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HONBRIDGE HOLDINGS LIMITED

(incorporated in the Cayman islands with limited liability)

(stock code: 8137)

ESTIMATED MINERAL RESOURCES OF SAM IRON MINE PROJECT, BRAZIL, RELEASE OF USD10 MILLION ESCROW AMOUNT AND CONTINUING NEGOTIATION WITH VNN ON CLOSING TIMETABLE

This announcement is made by the Company to keep the Shareholders and potential investors of the Company informed of the latest business development of the Group.

BACKGROUND

Reference is made to (i) the announcement of the Company dated 16 April 2010 regarding the entering into of the definitive Share Purchase Agreement in relation to the Acquisition between Lit Mining and VNN as the sellers, Esperento and Mineral Ventures; Infinite Sky, as the buyer, New Trinity, and the Company; (ii) the circular of the Company dated 5 November 2010 (the “**Circular**”) in relation to, among others, the Acquisition, which is subsequently approved by the Shareholders at the EGM dated 23 November 2010 as disclosed in the notice of EGM published on the same date; and (iii) the announcements of the Company dated 24 December 2010 and 4 April 2011 respectively regarding the update on estimated mineral resources and valuation of the Project. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

LATEST DEVELOPMENT OF THE PROJECT

Update on resources level

Pursuant to the requirements set out in the Share Purchase Agreement, resources of Block 8 and Block 7 should be at least (i) 0.7 billion tonnes of 20% iron of Measured Resource; and (ii) 2.8 billion tonnes of 20% iron of Measured Resource and Indicated Resource in aggregate, or such lower numbers as Infinite Sky may accept at its sole discretion.

The total Measured Resources and Indicated Resources for Block 8 and Block 7 based on Golder's Report (as contained in the announcement of the Company dated 4 April 2011) and Coffey Report (as contained in the technical report in the Circular) is 2.639 billion tonnes, which is less than 2.8 billion tonnes of the Resource Confirmation requirement pursuant to the Share Purchase Agreement. However, given that the Inferred Resources for Block 7 are more than one billion tonnes, the Directors consider that if intensive drilling program were commenced for Block 7, both resources classification and resources quantity could probably be upgraded, and that the resources level for Block 7 and Block 8 in aggregate should be able to meet the Resources Confirmation requirement. As a result, the Directors are satisfied with the level of resources and officially accept this resources level as the Resource Confirmation.

Considering that the estimated resource level of Block 8 is good for a life of mine of at least 20 years with annual production volume of 25 million tons of pellet feed, which is already economically feasible to develop the Project, the Directors decide not to commence the intensive drilling program in Block 7 in the near future and plan to implement the first stage mining program for Block 8 alone. Such change would probably have favourable impact on the capital expenditure required, cost control and the construction progress of the Project. Intensive drilling program of Block 7 can be considered as a second stage mining program to further expand the Project at an appropriate time.

RELEASE OF USD10 MILLION ESCROW AMOUNT TO LIT MINING

Pursuant to the requirements set out in the Share Purchase Agreement, as the Resource Confirmation has already been achieved, the Board releases the USD10 million to Lit Mining according to the Share Purchase Agreement.

USD420,000 INCENTIVE PAYMENT (ADJUSTMENT TO THE CONSIDERATION)

Pursuant to the requirements set out in the Share Purchase Agreement, as the Resource Confirmation has occurred 42 days before the agreed date as specified in the Share Purchase Agreement, the Board agrees to pay USD420,000 as incentive payment (as detailed in the section headed "Adjustments to the Consideration" in the Circular) to the seller, Lit Mining, according to the Share Purchase Agreement.

CONTINUING DISCUSSION WITH VNN AND LIT MINING ON THE CLOSING TIMETABLE

Pursuant to the requirements set out in the Share Purchase Agreement, the technical conditions precedent for the Closing include: (i) the occurrence of Resource Confirmation and (ii) completion of the beneficiation tests. The Board accepts that the Resource Confirmation has occurred and the Company is evaluating the preliminary beneficiation tests result. The Company is currently in discussion with the Seller VNN and Lit Mining on the Closing timetable.

The Company will make further announcement in relation to the progress of the SAM Iron Mine Project, Brazil in due course.

On behalf of the Board
Honbridge Holdings Limited
LIU Wei, William
Director and CEO

As at the date of this announcement, the Board comprises Mr. He Xuechu, Mr. Liu Wei, William and Mr. Shi Li Xin as executive directors; Mr. Ang Siu Lun, Lawrence and Mr. Yan Weimin as non-executive directors and Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma Gang as independent non-executive directors. This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the “GEM 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website www.8137.hk