

BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

SUBSCRIPTION OF SHARES IN ELYSIUM RESOURCES LIMITED

1. INTRODUCTION

The board of directors (the “**Board**”) of Blumont Group Ltd. (博诺有限公司) (the “**Company**”) wishes to announce that the Company has, on 6 August 2014, entered into a share subscription agreement (the “**Subscription Agreement**”) with Elysium Resources Limited (“**Elysium**”), pursuant to which the Company has agreed to subscribe for, and Elysium has agreed to allot and issue to the Company, 100,000,000 new ordinary shares in the capital of Elysium (the “**Elysium Shares**”) and attaching 100,000,000 options over ordinary shares in the capital of Elysium (the “**Elysium Options**”), on the terms of and subject to the conditions of the Subscription Agreement (the “**Subscription**”).

2. BACKGROUND ON ELYSIUM

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

2.1. Corporate Information

Elysium is a company incorporated in Australia whose shares are listed and quoted for trading on the Australian Securities Exchange (“**ASX**”). The current directors of Elysium are Michael Douglas Tilley, Maxim James Carling, Nebojsa Zurkic and Mark Theodore Ohlsson. Elysium has its registered office at Suite 705, 3 Spring Street, Sydney, NSW 2000, Australia.

As at 6 August 2014, Elysium has a total issued share capital of 822,409,556 listed ordinary shares and 32,386,426 listed options, 975,000 unlisted ordinary shares and 203,000,000 unlisted options.

2.2. Mineral and Resources Portfolio

Elysium is a mineral exploration company whose core business is exploring for large, high-quality copper and gold deposits in Australia and Indonesia. 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 Elysium (%)	Area (sq km)	Location
Burraga	100	183	New South Wales, Australia
Horseshoe South	100	5.5	Western Australia
Malang	67.5 ⁽¹⁾	99.3	Indonesia

Note:

- (1) On 9 August 2013, Elysium announced that under a heads of agreement with PT Gata Summer Daya (“**Gata**”), Elysium has agreed to earn a 67.5% interest in the Malang Project by advancing the exploration efforts of the copper and gold targets. Elysium or its Australian subsidiary has

agreed to provide up to A\$2 million over a 3 year period upon, amongst other conditions, Gata securing the exploration permit.

Elysium's key project is the Burraga Project, located 60 km south of Bathurst in the Central West of New South Wales, Australia and centered over the historic Lloyds Mine. The Burraga Project consists of three exploration licences totalling 183 sq km, held through Elysium's wholly-owned subsidiary Burraga Copper Limited. The exploration licences include the historic Lloyds Copper Mine, the Hackneys Creek gold deposit and the Lucky Draw gold mine, all of which in the past produced copper and gold.

2.3. Financial Information

A summary of the latest audited consolidated financial statements of Elysium for its financial years ended 30 June 2013 and 30 June 2012 are as follows:

	FY2013 (A\$) (Restated)	FY2013 (A\$)	FY2012 (A\$)
Consolidated Statement of Comprehensive Income			
Revenue from continuing operations		24,525	86,118
Other income		1,011	20,607
Administration		(384,8340)	(187,597)
Exploration costs		(5,965,160)	(92,415)
Occupancy costs		(241)	(13,818)
Depreciation		(1,359)	(3,342)
Employment costs (including directors)		(52,112)	(451,592)
Takeover costs		-	(27,310)
Loss on sale of shares		(159,859)	-
Loss on fixed assets		(3,206)	-
Impairment of available for sale financial assets		-	(1,246,344)
Loss before income tax		(6,541,235)	(1,915,693)
Income tax expense		-	-
Net loss for the year		(6,541,235)	(1,915,693)
Consolidated Statement of Financial Position			
Total current assets	692,441	586,362	151,934
Total non-current assets	2,264,215	41,127	6,635,570
Total assets	2,893,656	627,489	6,787,504
Total current liabilities	89,696	498,346	81,232
Total liabilities	89,696	498,346	81,232
Net Assets	2,803,960	129,143	6,706,272

The aggregate book value, net tangible asset ("NTA") value and latest available open market value of the Elysium Shares and the ordinary shares to be issued under the Elysium Options (assuming that the Elysium Options are fully exercised) are as follows:

	Elysium Shares and Elysium Options (A\$)
Book value ⁽¹⁾	4,246,343
NTA value ⁽¹⁾	4,246,343
Latest available open market value ⁽²⁾	6,579,276

Notes:

- (1) Based on the latest announced consolidated financial statements of Elysium for the half year ended 31 December 2013.
- (2) Based on the volume weighted average price (“**VWAP**”) of each Elysium share of A\$0.008 on the last traded day, 4 August 2014.

Additional information on Elysium can be found at its website at www.elysiumresources.com.au.

3. 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.

4. PRINCIPAL TERMS OF THE SUBSCRIPTION

4.1. Consideration

The consideration in aggregate for each Elysium Share and attaching Elysium Option is A\$0.010 (the “**Subscription Amount**”), for a total Subscription Amount of A\$1,000,000 (approximately S\$1,161,900¹) (the “**Consideration**”).

The Subscription Amount represents a premium of approximately 25% over the VWAP of each Elysium share traded on the ASX on 4 August 2014 (being the last day on which shares of Elysium were traded on the ASX). No valuation report was procured for the Elysium shares.

In agreeing to the Subscription, the Company relied on the closing price of Elysium shares on 4 August 2014 and the net asset value (“**NAV**”) of Elysium shares of approximately A\$4,246,343.00 (approximately S\$4,933,826) as at 31 December 2013 as well as an arm’s length commercial negotiation with the management team of Elysium.

4.2. Consideration Shares

The Consideration is to be satisfied by way of an allotment and issue of such number of new fully paid ordinary shares in the capital of the Company (the “**Consideration Shares**”) as shall have an aggregate value of A\$1,000,000. The number of ordinary shares in the capital of the Company (each, a “**Share**”) to be issued as Consideration Shares shall be calculated by reference to the higher of: (a) the VWAP for Shares on the business day preceding the date of completion of the Subscription, and (b) S\$0.0377, in each case by reference to the prevailing exchange rate between the Australian Dollar and the Singapore Dollar.

The Consideration Shares will be issued pursuant to the Company’s share issue mandate approved by the Shareholders at the annual general meeting held on 30 April 2014. The

¹ In this announcement, unless expressly stated otherwise, A\$ amounts are converted to S\$ at an exchange rate of A\$1.00 to S\$1.1619.

Company will be making an application to the SGX-ST to list and quote the Consideration Shares on the Official List of the SGX-ST.

4.3. Conditions

Completion of the Subscription is subject to:

- (a) the Company receiving approval from the SGX-ST for the listing and quotation of the Consideration Shares on the Official List of the SGX-ST
- (b) the VWAP for Shares on the business day preceding the date of completion not being less than S\$0.0377

(the “**Conditions**”).

The Conditions cannot be waived and each party to the Subscription Agreement must use all reasonable endeavours within its own capacity to ensure that the Conditions are satisfied as soon as reasonably practicable and in any event, by 5pm on 27 August 2014.

4.4. Elysium Options

Subject to approval by the shareholders of Elysium (“**Elysium Shareholders**”) (if required), the Elysium Options will be issued on the following terms, amongst others:

- (a) **Exercise Price.** Each Elysium Option will entitle the Company to subscribe for one ordinary share in the capital of Elysium at an exercise price of A\$0.014 per Elysium Share (the “**Exercise Price**”).
- (b) **Expiry date.** The Elysium Options will expire on 30 November 2014.
- (c) **Exercise of the Elysium Options.** The Elysium Options may be exercised by notice in writing to the directors of Elysium accompanied by payment of the Exercise Price.
- (d) **Ranking.** New shares in Elysium issued pursuant to the exercise of the Elysium Options will rank equally with the then existing issued and fully paid ordinary shares in Elysium.
- (e) **Adjustments to Exercise Price.** The Exercise Price may be adjusted in the event of a *pro rata* issue (except a bonus issue) to Elysium Shareholders or rights issue at a discount undertaken by Elysium.
- (f) **Vesting.** The Elysium Options will vest immediately. In the event a takeover bid is made for the shares in Elysium, at any time from the start of the offer period until one month after the end of the offer period, any unvested Elysium Options will vest and the Company may exercise each Elysium Option at the Exercise Price, despite the fact that it is then outside an exercise period specified in the Elysium Option.

4.5. Board Nominee

Following completion of the Subscription, and for as long as the Company holds at least 15% voting power in Elysium, the Company will be entitled to nominate one person to the board of directors of Elysium.

5. RELATIVE BASES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the audited financial statements of Elysium for the half year ended 31 December 2013, Elysium has incurred a loss of A\$639,158 (approximately S\$742,638).

The relative figures for the Subscription and ordinary shares to be issued under the Elysium Options (assuming that the Elysium Options are fully exercised), computed on the bases set out in Rule 1006 of the Listing Manual Part A: Mainboard Rules of the SGX-ST (the "Listing Manual") are set out below.

Bases	Percentage (%)
(a) Net asset value of the assets to be disposed of, compared with net asset value of the Company and its subsidiaries (collectively, the "Group")	Not applicable for acquisitions
(b) Net losses ⁽¹⁾ attributable to the assets acquired, compared with the Group's net losses	2.53%
(c) Aggregate value of the Consideration ⁽²⁾ and total Exercise Price of the Elysium Options ⁽²⁾ , compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares ⁽³⁾	2.69%
(d) The total number of Consideration Shares ⁽⁴⁾ issued as consideration for the Subscription, compared with the number of equity securities previously in issue	1.12%
(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 Elysium for the half year ended 31 December 2013, the net losses attributable to the assets being acquired pursuant to the Subscription (assuming that the Elysium Options are fully exercised) amounts to approximately A\$(125,030) (approximately S\$(145,272)). The unaudited loss before income tax for the Group for the first quarter ended 31 March 2014 was approximately S\$5,736,000.
- (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 market value of S\$1,161,900 of the Consideration Shares on 6 August 2014, being the last market day prior to the date of the Subscription Agreement. The total consideration for the exercise of the Elysium Options is A\$1,400,000 (approximately S\$1,626,660).
- (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 Subscription Agreement. As at the date of this announcement, the Company has 2,583,006,879 issued Shares. The market capitalisation of the Company for the purposes of the Subscription is approximately

S\$103,578,576 based on the VWAP of S\$0.0401 per Share on 6 August 2014, being the last market day prior to the date of the Subscription Agreement.

- (4) Assuming that the number of Consideration Shares to be issued is calculated by reference to the VWAP of the Shares on 6 August 2014, being S\$0.0401, 28,975,062 Consideration Shares would have been issued.

As each of the relative figures computed on the bases set out in Rule 1006 is less than 5%, the Company will not be seeking approval from its Shareholders for the Subscription.

6. 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.

For the purposes of the *pro forma* financial effects, the number of Consideration Shares to be issued has been calculated based on the VWAP of the Shares of S\$0.0401 on 6 August 2014.

The financial effects in this section are based on the audited accounts of the Company for the 12 months ended 31 December 2013. The *pro forma* financial effects of the Subscription have been prepared based on the following assumptions:

- (a) 28,975,062 Consideration Shares were issued on, and the Subscription was completed and the Elysium Options were fully exercised on, 1 January 2013 for the purpose of computing the *pro forma* financial effects on the earnings per Share (“EPS”) of the Company;
- (b) 28,975,062 Consideration Shares were issued on, and the Subscription was completed and the Elysium Options were fully exercised on, 31 December 2013 for the purpose of computing the *pro forma* financial effects on the NTA per Share of the Company.

6.1. Effect on EPS

For illustrative purposes only, and assuming 28,975,062 Consideration Shares were issued on, and the Subscription and exercise of the Elysium Options were completed at, the beginning of the financial year ended 31 December 2013, the *pro forma* financial effects of the Subscription and exercise of the Elysium Options on the EPS of the Company are as follows:

	Before the Subscription and exercise of the Elysium Options	After the Subscription and exercise of the Elysium Options
Net loss (S\$)	(70,815,041)	(70,890,209) ⁽¹⁾
Weighted average number of Shares	1,877,852,984	1,906,828,046 ⁽²⁾
Loss per Share (cents)	(3.77)	(3.72)

Notes:

- (1) The figure is derived by adding the expenses relating to the Subscription of approximately S\$75,168 and the net loss of the Company of S\$70,815,041.
- (2) The weighted average number of Shares includes 28,975,062 Consideration Shares.

6.2. Effect on NTA

For illustrative purposes only, and assuming 28,975,062 Consideration Shares were issued on, and the Subscription and exercise of the Elysium Options were completed at, the end of the financial year ended 31 December 2013, the *pro forma* effects of the Subscription and exercise of the Elysium Options on the NTA per Share are as follows:

	Before the Subscription and exercise of the Elysium Options	After the Subscription and exercise of the Elysium Options
NTA value (S\$)	74,288,190	75,450,090 ⁽¹⁾
Weighted average number of Shares	2,583,006,879	2,611,981,941 ⁽²⁾
NTA per Share (cents)	2.88	2.89

Notes:

- (1) The figure is derived by adding the market value of S\$1,161,900 of the Consideration Shares and the NTA of the Company of S\$74,288,190.
- (2) The weighted average number of Shares includes 28,975,062 Consideration Shares.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Farhash Wafa Salvador (“**Mr Salvador**”), an independent non-executive director of the Company, holds 3.65% of the issued share capital in Elysium.

Save for Mr Salvador, 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.

8. SERVICE CONTRACTS

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

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription 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.

10. 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
7 August 2014

SCHEDULE 1

TENEMENTS

(as at 30 June 2014)

PROJECT	TENEMENT NUMBER	COMMODITY	CURRENT AREA Km ²	CURRENT HOLDER	COUNTRY STATE
Burraga	EL6463	Copper, Gold	84	Burraga Exploration Ltd	Australia, NSW
Burraga	EL6874	Gold	24	Burraga Exploration Ltd	Australia, NSW
Burraga	EL7975	Gold	75	Burraga Exploration Ltd	Australia, NSW
Horseshoe South	E52/2569	Copper	5.5	Elysium Resources Limited	Australia, WA
Malang	IUPE 421.302/2013	Copper, Gold	99.93	Malang Resources Pty Ltd	Indonesia