

COOPERATION AGREEMENT WITH PT NAPAL UMBAR PICUNG FOR GOLD PROCESSING OF GOLD ORE IN LAMPUNG

1. INTRODUCTION

The Board of Directors (“**Board**”) of Infinio Group Limited (the “**Company**”) wishes to announce that the Company had through its wholly owned subsidiary Infinio Resources Pte Ltd (“**IFR**”) (formerly known as Gamespark Pte Ltd) entered into a conditional cooperation agreement (“**Cooperation Agreement**”) on 29 January 2015 with PT Napal Umbar Picung (“**PT NUP**”) for cooperative processing of parcel of gold ore in Lampung. PT NUP owns a mining concession in South Lampung District of Lampung Province (“**Lampung Mine**”).

2. RATIONALE FOR THE COOPERATION AGREEMENT

The Company believes that Lampung project represents a good opportunity with a high level of ready resource available for processing. At relatively low risk, with a relatively small investment the prospect may generate a one off profit within a short time frame.

The Lampung Mine has also been offered for sale to the Company (“**Possible Acquisition**”). However, as with all mining projects, there is significant uncertainty associated with developing the mine and accessing the resources purportedly in the mine. Accordingly, the Company entered into the Cooperation Agreement which allows the Company to jointly undertake processing of the resources in the concession, conduct a detail due diligence with a much higher level of confidence before proceeding with the next phase of its discussion for the Possible Acquisition. Furthermore, the execution of the Cooperation Agreement is separate and irrespective of the outcome of the discussions pertaining to the Possible Acquisition and subject to successful completion of the processing, the Company stands to gain significantly if the resource grade is in accordance with what is represented by PT NUP. The Cooperation Agreement has no specified or committed or contractual terms for amounts that are required for the cooperative processing of the gold resources.

The Company has been actively seeking for business opportunities which will generate short term returns and provide a stable cash flow. The Cooperation Agreement is in line with the Company’s business strategy.

3. OVERVIEW OF THE LAMPUNG PROJECT

PT NUP is a company incorporated in Indonesia, with a paid up capital of IDR 300,000,000. The owners are:

- 1) Mr Sachrudji Maun Putra : 50%
- 2) Mr Gemuk Hunos : 20%
- 3) Mr Achmad Djamanuri : 30%

The PT NUP concession (“**KP**” area) is located in the South Lampung District within hilly land reaching elevation of 600 m above sea level. It comprises an area of 484 hectares at Kelumbayab, District of Tanggamus and an additional 719.6 hectares at Kedondong, District of Peswaran . (The 484Ha mine is referred to as the Lampung Mine.) Any plans in respect of the remaining 719.6 Ha is subject to negotiation.

The Lampung Mine has been mined on a small scale and ore produced was being sold and exported for processing. However changes in the mining laws in Indonesia on 12 January 2014 disallowed export of unprocessed ore. Accordingly the mining ceased due to export restrictions. The Company understands from the owners of PT NUP that there is currently an extracted ore resource of 100,000 tonnes estimated at 7g/t of gold (the **“Main Ore Parcel”**) which will be made available for the processing pursuant to the Cooperation Agreement and a further 800 tonnes of semi processed ore concentrate estimated to contain 30g/t of gold that is warehoused. The 800 tonnes of ore concentrate will only be allowed to be processed after the processing of the Main Ore Parcel.

The Lampung Mine has an existing small gold processing plant on site which requires refurbishment as well as reapplication of license to recommence production.

4. SALIENT TERMS OF THE AGREEMENT

Infinio Group through its wholly owned subsidiary IFR has entered into a Cooperation Agreement with PT NUP wherein IFR will set up a wholly owned subsidiary Indonesian Company “PT Infinio Resources” (**“PT IR”**) as a Foreign Investment Company or “Perusahaan Penanaman Modal Asing (**“PMA”**) with the approval of the Foreign Investment Board or “Badan Koordinasi Penanaman Modal” (**“BKPM”**). PT IR will have an initial paid up capital of IDR50,000,000 (approximately S\$5,400) which will be increased subsequently to such other amount as may be required by BKPM).

Under the Cooperation Agreement, PT NUP will :

- 1) arrange and obtain all permits and licenses and ensure documentary completeness for BKPM approvals
- 2) manage all documentation necessary for Certificate of Origin of Goods known as “Surat Keterangan Asal Barang”
- 3) coordination of short term, medium term and long term planning at the processing site
- 4) appoint a third party subcontractor for the purpose of production if necessary.

PT IR will

- 1) Provide a foreign or domestic qualified technical expert to conduct the gold processing to generate maximum results from the processing,
- 2) Set up the gold processing site in accordance with Indonesian National Standards and in accordance with AMDAL as planned.
- 3) Provide maximum effort towards the gold processing.

The Cooperative Agreement is needed as part of the application process to the BKPM and any operation terms not addressed in the Cooperation Agreement will be agreed separately in an addendum to the Agreement.

5. PROFIT SHARING

Under the Cooperation Agreement, the profit shall be shared as follows:

- i) 30:70 basis in favour of PT NUP if the ore grade is above 2g/tonne or
- ii) in the event the ore grade is less than 2 g/tonne, 50:50 between both parties

Profit sharing will be after deduction of all Recovery and Operational Cost of processing (this includes all direct costs associated with the gold processing including but not limited to operational staff cost, logistics, utilities, chemicals reagents and any applicable regulatory fees, royalties or taxes.) Other than the above, there is no other material terms and conditions for the Cooperation Agreement.

The Company will secure technical resources and necessary funding which is estimated to be approximately US\$500,000 (based on consultation and quotation received from certain contractors) in phases, to refurbish and re-commission the existing processing plant and provide sufficient working

capital to commence the processing of the Main Ore Parcel. The Company may bring in technical expertise or funding required on a profit share basis. There is no schedule for the Company to invest in the processing and no specific amount and timing stated in the Cooperation Agreement.

6. FUNDING AND FINANCIAL EFFECTS

Funding for the gold processing exercise under the Cooperation Agreement will be through introduction of technical partners and investment from existing funding facilities or the Company may introduce third party investors on a profit share basis if the BKPM approvals can be obtained.

Barring unforeseen circumstances and subject to execution risks, the Cooperation Agreement is not expected to have an impact on the net tangible assets and earnings per share of the Group for the current financial year ending 31 March 2015 as the project is not expected to commence until after the first quarter of 2015. The Company expects the exercise will have a positive impact on the earnings of the company for the next financial year.

7. POSSIBILITY OF ACQUISITION

The Company is also currently reviewing and is in the midst of discussion with the owners of PT NUP, for possible acquisition of the entire issued and paid-up share capital of PT NUP (the “**Possible Acquisition**”) subject to pricing, terms/conditions. As part of the technical due diligence prior to the Possible Acquisition and pursuant to the Cooperation Agreement, the Company will conduct a cooperative processing exercise to confirm the quality of resources in the mine.

The Possible Acquisition will be subject to execution of definitive sales and purchase agreement with terms and conditions to be agreed between parties. As at the date of this announcement, no terms/conditions for the Possible Acquisition has been agreed. There is no certainty or assurance as at the date of this announcement that the Possible Acquisition will materialize or whether parties to the transaction will agree on mutually acceptable terms and conditions. The Company will make further announcements, in compliance with requirements of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist (“**Catalist Rules**”) where applicable.

The Company undertakes that it will comply with requirements of Chapter 10 of the Catalist Rules including but not limited to seeking Shareholders’ approval for the Possible Acquisition (where applicable).

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the Cooperation Agreement and Possible Acquisition other than through their shareholdings in the Company.

9. SHAREHOLDERS TO EXERCISE CAUTION

There is no guarantee that the Cooperation Agreement will complete as these are subject to, *inter alia*, due diligence as well as factors beyond the control of the Company, such as relevant regulatory approvals or operational factors such as efficiency of the existing processing plant or results from processing of ore.

Shareholders should note that the Possible Acquisition is subject to execution of definitive sales and purchase agreement with terms and conditions to be agreed by the Company and the Vendors. Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Possible Acquisition will materialize or whether the Possible Acquisition, if materialize, will result in PT NUP becoming the wholly-owned subsidiary

of the Company. Shareholders should also note that the terms and conditions for the Possible Acquisition (including but not limited to pricing, number of PT NUP shares to be acquired, and terms of payment) are currently being negotiated and that no definitive terms has been agreed upon and that it is not certain that parties to the transaction will agree on mutually acceptable terms and conditions. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

10. RESPONSIBILITY STATEMENT

The Directors, collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Cooperation Agreement and the Possible Acquisition and the Company and the Directors are not aware of any facts, the omission of which, would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD
INFINIO GROUP LIMITED

Keith Wong
Director
29 January 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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