

BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF SHARES IN COKAL LIMITED - WAIVER FROM REQUIREMENT TO INCLUDE A QUALIFIED PERSON'S REPORT IN THE CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

The board of directors (the “**Board**”) of Blumont Group Ltd. (博诺有限公司) (the “**Company**”) refers to its announcement dated 25 May 2015 (the “**25 May Announcement**”) in relation to the proposed disposal of 60,057,034 shares in Cokal Limited (the “**Proposed Disposal**”). Unless otherwise defined, all capitalised terms used in this announcement have the same meanings as ascribed to them in the 25 May Announcement.

The Board wishes to announce that the SGX-ST has advised the Company that it has no objection to the Company's application for a waiver from the requirement to include a qualified person's report in the circular to Shareholders for the Proposed Disposal (the “**Circular**”) under Rule 1014(2) of the Listing Manual (the “**Waiver**”). The Waiver is subject to the conditions detailed in paragraph 3 of this announcement.

2. REASONS FOR WAIVER

Rule 1014(2) of the Listing Manual provides that in the case of a major transaction which relates to a disposal of a mineral, oil or gas asset of a mineral, oil or gas company, the circular to shareholders must contain, amongst others, a qualified person's report that is prepared by an independent qualified person who meets the requirements in Rule 210(9)(b) of the Listing Manual.

The Company had sought the Waiver for the following reasons:

- (a) **Qualified person's report not relevant in the context of the Proposed Disposal.** The Proposed Disposal will be by way of open-market sales and/or acceptance of the Offer under the Proposed Cokal Takeover. In both situations, the value that the Company and by extension, its Shareholders will gain from the Proposed Disposal will be based on the aggregate dollar consideration that the Company receives, not the value of Cokal's underlying tenements. Further, the Company classifies the Cokal Shares as a Financial Asset Available-For-Sale and does not record any direct interests in Cokal's mining tenements in its books. Accordingly, the Proposed Disposal is more appropriately viewed as a sale of listed securities. A qualified person's report containing complex and technical information of Cokal's underlying tenements is unnecessary and of limited benefit to Shareholders.
- (b) **Other information available.** As a company listed on the ASX, Cokal is also subject to periodic and continuous disclosure requirements under ASX's listing rules and applicable laws, including mining activities statements and financial reports. The Company can rely on these announcements and include any relevant information in the Circular (including publicly-announced details on mining tenements, and resources and reserves) for Shareholders' information. Thus, Shareholders would not be unduly prejudiced if a qualified person's report is not included in the Circular.

- (c) **Costs of complying disproportionate to benefits.** Flowing from the reasons set out in paragraphs 2(a) and 2(b) of this announcement, requiring the Company to commission a qualified person's report for the Proposed Disposal would result in disproportionately large expense to the Company, with little or no benefit to Shareholders.
- (d) **Timeline under the Proposed Cokal Takeover.** Given that the indicative closing date of the Proposed Cokal Takeover is currently 15 August 2015, if a qualified person's report is required, the Company is unlikely to have sufficient time to prepare the report and seek Shareholders' approval before the close of the offer. This may be to the detriment of Shareholders, as it would prevent the Company from selling the Cokal shares at a price that is a significant premium to the existing market price.
- (e) **Third parties' cooperation required.** The Company cannot prepare a qualified person's report without the assistance and consent of Cokal since it does not have any direct interest in Cokal's underlying tenements. As a minority shareholder, the Company cannot compel Cokal to undertake the preparation of the report. Therefore, if the Company is required to provide a qualified person's report, it is a request that the Company simply may not be able to satisfy given it has no legal right to compel Cokal to do so.
- (f) **Limited to publicly announced information.** As a minority shareholder which does not directly conduct Cokal's mining activities, the Company relies on public announcements made by Cokal for its updates on its respective exploration activities. Further, as Cokal is listed on the ASX, the Company cannot compel Cokal to selectively disclose market sensitive information to it that has not been announced to the ASX. Cokal is in the exploration stage and has not produced full qualified person reports or may have qualified person reports that do not meet the requirements of the Listing Manual, such as being dated earlier than the end of the Company's financial year-end or not containing all information required under paragraph 5 of Practice Note 6.3 of the Listing Manual.

3. CONDITIONS OF THE WAIVER

The grant of the Waiver by the SGX-ST is subject to the following conditions:-

- (a) the Company announcing the waiver granted, the reasons for seeking the Waiver and the conditions as required under Rule 107 of the Listing Manual; and
- (b) submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

4. UPDATES

The Company will disclose any updates or further information on the Proposed Disposal when it is appropriate to do so.

BY ORDER OF THE BOARD

Blumont Group Ltd.

Ng Kim Huatt
Executive Director
11 June 2015