

## BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

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## ACQUISITION OF SHARES IN GENESIS RESOURCES LIMITED PURSUANT TO GENESIS PLACEMENT AGREEMENT

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### 1. INTRODUCTION

The board of directors (the “**Board**”) of Blumont Group Ltd. (博诺有限公司) (the “**Company**”) refers to its previous announcements dated 24 January 2014, 21 March 2014, 4 April 2014, 22 April 2014, 23 April 2014, 2 May 2014, 6 June 2014, 23 July 2014, 18 August 2014, 11 September 2014 and 29 October 2014 (the “**Previous Announcements**”) in relation to the Company’s proposed off-market takeover bid (the “**Takeover Bid**”) to acquire all the ordinary shares (“**GES Shares**”) in Genesis Resources Limited (“**GES**”). Unless otherwise defined, all capitalised terms used in this announcement have the same meanings as ascribed to them in the Previous Announcements.

### 2. THE SUBSCRIPTION

The Board wishes to announce that the Company has, on 12 December 2014, entered into a Placement Agreement (the “**Agreement**”) with GES, pursuant to which the Company has agreed to subscribe for, and GES has agreed to allot and issue to the Company, fifteen million ordinary shares in the capital of GES (the “**GES Placement Shares**”), on the terms of and subject to the conditions of the Agreement (the “**Subscription**”).

Following the Subscription, the Company will hold approximately 7.29% of the total enlarged issued share capital of GES. The Company will make an announcement in accordance with Rule 704(17)(a) of the Listing Manual Part A: Mainboard Rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Listing Manual**”) as and when required.

The Company has also received acceptances pursuant to the Takeover Bid amounting to 11,212,125 GES Shares representing approximately 5.88% of the total number of outstanding GES Shares.

In aggregate, the Company has, at the date of this announcement, a Relevant Interest (as defined in the Corporations Act) in 12.75% of the share capital of GES.

### 3. BACKGROUND ON GES

*(Information relating to GES has been extracted from publicly available sources.)*

#### 3.1. Corporate Information

GES is a company incorporated in Australia whose shares are listed and quoted for trading on the Australian Securities Exchange (“**ASX**”). The current directors of GES are Eddie Pang Lung Yiu (Executive Chairman), Alex Lim Hooi-Kiang (Non-Executive Director) and Deric Wee Kok Bin

(Non-Executive Director). GES has its registered office at Level 1, 61 Spring Street, Melbourne, Victoria 3000, Australia.

As at the date of this announcement, GES had a total issued share capital of 190,626,948 ordinary shares.

### 3.2. Mineral and Resources Portfolio

GES is a mineral exploration and development company with a portfolio of quality gold, iron, manganese, uranium and base metal (copper-zinc-silver) projects in the highly prospective Proterozoic and Phanerozoic metallogenic provinces of northern and central Australia. It owns seven mineral exploration licences or exploration permits for mining covering more than 1,136 square kilometres (“sq km”) in Queensland and the Northern Territory of Australia and has an interest in an exploration project in the Republic of Macedonia. The list of its exploration projects is set out in the table below. More details on the exploration projects can be found in Schedule 1 to this announcement.

Project	Interest of GES (%)	Area (sq km)	Location
Alice Springs	100	372.59	Northern Territory, Australia
Arltunga	100	95.20	Northern Territory, Australia
Fenn Gap	100	26.93	Northern Territory, Australia
Laura River	100	165.35	Queensland, Australia
Pioneer	100	6.23	Queensland, Australia
McArthur River	100	380.88	Northern Territory, Australia
Gladstone	100	63.93	Queensland, Australia
Mt Miller <sup>(1)</sup>	100	32.24 Ha	Queensland, Australia
Plavica & Crn Vrv	62 <sup>(2)</sup>	17.41	Republic of Macedonia

#### Notes:

- (1) The Mt Miller Manganese Project covers 32.24 hectares of area within the Gladstone tenement. An Environmental Authority (Mining Lease) Non Code Compliant Level 2 Mining Project (EA MIN20115110 was renewed on 7 May 2013 for a term of five years and will expire on 18 June 2017.
- (2) Held through a joint venture company, Silgen Resources International Ltd, Kratovo (the “**Plavica JV Company**”), which is 62% owned by GES and 38% owned by the nominee of Mining Industrial Combine – SILEKS joint stock company-Kratovo (in Macedonian: Рударско индустриски комбинат - СИЛЕКС акционерско друштво-Кратово) (the “**Plavica JV Partner**”).

GES is focused on the project held through the Plavica JV Company in the Republic of Macedonia (the “**Plavica Project**”). The Plavica Project is located within the Carpathian Volcanic Arc, a major epithermal province running through Eastern Europe, which is highly prospective for gold, copper and silver mineralisation.

On 28 August 2014, GES and the Plavica JV Partner announced that they had jointly incorporated a company in Macedonia, the Plavica JV Company. The Government-mandated final feasibility study reports for the Plavica tenement have been submitted to the Macedonian Ministry of Economy by the Plavica JV Company. The Plavica JV Company has also submitted an application for a 30-year exploitation (mining) licence for the Plavica tenement to the Ministry of Economy; the area covered by the application totals 16.85 sq km.

GES and the Plavica JV Partner reasonably believe that the Plavica JV Company's pending application for the exploitation licence will be granted shortly. After the exploitation licence is granted, GES intends to focus its resources during the 2015 financial year and beyond on undertaking infill and extensional drilling and completing a feasibility study in respect of the exploitation licence area (as required to obtain funding for mine development). GES will aim, with infill drilling, to deliver a resource in the 'indicated' category, and with extensional drilling, to increase the total resource of Plavica, which is still open along strike as well as test Maricanski Rid (46m @ 1.59 g/t Au) located 800m south of Plavica, and a number of other targets. These objectives are consistent with GES's obligations under the Plavica JV Agreement, and once achieved, will enable GES and the Plavica JV Partner to assess viability to develop a mine site at Plavica. GES expects to complete the proposed infill and extensional drilling and the feasibility study within 2.5 years of the Plavica JV Company being granted the exploitation licence, and has agreed to commit up to US\$7.5 million for such activities.

During the 2015 financial year, GES will also assess the areas over the other six recently expired tenements, which form part of the Plavica Project, to determine the best areas over which to submit applications for new exploration concession licences. Once this has been determined, it is intended that applications for new exploration concession licences will be submitted in the 2015 financial year. The recently expired six tenements are green field projects, and as announced by GES on 28 August 2014, instead of seeking to extend the terms of these concession licences (which extensions would be for a maximum of two years), it was determined that it would be more appropriate to re-apply for new concession licences over the relevant areas. This will enable the parties to benefit from recent changes to Macedonian law which entitle holders of newly granted concession licences to conduct exploration over a period of up to six years.

### 3.3. Financial Information

A summary of the latest audited consolidated financial statements of GES for its financial years ended 30 June 2014 and 30 June 2013 are as follows:

	FY2014 (A\$)	FY2013 (A\$)
<b>Consolidated Statement of Comprehensive Income</b>		
Results from operating activities	(2,627,845)	(1,891,159)
Net finance income	10,575	96,094
Loss before tax	(2,617,270)	(1,795,065)
Income tax expense	-	-
<b>Loss for the year</b>	<b>(2,617,270)</b>	<b>(1,795,065)</b>
Other comprehensive loss, net of tax	(280,726)	66,873
<b>Total comprehensive loss</b>	<b>(2,897,996)</b>	<b>(1,728,192)</b>
<b>Consolidated Statement of Financial Position</b>		
Total current assets	597,924	1,323,485
Total non-current assets	13,565,602	8,444,821
<b>Total assets</b>	<b>14,163,526</b>	<b>9,768,306</b>
Total current liabilities	6,931,652	1,786,790
<b>Total liabilities</b>	<b>6,931,652</b>	<b>1,786,790</b>
<b>Net Assets</b>	<b>7,231,874</b>	<b>7,981,516</b>

The aggregate book value, net tangible asset ("NTA") value and latest available open market value of the GES Placement Shares are as follows:

	(A\$)
Book value <sup>(1)</sup>	7,231,874
NTA value <sup>(1)</sup>	7,231,874
Latest available open market value <sup>(2)</sup>	11,437,617

**Notes:**

- (1) Based on the latest announced consolidated financial statements of GES for the financial year ended 30 June 2014.
- (2) Based on the volume weighted average price (“**VWAP**”) of each GES share of A\$0.06 on the last traded day, 31 July 2014.

Additional information on GES can be found at its website at <http://www.genesisresourcesltd.com.au>.

## 4. RATIONALE FOR THE SUBSCRIPTION

Since late 2012, the Company and its subsidiaries (collectively, the “**Group**”) have embarked on a new strategy to acquire and hold multiple and diversified mineral and energy resources assets and it has been actively pursuing and acquiring new investment opportunities in this sector. With the Subscription, the Company hopes to strengthen its position in the Mineral and Energy Resources industry.

## 5. PRINCIPAL TERMS OF THE SUBSCRIPTION

### 5.1. Consideration

The consideration in aggregate for each GES Share is A\$0.10 (the “**Subscription Amount**”), for a total Subscription Amount of A\$1,500,000 (approximately S\$1,636,650<sup>1</sup>) (the “**Consideration**”).

The Subscription Amount represents a premium of approximately 66.67% over the VWAP of each GES Share traded on the ASX on 31 July 2014 (being the last day on which GES Shares were traded on the ASX). No valuation report was procured for the GES Placement Shares.

In agreeing to the Subscription, the Company relied on arm’s length negotiation between willing-buyer and willing-seller, the VWAP of GES Shares on 31 July 2014 and the net asset value (“**NAV**”) of GES Shares of approximately A\$7,231,874 (approximately S\$7,890,698) as at 30 June 2014.

The Consideration is to be satisfied by way of an allotment and issue of seventy five million new and fully paid ordinary shares in the capital of the Company (the “**Subscription Consideration Shares**”) to GES on the terms of and subject to the conditions of the Agreement. The implied issue price of each of the Subscription Consideration Shares based on the Consideration is A\$0.02 (approximately S\$0.0218), and represents a premium of 20.44% to VWAP of Shares transacted on 11 December 2014, being the last traded market day preceding the date of the Agreement.

<sup>1</sup> In this announcement, unless expressly stated otherwise, A\$ amounts are converted to S\$ at an exchange rate of A\$1.00 to S\$1.0911.

The Subscription Consideration Shares will be issued pursuant to the Company's share issue mandate under Section 161 of the Companies Act (Cap. 50) and the Listing Rules of the SGX-ST approved by the shareholders of the Company at its annual general meeting held on 30 April 2014.

The Agreement contemplates that GES will sell the Subscription Consideration Shares on the market. The proceeds GES receives from the sale will only be used for (i) the purposes of advancing the Plavica Project; or (ii) any other project approved by the Company in writing.

## 5.2. Conditions

Completion of the Subscription is subject to:

- (a) the Company receiving approval from the SGX-ST for the listing and quotation of the Subscription Consideration Shares on the Official List of the SGX-ST; and
- (b) the Company not, following completion of the allotment of the GES Shares, having a relevant interest or voting power in more than 19.99% of the fully paid ordinary share capital of GES.

The conditions must be satisfied by 5pm, Sydney time, on 9 January 2015 and cannot be waived by the parties.

## 6. RELATIVE BASES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the audited financial statements of GES for the financial year ended 30 June 2014, GES has incurred a loss of A\$2,617,270 (approximately S\$2,845,496).

The relative figures for the Subscription, computed on the bases set out in Rule 1006 of the Listing Manual are set out below.

	<b>Bases</b>	<b>Percentage (%)</b>
(a)	Net asset value of the assets to be disposed of, compared with net asset value of the Group	Not applicable for acquisitions
(b)	Net losses <sup>(1)</sup> attributable to the assets acquired, compared with the Group's net losses	0.909%
(c)	Aggregate value of the Consideration <sup>(2)</sup> compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares <sup>(3)</sup>	3.217%
(d)	The total number of Shares issued as consideration for the Subscription, compared with the number of equity securities previously in issue	2.874%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable for acquisitions

## Notes:

- (1) Net profit/(loss) is defined as profit or loss before income tax, minority interests and extraordinary items. Based on the audited financial statements of GES for the financial year ended 30 June 2014, the net losses attributable to the assets being acquired pursuant to the Subscription amounts to approximately A\$(190,924) (approximately S\$(208,317)). The unaudited loss before income tax for the Group for the nine months ended 30 September 2014 was approximately S\$22,928,000.
- (2) Where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the NAV represented by such shares, whichever is higher. The aggregate value of the Consideration is based on the NAV of S\$52,867,000 represented by the Subscription Consideration Shares on 30 September 2014.
- (3) Market capitalisation is determined by multiplying the number of Shares by the weighted average price of such Shares transacted on the market day preceding the date of the Agreement. As at the date of this announcement, the Company has 2,609,387,832 issued Shares. The market capitalisation of the Company for the purposes of the Subscription is approximately S\$47,229,920 based on the VWAP of S\$0.0181 per Share on 11 December 2014, being the last market day prior to the date of the Agreement.

As none of the relative figures computed on the bases set out in Rule 1006 exceed 20%, the Company will not be seeking approval from its Shareholders for the Subscription.

## 7. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The *pro forma* financial effects of the Subscription as set out below are for illustrative purposes only and do not reflect the future financial results or position of the enlarged group after the completion of the Subscription.

The objective of presenting the *pro forma* financial effects of the Subscription as shown below is to illustrate what the historical financial information might have been had the Subscription been completed at an earlier date. However, such financial information is not necessarily indicative of the results of the operations or the related effects in the financial position that would have been attained had the Subscription been completed at the earlier date.

The financial effects in this section are based on the audited accounts of the Company for the 12 months ended 31 December 2013.

### 7.1. Effect on EPS

For illustrative purposes only, the *pro forma* financial effects of the Subscription on the EPS of the Company are as follows:

	Before the Subscription	After the Subscription
Net loss (S\$)	(70,815,041)	(70,889,818) <sup>(1)</sup>
Weighted average number of Shares	1,877,852,984	1,952,852,984
Loss per Share (cents)	(3.77)	(3.63)

## Note:

- (1) The figure is derived by adding an expense of S\$(74,777) and the net loss of the Company of S\$70,815,041.

## 7.2. Effect on NTA

For illustrative purposes only, and assuming the Subscription was completed at the end of the financial year ended 31 December 2013, the *pro forma* effects of the Subscription on the NTA per Share are as follows:

	Before the Subscription	After the Subscription
NTA value (S\$)	74,288,190	75,123,769 <sup>(1)</sup>
Weighted average number of Shares	2,583,006,879	2,658,006,879
NTA per Share (cents)	2.88	2.83

**Note:**

- (1) The figure is derived by adding the cost of investment of S\$1,282,723, a potential impairment loss to equity fair value reserve of S\$(447,144) (assuming based on the date of the Agreement) and the NTA of the Company of S\$74,288,190.

## 8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors of the Company (the “**Directors**” and each, a “**Director**”) (other than in his capacity as a Director or Shareholder) or controlling shareholders of the Company (other than in its capacity as a Shareholder) has any interest, direct or indirect, in the Subscription.

## 9. SERVICE CONTRACTS

No person will be appointed to the board of directors of the Company in connection with the Subscription.

## 10. INTRODUCER

There is no introducer for the Subscription, and no commission fee is payable by the Company to any person arising from the Subscription.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be made available for inspection during normal business hours at the registered office of the Company at 298 Tiong Bahru Road, #20-02/03 Central Plaza, Singapore 168730 for a period of three months from the date of this announcement.

## 12. UPDATES

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

**BY ORDER OF THE BOARD**  
**Blumont Group Ltd.**

Ng Kim Huatt  
Executive Director  
12 December 2014



## SCHEDULE 1

### TENEMENTS

(as at 30 September 2014)

PROJECT	TENEMENT		CURRENT		BENEFICIAL %	COUNTRY STATE
	NUMBER	COMMODITY	AREA Km <sup>2</sup>	HOLDER		
Alice Springs	EL24817	Copper-Iron-Gold	372.59	GES	100	Australia, NT
Arltunga	EL25238	Gold-PGE	95.20	GES	100	Australia, NT
Fenn Gap	EL24839	Iron-Manganese	26.93	GES	100	Australia, NT
Laura River	EMP15242	Gold-PGE	165.35	GES	100	Australia, QLD
Pioneer	EPM15619	Gold	6.23	GES	100	Australia, QLD
McArthur River	EL24814	Manganese – Base Metals	380.88	GES	100	Australia, NT
Gladstone	EPM15771	Manganese	63.93	GES	100	Australia, QLD
Mt Miller	MLA80166	Manganese	32.24 Ha	GES	100	Australia, QLD
Plavica & Crn Vrv	19-6648/1	Gold-Silver-Copper	17.41	Plavica JV Company	62	Republic of Macedonia