



BROCKMAN

布萊克萬礦業有限公司
BROCKMAN MINING LIMITED

Incorporated in Bermuda with limited liability
SEHK Stock Code: 159
ASX Stock Code: BCK



QUARTERLY ACTIVITIES REPORT

SEPTEMBER 2012

HIGHLIGHTS

- Compulsory acquisition process completed on 15 August 2012, with 100% ownership in Brockman Resources Limited now secured.
- Changes to the Company's board composition:
Mr. Ross Stewart Norgard has been appointed as non-executive director of the Company and Mr. David Michael Spratt has been appointed as independent non-executive Director; effective from 22 August 2012.
- Entering into an independent rail alliance study agreement with QR National and Atlas (the "Independent Rail Alliance Study Agreement").
- Planned commencement of production at the Marillana project is projected for 2016.
- Issue of bond raising HK\$156 million.
- Final conditional approval has been received from the Commonwealth Department of Sustainability, Environment, Water, Pollution and Communities for both the Marillana mine and rail spur projects.
- An initial Indicated and Inferred Mineral Resource estimate of 108 Mt grading 58.3% Fe was announced for the Pallas and Castor deposits at Coondiner of which a total of 64 Mt (all at Pallas) or 60% of the total Mineral Resource estimate is in the Indicated category.
- Significant thicknesses of DSO grade mineralisation continue to be intersected at Kalgan Creek, with better intercepts of 94m at 59.3% Fe in hole KRC0033 (from 2m) and 72m at 59.7% Fe in hole KRC0068 (from 26m).
- Operations resumed in Damajianshan following the installation of plant upgrades.

Brockman Mining Limited

ARBN 143 211 867

ASX Code: BCK

SEHK Code: 159

Head Office

Suites 3812-3813,
Two International
Finance Centre,
8 Finance Street,
Central
Hong Kong

Registered Office in Australia

117 Stirling Highway
Nedlands WA 6009
Australia

CORPORATE REVIEW

Takeover Offer for Brockman Resources Limited

The compulsory acquisition process for the acquisition of Brockman Resources Limited in Australia was completed on 15 August 2012, with the Company now controlling 100% of the target.

Change of Company Name

Following the above acquisition, the Company held a special general meeting on 28 August 2012, which approved the change of company name from Wah Nam International Holdings Limited to Brockman Mining Limited and, upon the name change becoming effective, to adopt a new Chinese name “布萊克萬礦業有限公司” in place of the existing Chinese name “華南投資控股有限公司”, adopted for identification purposes only. Accordingly, trading in the shares of the Company on the Stock Exchange under the stock short name of “Brockman Mining” (“布萊克萬礦業”) and the ticker of the Company for the listing on the ASX Limited to be changed to “BCK”, became effective on 25 September 2012. The Board considers that the new name more accurately reflects the business focus of the Group.

Board Appointments

The following appointments became effective on 22 August 2012.

Mr. Ross Stewart Norgard

Mr. Ross Stewart Norgard was appointed as non-executive director of the Company.

Mr. David Michael Spratt

Mr. David Michael Spratt was appointed as independent non-executive director of the Company.

The above directors' biographical information is contained in the announcement dated 22 August 2012.

Management Team Changes — Australian Operation

Michelle Manook joined the Brockman Mining Australia management team in August, in the role of General Manager External Affairs. Michelle has most recently held senior resource management roles in Woodside Energy Limited, Roc Oil Ltd and Epic Energy Pty Ltd, encompassing national and international operations in Australia, South East Asia, United Kingdom and West Africa.

Bank and Cash position

The consolidated cash and bank balance of the Group as at 30 September 2012 amounted to approximately HK\$399.9 million.

Issue of Bonds

On 21 September 2012, the Company issued bonds of an aggregate principal amount of HK\$156 million. Interest is payable on the date of redemption at the rate of 12% per annum of the outstanding principal amount. The bonds are due on 23 December 2013.

MARILLANA IRON ORE PROJECT (100% INTEREST)

Mining and Metallurgy

Testwork programs continued on the potential for the processing of the naturally occurring minus 1 mm run of mine (ROM) feed material. In the current process flowsheet, the material accounts for 36% of the process plant feed tonnes and is currently scheduled to be rejected as waste.

Rail and Port Infrastructure

NWI continued planning for the development of a multi-user iron ore export (landside) facility at Port Hedland, including finalisation of the development timeframes for those facilities with respect to each stakeholder's proposed mining project developments. NWI is negotiating a lease agreement with the PHPA. The Western Australian Department of State Development has allocated a dedicated transport corridor to NWI for the development of a rail line linking the port facilities and rail infrastructure.

NWI is preparing a port development business case based on a phased development of the South West Creek infrastructure. This business case will need to be integrated with the development of the proponent's proposed mines and the proposed EPIR.

Brockman, Atlas and QR National are studying the potential development of the EPIR for the haulage of iron ore production from the proposed mines to the port facility. All parties have directed their efforts to establishing the technical and commercial fundamentals of the supply infrastructure network, which includes the planning and undertaking of baseline environmental and cultural heritage surveys, obtaining a State Agreement and the pursuit of the strategic project environmental approvals required by Commonwealth and State governments. These activities will continue through to the end of 2012 when the study is due to be completed.

Project Approvals

The Company continues to progress all required State and Commonwealth government environmental approvals for the mine, rail and port projects, where plans/designs have been finalised, in line with Project requirements and development timeframes. Variations to the Marillana Project footprint, since the submission and approval of the Public Environmental Review, will require a variation to the Ministerial Statement approval via a s45C process under the Environmental Protection Act.

A modified Project Management Plan is being developed for submission to DMP, as well as a new Mining Proposal to cover both early works during the construction phase and the operating mine. Secondary approvals including site operational licences, water licences and vegetation clearing permits will be completed in parallel with a future BFS.

Final conditional approval has been received from the Commonwealth Department of Sustainability, Environment, Water, Pollution and Communities for both the Marillana mine and rail spur projects. A substantial amount of work will be required in 2013 to develop the management plans associated with each of these projects, once design engineering and the BFS commence.

REGIONAL IRON ORE PROJECTS (100% INTEREST)

Ophthalmia Project

Field activities continued to focus on infill reverse circulation (RC) drilling of the Kalgan Creek and Sirius prospects. During the quarter, a total of 79 RC drill holes for 8,000 m and seven PQ diamond drill holes for 745.8 m were drilled. The locations of the various Ophthalmia prospects are shown in Figure 1.

An initial Mineral Resource estimate was carried out over the Pallas and Castor Deposits at Coondiner. Compilation and interpretation of the Kalgan Creek drilling results were also carried out in preparation for resource estimation at this prospect, expected to be completed in Q4, 2012. A resource estimate for the Sirius prospect is expected in Q1, 2013.

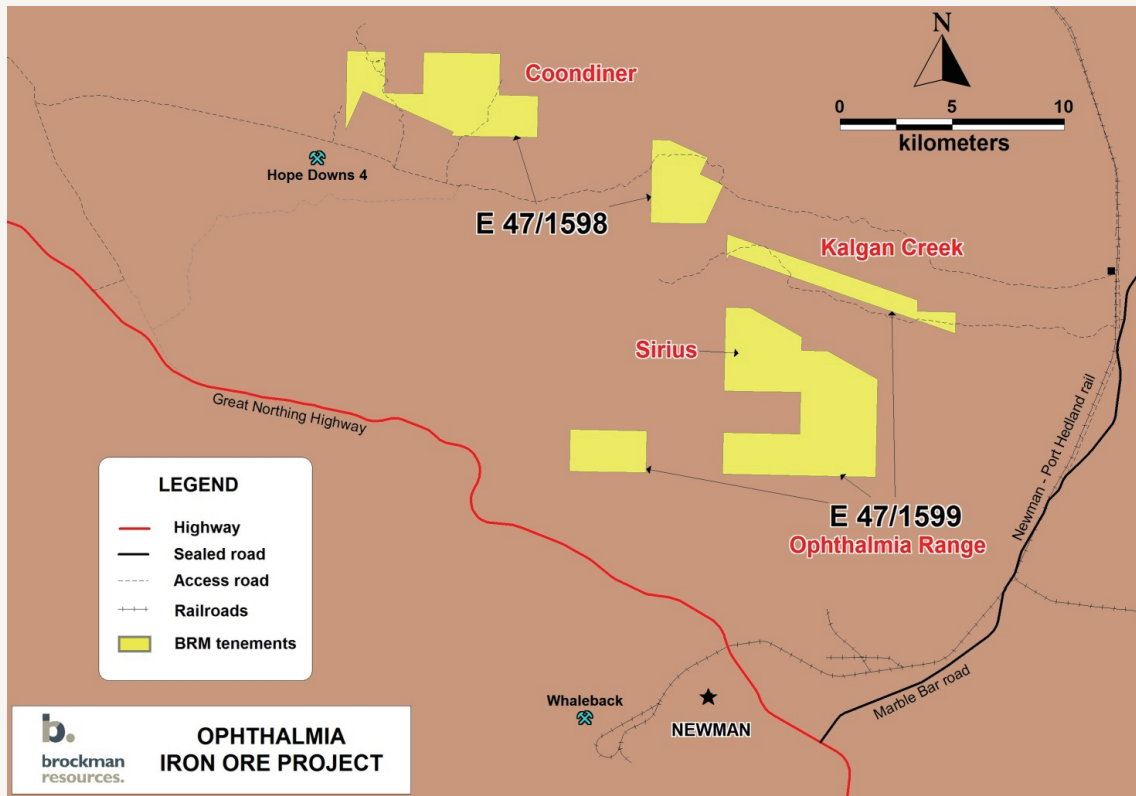


Figure 1: Location of Ophthalmia Prospects

Coondiner Prospect

Work continued in preparation for the initial Indicated and Inferred Mineral Resource estimate for the Pallas and Castor deposits at Coondiner. Perth-based Golder was engaged to prepare the Mineral Resource estimation, which will be classified in accordance with the guidelines of the 2004 Edition of the "Australasian Code of Reporting of Mineral Resources and Reserves" (JORC Code).

A program of PQ diamond drilling comprising 5 holes for 564.1 m was completed at Coondiner to provide core samples for preliminary metallurgical testwork and twin hole assay data for comparison to RC holes. All cores have been

geologically logged and cut, but no assays have yet been received. Visual indications from logging suggest that the mineralised zones compare well with the RC twin holes.

Kalgan Creek Prospect

Extension RC drilling continued at Kalgan Creek, with 69 holes totalling 6,503 m completed during the period. Following completion of drilling, the rig moved to the Sirius prospect. Two PQ diamond drill holes for 181.7 m were also completed to provide metallurgical sample and twin hole assay data. Results have been received for all RC holes (see Table 1 and Figure 2) but the diamond core results are pending.

Table 1: Significant drill intersections – Kalgan Creek Prospect

Hole ID	From (m)	To (m)	Width (m)	Fe (%)	Fe Calcined (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
KRC0016A*	8	90	82	59.0	62.4	4.41	4.84	0.20	0.005	5.4
KRC0017A*	18	96	78	57.9	61.2	5.95	5.01	0.15	0.004	5.4
KRC0023*	2	86	84	58.9	62.3	4.61	4.63	0.19	0.007	5.4
KRC0024*	2	94	92	59.7	63.2	2.62	5.18	0.22	0.012	5.6
KRC0025*	4	78	74	59.6	62.7	4.14	4.61	0.20	0.005	4.9
KRC0031	4	72	68	59.4	62.7	5.03	3.90	0.19	0.005	5.2
KRC0033	2	96	94	59.3	62.9	3.13	5.14	0.22	0.007	5.7
incl.	2	80	78	60.1	63.5	2.54	4.88	0.21	0.008	5.4
KRC0035	8	60	52	59.2	62.6	3.70	5.37	0.15	0.006	5.4
KRC0036	18	54	36	59.4	62.8	3.94	4.31	0.23	0.002	5.4
KRC0038	4	72	68	59.1	62.8	4.55	4.10	0.16	0.012	5.8
KRC0039	30	60	30	57.7	61.1	6.08	5.04	0.14	0.002	5.7
KRC0041	30	72	42	58.4	62.8	4.12	4.46	0.21	0.001	7.0
KRC0045	12	80	68	57.9	60.9	6.53	4.94	0.15	0.004	4.9
KRC0053	58	92	34	61.0	64.2	4.06	3.23	0.15	0.007	4.9
KRC0062	12	54	42	59.8	63.5	3.88	4.03	0.15	0.005	5.9
KRC0068	26	98	72	59.7	63.1	3.95	4.34	0.17	0.001	5.5
KRC0073	24	62	38	60.4	63.9	3.5	3.96	0.14	0.004	5.5
KRC0080	86	121	35	60.8	64.8	3.84	2.08	0.21	0.003	6.2
KRC0081	74	98	24	60.5	64.3	3.1	3.77	0.17	0.003	6.0
KRC0090	36	74	38	60.1	63.7	4.53	3.25	0.12	0.001	5.7

Notes: Intercepts calculated at a nominal 54% Fe cut-off grade including up to 3 m of internal dilution
 All intercepts exceeding 20 m down hole width reported
 Analyses by Nagrom Laboratories using XRF spectrometry
 Fe Calcined is calcined iron and is calculated by the formula: CaFe = Fe% / (100-LOI)*100
 * reported last quarter

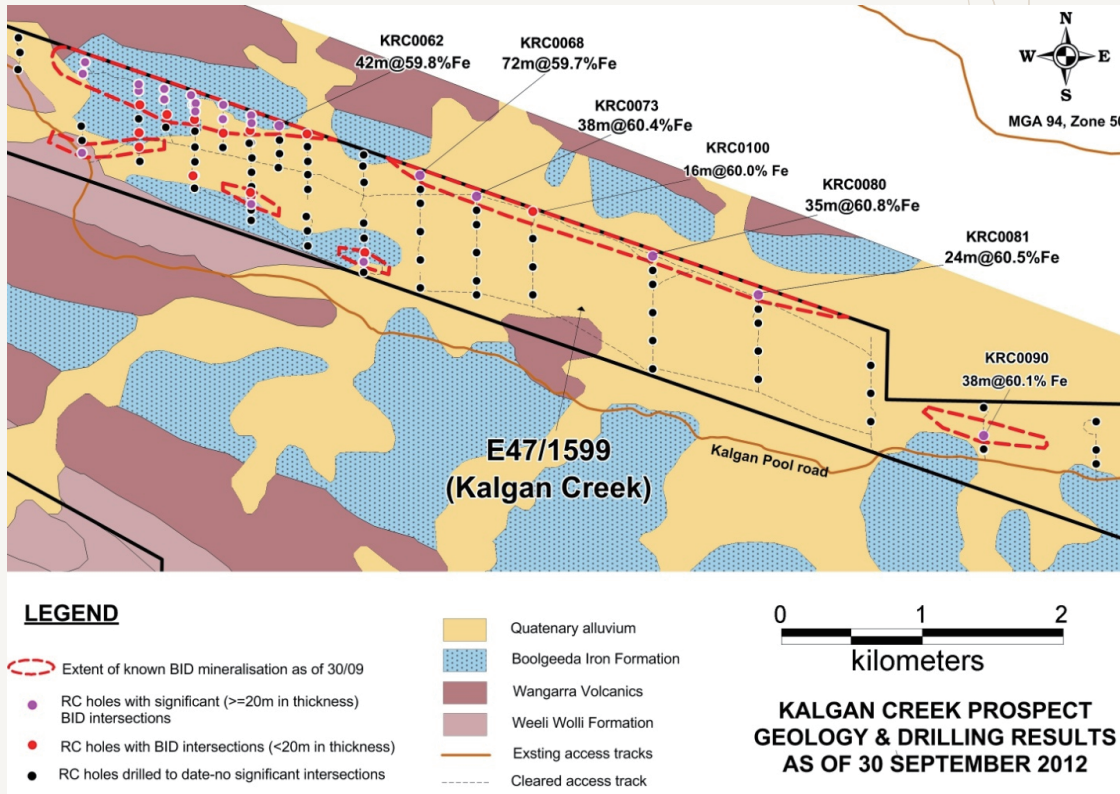


Figure 2: Drill hole location plan – Kalgan Creek

Results have confirmed the continuity of a main zone of mineralisation along the northern boundary of the tenement along a strike length of at least 1,500 m, a width across strike of about 300 m and average thickness of about 50 m (varies up to 94 m in KRC0033). The depth to the top of mineralisation in this area is typically less than 10m.

Step out drilling along the strike of the Boolgeeda Iron Formation to the east of this main zone has identified additional mineralisation that extends for another 3 km to the east, although the width of this zone is thinner (only defined by one hole per section) and the depth to the top of mineralisation is deeper.

Following compilation of results and geological interpretation, Golder has been commissioned to undertake a Mineral Resource estimate for Kalgan Creek. This is expected to be completed in Q4, 2012.

Sirius Prospect

Following initial delays in gaining a clearing permit to construct an access track through a neighbouring tenement to the Sirius prospect, a program of infill and extension RC drilling commenced on 23 September. By month end, a total of 10 holes for 1,497 m had been completed. Assay results are pending.

West Pilbara Project

During the period, heritage surveys were carried out over the West Hamersley and Mt Stuart areas to facilitate a short helicopter-supported diamond drilling program, which commenced in early October.

SIGNIFICANT EVENTS OUTSIDE THE PERIOD

On 15 October, the Company announced an initial Indicated and Inferred Mineral Resource estimate of **108 Mt grading 58.3% Fe** for the Pallas and Castor deposits at Coondiner. The Coondiner Mineral Resource estimate includes 64 Mt of Indicated Mineral Resources (all at Pallas) and 44 Mt of Inferred Mineral Resources (at Pallas and Castor). The Mineral Resource estimate is detailed in Table 2 below:

The Mineral Resource estimation was prepared by Golder and has been classified in accordance with the guidelines of the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves" (JORC Code). It has been estimated within geological boundaries using a 54% Fe lower cut-off grade for DSO grade mineralisation.

Table 2: Coondiner Mineral Resource estimate at a 54% Fe cut-off grade

Deposit	Class	Tonnes (Mt)	Fe (%)	CaFe* (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	S (%)	P (%)	LOI (%)
Pallas	Indicated	64.3	58.0	61.6	5.79	4.40	0.009	0.166	5.77
	Inferred	7.5	57.2	60.7	6.97	4.67	0.009	0.154	5.70
	SUBTOTAL	71.8	58.0	61.6	5.91	4.42	0.009	0.164	5.76
Castor	Inferred	36.2	59.1	62.4	5.01	4.32	0.006	0.181	5.35
GRAND TOTAL		108.0	58.3	61.8	5.61	4.39	0.008	0.170	5.62

* CaFe represents calcined Fe and is calculated by Brockman using the formula $CaFe = Fe\% / ((100-LOI)/100)$
Total tonnes may not add due to rounding

The extent of the Mineral Resource model is shown in Figure 3.

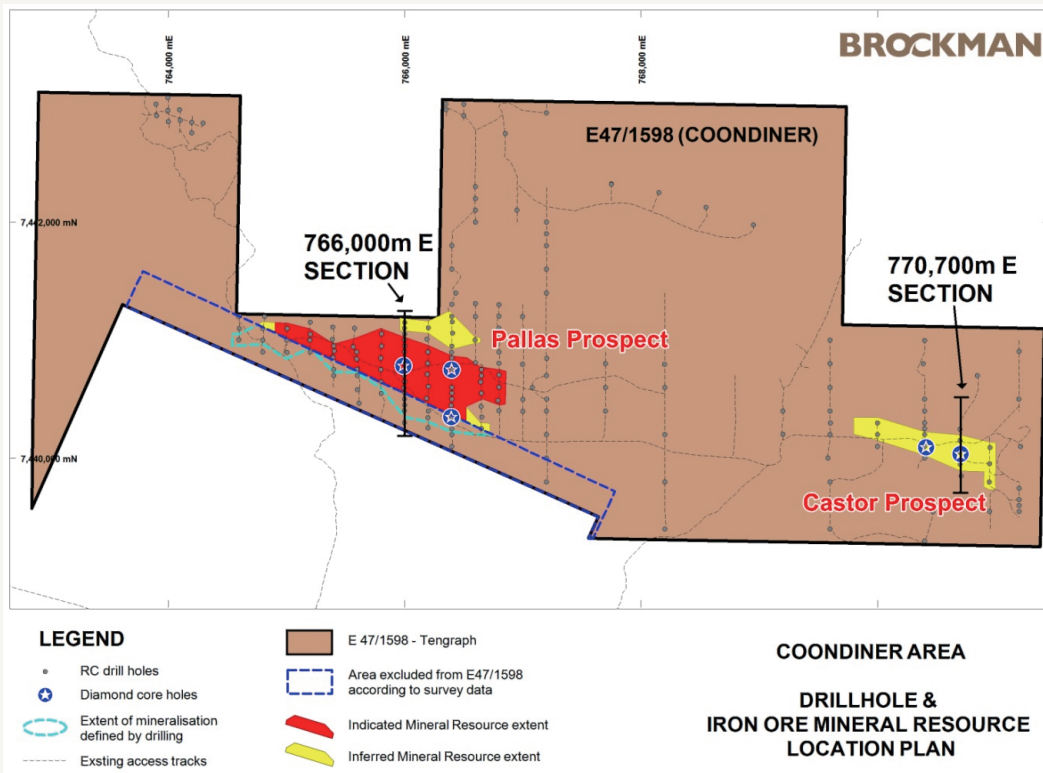


Figure 3: Drill hole locations and extent of Mineral Resource outline at Coondiner

Mineralisation is hosted by the Boolgeeda Iron Formation and forms a sub-horizontal blanket up to 100 m thick, commencing from shallow depths. For this reason, it is expected that the stripping ratio will be low and that mining will be relatively straightforward.

The proximity of Ophthalmia to Brockman's Marillana Project means that ore could be trucked to the proposed Marillana rail loading stockyards for raiing to Port Hedland.

Preliminary survey data for the tenement which adjoins the Coondiner tenement E47/1598 indicates a discrepancy between the position of the south-western boundary of E47/1598 as recorded on the DMP tenement management system (TENGRAPH) and that recorded by the survey. The potential impact of this is shown in Figure 3. The Pallas Deposit Mineral Resource released by Brockman assumes that the survey data is adopted in full by DMP. If the survey data is not adopted, additional Mineral Resources could be added to those listed in Table 2. The Castor Mineral Resource is not affected in any way by the survey data.

Competent Person's Statement

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 Chartered Professional and 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 Mining Australia Pty Ltd, 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.

DAMAJIANSHAN MINE

During the quarter ended 30 September 2012, cash receipts from product sales of approximately RMB10.9 million were contributed by the Company's wholly-owned subsidiary, Smart Year, a 90% owner and operator of the Damajianshan Mine (quarter ended 30 September 2011: RMB0.9 million).

Cash payments for production associated with the mining operation during the quarter ended 30 September 2012 amounted to approximately RMB8.4 million (quarter ended 30 September 2011: RMB3.5 million) and cash payments of expenditure associated with exploration activities and development amounted to approximately RMB0.5 million (quarter ended 30 September 2011: RMB0.4 million).

With previous installation works in place, production from the Damajianshan Mine has resumed during the quarter, resulting in a significant increase in production.

The Damajianshan Mine is located in Qimaba Township, Luchun County of Yunnan Province in the PRC. The Damajianshan mining right covers 3.67 square kilometres. As at November 2011, the Damajianshan Mine had Proved and Probable Ore Reserves of 7.6 million tonnes with an average Cu grade of 1.46%, included in a Measured, Indicated and Inferred Mineral Resource of 15.2 million tonnes with an average Cu grade of 1.68%.

JORC Copper Ore Reserves for the Damajianshan Mine have not changed significantly since 11 November 2011.

These estimates were included in the Independent Geologist's Report dated 11 November 2011 prepared by Christopher Arndt, Consulting Geologist in collaboration with Xianping Zhu, Consulting Geophysicist, and Huairan Liu, Consulting Geologist in accordance with the JORC Code.

Exploration activities continued during the quarter and the Company will produce an update in due course.

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.

Mining Licence

The renewal of the mining right certificate is being processed and Yunnan State Land Resources Bureau has temporarily granted Luchun Xingtai Mining Co Ltd ("Luchun"), the operator of the Damajianshan Mine an extension of the existing mining certificate for a period of three months to December 2012, pending the approval of the official renewal.

With reference to an independent legal opinion received by Luchun, there are no legal barriers to Luchun obtaining the renewal of the mining right certificate, provided that it complies with the requirements as deemed necessary by the relevant government authorities. The Board considers that the Group will be able to renew the mining right at minimal charge.

TRANSPORT SERVICES BUSINESS

Receipts from the limousine rental and airport shuttle bus operations amounted to approximately HK\$28.5 million during the quarter ended 30 September 2012, decreased by 14.9% from HK\$33.5 million as recorded in the corresponding quarter last year. The Company will continue to monitor market developments and formulate the best business strategy so as to sustain the overall profit margin.

CORPORATE PROFILE

Brockman Mining Limited
ARBN 143 211 867

Non-executive Director:

Kwai Sze Hoi (Chairman)
Liu Zhengui (Vice Chairman)
Warren Talbot Beckwith
Ross Stewart Norgard
(appointed on 22 August 2012)

Executive Directors:

Luk Kin Peter Joseph (CEO)
Chu Chung Yue Howard
Chan Kam Kwan Jason

Independent Non-executive Directors:

Lau Kwok Kuen Eddie
Uwe Henke Von Parpart
Yip Kwok Cheung Danny
David Michael Spratt
(appointed on 22 August 2012)

Company Secretary

Chan Kam Kwan Jason

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 September 2012: and as at the date of this report:

7,224,094,327 fully paid shares on issue
15,000,000 options quoted, expiring
30 September 2014

Unquoted securities

As at 30 September 2012:
209,500,000 unlisted options granted
— 8,500,000 share options, expiring
17 January 2014 EX HK\$1.164
— 27,000,000 share options, expiring
10 February 2014 EX HK\$1.240
— 39,000,000 share options, expiring
10 November 2013 EX HK\$2.00
— 50,000,000 share options, expiring
31 December 2014 EX HK\$0.72
— 85,000,000 share options, expiring
13 December 2015 EX HK\$0.72

As at the date of this report:

209,100,000 unlisted options granted
— 8,500,000 share options, expiring
17 January 2014 EX HK\$1.164
— 27,000,000 share options, expiring
10 February 2014 EX HK\$1.240
— 39,000,000 share options, expiring
10 November 2013 EX HK\$2.00
— 50,000,000 share options, expiring
31 December 2014 EX HK\$0.72
— 84,600,000 share options, expiring
13 December 2015 EX HK\$0.72

Convertible Bond

- (i) 5% Convertible Bond, convertible on or before 10 January 2014 with a principal amount of HK\$95,940,000, which is convertible into 159,900,000 ordinary shares (subject to adjustment).
- (ii) 5% Convertible Bond, convertible on or before 19 April 2015 with a principal amount of HK\$78,000,000, which is convertible into 130,000,000 ordinary shares (subject to adjustment).

By order of the Board of Directors of

Brockman Mining Limited

Chan Kam Kwan, Jason

Company Secretary

Hong Kong, 31 October 2012

GLOSSARY

“ASX”	ASX Limited ACN 008 624 691, or the financial products market, The Australian Securities Exchange, as the situation requires
“Atlas”	Atlas Iron Limited (ASX:AGO), an iron ore producer and developer in Western Australia listed on the ASX
“BFS”	Bankable Feasibility Study
“Board”	the Board of Directors
“Brockman Mining Australia”	Brockman Mining Australia Pty Ltd (formerly Brockman Resources Limited ACN 009 372 150), the principal wholly-owned subsidiary of the Company
“Brockman” or “Company”	Brockman Mining Limited ARBN 143 211 867 (formerly Wah Nam International Holdings Limited), a company incorporated in Bermuda and listed on the SEHK and ASX
“Damajianshan Mine”	The 90% owned copper mine held by the Company in the Yunnan Province, PRC
“DMP”	Department of Minerals and Petroleum
“DSO”	Direct Shipping Ore
“EPIR”	East Pilbara Independent Railway
“Golder”	Golder Associates Pty Ltd
“Group”	Brockman Mining Limited, its associates and subsidiaries
“JORC Code”	Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (4th Edition)
“km”	kilometre
“Marillana Project”	The 100% owned Marillana iron ore project is Brockman’s flagship project located in the Hamersley Iron Province
“m”	metre
“Mt”	million tonnes
“NWI”	North West Infrastructure, the joint venture company which represents the interests of its three shareholder companies: Brockman Mining Australia Pty Ltd; Atlas Iron Limited and FerrAus Limited, to facilitate the construction of a port facility capable of annually exporting 50 million tonnes of iron ore from the South-West Creek location at the Inner Harbour at Port Hedland, Western Australia
“PHPA”	Port Hedland Port Authority
“PRC”	the People’s Republic of China
“Q”	Quarter (financial)
“QR National”	QR Limited, a wholly-owned subsidiary of QR National Limited, which is the largest rail freight company in Australia and is listed on the ASX
“SEHK”	Hong Kong Exchanges and Clearing Company Limited or the financial products market or the Hong Kong Stock Exchange, as the situation requires
“Smart Year”	Smart Year Investments Limited, a wholly owned subsidiary of the Company which held 90% of interests of Luchun Xingtai Mining Co. Limited.

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

BROCKMAN MINING LIMITED

ABN

ARBN 143 211 867

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter HK\$'000	Year to date (3 months) HK\$'000
1.1 Receipts from product sales and related debtors	13,341	13,341
1.2 Payments for (a) exploration & evaluation	(43,769)	(43,769)
(b) development	—	—
(c) production	(10,326)	(10,326)
(d) administration expenses, and other working capital	(46,687)	(46,687)
1.3 Dividends received	—	—
1.4 Interest and other items of a similar nature received	4,155	4,155
1.5 Interest and other costs of finance paid	(178)	(178)
1.6 Income taxes paid	—	—
1.7 Other (provide details if material)		
1.7(a) Receipts from transport services	28,460	28,460
1.7(b) Advance from related parties	403	403
Net Operating Cash Flows	(54,601)	(54,601)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	(2,125)	(2,125)
1.9 Proceeds from sale of: (a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	120	120
1.10 Loans to other entities	—	—
1.11 Loans repaid by other entities	—	—
1.12 Other (provide details if material)	—	—
Net investing cash flows	(2,005)	(2,005)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(56,606)	(56,606)
	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	—	—
1.17	Repayment of borrowings	(8,298)	(8,298)
1.18	Dividends paid	—	—
1.19	Other (provide details if material)		
1.19(a)	Release of restricted bank deposit	5,200	5,200
1.19(b)	acquisition of additional interest in BRM	(33,514)	(33,514)
1.19(c)	cash backed performance bond guarantee of BRM	(653)	(653)
1.19(d)	proceeds from issue of bond	156,000	156,000
	Net financing cash flows	118,735	118,735
	Net increase in cash held	62,129	62,129
1.20	Cash at beginning of quarter/year to date	333,751	333,751
1.21	Exchange rate adjustments to item 1.20	3,983	3,983
	Cash at end of quarter	399,863	399,863

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

	Current quarter HK\$'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	3,242
1.24	Aggregate amount of loans to the parties included in item 1.10	—
1.25	Explanation necessary for an understanding of the transactions	
1.23	Being payment of executive directors' salary and non-executive directors' fees	
1.2(d)	Includes the human resources service fees of HK\$90,000 paid to a company in which a director of the company has beneficial interest	

+ See chapter 19 for defined terms.

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

The compulsory acquisition process for the takeover of Brockman Resources Limited, was completed on 15 August 2012. A total of 49,054,662 ordinary shares of the Company have been issued and allotted to Brockman shareholders who have accepted the takeover offer during the quarter.

On 21 September 2012, the Company issued bonds of aggregate principal amount of HK\$156 million. Interest is payable on the date of redemption at the rate of 12% per annum of the outstanding principal amount, accruing from the date of issue of the bonds on a daily basis. The bonds are due on 23 December, 2013.

- 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

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	25,800	18,373
3.2 Credit standby arrangements	—	—

Note: In addition to the above facilities the Company has in place two convertible notes and two bonds (see 7.5 and 7.11.) As at 30 September 2012, the carrying amount of the convertibles bonds and bonds are approximately HK\$158.8 million and HK\$156.5 million respectively.

Estimated cash outflows for next quarter

	HK\$'000
4.1 Exploration and evaluation	(41,223)
4.2 Development	(1,000)
4.3 Production	(9,150)
4.4 Administration expenses and other working capital	(47,709)
Total	(99,082)

+ See chapter 19 for defined terms.

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	224,254	117,971
5.2 Deposits at call	174,194	215,274
5.3 Bank overdraft	—	—
5.4 Other (share of JV cash)	1,415	506
Total: cash at end of quarter (item 1.22)	399,863	333,751

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note(2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E45/3455	Application withdrawn	100%	0%
6.2 Interests in mining tenements acquired or increased	E47/2698	Application lodged	0%	100%
	E47/2699	Application lodged	0%	100%
	E47/2700	Application lodged	0%	100%

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	7,224,094,327	7,224,094,327		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	49,054,662	49,054,662		

+ See chapter 19 for defined terms.

7.5	+Convertible debt securities (description)	1 1	Interest 5% p.a. 5% p.a.	Conversion price HK\$0.60 HK\$0.60	Maturity date 10 January 2014 19 April 2015
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	8,500,000 27,000,000 39,000,000 15,000,000 50,000,000 85,000,000	15,000,000	Exercise price HK\$1.164 HK\$1.240 HK\$2.000 A\$0.2 HK\$0.72 HK\$0.72	Expiry date 17 January 2014 10 February 2014 10 November 2013 30 September 2014 13 December 2014 13 December 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures/Bonds (totals only)	1 1	Interest 12% p.a. 12% p.a.	Principal amount HK\$78,000,000 HK\$78,000,000	Redemption date 23 December 2013 23 December 2013
7.12	Unsecured notes (totals only)				

Compliance statement

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



Sign here:

.....
(Company secretary)

Date: 31 Oct 2012

Print name: Chan Kam Kwan, Jason

+ See chapter 19 for defined terms.

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.