-mine is AUD62.7 billion, with average annual gross revenue of AUD2.5 billion.

Operating Cost

According to the Brockman DFS, operating costs for the Marillana Project are expected to be AUD36.90 per dry metric ton of ore; of which, AUD21.80 are costs for mining and processing, and AUD15.10 are costs for rail transport and port handling, inclusive of demurrage costs. Corporate overhead, marketing and closure costs were estimated to be

AUD1.60 per dmt. JLLS has, in addition, included a cost buffer of AUD5 MM per annum for the life of the mine. In relation to the cost overruns experienced by other WA projects, JLLS has run two different operating cost scenarios, the High and Low Cases, as below:

Table 11: Operating cost figures for High and Low Cases

Item	Low Case (OPEX + 12%)	High Case (No Change)	Unit
Mining and Processing Cost	24.52	21.80	AUD/dmt
Rail & Port (including demurrage)	16.98	15.10	AUD/dmt
Total FOB Cost	**41.50**	**36.90**	**AUD/dmt**
Cost buffer	5.62	5.00	AUD MM
Closure Cost	1.80	1.60	AUD/dmt

The 12% increase was taken as an average of the change in operating expense for other currently operating iron mines in WA, between the end of December 2010 and the end of June 2011.

It is assumed that the mining and processing cost figure includes on-going fixed asset replacement and maintenance expenditures. No distinction was made between operating costs for beneficiated ore and DSO; JLLS has therefore assumed that the cost figures do not differ between products.

Royalties and Restoration Costs

As the land on which mining is done belongs to the Australian government and is only being leased to Brockman, the former will levy a royalty on the economic benefits derived from the mineral resources. The royalty rate is applied to net revenue, and is 5.0% for beneficiated ore revenue and 5.625% for DSO revenue.

Restoration costs will be incurred over the life of the mine with backfilling of the pit with tailings from year four. Closure costs are provided in the corporate overhead, management and closure cost operating cost estimate. An additional AUD10.3 million was included by JLLS in the final year of operation for restoration costs.

Capital Expenditure, Depreciation and Amortization

According to the DFS, Brockman's initial capital expenditures will total AUD1.935 billion. For this assumption JLLS has also taken a Low-High scenario approach similar to that for operating expenses. The High Case increase of 13% was based on the lowest observed capex overrun for comparable WA mining projects, while the Low Case increase of 20% was based on the average increase of all comparable capex overruns. The overruns were calculated only relative to capex estimates issued no earlier than June of 2011, as it is assumed that Brockman's DFS would have taken into account all market information available prior to September 2010. Though Brockman has not made a final, decisive announcement on their rail option, they have been in negotiation with FMG for well over eight months at this point and indications are that significant progress is being made. Brockman has also devised a fallback option of contracting the construction of their own rail line through Rhodes Ridge to Hancock Engineering Services. WNI has informed JLLS that this alternative option is not estimated to cost significantly more than the FMG option, and as such, we have not considered that in the scenarios.

The Feasibility Study for the construction of facilities at Port Hedland has not yet been released, and there is a risk that operating costs may change from that allowed by Brockman in the DFS. JLLS has accounted for this in our specific premium (See sections: DISCOUNT RATE and RISK FACTORS).

Brockman has not provided construction and capital expenditure schedules; JLLS therefore assumes that the capital expenditure will be spent in equal parts over 2012 and 2013. A breakdown of capital expenditures is presented below:

Table 12: Capital expenditures categorical breakdown for High and Low Cases

Capital Expenditures (AUD MM)	Low Case (+20%)	High Case (+13%)	DFS Figures
Mine	102,225	96,355	85,000
Processing plant and utilities	523,150	493,111	435,000
Tailing dam	60,132	56,679	50,000
Stockyard and on site rail loop	307,877	290,198	256,000
Rail spur	570,053	537,321	474,000
Indirect, Owner's costs and contingency	763,679	719,828	635,000
TOTAL CAPITAL EXPENDITURES	**2,327,115**	**2,193,492**	**1,935,000**

Brockman has also not specified its depreciation and amortization policy, so JLLS has assumed that asset lifespans will be 15 years with a 0% salvage value, and straight-line depreciation. Based on consultation with industry consultants, we believe that these assumptions are reasonable.

Mineral Resources Rent Tax

The Mineral Resources Rent Tax ("MRRT") may be enacted into law by July of 2012 despite controversy. Based on discussion with our industry consultants, it appears likely that the MRRT will be enacted in some form; it is therefore materially relevant and so has been included in the present valuation. The specific policies for applying the MRRT were taken from the exposure draft of the Mineral Resource Rent Tax Bill issued on 10 June 2011. It is important to note that the specifics of any finalized MRRT law may differ significantly from this exposure draft; inclusion of the MRRT in its present, unfinalized form is to demonstrate the general scale of its effects.

In its current draft, the MRRT is applied when a mining company's operating margin exceeds the Australian risk free rate plus a 7% spread. The MRRT taxable base is determined as net revenues less operating expenses, management expenses, and capital expenditures; and adding royalty fees and interest expenses. The resulting MRRT base is then granted a 25% MRRT exception; a 30% tax rate is then applied to 75% of the total MRRT base resulting in an MRRT liability with an effective tax rate of 22.5% of base.

There are allowance credits for unprofitable years (the "MRRT Credits") and the state royalty fee (the "Royalty Credits"). The MRRT Credits are usable if the previous fiscal year was unprofitable, and they are calculated in the same way as an MRRT liability in a profitable year, i.e. calculating the MRRT base and applying an effective rate of 22.5% to that base. The result is then increased by the Australian risk-free rate plus a 7% spread, producing the final MRRT Credits. The MRRT Credits are then used to reduce the MRRT base for the current year; should the size of the credits exceed the size of the MRRT base, there will be no MRRT liabilities for that year and any remaining credits may be rolled over into the next year.

Royalty Credits are calculated by taking the royalty fees for that year and dividing it by the effective MRRT rate of 22.5%; these credits can then be subtracted from the MRRT base, and are used in conjunction with the MRRT Credits (where applicable). Should the Royalty Credits exceed the MRRT base, there will be no MRRT liabilities for that year and any remaining credits may be rolled over into the next year.

Taking into account the MRRT Credits and Royalty Credits, the Marillana Project will be liable for an average effective MRRT rate of 19% for the life of its operations.

Corporate Income Tax

The corporate income tax for Australia is 30%. The taxable base for the corporate income tax is operating income less effective MRRT liabilities for the given year. This results in an average effective corporate tax rate of 24% for the life of Marilliana's operations.

Foreign Exchange and Inflation

To forecast foreign exchange rates between the US dollar and Australian dollar, JLLS used the forward rate for AUD:USD exchange as at the Valuation Date; the forward rates used include all rates up to 25 years. The forward rates are presented below:

Table 13: AUD:USD foreign exchange rate forecasts, based on forward rates as at 16 June 2011

2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
1.062	1.015	0.973	0.939	0.912	0.891	0.876	0.863	0.851	0.840
2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
0.831	0.831	0.831	0.831	0.831	0.787	0.787	0.787	0.787	0.787
2031	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**		
0.768	0.768	0.768	0.768	0.768	0.779	0.779	0.779		

The present valuation assumes an annual inflation rate of 3%, which is applied to both revenues and expenses.

SENSITIVITY ANALYSIS

The tables below show the results of the Net Present Value ("NPV") sensitivity analysis runs for possible changes in, iron prices and operating costs; capital expenditure overruns; and the schedule delays usually attendant to capex overruns. The iron price analysis considers changes of -20% to +20% relative to the projected forecast; the operating cost analysis considers changes of -10% to +10% relative to the projected forecast; the capex overrun analysis considers increases of 10 to 50%; and the schedule delay analysis considers delays of six months to three years. The analyses were all performed on the High Case, and are presented below:

Table 14: Sensitivity analysis of price
(-20 to 20%, 10% increments) and cost changes (-10% to 10%, 5% increments)

Marillana Iron Project Equity Value (AUD MM)

	Cost Condition	-10%	-5%	0%	5%	10%
Iron Ore Price Condition	-20%	**85,000**	**-34,000**	**-153,000**	**-273,000**	**-375,000**
	-10%	**323,000**	**442,000**	**321,000**	**202,000**	**83,000**
	0%	**1,050,000**	**931,000**	**843,000**	**688,000**	**564,000**
	10%	**1,526,000**	**1,406,000**	**1,287,000**	**1,167,000**	**1,048,000**
	20%	**2,000,100**	**1,882,000**	**1,762,000**	**1,643,000**	**1,523,000**

Table 15: Sensitivity analysis of capital expenditure overruns
(10 to 50%, 5% increments)

AUD MM	**CAPEX Overrun**	**Equity Value**
Current:	**Base (FMG)**	843,000
Scenario:	10.0%	649,000
	15.0%	567,000
	20.0%	485,000
	25.0%	406,000
	30.0%	328,000
	35.0%	249,000
	40.0%	171,000
	45.0%	93,000
	50.0%	15,000

Table 16: Sensitivity analysis of schedule delays (6 months to 3 years)

AUD MM	Time Delay (months)	Production Start Date	Equity Value
Current:	**0**	**7/1/2014**	843,000
Scenario:	6	1/1/2015	808,000
	12	7/1/2015	690,000
	18	1/1/2016	668,000
	24	7/1/2016	558,000
	36	7/1/2017	438,000

DISCOUNT RATE

In applying the discounted cash flow method, it is necessary to determine an appropriate discount rate for the assets under review. The discount rate represents an estimate of the rate of return required by a third party investor for an investment of this type. The rate of return expected from an investment by an investor relates to perceived risk. Risk factors relevant in our selection of an appropriate discount rate include:

1. Interest rate risk, which measures variability of returns, caused by changes in the general level of interest rates.

2. Purchasing power risk, which measures loss of purchasing power over time due to inflation.

3. Liquidity risk, which measures the ease with which an instrument can be sold at the prevailing market price.

4. Market risk, which measures the effects of the general market on the price behavior of securities.

5. Business risk, which measures the uncertainty inherent in projections of operating income.

Consideration of risk, burden of management, degree of liquidity, and other factors affect the rate of return acceptable to a given investor in a specific investment. An adjustment for risk is an increment added to a base or safe rate to compensate for the extent of risk believed involved in the investment.

Required Return on Equity Capital

We have used Capital Assets Pricing Model (the "CAPM") to estimate the required return on equity capital.

The CAPM is a fundamental tenet of modern portfolio theory which has been generally accepted basis for marketplace valuations of equity capital. The CAPM technique is widely accepted in the investment and financial analysis communities for the purpose of estimating a company's required return on equity capital.

The equation of CAPM is shown as follow:

Expected Required Return on Equity = Risk Free + Nominal Beta (β) x Risk Premium + Specific Risk *(ε)*

The return on equity required of a company represents the total rate of return investors expect to earn, through a combination of dividends and capital appreciation, as a reward for risk taking. The Capital Asset Pricing Model ("CAPM") is used to calculate the required rate of return on equity investment by using publicly-traded companies.

Parameters for CAPM

In determining the equity discount rates for Brockman as at the Valuation Date, the following parameters have been used:

Table 15: Weighted Average Cost of Capital parameters

Data as of 17-06-2011		Source
Risk free rate	5.12%	10-year Australian government bond yield
Index return	8.83%	10-year moving average of S&P/ASX 300 Index
D/E ratio	3.88%	Average of comparable companies
Levered beta	1.422	Average of comparable companies
Unlevered beta	1.370	Average of comparable companies
Relevered Beta	1.408	
Market Return	10.34%	Cost of equity
Country risk	0.00%	http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html
Size premium	2.65%	2011 SBBI Handbook
Specific premium	1.00%	Discussions with WNI and consultants, reflects infrastructure agreement and other uncertainties
CAPM Discount rate	13.99%	
Cost of debt	8.88%	5-year large business loan rate from BCU Bank
Cost of debt (tax adjusted)	6.22%	30% corporate income tax adjustment
Discount Rate	**13.70%**	

Estimated Beta was calculated as the average of the comparable companies' adjusted Beta values. Comparable companies were selected primarily on the basis of their Major Activity being the exploration and production of iron ore, the large majority of which occurs on projects domiciled within Australia.

The size premium of 2.65% is based on the results published in the 2011 SBBI Handbook[a], under the section "Key Variables in Estimating Cost of Capital". The specific premium of 1.0% was reached after discussion with the Company regarding the economic risks attached to the operation of iron ore mines in Australia. Part of this premium reflects the risk inherent to junior mining companies, while another part reflects the uncertainty surrounding the port infrastructure arrangements mentioned in the section on Capital Expenditures.

Average CAPM cost of equity is 13.99%. With debt to equity ratio of 3.88%, the weighted average cost of capital ("WACC") equals 13.70%. We believe this to be a reasonable WACC given Brockman's industry, its forecasts, and its particular situation.

a: The SBBI Handbook refers to "The Stocks, Bonds, Bills & Inflation Handbook", which is issued annually by Ibbotson Associates (a subsidiary of Morningstar). It is considered to be one of the industry standards for determining costs of capital when performing business valuations.

VALUATION COMMENTS

The valuation of an interest in a Mineral Asset requires consideration of all relevant factors affecting the operation of the business and its ability to generate future investment returns. The factors considered in the valuation included, but were not limited to, the following:

— the nature of the business;

— the financial condition of the business and the economic outlook in general;

— the operational contracts and agreements in relation to the business;

— the projected operating results; and

— the financial and business risk of the mining operation including the continuity of income and the projected future results.

The estimate of the Value is based on relevant standards of the VALMIN Code (2005) and relies substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Brockman, the Company and Jones Lang LaSalle Sallmanns Limited.

RISK FACTORS

Reliance on key executives

The future success of Brockman is dependent, to a large extent, upon the continued service of its key executives and technical personnel as it operates in an industry where there is intense competition for experienced managerial and technical personnel. The loss of the services of these personnel without immediate and adequate replacements could have a material adverse effect on the business.

Infrastructure Planning

As mentioned prior, Brockman is still in the negotiation and planning stages of infrastructure development for their Marillana Project. In addition to the capital and maintenance costs required for the infrastructure, the actual capacity of the rail and port will determine the final sales volume of iron ore products and therefore, future cash flows. As mentioned, mining projects in WA have experienced major demand-driven capex blowouts in the six months prior to the Valuation Date; though JLLS has attempted to account for this in our use of High and Low Case scenarios, it is not clear when the blowout will recede, or if this portends a new 'normal' higher-cost environment for miners. In either case, the effects will be material and are beyond predictability.

Economic considerations

Because the price of natural resources is strongly determined by broader macroeconomic forces, companies engaged in the extraction and sale of natural resources are exposed to considerable market risk with respect to the predictability of their future revenue streams. There is no guarantee that future movements in the market for natural resources, and the broader global economy, will result in favorable circumstances for Brockman and its various projects. Any major movements therein will unquestionably have material effects on the business. The sensitivity of the value of the project to movements in the Iron Ore Price is illustrated in the Sensitivity Analysis section.

Realisation of forecast and future plans

This calculation is premised in large part on the historical financial information and future plans provided by the Management. We have assumed the accuracy of the information provided and relied to a considerable extent on such information in arriving at our calculation of the Value. Since projections are related to the future, there will usually be differences between projections and actual results, and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ.

INDEMNITIES

The Company has agreed to an indemnity for JLLS and its employees and officers with regards to any liability suffered or incurred as a result of, or in connection, with the preparation of this report. This indemnity will not apply in respect of the proportion of any liability found by a court to be primarily caused by any conduct involving gross negligence or willful misconduct by JLLS. The Company has also agreed to an indemnity for JLLS and its employees and officers for time spent and reasonable legal costs and expenses incurred in the course of any additional required work owing to: reliance on information provided by the Company which is inaccurate or incomplete; and any consequential extension of the workload through queries or public hearings resulting from this report. Any claims by the Company are limited to an amount equal to the fees paid to JLLS. Where JLLS or its employees and officers are found to have been grossly negligent or engaged in willful misconduct JLLS shall bear the proportion of such costs caused by its action.

OPINION OF VALUE

Based on the results of investigation and analysis outlined in this report, it is our opinion that the Fair Market Value of the Mineral Asset as at the Valuation Date is reasonably stated between **AUD515,000,000 to AUD843,000,000 (AUSTRALIAN DOLLARS FIVE HUNDRED AND FIFTEEN MILLION TO EIGHT HUNDRED AND FORTY THREE MILLION).**

Yours faithfully,
For and on the behalf of
Jones Lang LaSalle Sallmanns Limited

Ian D. Buckingham
Principal Senior Consultant

Hilko L. Dusseljee
Competent Evaluator

Simon M. K. Chan
Regional Director

Note:

Mr. Buckingham holds Associateship and Fellowship Diplomas in Geology (RMIT) with extra studies in mining engineering and primary metallurgy, B.App.Sc.(Applied Geology) and a MBA from RMIT University. Mr. Buckingham is a Member of PESA and AAPG. Specific valuation assignments undertaken by Mr. Buckingham include: providing Specialist's advice to Grant Samuel when that company provided an Independent Expert's Report to Aberfoyle Limited in relation to the takeover offer by Western Metals NL; providing Specialist's advice to Grant Samuel and to KPMG Corporate Finance when both of those organisations provided the Independent Expert's Reports on the takeover offer by Rio Tinto for North Limited and Ashton Mining Limited respectively. As Project Director he managed the project team that undertook a review of the mining, legal, environmental and economic issues associated with the Ok Tedi Mine, PNG; participated in the strategic review team that evaluated and valued the WMC Corridor Sands Project, Mozambique. Mr. Buckingham has also undertaken a number of strategic development assignments evaluating several minerals commodities on behalf of global mining groups.

Mr. Buckingham is currently a principal senior consultant of JLLS and worked with Mr. Hilko Dusseljee on this project.

Hilko Dusseljee holds BCompt and Hons BCompt degrees from the University of South Africa and a MDP from the University of South Africa's School of Business Leadership. Mr Dusseljee is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a member of the Australian Institute of Company Directors (MAICD) and an Associate of CPA Australia (ASA). He has more than 28 years experience in the resources industry. He worked with the Anglo American/De Beers Group for 15 years in Southern Africa where he held financial management positions at various gold and diamond mining operations as well as senior management roles at corporate head offices. In Australia, he was Chief Financial Officer & Company Secretary of the ASX listed gold company Bendigo Mining Limited from 1997 to 2007 and has consulted to the resources industry in the areas of projects and company evaluations and valuations since 2007. Resulting from his corporate and management experience Mr Dusseljee has gained extensive knowledge of and experience in the evaluation, assessment and valuation of various mineral assets and companies. Since becoming a Management Consultant in the global resources industry he has worked on assignments that include: evaluating the potential development aspects and estimating the value of three iron ore projects in Western Australia, evaluated the economic inputs of two lithium salar projects in Argentina, evaluated and valued the coal assets in Australia and Canada of a company seeking to list on the ASX, evaluated the economic prospects of a coal asset in South Africa for an investor client, reviewed several unconventional Australian oil and gas properties as part of a potential IPO on the ASX, evaluated and valued a silver property in Mexico as part of a capital raising for an ASX listed company, reviewed and evaluated a molybdenum deposit in Australia as part of a placement of shares by the Company's Board, reviewed the financial issues associated with an uranium exploration play in Tanzania, valued a copper-molybdenum property in Mexico, reviewed a gold project in Australia, advised a London based investment and mining company on the financial management of its wholly owned Australian gold and antimony mining subsidiary and assisted an Australian gold company to rearrange its debt and hedging position and to manage its merger with a Canadian gold mining company.

Mr. Dusseljee is currently a senior consultant of JLLS, and is the Competent Evaluator for the purpose of fulfilling the requirements under Rule 18.23 of the Listing Rules. Mr. Dusseljee is not required to hold any additional licenses to perform his role as Competent Evaluator.

Mr. Chan has extensive work experience in valuation and corporate advisory industries. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in China, Hong Kong, Singapore and the United States. Simon has also participated in certain large scale IPOs of State-owned and privately-owned enterprises in China. He has extensive valuation experience in mineral assets, mining rights and corresponding project investments. He has participated in various mining companies' project investments in China. He is a member of The International Association of Consultants, Valuers and Analysts (IACVA), the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) and the certified public accountants in Hong Kong (HKICPA) and Australia (CPA(Aust)).

All of the above individuals disclose that they have no interest in Brockman, the Company, its subsidiaries, or its assets; nor are they currently or previously employed, in any capacity, by Brockman, the Company, or its subsidiaries. The Competent Evaluators' remuneration is not dependent on the present valuation results.

OVERVIEW OF THE AUSTRALIAN MINING LAW REGIME

General

The Mining Act 1978 (WA) (the "Mining Act") regulates the assessment, development and utilisation of mineral resources in Western Australia. In Western Australia, the Crown owns all minerals on or below the surface of the land, except in certain limited circumstances (relating to limited categories of land and minerals). As the owner of the minerals, the Crown is entitled to grant mining tenements that confer rights on a tenement holder to explore for and mine minerals. The grant of a tenement is generally at the discretion of the minister responsible for administration of the Mining Act (the "Minister").

Conditions are imposed on a tenement holder pursuant to the Mining Act, the Mining Regulations 1981 (WA) (the "Mining Regulations") and the tenement instrument. These include conditions relating to the environmental rehabilitation obligations, payment of annual rent, required minimum expenditure, security and bond requirements and reporting requirements. If the tenement conditions are not complied with, the tenement may be liable to forfeiture. The transfer of certain tenements may require the consent of the Minister.

The main types of tenements granted under the Mining Act are (i) prospecting licences; (ii) exploration licences; (iii) retention licences; (iv) mining leases; (v) miscellaneous licences; and (vi) general purpose leases. A number of Brockman Resources Limited's wholly-owned subsidiaries currently hold exploration licences and mining leases.

Exploration Licences

The holder of an exploration licence is authorised to carry out operations and works necessary for the purpose of digging pits, trenches, holes and sinking bores and tunnelling in the course of mineral exploration with respect to its area. An exploration licence granted or applied for before 10 February 2006 is for a term of five years from the date of grant and may be renewed by the Minister, in certain circumstances, for a second term of up to two years, a third term of up to two years and in exceptional circumstances, for a fourth term of one year. An exploration licence applied for on or after 10 February 2006 is for a term of five years from the date of grant and may be renewed by the Minister for five years and subsequent renewal terms of two years.

In respect of exploration licences granted or applied for before 10 February 2006, the area covered by the exploration licence is required to be reduced by not less than 50% of the number of blocks after the first three years of its term and again after the fourth year of its term. For exploration licences applied for on or after 10 February 2006, the area covered by the exploration licence is required to be reduced by at least 40% of the number of blocks (to the nearest whole number) at the expiration of the initial five year term (assuming the initial term has been extended or an application for extension has been made). A tenement holder may apply to defer the requirement to reduce the number of blocks if it can establish certain grounds under the Mining Regulations.

An interest in an exploration licence is not transferrable within one year of the exploration licence being granted, without the prior written consent of the Minister.

The holder of an exploration licence generally has a right to convert the licence to a mining lease, provided it has complied with the Mining Act and tenement conditions and obtained the necessary approvals, by making a conversion application during the term of the exploration licence.

Mining Leases

Subject to the provisions of the Mining Act, the holder of a mining lease is entitled to work and mine the land, take and remove any minerals (except iron ore, unless expressly authorized by the Minister), take and divert water subject to the Rights in Water and Irrigation Act 1914 (WA) and do all things necessary to effectively carry out mining operations in, on or under the land.

However, the grant of a mining lease does not in itself confer authority to produce minerals. Further approvals are generally required before production may commence, including approvals in respect of environmental impact and Aboriginal heritage. The holder of a mining lease owns all minerals lawfully mined from the land in accordance with the mining lease.

A mining lease is granted for an initial term of 21 years and may be renewed for a further term of 21 years as of right and further successive periods of 21 years each upon application to the Minister.

Any assignment, subletting or other parting with possession of a mining lease or mortgage in respect of a mining lease must not be made without the prior written consent of the Minister.

Miscellaneous Licences

A miscellaneous licence may be granted pursuant to the Mining Act over any land where the use of that land is directly connected with mining operations and is for a prescribed purpose under the Regulations (for example a road, railway, pipeline, power line or bridge). A miscellaneous licence may be applied for over land that is the subject of an existing tenement, irrespective of whether that existing tenement is held by the applicant for the miscellaneous licence. The holder of a miscellaneous licence does therefore not have exclusive title to the land over which the miscellaneous licence is granted.

A miscellaneous licence has an initial term of 21 years, which may be renewed upon application to the Minister.

State Mineral Royalties

Under the Mining Act, royalties are payable on all minerals in Western Australia. When a mineral is obtained from a mining tenement, or from land the subject of an application for a mining tenement, royalties must be paid by the holder of, or applicant for, the mining tenement at the rate prescribed for the relevant commodity. A mineral is defined under the Mining Act as a naturally occurring substance obtainable from any land by mining operations on or under the surface of land but does not include soil, meteorite, any substance covered by the Petroleum and Geothermal Energy Resources Act 1967 (WA) or Petroleum (Submerged Lands) Act (WA) 1982 (WA) or any limestone, rock, gravel, sand or clay, occurring on private land.

Applications for Tenements

Whether a tenement application is successful is dependent upon a recommendation made by the mining registrar or warden to the Minister and the Minister's decision whether to grant or refuse the application. If a tenement is granted under the Mining Act then it will be issued on terms and conditions reasonable to the Minister.

An application for a tenement cannot be transferred because, while it is still pending, the application does not amount to proprietary interest.

Crown Land, Reserves, Protected Land and Private Land

Specific conditions and restrictions may apply under the Mining Act to Crown land which is not already subject to a tenement, land subject to a pastoral lease, reserves, land protected under the Environment Protection and Biodiversity Conservation Act 1999 (Cth) and private land. The owners and occupiers of private land where mining takes place are entitled according to their respective interests to compensation for certain loss and damage suffered or likely to be suffered by them resulting or arising from mining.

OVERVIEW OF NATIVE TITLE AND CULTURAL HERITAGE IN WESTERN AUSTRALIA

General

Australian law recognises a form of native title which reflects the rights, interests and entitlements of Australia's indigenous inhabitants to their traditional lands in circumstances where such title has not been extinguished ("Native Title"). Native Title is regulated in Western Australia by the Native Title Act 1993 (Cth) (the "NTA") and the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 (WA).

Under the NTA, a group of persons may apply to the Federal Court for a determination that native title exists over an area. The Federal Court provides a copy of any claim to the Native Title Registrar, who applies the "registration test" set out in the NTA. The registration test applies a variety of criteria to establish that the Native Title claimants in question have a bona fide Native Title claim. If the Native Title Registrar considers that a claim satisfies the registration test, the claim is entered on the Register of Native Title Claims. If a claim is registered, the registered Native Title claimants obtain certain procedural rights under the NTA including the right to negotiate in respect of future grants of interests in land. If the claim is not registered, then the claimants will not have the benefit of such rights. It is important to note that whether or not a claim is registered, the claim will continue as a proceeding (for the determination of Native Title) in the Federal Court.

If the Federal Court determines that Native Title exists, the Court must determine the nature and extent of the Native Title, the holders of the Native Title and whether the Native Title is to be held by a prescribed body corporate in trust for the Native Title holders or as the agent or representative of the Native Title holders.

Prospects for success of a Native Title claim

The prospects for success of any Native Title claim will depend, ultimately, on the extent to which the claimant can provide evidence of a number of things to prove their native title rights and interests exist, including:

- that they are a functioning community under traditional law;
- that they have maintained a traditional connection to the land and waters they claim;
- that they continue to observe their traditional laws and practise their customs; and
- that their laws and customs have substantially remained intact since sovereignty (1788).

These matters require detailed and expert anthropological evidence. A mining company would not be qualified and would not have sufficient information to assess the merits of any Native Title claims measured against the above criteria.

Right to Negotiate

Upon registration of a claim, the claimant is entitled to the "right to negotiate" (the "RTN") with respect to certain "acts" that may affect Native Title. If the right to negotiate procedures are not complied with, the relevant "act" will be invalid to the extent that it affects Native Title.

The grant of a mining tenement is an "act" that may affect Native Title and may attract the RTN procedure (although an expedited 'consultation' procedure, which does not require the Native Title claimants' ultimate consent to the doing of the "act", may apply in relation to certain types of mining tenements for infrastructure necessary to support mining operations).

The RTN procedure requires Western Australia to give notice of its intention to grant a mining tenement including by giving a written notice to any registered Native Title claimants, and notifying the public. The Minister, on behalf of Western Australia, the applicant of the tenement and the Native Title party (the "Negotiation Parties") must negotiate in good faith with a view to obtaining the agreement of the Native Title party to the grant of the tenement.

If within 6 months no agreement is reached, any of the parties can apply to the National Native Title Tribunal (the "NNTT") for a determination as to whether the grant should be made, with or without conditions. A determination that the grant may be made subject to conditions being complied with by the parties has effect, if the grant proceeds, as if the conditions were terms of a contract among the Negotiation Parties. The Minister has the power to overrule a determination by the NNTT, in the interests of the State.

Expedited procedure

The expedited procedure is a procedure under the NTA which, if applicable, removes the requirement to comply with the right to negotiate.

In Western Australia, exploration and prospecting licences are processed under the expedited procedure if the tenement applicant signs a Regional Standard Heritage Agreement and sends it to the relevant Native Title representative body (the "NTRB") or Native Title party if not represented by the NTRB; or has an alternative heritage agreement in place with the NTRB or Native Title party.

If the Native Title party fails or refuses to execute a Regional Standard Heritage Agreement and makes an objection to the expedited procedure within 4 months of the notification day, the NNTT will determine whether the expedited procedure applies (based on the criteria set out above). If the NNTT determines that the expedited procedure applies, the Minister may grant the tenement; conversely if the NNTT determines that the expedited procedure does not apply, the RTN procedure will apply. The RTN procedure will also apply if the tenement applicant fails or refuses to enter a Regional Standard Heritage Agreement or an alternative heritage agreement.

Validation of granted of tenements

Pursuant to the NTA, the validity of the grant of a mining tenement is determined in accordance with the date of grant of the mining tenement. In general terms: (i) the grant of exploration or mining tenements prior to 1 January 1994 will have been validated as "past acts"; and (ii) the grant of certain exploration or mining tenements between 1 January 1994 and 23 December 1996 will have been validated as "intermediate period acts", and the tenement holder may exercise its rights and interests under the tenement without being impaired by the existence of, or a claim for determination of, Native Title. However, the grant of an exploration or mining tenement will not have the effect of extinguishing Native Title, only "suspending" native title to the extent of any inconsistency with the rights and interests conferred under the exploration or mining tenement. On expiration or surrender of the exploration or mining tenement, Native Title will revive.

Furthermore, provided the grant of a mining tenement does comply with the RTN or the expedited procedure, the grant of the mining tenement will be valid from a native title perspective and the existence of claims will not have a bearing on a mining company's rights to explore or mine the mining tenement.

Extent to which Native Title claims may affect a company or its projects

While a Native Title claim will typically cover a broad area, native title rights and interests can only be claimed in respect of land and waters within a claim area where native title has not been extinguished.

Therefore, while there may be parts (or even all) of the areas of the tenements that are within one or more claim area, native title will only be an issue for a mining company or its projects to the extent that there are areas within the tenements where native title has not been extinguished.

Accordingly, it will only be possible to ascertain the extent to which a Native Title claim may affect a mining company or its projects by analysing all of the land and waters included in all relevant tenements to determine whether or not the tenements include any areas where native title has not been extinguished.

Aboriginal Heritage

The Aboriginal Heritage Act 1972 (WA) (the "Aboriginal Heritage Act") seeks to protect Aboriginal sites and objects and is particularly relevant to exploration and mining activity. The terms of grant of exploration and mining tenements commonly include an endorsement drawing the attention of the holders of such tenements to the provisions of the Aboriginal Heritage Act.

The Aboriginal Heritage Act provides a wide definition of Aboriginal "site" being (i) any place of importance and significance where persons of Aboriginal descent have left any object, natural or artificial, used for any purpose connected with the traditional cultural life of Aboriginal people; (ii) any sacred, ritual or ceremonial site; (iii) any place which, in the opinion of the Aboriginal Cultural Material Committee, is or was associated with Aboriginal people and which is of historical, anthropological, archaeological or ethnographical interest; and (iv) any place where objects to which the Aboriginal Heritage Act applies are traditionally stored, or to which such objects have been taken or removed.

The Aboriginal Heritage Act also defines Aboriginal "objects" broadly as all objects, whether natural or artificial and irrespective of where found or situated in the Western Australia, which are or have been of sacred, ritual or ceremonial significance to persons of Aboriginal descent, or which are or were used for, or made or adapted for use for, any purpose connected with the traditional cultural life of Aboriginal people past or present.

It is an offence under the Aboriginal Heritage Act for a person to excavate, destroy, damage, conceal or in any way alter any Aboriginal site; or act in a manner not sanctioned by relevant custom, or assume the possession, custody or control of, any object on or under an Aboriginal site, without obtaining the consent of the relevant Minister under the Aboriginal Heritage Act.

ENVIRONMENTAL REGULATORY REGIME IN WESTERN AUSTRALIA

All phases of mining operations are subject to environmental laws and regulations in Western Australia, including laws regulating the removal of natural resources from the ground and the discharge of materials to the environment.

The principal piece of legislation which regulates environmental law in Western Australia is the Environmental Protection Act 1986 (WA) (the "EP Act"). Companies undertaking mining operations in Western Australia should be aware of their obligations under the EP Act. Many mineral rights, interests or agreements will be subject to government approvals, licenses and permits, which may include:

- **Environmental impact assessment:** To be prepared where a proposed mining activity presents a significant impact on the environment. After review by the Environmental Protection Authority, the Minister for the Environment will issue a statement of conditions binding upon the company.

- **Works approvals and licenses:** Mining operations may require a licence. Failure to comply with conditions of a licence may lead to significant monetary penalties.

- **General obligations:** There is a general obligation under the EP Act not to pollute or cause serious or material environmental harm. There is also an obligation to report pollution.

The EP Act is supported by the Environmental Protection Regulations 1987 (WA), and additional regulations including those relating to noise, pollution, controlled wastes, unauthorised discharges and clearing of native vegetation.

A number of other statutes regulate particular environmental issues in Western Australia, and including Contaminated Sites Act 2003 (WA); Dangerous Goods Safety Act 2004 (WA); Rights in Water and Irrigation Act 1914 (WA); and Radiation Safety Act 1975 (WA).

Mining companies should also be aware of the environmental provisions found in the Mining Act 1978 (WA), which requires companies to ensure that, upon cessation of their activities, the mine site is returned as far as possible to its previous natural condition. This may include operational environmental obligations imposed on mining tenements, environmental performance bonds, and participation in environmental inspections.

Western Australia is also subject to Commonwealth environmental legislation. This legislation includes the Environment Protection and Biodiversity Conservation Act 1999 (Cth) which provides a regime to assess activities which may significantly impact matters of national environmental significance, and the National Greenhouse and Energy Reporting Act 2007 (Cth) which imposes monitoring, recording and reporting obligations on entities with regards to greenhouse gas emissions, energy consumption and energy generation.

In addition, the Commonwealth Government has recently passed the Clean Energy Act 2011, which will come into force from 1 July 2012. This legislation (together with a number of other complementary pieces of legislation) introduces a carbon pricing mechanism. Generally speaking under this scheme, a person with operational control of a facility that has direct emissions of 25 kt of CO2-e or more will have an obligation to surrender an equivalent number of eligible carbon units for the emissions from that facility (1 carbon unit for each tonne of CO2-e). Activities that satisfy an emission intensive trade exposed threshold test may be eligible for assistance under the scheme.

While State and Commonwealth legislation has for the most part amended or superseded the common law position, several common law rights are specifically preserved under Western Australian environmental legislation. In particular common law proprietary rights in relation to trespass, nuisance and negligence are available to persons with relevant proprietary interests or standing.

Failure to comply with the applicable laws and regulations set out above, or any agreements and permitting requirements, may result in enforcement action. Compensation may also be required in some instances to compensate those suffering loss or damage, and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Such fines and penalties may, in some instances, be levied personally against directors and managers.

In the course of its normal mining and exploration activities BRM Group promotes an environmentally responsible culture and adheres to environmental regulations of the Department of Mines and Petroleum, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The BRM Group has complied with all material environmental requirements up to the Latest Practicable Date.

WESTERN AUSTRALIAN LAWS RELATING TO HEALTH AND SAFETY IN THE MINING INDUSTRY

Pursuant to the Mines Safety and Inspection Act 1994 (WA) (the "MSIA") and the Mines Safety and Inspection Regulations 1995 (WA) (the "Regulations"), the employer has the obligation to so far as is practicable, provide and maintain at a mine a working operation in which that employer's employees (and contractors) are not exposed to hazards and without limiting that obligation the employer must, (i) provide and maintain workplace, plant and systems of work that do not expose employees to hazards; (ii) provide information, instruction, training and supervision as is necessary to ensure the employees are not exposed to hazards; (iii) consult and co-operate with employees regarding health and safety; and (iv) provide, at no cost to the employee, relevant personal protective clothing and equipment. Employers must also make arrangements for ensuring that any handling, use, transportation or disposal of plant and substances is carried out in such a manner that employees are not exposed to hazards.

The MSIA and the Regulations, also impose numerous specific obligations, many of which create an offence for non-compliance. Some of the more notable obligations include, (i) notifying the Mines Inspector of all accidents and serious or potentially serious occurrences at the Mine; (ii) ensuring a registered mine manager is appointed and that those managers are required to hold certificates of competency do so; (iii) responding as directed under any Improvement Notice or Prohibition Notice issued by a Mines Inspector; and (iv) ensuring that any residential premises on a mining lease (or on another property outside a gazetted town or outside the metropolitan area) provided by the employer are, so far as is practicable, free of hazards. The penalties under the MSIA and Regulations are tiered according to the gravity of the offence committed.

The obligations under the MSIA relate to "mining operations" which is significantly wider than a "mining lease" and can include the loading and handling of mining products at road, rail and port loading facilities. In addition, the Regulations contain many very specific obligations particularly in regards to plant and equipment, explosives, control of dust and atmospheric contaminants, health surveillance, radiation, shafts, lowering and raising equipment.

The MSIA and Regulations do not require the preparation of specific safety and health management systems however most mines do so to ensure that they meet the general requirements to provide a safe place of work.

Although mining safety in WA is currently governed by the MSIA and the Regulations, it is worth noting that as part of the overall harmonisation of occupational health and safety law in Australia, the Federal Government is currently reviewing the harmonisation of legislative occupational health and safety requirements for the mining industry. As part of this process, the Federal Government has established the National Mine Safety Framework ("NMSF"). The NMSF is an initiative of the Ministerial Council on Mineral and Petroleum Resources which aims to achieve a nationally consistent occupational health and safety regime for the Australian mining industry.

Safe Work Australia, the Commonwealth agency responsible for work health and safety, working in conjunction with the NMSF, has released the model Work Health Safety ("WHS") Mining Regulations and associated Codes of Practice for public comment. The WHS Mining Regulations and Codes of Practice will support the model WHS Act set to commence on 1 January 2012 in all States and Territories except WA and Victoria, which have requested more time for implementation of the new laws. The Model WHS Mining Regulations and Codes of Practice are currently available on Safe Work Australia's website.

However, it is important to note that the prospect of the harmonisation of mine safety laws has already been hindered by plans in three states to develop separate mine safety legislation. Queensland, NSW and Western Australia have indicated that they are developing laws outside of the Safe Work Australia harmonisation process, although they have maintained that the WHS Mining Regulations will either be complementary to, or provide a basis for, the separate legislation. On that basis, the MSIA and the Regulations are likely to be superseded by new legislation, although no time frame has yet been finalised.

FOREIGN INVESTMENTS IN AUSTRALIA

Foreign investments into Australian companies are reviewed by the Foreign Investment Review Board on behalf of the Treasurer, the Federal Government Minister responsible for investment decisions, pursuant to the Foreign Acquisitions and Takeovers Act (the "FATA").

The FATA does not provide the Treasurer with the power to approve investment proposals. Rather, it empowers the Treasurer to prohibit certain proposals that he decides would be contrary to the national interest or to raise no objections, subject to conditions considered necessary to remove national interest concerns.

The national interest, and what might be contrary to it, is not defined in the FATA. Instead, it confers upon the Treasurer the power to decide in each case whether a particular proposal would be contrary to the national interest.

The FATA requires the prior notification of certain proposals, for instance, where a foreign person proposes to acquire a substantial shareholding in a prescribed Australian corporation under section 26 of the FATA.

A foreign person includes:

(a) a corporation in which either an individual who is not ordinarily resident in Australia or a foreign corporation holds a substantial interest; or

(b) a corporation in which two or more persons, each of whom is either an individual not ordinarily resident in Australia, or a foreign corporation (together with their respective associates) hold an aggregate substantial interest.

A person is taken to hold a substantial interest in a corporation if the person, alone or together with any associate or associates of the person, is in a position to control not less than 15% of the voting power or potential voting power in the corporation, or holds interests in not less than 15% of the issued shares in the corporation or would hold interests in not less than 15% of the issued shares in the corporation if shares in the corporation were issued as a result of the exercise of all rights to acquire a share or an interest in a share (for instance, under an option or a convertible note).

Two or more persons are taken to hold an aggregate substantial interest in a corporation if they, together with any associate or associates of any of them, are in a position to control not less than 40% of the voting power or potential voting power in the corporation, or hold interests in not less than 40% of the issued shares in the corporation or would hold interests in not less than 40% of the issued shares in the corporation if shares in the corporation were issued as a result of the exercise of all rights to acquire a share or an interest in a share.

Section 26 of the FATA makes it compulsory for a foreign person to notify the Treasurer of a proposal to acquire or increase a substantial shareholding in a prescribed Australian corporation where the total assets exceed, or the transaction values it above, the threshold set under the Foreign Acquisitions and Takeovers Regulations (the "FATA Regulations"). The FATA Regulations provide the value to be AUD219,000,000 (indexed annually). Currently, this threshold is AUD231,000,000. A higher threshold applies to United States investors.

Substantial penalties apply for non-compliance with the notification provision of section 26 of the FATA.

Section 25 of the FATA applies where the Treasurer has received a notice from a person, including a notice required under section 26. It also provides an avenue for the notification of proposals falling within the scope of the FATA or the policy, but which are not subject to compulsory notification under the FATA.

Receipt of a valid section 25 notice activates the commencement of the 30-day statutory examination period. If the Treasurer does not take action within this period, the power to prohibit the proposal or to impose conditions expires. A further period of 10 days is available to publish any order in the Commonwealth of Australia Gazette and to notify the parties. The 30 day examination period may be extended by up to a further 90 days by the issue of an interim order which prohibits the proposal for that period.

Formal notification of a proposal under section 26 of the FATA must be made in accordance with the Forms prescribed by the Foreign Acquisitions and Takeovers (Notices)

Regulations. Receipt of a valid notice activates the commencement of the 30 day statutory examination period. If the Treasurer does not take action within this period, the power to prohibit the proposal or to impose conditions expires.

The Group is seeking clearance from FIRB on behalf of the Treasurer, the Federal Government Minister under the FATA in respect of the making of the Conditional Offer.

TAXATION IMPLICATIONS FOR AUSTRALIAN COMPANIES AND SHAREHOLDERS IN AUSTRALIAN COMPANIES

The taxes applying to Australian companies include goods and services tax, income tax, withholding tax and other indirect taxes. A general summary of the major aspects of the Australian tax system is provided below. **This summary is not exhaustive of all Australian tax considerations.**

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any foreign resident.

Goods and Services Tax

A goods and services tax ("GST") of 10% is imposed on the supply of most goods and services consumed in Australia. Businesses generally can claim back GST on most business inputs. The tax is designed essentially as an end user tax.

Companies within a corporate group (where ownership interests are 90% or greater within the group) can elect to form a GST group. Transactions between members of the GST group are ignored and the external GST liabilities of the group will be managed by a representative member. Assuming full acceptance of the Conditional Offer and BRM becomes a wholly-owned subsidiary of the Company, WN Australia and BRM could form such a GST group.

Income Tax

A company in Australia is subject to income tax on its non-exempt worldwide taxable income at a flat rate of 30%. Taxable income equals assessable income less allowable deductions. Assessable income includes income as it is traditionally understood, including sales, income, interest, hedging, profits, rent and royalties. All losses or outgoings incurred in producing such assessable income are allowable deductions except where they are capital in nature. Separate capital allowances are available in respect of capital expenditure, including depreciation and amortisation of mine development costs.

With reference to mining operations, the cost of depreciating assets, including plant and equipment, may be deducted over the asset's economic or effective life. Other capital expenditures incurred in carrying on mining operations is deductible over the life of the mining project concerned and exploration expenditure is deductible in the year in which it was incurred.

Companies within a wholly-owned group can elect to adopt tax consolidation. Under tax consolidation, all members of the wholly-owned group are taxed as a single tax payer. Specific transitional rules apply to corporate groups on entering consolidation. Assuming full acceptance of the Conditional Offer and BRM becomes a wholly-owned subsidiary of the Company, the Group would be able to elect for such consolidation regime whereby only one tax return would be required to be prepared in Australia for WN Australia and BRM.

Income tax losses incurred by Australian companies or a consolidated group, as the case may be, can be carried forward and utilised in future years subject to the satisfaction of specific statutory tests.

State Mineral Royalties

Under the Mining Act 1978 (WA), royalties are payable on all minerals in Western Australia. When a mineral is obtained from a mining tenement, or from land the subject of an application for a mining tenement, royalties must be paid by the holder of, or applicant for, the mining tenement. A mineral is defined under the Mining Act as a naturally occurring substance obtainable from any land by mining operations on or under the surface of the land but does not, include soil, meteorite, any substance covered by the Petroleum and Geothermal Energy Resources Act 1967 (WA) or Petroleum (Submerged Lands) Act (WA) 1982 (WA) or any limestone, rock, gravel, sand or clay, occurring on private land.

Mining royalties are payable under the relevant legislation in all other Australian states and territories.

In Western Australia (where BRM's principal project of Marillana Project is located), there are two collection systems of mineral royalty:

(1) Specific rate – flat rate per tonne

Generally, specific rate royalties are used for low value construction materials. A specific rate or quantity-based royalty is calculated on tonnes produced. The current rates applicable on minerals produced during the period from 1 July 2010 to 30

June 2015 are AUD0.62 per tonne (in respect of minerals for construction use) and AUD1.00 per tonne (in respect of minerals used for its metallurgical content). These rates will be reviewed in 2015.

(2) Ad Valorem – percentage of value

An ad valorem or value-based royalty is calculated as a proportion of the 'royalty value' of the mineral. The royalty value in relation to a mineral other than gold means the gross invoice value of the mineral less any allowable deductions for the mineral. In general, allowance deductions include transportation and packaging costs. The ad valorem rates vary depending on the type of mineral, including among others, bulk material, concentrate material and metal. The royalty rate for iron ore fines will be increased from 5.625% to 7.5% by 1 July 2013. However, the Company understands from BRM that such changes should not impact the Marillana Project as the State Royalty system applies a reduced royalty rate for beneficiated products to recognise the investment required in processing these deposits and the Marillana Project primarily produces a beneficiated iron ore product. As such, BRM expects that the Marillana Project should only attract a 5.00% (FOB) royalty.

As BRM has not yet commenced production, it is not subject to any payment of royalties yet. The Group will be subject to the abovementioned state mineral royalties regime when BRM commences production of iron ore.

Proposed Minerals Resource Rent Tax

The Australian Commonwealth Government announced on 2 July 2010 that it intends to introduce a Minerals Resource Rent Tax ("MRRT") which would be applicable from 1 July 2012, payable at an effective rate of 22.5% on profits made from the exploitation of a limited number of Australia's non-renewable resources, specifically iron ore and coal.

A Bill to implement the MRRT was introduced into Parliament on 2 November 2011. It has recently passed through the House of Representatives, but is yet to be introduced in the Senate.

Thin Capitalisation Rules

Thin capitalisation rules impose certain limitations on allowable deductions for interest and other debt expenses, based on acceptable levels of debt and equity. The measures apply to foreign entities investing directly in Australia, foreign-controlled Australian entities, as well as Australian enterprises with controlled foreign investments.

Where applicable, the rules disallow a deduction for a portion of specified expenses an entity incurs in relation to its debt finance; that is, its debt deductions. The rules apply when the entity's debt-to-equity ratio exceeds certain limits. Depending on the type of entity, different rules apply for the calculation of the maximum allowable debt. Broadly, the safe harbour debt amount is set at a ratio of 3:1 debt-to-equity. Where the maximum allowable debt is exceeded, the rules limit interest deductions on a proportional basis to the extent that the maximum allowable debt is exceeded.

Where a consolidated group is involved, the thin capitalisation rules apply to the head company of the consolidated group.

Disposal of Capital Assets

Capital assets ("CGT assets") are subject to capital gains tax where a taxable event occurs and a capital gain or loss is recognised. Capital gains of foreign residents are only recognised in Australia in relation to certain Australian assets. From 2006 the categories of CGT assets relevant to foreign residents are: taxable Australian real property, indirect interests in Australian real property, the business assets of an Australian permanent establishment, and any options or rights to acquire such assets.

Capital gains are offset against any capital losses (current or prior year) and the net capital gain for the year is included in the company's assessable income. A net capital loss may be carried forward to a later tax year, but may be offset only against a capital gain in a later year. The net capital gain of a corporate taxpayer is taxed at the general corporate tax rate of 30%.

The Australian Tax Laws provide that if 50% or more of a foreign resident's assets are attributable to real property located in Australia, the holders of at least a 10% direct or indirect interest in an Australian Company may be subject to CGT upon disposal of shares in an Australian Company.

Withholding Tax on Repatriation of Returns to Overseas Investors

If an Australian company declares and pays dividends to an overseas investor which is not fully franked, tax would be withheld. The rates vary depending on the country in which such overseas investor is domiciled and whether any tax treaty exists between Australia and such country of domicile. However, if such dividends paid are fully franked, no withholding tax will be payable.

A fully franked dividend means a dividend paid out to shareholders where the company has chosen to pay the tax on the dividend. When an Australian resident investor receives a fully franked dividend, the investor receives a tax credit for the amount of tax that the company paid on the dividend.

When dividends (not fully franked) are distributed to the Company by BRM (through WN Australia), tax would be withheld on the unfranked portion of the dividend at a rate of 30% or some other rate as determined by any applicable tax treaty. If fully franked dividends are distributed to the Company, the relevant tax credit cannot be utilised as the Company is a foreign investor.

EXPERIENCE OF BRM PERSONNEL

BRM was founded by, among other people, Mr. Colin Paterson, in 2002 with a focus on the development of iron ore in Western Australia. Mr. Paterson is the executive director of BRM. He has extensive experience in iron ore exploration in Western Australia. He also has extensive experience in the technical supervision of exploration projects, resource development, project generation and evaluations. He has been leading a team of experienced staff members in managing business development and operations of the BRM Group. Mr. Graeme Carlin is the General Counsel of BRM. Mr. Carlin has over 15 years legal experience focusing on energy and resources law and related project development. Mr. Carlin has worked with regulators in relation to the Western Australian State Agreement regime, third party access regimes, legislation regarding mining and oil and gas and the Native Title Act. BRM's management team has the necessary knowledge and experience in dealing with laws and practices in Australia and concerns of local governments and communities on the sites of the BRM Group's mines and exploration properties. The Board and other management of the Company will work closely with the management team of BRM going forward with a view to monitoring and ensuring smooth operations and regulatory compliance of the BRM Group.

Set out below are some risk factors in relation to the Group's acquisition of BRM Shares pursuant to the Conditional Offer which the Directors consider that the Shareholders may wish to consider when deciding whether or not to vote for the resolution regarding the Conditional Offer at the SGM.

EXCHANGE RATE RISKS

Australian dollars is the functional currency of BRM whilst the reporting currency of the Group is Hong Kong dollars. Any material fluctuation of the exchange rate of Australian dollars against Hong Kong dollars may affect the consolidated results and financial position of the Group after the Conditional Offer.

FINANCING

The business of the BRM Group requires significant and continuous investments. The net funds of the Group may not be sufficient for expenditure that may be required to expand its operations or projects or for other capital expenditure, further exploration or feasibility studies or otherwise in the Group's operations.

The Group may need to raise additional debt or equity funds in the future. There is no assurance that the Group will be able to obtain additional debt or equity funding when required in the future, or that the terms associated with such funding will be acceptable to the Group, particularly having regard to the current uncertain economic environment and the effect that metal prices may have on future production and earnings performance. This may have an adverse effect on the Group's financial results. Further, any equity funding will have a dilutionary effect on the shareholding in the Company.

ACCOUNTING

The Group will be required to perform a fair value assessment of BRM's assets and liabilities following the acquisition by the Company of the BRM Shares pursuant to the Conditional Offer. This assessment may result in increased depreciation and amortisation charges. This may reduce future earnings of the Group. Goodwill and other intangible assets may be recorded by the Group as a result of the Conditional Offer depending on the fair value of the assets and liabilities of the BRM Group to be assessed by the Company. Any such goodwill and intangible assets would be subject to future impairment test. Any impairment would adversely affect the results of the Group.

FLUCTUATION IN IRON ORE DEMAND AND PRICES

The future profitability of BRM will be dependent on the price of iron ore. Prices for iron ore are subject to fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, global and regional supply of and demand for iron ore, demand for products using iron ore as a raw material and the prices of such products, increased supply from new projects, expansion of existing operations, or substitution with alternative products in downstream markets, technological advancements, competitors that supply iron ore reducing their prices, and the political and economic conditions of major iron ore-producing and consuming countries throughout the world.

ACTUAL ORE RESERVES AND MINERAL RESOURCES MAY BE LOWER THAN CURRENT ESTIMATES

BRM reports mineral resources and ore reserves in accordance with the JORC Code. Mineral resource and ore reserve estimates are subject to independent third party review on at least a one year cycle. The methodology for estimating ore reserves may be updated over time and is reliant on certain assumptions being made. Declared mineral resources and ore reserves are best estimates that may change as new information becomes available. Consequently, BRM's mineral resource and ore reserves may be revised up or down. Actual ore reserves may not conform to geological, metallurgical or other expectations and the volume and grade of ore recovered may be below the estimated levels. Mineral resource and ore reserve data is not indicative of the future results of operations. If BRM's actual mineral resources and ore reserves are less than current estimates, the Group's business, results of operations and financial condition may be materially and adversely affected.

UNCERTAINTY RELATED TO EXPLORATION

Exploration of new and potential resources is crucial to the business of the BRM Group. Resources exploration is unpredictable in nature. There is no assurance that any exploration will result in the discovery of valuable reserves or profitable mining operation as substantial expenses may be incurred for the exploitation of identified reserves. The ability of the BRM Group to roll out their respective production plans is dependent to some extent on their reserves and resources.

PROJECTS MAY NOT BE COMPLETED AS PLANNED, COSTS MAY EXCEED ORIGINAL BUDGETS AND MAY NOT ACHIEVE THE INTENDED ECONOMIC RESULTS OR COMMERCIAL VIABILITY

The business of the BRM Group depend largely, on the Marillana Project. Whether a mineral deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; commodity prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of mineral resources and environmental protection. The feasibility of these projects may not be established as planned. If BRM is unable to develop all or any of its projects into a commercial working mine, its business, financial condition and results of operations will be materially and adversely affected.

BRM's projects are subject to technical risk in that they may not perform as designed. Increased development costs, lower output or higher operating costs may all combine to make a project less profitable than expected at the time of the development decision. This would have a negative impact on their business and results of operations. No assurance can be given that we would be adequately compensated by third party project design and construction companies (if not performed by us) in the event that a project did not meet its expected design specification.

As with all exploration properties or projects taken on by mining companies, there is a risk that exploration projects cannot be converted to commercially viable mines, in part because actual costs from capital projects may exceed the original budgets. As a result of project delays, cost overruns, changes in market circumstances or other reasons, BRM may not be able to achieve the intended economic benefits or demonstrate the commercial feasibility of these projects, which in turn may materially and adversely affect our business, results of operations and growth prospects.

ENVIRONMENT AND OTHER REGULATORY REQUIREMENTS

The activities of operators in the iron ore industry are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibition on spills, releases or emissions of various substances produced in association with certain mining industry operations which would result in environmental pollution. Exploration and mining activities generally require permits from various governmental authorities and such operations are and will be governed by laws and regulations regarding prospecting, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters.

There can be no assurance that compliance with these laws and regulations or changes thereto or the cost of rehabilitation of site operations or the failure to obtain necessary permits, approvals or prospecting or mining rights or successful challenges to the grant of such permits, approvals and rights will not adversely affect the results of operations or the financial condition of the Group.

HEALTH AND SAFETY

The business of BRM are subject to strict health and safety laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against BRM. These events might not be insured by the Group or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Group. Such an event would negatively impact the financial results of the Group.

RISK THAT THE BRM GROUP FAILS TO IDENTIFY SUITABLE CUSTOMERS

The BRM Group is in the exploration stage and has not yet reached production stage. Accordingly no sales of iron ore have been recorded by the BRM Group.

BRM through its Definitive Feasibility Study, Pre-Feasibility Study, and metallurgical tests, has shown iron ore products with quality comparable to another sizeable iron ore producer in the region. BRM is in discussions with steel mills from China, Japan and Korea for potential cooperation. Part of BRM's future production may potentially be sold to Sinosteel Corporation of China, subject to the execution of detailed off-take agreements upon the satisfaction of certain terms and conditions. Whilst it is believed that BRM will be able to secure suitable customers, there is no guarantee that it will be able to reach any final agreements with the above perspective and other customers or that the terms of any agreement will be favorable to the BRM Group. If BRM fails to identify and/or reach agreements on acceptable terms with suitable customers, the commercial viability of the business of the BRM Group would adversely be affected.

INSURANCE

The Group has various insurances covering its business. However, certain risks are not covered by insurance due to limitations or exclusions in insurance policies or because the Group will have decided not to insure against certain risks because of high premiums or for other reasons. Mining accidents, cave-ins, business interruption, compensation claims, environmental effects, fires, floods, earthquakes and various other events may not be adequately covered by insurance. Such events, to the extent not covered by insurance, could significantly increase the costs of the Group.

COMPETITION

The Group may be subject to increased competition from other iron ore miners. Competitors include current miners and future entrants into the market. Other companies may have competitive advantages such as new technology and new production processes. The Group may be unable to successfully compete and may suffer material adverse consequences such as loss of market share and customers and reduction in revenue.

COUNTERPARTY RISK

There is a risk that contracts and other arrangements to which BRM is a party and obtain a benefit (such as concentrate sales, currency and metal price hedging agreements) will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

REGULATORY APPROVAL

BRM's exploration and mining activities are dependent upon the timely granting of appropriate licences, permits and regulatory consents which may be granted for a defined period of time, or may not be granted or may be withdrawn subject to a regulatory process, or may be subject to statutory restrictions. BRM may require further licences, permits and regulatory consent for the conduct of any new mining operations. There can be no assurance that such authorisations will be granted or renewed (as the case may be) or as to the terms of such grants or renewals. If the BRM Group is unable to renew such rights upon their expiries, the operation and performance may be adversely affected.

RISK REGARDING NATIVE TITLE IN AUSTRALIA

As more detailed in Appendix VI to this circular regarding laws and regulations relating to iron ore mining Australia, Australian law recognises a form of native title which reflects the rights, interests and entitlements of Australia's Indigenous inhabitants to their traditonal lands in circumstances where such title has not been extinguished. In respect of a land where a native title has been registered, the applicant for an exploration or mining tenement over such piece of land has to negotiate with the party holding the native title with a view to reaching an agreement in respect of the granting of the tenement. If no agreement is reached within 6 months, any of the parties may apply to the National Native Title Tribunal for a determination as to whether the grant should be made, with or without conditions.

The BRM Group has already obtained native title agreements in December 2009 in respect its Marillana Project.

There is no assurance that the BRM Group will be able to reach any agreement with parties holding native titles (if any) in respect of its other mining projects and the terms of any agreements reached may not be favourable to the BRM Group. In those circumstances, the prospects of the BRM Group will adversely be affected.

CHANGES TO GOVERNMENT AND LEGISLATION

Exploration and exploitation activities in Australia are governed by various rules and regulations. Changes to government, legislation, government or regulatory regulations and policy may affect the repatriation of returns to overseas investors, including the Group.

SIGNIFICANT AND CONTINUOUS CAPITAL INVESTMENT

The business of the BRM Group requires significant and continuous capital investment. The investment plans drawn up by the BRM Group may not be completed as planned, may exceed the original budgets and may not achieve the intended economic results or commercial viability. Actual capital expenditures for the projects of the BRM Group may significantly exceed the Company's budgets because of various factors beyond the Company's control, which in turn may affect the Company's financial condition.

PRODUCTION SAFETY

Operations of the BRM Group may be affected by accidents, technical difficulties, mechanical failure or plant breakdown encountered in the exploration and possibly mining in future. Such technical difficulties, mechanical failure or plant breakdown may result in disruptions to the operation of the BRM Group, increasing in its operating costs.

There is no assurance that accidents will not occur which may disrupt the business operation of the BRM Group and may result in mandatory suspension of operation, financial losses, compensatory claims, fines, penalties or damage to their respective reputation.

By its nature, exploration and mining involve significant risks, for example, heavy rain may lead to land subsidence and the improper handling and storage of dangerous articles such as explosive and sodium cyanide may lead to explosions or toxication which could lead to injury or death or economic loss. Should accident(s) occur or should we be liable for such accident(s), it may result in economic loss to and penalty for the BRM Group and criminal liabilities for the BRM Group and/or employees.

NATURAL DISASTERS OR SEVERE WEATHER CONDITIONS COULD MATERIALLY AND ADVERSELY AFFECT THE OPERATIONS OF THE BRM GROUP

Any unpredictable severe weather conditions may require the BRM Group to evacuate personnel or curtail natural disasters and may result in damage to their resources locations, which could result in temporary suspension of their operations. During periods of curtailed activity due to natural disasters or adverse weather conditions, the BRM Group may continue to incur operating expenses. Any damage to their resources locations could materially and adversely affect their business and operating results.

MINING OPERATIONS HAVE A FINITE LIFE AND EVENTUAL CLOSURE OF THESE OPERATIONS WILL ENTAIL COSTS AND RISKS REGARDING ONGOING MONITORING, REHABILITATION AND COMPLIANCE WITH ENVIRONMENTAL STANDARDS

The key risks for mine closure are (i) long-term management of permanent engineered structures (dam walls, spillways, wetlands, roads, waste dumps) and acid rock drainage; (ii) achievement of environmental closure standards; (iii) orderly retrenchment of employees and contractors; and (iv) relinquishment of the site with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these tasks is dependent on the ability to successfully implement negotiated agreements with the relevant government, community and employees. The consequences of a difficult closure range from increased closure costs and handover delays to ongoing environmental impacts and corporate reputation damage if desired outcomes cannot be achieved, which could materially and adversely affect the BRM Group's business and results of operations.

RISK THAT THE CONDITIONAL OFFER MAY NOT BE COMPLETED

The Group is seeking clearance from FIRB on behalf of the Treasurer, the Federal Government Minister under the Foreign Acquisitions and Takeovers Act in respect of the making of the Conditional Offer, as further elaborated in the paragraph headed "Foreign Investments in Australia" in Appendix VI to this circular. The Conditional Offer is subject to many conditions, including among other things, obtaining clearance from FIRB in relation to the Conditional Offer, the approval for the listing of the Consideration WN Shares on the Stock Exchange and the ASX and are subject to the response of the holders of BRM Shares. There are risks that the Group may not be able to get all necessary approvals for the closing of the Conditional Offer and the Conditional Offer may not proceed. Shareholders and perspective investors should deal in WN Shares with caution.

RISK MANAGEMENT AND CONTROL

The acquisition of BRM Shares under the Conditional Offer and the development of BRM's business involve various company related and industry specific risks as summarised above.

The Company has carried out its internal review of the financial conditions, business plans and development progress of BRM and the industry environment. The Company considers that the risks involved are acceptable and manageable.

THE INTRODUCTION OF THE MINERALS RESOURCE RENT TAX ("MRRT")

The Australian Commonwealth Government announced on 2 July 2010 that it intends to introduce a MRRT which would be applicable from 1 July 2012 at an effective rate of 22.5% on profits made from the exploitation of a limited number of Australia's non-renewable resources including iron ore and coal. A Bill to implement the MRRT was introduced into the Parliament on 2 November 2011, but is yet to be passed. The Company is yet to determine the full extent to which the MRRT may impact on it.

PERSONNEL

BRM is currently undertaking a search for a permanent CEO. There is a risk that the Company may not be able to successfully conclude this search. There is also a risk that the Company may not be able to retain key technical and managerial personnel from BRM following the Conditional Offer. An inability to recruit a permanent CEO and retain these key technical and managerial personnel may have an adverse impact on both the integration of the acquisition and the longer term performance of the Group and especially the Company's ability to rapidly develop the Marillana Project as is its current intention.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Conditional Offer and the Subscription will be as follows:

Authorised	*HK$*
10,000,000,000 WN Shares as at the Latest Practicable Date	1,000,000,000.00
Issued and fully paid	*HK$*
5,359,279,403 WN Shares as at the Latest Practicable Date	535,927,940.30
1,252,614,924 WN Shares to be issued under the Conditional Offer (assuming full acceptance of the Conditional Offer and exercise of all BRM Options outstanding as at the Latest Practicable Date)	125,261,492.40
	661,189,432.70
555,100,000 Subscription Shares to be issued under the Subscription	55,510,000.00
	716,699,432.70
130,000,000 Placing Shares to be issued under the Placing	13,000,000.00
	729,699,432.70
289,900,000 Conversion Shares to be issued assuming full Conversion	28,990,000.00
	758,689,432.70

3. DISCLOSURE OF INTERESTS

(a) Disclosure of interests of Directors

As at the Latest Practicable Date, the interests of the Directors or chief executives of the Company in the WN Shares and the underlying WN Shares and any shares and underlying shares of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long position in the WN Shares and the underlying WN Shares

Name of Director	Nature of interest	Number of WN Shares held	Interest in underlying WN Shares pursuant to share options	Approximate % of the issued share capital of the Company as at the Latest Practicable Date
Mr. Luk Kin Peter Joseph ("Mr. Luk")	Beneficial owner	—	39,000,000	0.73%
	Interest in controlled corporation *(Note 1)*	361,300,276	—	6.74%
Mr. Chan Kam Kwan, Jason	Beneficial owner	—	1,500,000	0.03%
Mr. Lau Kwok Kuen, Eddie	Beneficial owner	—	1,000,000	0.02%

Name of Director	Nature of interest	Number of WN Shares held	Interest in underlying WN Shares pursuant to share options	Approximate % of the issued share capital of the Company as at the Latest Practicable Date
Mr. Uwe Henke Von Parpart	Beneficial owner	—	1,000,000	0.02%
Mr. Yip Kwok Cheung, Danny	Beneficial owner	—	1,000,000	0.02%
Mr. Chu Chung Yue, Howard	—	—	—	—

Note:

1 Mr. Luk was interested in 361,300,276 WN Shares comprising (i) 110,092,000 WN Shares held by Equity Valley Investments Limited; (ii) 103,448,276 WN Shares held by Prideful Future Investments Limited; and (iii) 147,760,000 WN Shares held by Villas Green Investments Limited, the entire issued share capital of which were held by The XSS Group Limited, 50%, 20% and 30% of the issued share capital of which was held by Mr. Luk, Ms. Cheung Sze Wai (Mr. Luk's spouse) and Ms. Chong Yee Kwan (Mr. Luk's mother) respectively.

Apart from the above, as at the Latest Practicable Date, there were no interest of the Directors or chief executives of the Company in the WN Shares and the underlying WN Shares of the Company and any shares and underlying shares of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(b) Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the persons (not being a Director or chief executive of the Company) who had an interest or short position in the WN Shares and underlying WN Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions in the WN Shares and the underlying WN Shares

Name	Nature of interest	Number of WN Shares or underlying WN Shares	Approximate % of the issued share capital of the Company as at the Latest Practicable Date
The XSS Group Limited *(Note 1)*	Interest in controlled corporation	361,300,276	6.74%
Mr. Luk *(Note 1)*	Interest in controlled corporation	361,300,276	6.74%
Cheung Sze Wai *(Note 1)*	Interest in controlled corporation	361,300,276	6.74%
Chong Yee Kwan *(Note 1)*	Interest in controlled corporation	361,300,276	6.74%
China Guoyin Investments (HK) Limited *(Note 2)*	Beneficial owner	321,661,070	6.00%
Zhu Yi Cai *(Note 2)*	Interest in controlled corporation	321,661,070	6.00%
Kwai Sze Hoi ("Mr. Kwai") *(Note 3)*	Interest in controlled corporation	321,428,440	6.00%
Cheung Wai Fung ("Mr. Cheung") *(Note 3)*	Interest in controlled corporation	321,428,440	6.00%
Shimmer Expert Investments Limited *(Note 4)*	Beneficial owner	279,548,000	5.22%
Groom High Investments Limited *(Note 4)*	Interest in controlled corporation	279,548,000	5.22%
Zhang Li *(Note 4)*	Interest in controlled corporation	279,548,000	5.22%

Notes:

1. These 361,300,276 WN Shares represent (i) 110,092,000 WN Shares held by Equity Valley Investments Limited; (ii) 103,448,276 WN Shares held by Prideful Future Investments Limited; and (iii) 147,760,000 WN Shares held by Villas Green Investments Limited, the entire issued share capital of which were held by The XSS Group Limited, 50%, 20% and 30% of the issued share capital of which were held by Mr. Luk, Ms. Cheung Sze Wai (Mr. Luk's spouse), and Ms. Chong Yee Kwan (Mr. Luk's mother), respectively. Mr. Luk, Ms. Cheung Sze Wai, Ms. Chong Yee Kwan and The XSS Group Limited are deemed to be interested in the WN Shares which Equity Valley Investments Limited, Prideful Future Investments Limited and Villas Green Investments Limited are interested in.

2. These 321,661,070 WN Shares are held by China Guoyin Investments (HK) Limited, which is wholly owned by Mr. Zhu Yi Cai.

3. These 321,428,440 WN Shares are based on the latest disclosure of Mr. Kwai and Ms. Cheung in accordance to the provisions of the SFO. Based on the latest information available to the Company, Mr. Kwai and Ms. Cheung have an aggregate interests of 323,604,440 WN Shares, representing (i) 60,720,000 WN Shares held by Mr. Kwai and Ms. Cheung jointly, and (ii) 262,884,440 WN Shares held by Ocean Line Holdings Limited, a company held as to 60% by Mr. Kwai and as to 40% by Ms. Cheung.

4. These 279,548,000 WN Shares were held by Shimmer Expert Investments Limited, a company wholly-owned by Groom High Investments Limited, which is wholly-owned by Ms. Zhang Li. Ms. Zhang Li also held a 10% equity interest in Luchun Xingtai Mining Company Limited, a 90%-owned subsidiary of the Company.

Save as disclosed above, there was no person (not being a Director or chief executive of the Company) known to the Directors, who, as at the Latest Practicable Date, had an interest or short position in the WN Shares and underlying WN Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to or which were proposed to be acquired, disposed of by or leased to any member of the Group, since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

6. LITIGATION

So far as is known to the Directors, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates were interested in any business apart from the Group's businesses which competed or was likely to compete, either directly or indirectly, with the Group's businesses as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

8. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, were entered into by the Group within two years immediately preceding the date of this circular and are or may be material:

(i) On 9 February 2010, the Company entered into a placing and subscription agreement with Parklane International Holdings Limited ("Parklane International"), Gracious Fortune Investments Limited ("Gracious Fortune") and Sun Hung Kai Investment Services Limited in relation to a top-up placing of 334,000,000 new WN Shares and raised approximately HK$297 million for potential acquisitions or investment opportunities in mineral related businesses.

(ii) On 17 June 2010, the Company entered into a placing and subscription agreement with Parklane International, Gracious Fortune, Cantor Fitzgerald (Hong Kong) Capital Markets Limited and Sun Hung Kai Investment Services Limited in relation to a top-up placing of 185,000,000 new WN Shares and raised approximately HK$199 million for potential acquisitions or investment opportunities in mineral related businesses.

(iii) On 22 June 2010, WN Australia entered into a share subscription agreement with FRS in relation to the subscription by WN Australia of 25,047,939 FRS Shares for approximately HK$147 million.

(iv) On 17 September 2010, the Company entered into (a) a subscription agreement with Parklane International and Gracious Fortune, (b) a placing agreement with Parklane International, Gracious Fortune and Cantor Fitzgerald (Hong Kong) Capital Markets Limited, and (c) a placing agreement with Parklane International, Gracious Fortune and Mansion House Securities (F.E.) Limited in relation to a top-up placing of 178,000,000 WN Shares and raised approximately HK$200 million, after costs, for potential acquisitions or investment opportunities in mineral related businesses and to cover transactional costs.

(v) On 12 December 2011, the Company and BRM entered into the Bid Implementation Agreement.

(vi) On 12 December 2011, the Company and the Subscriber entered into the Subscription Agreement.

(vii) On 12 December 2011, the Company and the Placing Agent entered into the Underwriting Agreement.

9. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given, or agreed to the inclusion of, their respective opinion or advice in this circular:

Name	**Qualification**
Hilko L. Dusseljee	Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM)
Ian D. Buckingham	B. AppSc (Applied Geology), and MBA from RMIT University
Jones Lang LaSalle Sallmanns Limited	Associateship and Fellowship Diploma in Geology (RMIT)
KBC Bank	KBC Bank N.V., acting through its Hong Kong Branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Chartered Accountants in Australia
Malcolm Castle	Member of the Australasian Institute of Mining and Metallurgy
PricewaterhouseCoopers	Certified Public Accountants
Simon M. K. Chan	Member of the International Association of Consultants, Valuers and Analysts (IACVA), the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) and certified public accountants in Hong Kong and Australia

Each of KBC Bank, PricewaterhouseCoopers, Malcolm Castle, Jones Lang LaSalle Sallmanns Limited, Ian D. Buckingham, Hilko L. Dusseljee and Simon M. K. Chan has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of its/his letter and report (as the case may be) and references to its/his name in the form and context in which they respectively appear.

KPMG consents to being named in this circular and to the inclusion of its Accountants' Report in the form and context in which they appear, but do not otherwise make or purport to make any other statement in this circular, nor is any statement in this circular based on any other statement by KPMG.

As at the Latest Practicable Date, none of the above experts was beneficially interested in the share capital of any member of the Group nor did any one of them have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and did not have any direct or indirect interest in any assets which had been acquired, disposed of by or leased to or which were proposed to be acquired, disposed of by or leased to any member of the Group, since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of the Company at Room 2805, 28/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong for the period of 14 days from the date of this circular:

(a) the memorandum of association and the bye-laws of the Company;

(b) the annual reports of the Company for the years ended 31 December 2008, 2009 and 2010;

(c) the interim report of the Company for the six months ended 30 June 2010 and 2011;

(d) the accountants' report on BRM for the three years ended 30 June 2011, the text of which is set out in Appendix II to this circular;

(e) the report from PricewaterhouseCoopers on unaudited pro forma financial information, the text of which is set out in Appendix III to this circular;

(f) the competent person's report on BRM's mineral assets, the text of which is set out in appendix IV to this circular;

(g) the valuation report on BRM's mineral assets, the text of which is set out in Appendix V to this circular;

(h) the written consents referred to in the section headed "Qualification and consent of experts" in paragraph 9 of this Appendix;

(i) material contracts as referred to in the section headed "Material contracts" in paragraph 8 of this Appendix;

(j) KBC Bank's letter of advice dated 15 December 2011;

(k) the Bidder's Statement; and

(l) a copy of each circular issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules which has been issued since 31 December 2010.

11. MISCELLANEOUS

(a) The secretary of the Company is Chan Kam Kwan, Jason. Mr. Chan is a member of the American Institute of Certified Public Accountants.

(b) The Hong Kong branch share registrar of the Company is Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong while the Australia branch share registrar of the Company is Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth, WA 6000, Australia.

(c) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Wah Nam International Holdings Limited (the "**Company**") will be held at Room 2805, 28/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong on Friday, 6 January 2012 at Hong Kong time 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments:

ORDINARY RESOLUTIONS

1. "**THAT**

(a) the execution of the conditional subscription agreement dated 12 December 2011 (the "**Subscription Agreement**", a copy of which is marked "A" and initialled by the chairman of the SGM for identification purpose and tabled at the SGM) made between the Company (as issuer), and Ocean Line Holdings Limited (as subscriber) (the "**Subscriber**"), pursuant to which the Subscriber has agreed to subscribe for an aggregate of 555,100,000 shares of HK$0.10 each in the capital of the Company ("**Subscription Shares**") and the convertible bonds in the aggregate principal amount of HK$173,940,000 ("**Convertible Bonds**") to be issued by the Company, and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

(b) the allotment and issue of the Subscription Shares to the Subscriber pursuant to the terms of the Subscription Agreement be and are hereby approved;

(c) the creation and issue by the Company of the Convertible Bonds to the Subscriber pursuant to the terms of the Subscription Agreement be and are hereby approved;

(d) the allotment and issue of shares in the capital of the Company upon the exercise of the conversion rights attaching to the Convertible Bonds be and are hereby approved; and

* *for identification purpose only*

(e) the directors of the Company ("**Directors**") or a duly authorised committee of the board of Directors be are hereby authorised to do all such acts and things (including, without limitation, signing, executing (under hand or under seal), perfecting and delivery of all agreements, documents and instruments) which are in their opinion, necessary, appropriate, desirable or expedient to implement or to give effect to the terms of the Subscription Agreement and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith and to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith that are, in the opinion of the Directors, not material to the terms of the Subscription Agreement and all transactions contemplated thereunder and are in the interests of the Company."

2. "**THAT**

(a) the execution of the conditional underwriting agreement dated 12 December 2011 (the "**Underwriting Agreement**", a copy of which is marked "B" and initialled by the chairman of the SGM for identification purpose and tabled at the SGM) made between the Company (as issuer) and REORIENT Financial Markets Limited (as the placing agent) (the "**Placing Agent**"), pursuant to which the placing agent has agreed to place, on a fully underwritten basis, an aggregate of 130,000,000 shares of HK$0.10 each in the capital of the Company ("**Placing Shares**") to be issued by the Company, and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

(b) the allotment and issue of the Placing Shares pursuant to the terms of the Underwriting Agreement be and are hereby approved; and

(c) the Directors or a duly authorised committee of the board of Directors be are hereby authorised to do all such acts and things (including, without limitation, signing, executing (under hand or under seal), perfecting and delivery of all agreements, documents and instruments) which are in their opinion, necessary, appropriate, desirable or expedient to implement or to give effect to the terms of the Underwriting Agreement and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith and to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith that are, in the opinion of the Directors, not material to the terms of the Underwriting Agreement and all transactions contemplated thereunder and are in the interests of the Company."

3. “**THAT**

(a) the acquisition of the issued shares of Brockman Resources Limited (“**BRM**”) pursuant to the conditional takeover offer (the “**Conditional Offer**”) by Wah Nam Australia Pty Ltd (“**WN Australia**”) to acquire all the issued ordinary shares of BRM (not already owned by WN Australia) as announced in the announcement (the “**Announcement**”) of the Company dated 12 December 2011 and the allotment and issue of new ordinary shares (the “**Consideration WN Shares**”) of HK$0.10 each in the share capital of the Company as part of the consideration under the Conditional Offer, details of which are set out in the circular (the “**Circular**”) to the shareholders of the Company dated 15 December 2011 be and are hereby ratified, confirmed and approved and the directors (the “**Directors**”) of the Company be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and giving effect to the Conditional Offer and the transactions contemplated thereunder;

(b) the acquisition of the options issued by BRM carrying rights to subscribe for new shares of BRM (each a “**BRM Share**”) at an exercise price of AUD1.25 per BRM Share (the “**AUD1.25 BRM Options**”) and AUD1.30 per BRM Share (the “**AUD1.30 BRM Options**”) pursuant to the conditional offer (the “**Options Offer**”) to acquire all the AUD1.25 BRM Options and the AUD1.30 BRM Options as announced in the Announcement and the allotment and issue of the Consideration WN Shares as part of the consideration under the Option Offer, details of which are set out in the Circular be and are hereby ratified, confirmed and approved and the Directors be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and giving effect to the Options Offer and the transactions contemplated thereunder;

(c) the allotment and issue of the Consideration WN Shares to the shareholders of BRM and the holders of the AUD1.25 BRM Options and the AUD1.30 BRM Options who accept the Conditional Offer and the Options Offer respectively be and is hereby approved and any Director be and is hereby authorised to allot and issue the Consideration WN Shares in accordance with the terms of the Conditional Offer and the Options Offer and to take all steps necessary, desirable or expedient in his opinion to implement or give effect to the allotment and issue of the Consideration WN Shares; and

(d) the Directors be and are hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other or further documents (if any) and to take all such steps which in the opinion of the Directors as may be necessary, appropriate, desirable or expedient to implement and/or give effect to the transactions (the "**Offers Transactions**") set out in this resolution and to agree to any variation, amendments, supplement or waiver of matters relating thereto as are, in the opinion of the Directors, in the interests of the Company, to the extent that such variation, amendment, supplement or waiver do not constitute material changes to the material terms of the Offers Transactions."

4. "**THAT**

(a) the maximum remuneration per annum in aggregate for executive Directors previously fixed at AUD2 million (equivalent to approximately HK$15.8 million) be removed; and

(b) the board of Directors be authorised to fix the remuneration of the executive Directors."

By order of the board
Wah Nam International Holdings Limited
Luk Kin Peter Joseph
Chairman

Hong Kong, 15 December 2011

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business in Hong Kong:
Room 2805, 28/F., West Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of WN Shares in respect of which each such proxy is so appointed.

2. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.

3. **If your shares in the Company are recorded under the Company's Hong Kong share registrar or the Company's Bermuda principal share registrar, please complete the Hong Kong proxy form and return it, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited. Please read and follow the instructions, including the deadline, on the Hong Kong proxy form to lodge the form.**

   If your shares in the Company are recorded under the Company's Australia share registrar, please complete the Australia proxy form and return it, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, to the Company's branch share registrar in Australia, Computershare Investor Services Pty Limited. Please read and follow the instructions, including the deadline, on the Australia proxy form to lodge the form. You can appoint up to two proxies by lodging the Australia proxy form. Should you wish to appoint more proxies, please fax your written request to the Company at +852 3169 3630 no later than 11:00 a.m. (WST) on 4 January 2012.