



QUARTERLY ACTIVITIES REPORT – JUNE 2011

HIGHLIGHTS

- Takeover Offer for Brockman Resources Limited (Brockman) concluded on 15 June after securing 55.33% of the issued shares.
- Takeover Offer for FerrAus Limited (FerrAus) to lapse by 15 July 2011.
- Continuing exploration of Damajianshan Mine project in Yunnan Province, China.

OVERVIEW

The second quarter of 2011 marked an important development for Wah Nam International Holdings Limited (ASX: WNI; HKEx: 0159). On 16 June 2011, the Company, through its wholly-owned subsidiary, Wah Nam International Australia Pty Ltd (Wah Nam Australia), has successfully acquired in the takeover a further 32.99% equity interests, arriving a cumulative equity interests of 55.33% in Brockman (ASX: BRM). Brockman has become a subsidiary of Wah Nam on the same date.

The Takeover Offers

Wah Nam Australia lodged two Takeover Offers simultaneously to acquire all of the outstanding shares of Brockman and FerrAus (ASX: FRS) that the Group (i.e. the Company and its subsidiaries) did not already own, through all-scrip bids. The respective bidder's statements were lodged and despatched on 15 December 2010, marking the official commencement of the Takeover Offers.

Wah Nam International Holdings Limited

ARBN 143 211 867
ASX Code: WNI
SEHK Code: 159

Head Office

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West Tower, Shun Tak Centre
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On 16 June 2011, Wah Nam Australia has successfully accumulated a total of 55.33% equity interest in Brockman, thus Brockman has become a subsidiary of the Group on that date. As a result of the takeover offer to Brockman shares, a total of 1,432,980,840 ordinary shares of the Company have been issued and allotted to the Brockman shareholders (representing approximately 32.99% of the equity interest of Brockman) who have accepted the offer. Mr. Warren Beckwith (Director of Wah Nam Australia) and Mr. Hendrianto Tee (Chief Investment Officer of the Company) were appointed as Non-Executive Directors to Brockman Board. A joint Brockman and Company release to the Australian Securities Exchange was made on 17 June confirming commitment to Brockman's existing business strategy to develop Marillana Project as a significant, viable iron ore project.

The takeover offer for Brockman was declared unconditional during May 2011, followed by payment of consideration in batches. All relevant consideration shares for the Brockman takeover offer were issued during this quarter. In the consolidation of Wah Nam and Brockman, Brockman's expertise in management is highly regarded and the Board sincerely hopes to synergize the investment projects to come. Business carried as usual in spite of the change in control in Brockman.

Brockman team continues to progress the the Bankable Feasibility Study (BFS) targeted for completion in Q4 2011.

On 27 June 2011, an announcement was published by FerrAus in relation to the proposed Asset Acquisition and Placement transactions to Atlas Iron Limited (Atlas). The proposed Asset Acquisition involves the acquisition of the South East Pilbara iron ore assets from Atlas by FerrAus for 121,846,154 FerrAus shares at a deemed issue price of A\$0.65 per share; and the Placement transaction involves the subscription by Atlas of 37,439,785 FerrAus shares at an issue price of A\$0.65 per share to raise A\$24.3 million for FerrAus. At the completion of Asset Acquisition and Placement transactions which require FerrAus shareholders' approval, Atlas will bid for remaining FerrAus shares that it does not own with an offer of 1 Atlas share for every 4 FerrAus shares. As a result of the announcement by FerrAus, Wah Nam has relied on the defeating conditions and the takeover offer for FerrAus to lapse by 15 July 2011. As a 16.4% shareholder in FerrAus, the Company has expressed its objection to the proposed Asset Acquisition and Placement transactions.

Cash Position

The consolidated cash and bank balance of the Group for the quarter ended 30 June 2011 amounted to approximately HK\$565.1 million.



MINING OPERATION

Luchun Xingtai Mining Co. Limited

During the quarter ended 30 June 2011, cash receipts from product sales of approximately RMB2.5 million was contributed by the Company's wholly owned subsidiary, Smart Year Investments Limited, owner and operator of the Damajianshan Mine (quarter ended 30 June 2010: RMB2.2 million).

In February 2011, the Yunnan provincial power plant had implemented an electric power brownout over our mining site for purpose of installing and rerouting of power supply from the power station to our mine site to facilitate the power transmission, ultimately to upgrade and increase the supply capacity. As a result, only 200 kilo-watts were being transmitted daily to our mining site, far below the specified operating range of our ore processing plants. Production of copper ore was therefore halted during the period of electric power cutback from February 2011 onwards. According to the latest notice from the provincial electricity supply company, the installation work has been delayed and targeted to be completed by the end of August 2011 due to the rainy season in the area of Damajianshan. Since it is the Group's plan to continue to focus on exploration activities this year, the temporary disruption of power supply will not cause material impact to our overall production plan during the year. Moreover, as the revenue contributed by the Damajianshan mine only represents a minor portion of the Group's overall income, the management does not consider that the temporary decrease in revenue in our mining operation will have material impact to the Group's overall financial position. The management expects that our production will be resumed back to normal by early September this year.

Meanwhile, the Company has also invested in a number of new crushing and screening machines with better crushing strength to enhance production and reduce spoilage. The entire installation process has been completed and (taking into account the upgraded and increased electric power supply capacity in the future,) the management believes that our future production capacity will be significantly improved in the long run.

During the quarter, an environmental and safety assessment has been carried out and a defined written code on safety measures have been compiled to keep miners aware of the all possible danger spots in the mine and the plant. The mine safety analysis will serve as guideline for improving the mining design to enhance occupation safety for workers.

Cash payments for production associated with the mining operation during the quarter ended 30 June 2011 amounted to approximately RMB2.3 million and cash payments of expenditure associated with exploration activities amounted to approximately RMB0.3 million.



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

Map of Damajianshan Mine



During the quarter, the Company continued to carry on with its exploration activities which have been reactivated since late 2009. The exploration activities are aimed to find additional resources in order to support the Company's further expansion plan. New drilling works and detailed prospecting and scoping plans are now being planned to better define the lithology, grade and assemblage within the mining lease.

During the quarter, geophysical surveys have been carried out, with acoustic frequency geo-electric field method and electromagnetic exploration method employed for the mine site. Prospecting and tunnelling work has furthered for a total of 359.35m during the quarter. Due to the temporary cutback in power supply, production level has been lowered; however, exploration and prospecting activities were not affected as such. We expect further drilling and geophysical survey work to continue in the next quarter.



Competent Person Statement

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

Brockman Resources Limited

Marillana Project Activities

The Bankable Feasibility Study (BFS) is progressing with the assistance of Evans and Peck, and remains on schedule for completion in Q4 2011. Brockman has continued consolidating the detailed inputs for the Marillana Project BFS and the detailed project schedule has undergone strategic internal review to incorporate the updated Project timeline based on the latest Front End Engineering Design (FEED) engineering, procurement and estimating outcomes. Brockman is targeting to commence early site establishment works in Q4 2011. Dependant on all project construction approvals being in place, the updated overall construction program is currently indicating the process plant will be completed in Q2 2014. UGL Resources Pty Ltd (UGL) has continued to progress being th FEED stage in line with the target completion of BFS.

A formal tender process for the Project Management Contractor (PMC) will be commenced post-completion of FEED, with Brockman targeting an award by the end of Q4 2011 following the positive Financial Investment Decision (FID).

Marillana Mining and Metallurgy

Brockman has been performing pilot plant beneficiation testwork based on a 150 tonne representative sample of ore, which will be reflective of the first six years of plant feed. The final grade and recovery results have exceeded the previous criteria utilized in the Marillana Definitive Feasibility Study (DFS). Pilot plant recoveries have improved whilst retaining product specifications of greater than 61% Fe and combined alumina and silica grades of up to 9.2%. Mass recovery through the gravity circuit has increased to 74%, with 87% recovery of Fe units. The phosphorous and sulphur levels remain consistently low at <0.08% and <0.02% respectively.



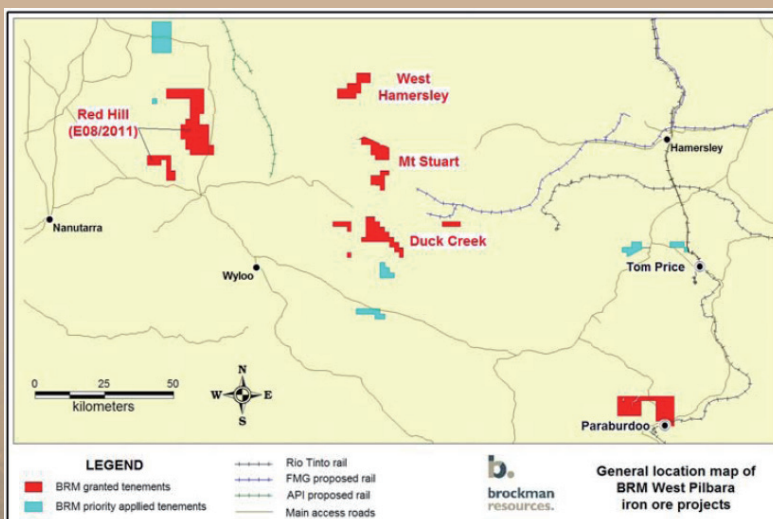
Marillana Rail and Port

Sinclair Knight Merz (SKM) continues the finalization of inputs to the South West CreekPort DFS which has been issued to NWI members for review, with final publication of the DFS expected in Q3 2011. Evans and Peck have been engaged to deliver the Port Project Delivery Execution Plan which will consider and develop a comprehensive report on the preferred project delivery options.

Negotiations are continuing with Fortescue Metals Group Ltd (FMG) regarding the commercial and legal aspects of an end-to-end rail haulage, port access and a shipping and marketing service arrangement for the Marillana Project.

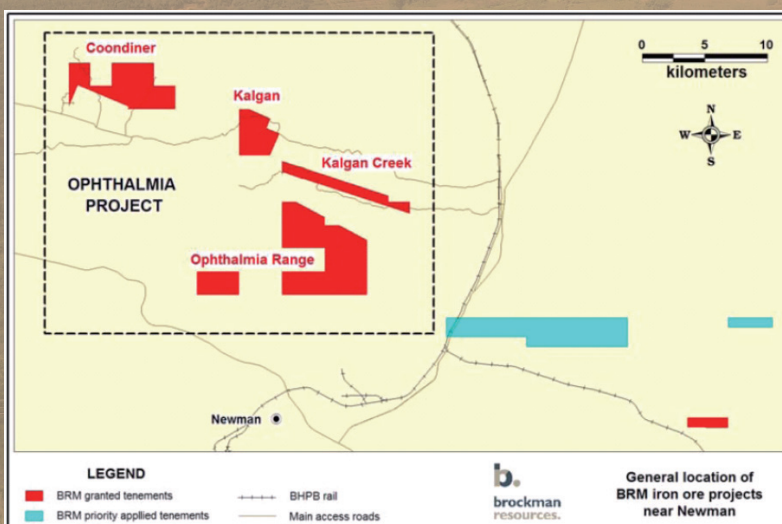
Regional Iron Ore Project Exploration

Figure 1 – West Pilbara Tenements



A 120-holes infill and extension drilling program has been prepared for the Duck Creek and West Hamersley projects within the West Pilbara Hub. An initial 40 hole drilling program is also planned for the Mt Stuart project areas, located between Duck Creek and West Hamersley. Exploration license E08/2011 at Red Hill, located about 60km west of Mt Stuart, was granted in June and mapping is underway (Figure 1).

Figure 2 – Ophthalmia Project



For the Ophthalmia project, reconnaissance mapping has identified DSO grade mineralization in four areas at Coondiner (to 66% Fe), Kalgan Creek (to 66% Fe) and Ophthalmia Range (to 57% Fe) (see Figure 2). Of 31 surface samples collected, 20 assayed greater than 55% Fe, with six samples exceeding 60% Fe (Figure 2).



Brockman Competent Person's Statement

The information in this report that relates to exploration results, Ore Reserves and Mineral Resources is based on information compiled by Mr. I Cooper, Mr. J Farrell and Mr. A Zhang.

The Ore Reserves statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2004 Edition). The Ore Reserves have been compiled by Iain Cooper of Golder Associates, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Cooper has had sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Iain Cooper consents to the inclusion of the matters based on this information in public releases by Brockman, in the form and context in which it appears.

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. Farrell consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

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'. Mr. Zhang consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

This information included in this Report that relates to Marillana and other projects of the Company's subsidiary, Brockman Resources Limited, including the Competent Persons Statements, has been reproduced from Brockman's published quarterly report.



LIMOUSINE BUSINESS

Receipts from the Limousine rental and airport shuttle bus operations amounted to approximately HK\$30.7 million during the quarter ended 30 June 2011, an increment of approximately 24% when compared to the same quarter last year. The increase in receipts was attributed to the surging demand for limousine rental services in both Hong Kong and PRC, resulting from the booming travel industry in these areas during the current quarter. The increase however, was partially offset by higher fuel consumption and staff costs due to inflationary pressures in the first half of 2011. We expect that such inflationary pressures will continue to deprive our profit margin in this segment. We will monitor the situation and formulate the best business strategy so as to optimize our overall profit margin from time to time.

CORPORATE PROFILE

Wah Nam International Holdings Limited

ARBN 143 211 867

Executive Directors:

Luk Kin Peter Joseph
Chan Kam Kwan, Jason

Independent Non-Executive Directors:

Lau Kwok Kuen, Eddie
Uwe Henke Von Parpart
Yip Kwok Cheung, Danny

Company Secretary

Chan Kam Kwan, Jason

Wah Nam International Australia Pty Ltd

ACN 134 696 727

Directors:

Luk Kin Peter Joseph
Chan Kam Kwan, Jason
Warren Talbot Beckwith
Au-Yeung Sai Kit, Alex

Company Secretary

Bryn Scott

Registrars

Principal Share Registrars and Transfer Office

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda



Branch Share Registrars and Transfer Office — Hong Kong

Tricor Secretaries Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

Branch Share Registrars and Transfer Office — Australia

Computershare Investor Services Pty Limited
Reserve Bank Building
Level 2, 45 St George's Terrace
Perth, Western Australia, 6000

Shares Details

Shares on issue

As at 30 June 2011:

5,355,416,325 fully paid shares on issue
15,000,000 options quoted, expiring 30 September 2014

As at the date of the report:

5,359,279,403 fully paid shares on issue
15,000,000 options quoted, expiring 30 September 2014

Unquoted securities

As at 30 June 2011:

75,000,000 unlisted options granted

— 9,000,000 share options, expiring	17 Jan 2014	EX HK\$1.164
— 27,000,000 share options, expiring	10 Feb 2014	EX HK\$1.240
— 39,000,000 share options, expiring	10 Nov 2013	EX HK\$2.00

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

Hong Kong, 29 July 2011



GLOSSARY

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

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

WAH NAM INTERNATIONAL HOLDINGS LIMITED

ABN

ARBN 143 211 867

Quarter ended ("current quarter")

30 JUNE 2011

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter HK\$'000	Year to date (6 months) HK\$'000
1.1 Receipts from product sales and related debtors	2,994	9,658
1.2 Payments for (a) exploration & evaluation	(28,661)	(29,098)
(b) development	—	—
(c) production	(2,761)	(7,001)
(d) administration expenses, and other working capital	(40,775)	(86,285)
1.3 Dividends received	—	—
1.4 Interest and other items of a similar nature received	4,823	4,988
1.5 Interest and other costs of finance paid	(292)	(527)
1.6 Income taxes paid	(1,157)	(1,157)
1.7 Other (provide details if material)		
1.7(a) Takeover response costs from Brockman Resources Limited	(17,867)	(17,867)
1.7(b) Receipts from limousine rental & airport shuttle services	30,681	65,822
Net Operating Cash Flows	(53,015)	(61,467)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	(3,978)	(7,090)
1.9 Proceeds from sale of: (a) prospects	—	—
(b) equity investments	880	6,745
(c) other fixed assets	32	32
1.10 Loans to other entities	—	—
1.11 Loans repaid by other entities	—	—
1.12 Other (provide details if material)		
1.12(a) Acquisition of subsidiary – net of cash and cash equivalents acquired	482,964	482,964
Net investing cash flows	479,898	482,651
1.13 Total operating and investing cash flows (carried forward)	426,883	421,184

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	426,883	421,184
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	—	—
1.15	Proceeds from sale of forfeited shares	—	—
1.16	Proceeds from borrowings	7,984	9,916
1.17	Repayment of borrowings	(5,124)	(9,128)
1.18	Dividends paid	—	—
1.19	Other (provide details if material)	—	—
	Net financing cash flows	2,860	788
	Net increase in cash held	429,743	421,972
1.20	Cash at beginning of quarter/year to date	127,940	135,590
1.21	Exchange rate adjustments to item 1.20	7,427	7,548
1.22	Cash at end of quarter	565,110	565,110

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

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

1.25 Explanation necessary for an understanding of the transactions

Directors Fees, and Executive Directors' Remuneration

Non-cash financing and investing activities

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

A total of 1,432,980,840 ordinary shares of the Company have been issued and allotted to Brockman shareholders who have accepted the takeover offer.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available HK\$'000	Amount used HK\$'000
3.1 Loan facilities	35,000	25,800
3.2 Credit standby arrangements	—	—

Estimated cash outflows for next quarter

	HK\$'000
4.1 Exploration and evaluation	(160,030)
4.2 Development	—
4.3 Production	(2,385)
4.4 Administration expenses, other working capital and professional fee	(50,504)
Total	(212,919)

Reconciliation of cash

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

	Current quarter HK\$'000	Previous quarter HK\$'000
5.1 Cash on hand and at bank	147,316	127,940
5.2 Deposits at call	413,815	—
5.3 Bank overdraft	—	—
5.4 Other (share of JV cash at 30 June 2011)	3,979	—
Total: cash at end of quarter (item 1.22)	565,110	127,940

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Eo8/2015	Application withdrawn	100%	—%
	E46/0778	Application withdrawn	100%	—%
	E47/2164	Application withdrawn	100%	—%
	E47/1822	Application withdrawn	100%	—%
	E47/2407	Application refused	100%	—%
6.2 Interests in mining tenements acquired or increased	E45/3931	Application	—%	50%
	Eo8/2297	Application	—%	100%
	Po8/0628	Application	—%	100%
	Po8/0629	Application	—%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference ⁺securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	5,355,416,325	5,355,416,325		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,432,980,840	1,432,980,840		
7.5 ⁺Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	9,000,000 27,000,000 39,000,000 15,000,000	15,000,000	Exercise price HK\$1.164 HK\$1.240 HK\$2.000 A\$0.2	Expiry date 17 January 2014 10 February 2014 10 November 2013 30 September 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

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



Sign here:

.....
(Company secretary)

Date: 29 July 2011

Print name: Chan Kam Kwan, Jason

Notes

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

+ See chapter 19 for defined terms.