SVC Group Limited

ACN 009 161 522

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Sydney, NSW 2000

Company Announcements Supervision
Australian Securities Exchange
20 Bond Street
Sydney
NSW 2000

25th October 2012

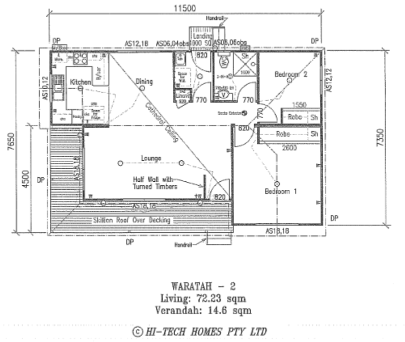
Attention: Companies Officer

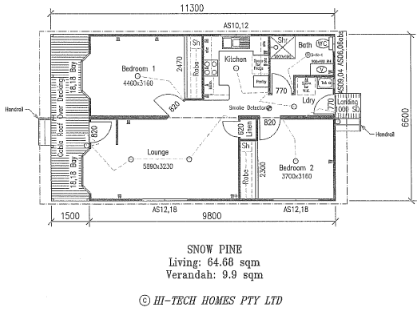
<u>QUARTERLY ACTIVITIES REPORT</u>

Hunter Valley Joint Venture

SVC has continued the work required to submit a development proposal for a Hunter Valley property into a Long Term Residential Caravan Park. The property, Lot 99, Carrs Road, Neath is adjacent to an existing manufactured village owned by CCD the Joint Venture partner and land owner of this development.

Detailed layout design, engineering, reticulation design, and social impact studies are under way. The Company expects that a completed proposal will be lodged with Cessnock City Council in this third quarter of 2012. The above layout has 90 sites available for popular dwellings of 1, 2, 3, and 4 bedrooms such as below;





Long Term Residential Caravan Parks

Manufactured Home Estates and long term residential Caravan Parks are a contemporary form of medium density housing development comprising land leased communities in which the residents own or rent manufactured homes on dwelling sites leased from the estate.

The strong demand for low cost housing in the Hunter Valley region should see a good take up rate for both low cost property and low cost rental accommodation.

Zambia Resource Ventures Pty Ltd

Zambian Resource Ventures Pty Ltd (ACN 156 602 487) (ZRV), a company which is 34% owned by SVC Group Limited, as previously disclosed to market entered into an Option to Joint Venture with Cannan Oil Exploration Mining Limited, a Zambian company which holds two emerald mining licences in the Kafubu area of Zambia. Further to this ZRV has entered into a Subscription Agreement allowing for Mr. Quogiang Wu to subscribe for a total of 15,000,000 shares at $0.027 per share to raise a total of $400,000. The first tranche of $100,000 has been received by ZRV. Mr. Wu now has until December 31st 2012 to place the remaining $300,000 at the same price.

If the Option with Cannan Oil Exploration Mining Limited is exercised the JVA will become an executed agreement that will require ZRV to propose a trial mining programme and supervise the execution of the mining and processing of the emeralds. The costs would be born by ZRV alone in return for 65% of the net profit from the sale of emeralds.

Geophysical Survey Completed

ZRV recently completed a ground magnetic survey on the two emerald mining licenses subject to the Option to Joint Venture in the Lufwanyama area at Kafubu that has defined two prominent linear magnetic anomalies. These exciting targets are interpreted as potential talc-magnetite schists, known elsewhere in the Kafubu area to host significant emerald mineralization. The magnetic zones strike NW-SE over distances of 900m and 1,000m respectively within the license area (Targets A and B, Figure 1).

Modeling of the magnetic data is in progress in order to determine the approximate width and dip of the target zones prior to drill testing.

Drilling to Commence

ZRV has planned approximately 400m of core drilling that will be sufficient to confirm the presence or otherwise of talc-magnetite schists and pegmatites that would constitute a favourable geological environment for emerald formation. A local drilling contractor will be engaged to mobilize to site and commence drilling prior to end October.

Future Planning

Dependent on the outcome of the drilling program ZRV would move to identify a suitable location for an initial trial pit to target shallow emerald mineralization expected in the area. Further drilling may be required to define the ultimate limits of the trial pit.

Please do not hesitate to contact the Company for any further information or clarification on the matters addressed in this update.

Yours faithfully,

Richard Pritchard
Chairman and joint Company Secretary
SVC Group Limited