

Thirteenth Supplementary Bidder's Statement

1. Introduction

This document is the thirteenth supplementary bidder's statement (**Thirteenth Supplementary Bidder's Statement**) to the bidder's statement dated 21 March 2014 (**Bidder's Statement**) issued by Blumont Group Ltd. (**Blumont**) in relation to its off-market takeover bid for all the ordinary shares in Genesis Resources Limited (**Genesis**). This Thirteenth Supplementary Bidder's Statement is dated 6 March 2015.

This Thirteenth Supplementary Bidder's Statement supplements and should be read together with the Bidder's Statement, as well as the first supplementary bidder's statement by Blumont dated 4 April 2014, the second supplementary bidder's statement by Blumont dated 22 April 2014 (**Second Supplementary Bidder's Statement**), the third supplementary bidder's statement by Blumont dated 2 May 2014, the fourth supplementary bidder's statement by Blumont dated 6 June 2014, the fifth supplementary bidder's statement by Blumont dated 23 July 2014, the sixth supplementary bidder's statement by Blumont dated 18 August 2014, the seventh supplementary bidder's statement by Blumont dated 29 October 2014, the eighth supplementary bidder's statement by Blumont dated 23 December 2014, the ninth supplementary bidder's statement by Blumont dated 6 January 2015, the tenth supplementary bidder's statement by Blumont dated 16 January 2015, the eleventh supplementary bidder's statement dated 10 February 2015 and the twelfth supplementary bidder's statement dated 25 February 2015 (**Twelfth Supplementary Bidder's Statement**) (together, the **Supplementary Bidder's Statements**).

A copy of this Thirteenth Supplementary Bidder's Statement has been lodged with ASIC and the ASX on 6 March 2015. Neither ASIC, the ASX nor any of their officers, take any responsibility for the contents of this Thirteenth Supplementary Bidder's Statement. A copy of this Thirteenth Supplementary Bidder's Statement will also be released by Blumont on SGXNET in Singapore. The SGX assumes no responsibility for the correctness of any of the statements, reports contained/referred to or opinions expressed in this Thirteenth Supplementary Bidder's Statement.

Capitalised terms in this Thirteenth Supplementary Bidder's Statement have the same meaning as that in the Bidder's Statement unless the context requires otherwise.

Unless otherwise stated, the exchange rates used in this Thirteenth Supplementary Bidder's Statement are the exchange rates published by the Reserve Bank of Australia at 4pm (Sydney time) on the business day before the date of this Thirteenth Supplementary Bidder's Statement (**Applicable Last Practicable Date**).

2. Termination of the Implementation Deed by Genesis and withdrawal of Genesis Directors' recommendation of the Offer

Blumont notes that, on 2 March 2015, Genesis announced to the ASX that it terminated the Implementation Deed dated 24 January 2014, which was the agreement that Genesis and Blumont entered into prior to the announcement of the Takeover Bid. By way of a supplementary target statement dated 3 March 2015, the Genesis Directors have withdrawn their recommendation that Genesis Shareholders accept the Offer being made by Blumont to acquire all Genesis Shares.

The Offer remains open for acceptance by Genesis Shareholders, and is currently scheduled to close on 23 March 2015.

3. Continued reasons to ACCEPT THE OFFER and update on Blumont Share price

Despite the termination of the Implementation Deed by Genesis, Blumont continues to believe that Genesis Shareholders should accept its Offer. In particular:

1. since the Announcement Date, no alternative proposal to acquire a controlling interest in all Genesis Shares has emerged;
2. the Blumont Directors consider that Genesis Shares have very low liquidity on ASX and note that trading in more than A\$600 of Genesis Shares on ASX has only occurred on two trading days since September 2014 (and those two trades sum to less than A\$5,000 in Genesis Shares). The Blumont Directors consider that this may make it difficult for Genesis Shareholders to sell their Genesis Shares on market. In contrast, Blumont Shares are actively traded on the SGX. Therefore, the Offer provides Genesis Shareholders with an opportunity to hold or trade in a stock which has much stronger levels of liquidity;
3. by accepting the Offer, former Genesis Shareholders will still have an interest in Genesis' assets including the Plavica Project. It is just that the interest will be indirect by virtue of holding Blumont Shares and Blumont holding the Genesis Shares. Genesis Shareholders will also benefit from greater diversification through exposure to the Blumont Group's other assets and businesses, including its investments in other listed and unlisted companies;
4. the Blumont Directors consider it is more likely that Genesis' assets will be more fully developed under Blumont's ownership in a more timely manner compared to Genesis seeking to do so without Blumont as a substantial shareholder in Genesis. Specifically, based on Blumont's investigations of Genesis' operations and exploration properties, Blumont considers Genesis may not have the financial resources (including the ability to readily access debt finance) to advance the exploitation and development on many of its tenements in the near term; and
5. if Blumont acquires an interest in more than 50% of Genesis Shares and Genesis continues to be listed, remaining Genesis Shareholders will become minority shareholders in a listed subsidiary that has historically low levels of liquidity in its shares. Blumont's Directors consider that this is likely to result in Genesis Shares being less likely to be subject to a future takeover bid unless that bid is supported by Blumont.

Genesis Shareholders should note that **the Offer currently represents an 11% discount** compared to the closing price of A\$0.06 per Genesis Shares on ASX on the Applicable Last Practicable Date (and based on the closing price of S\$0.012 (approximately A\$0.011) per Blumont Share and the Australian dollar / Singapore dollar exchange rate each as at the Applicable Last Practicable Date).

The implied value of the Offer, including the extent to which it is at a premium (or discount) to the price of Genesis Shares as quoted on the ASX, will depend on a number of variables. These variables include:

- (a) the price of Blumont Shares as quoted on the SGX;
- (b) the price of Genesis Shares as quoted on the ASX; and
- (c) the Singapore / Australian dollar exchange rate.

While the Offer currently represents a discount to the closing price of Genesis Shares, Genesis Shareholders should note that at various times throughout the Offer Period, the Offer has represented a premium based on the then prevailing Genesis Share price, Blumont Share price and Singapore / Australian dollar exchange rate.

For these reasons, Blumont Directors recommend that Genesis Shareholders **ACCEPT THE OFFER** before the Offer closes on 23 March 2015.

Genesis Shareholders should note that there are risks associated with becoming a Blumont Shareholder. Genesis Shareholders are encouraged to read the Bidder's Statement and the Supplementary Bidder's Statements which contain details of the risks associated with becoming a Blumont Shareholder.

4. **Blumont unaudited full year results**

On 28 February 2015, Blumont released on SGXNET unaudited financial statements for full financial year ended 31 December 2014.

During the twelve months ended 31 December 2014, the Blumont Group made a total consolidated loss of approximately S\$43.13 million (approximately A\$40.29 million). Blumont notes that the reported losses primarily arose from the fair value readjustments of the Blumont Group's investments in transferable securities which Blumont considers is attributable to the recent volatility in financial markets and the global economy. Specifically, Blumont notes that approximately S\$18.65 million (approximately A\$17.42 million) of these reported losses relate to impairment losses recognised due to the significant and prolonged decline in the fair value of those quoted investments listed on the Australian Securities Exchange, classified as financial assets, available-for-sale. In addition, Blumont also notes that approximately S\$4.65 million (approximately A\$4.34 million) of these losses arose from the mark-to-market adjustment of the value of the quoted financial assets, at fair value, based on market bid prices of the securities held.

As a result, the Blumont Group's net assets and total equity has been reduced from approximately S\$76.91 million (approximately A\$71.84 million) as at 31 December 2013 (based on Blumont's financial statements for the full year ended 31 December 2013) to approximately S\$34.92 million (approximately A\$32.62 million) as at 31 December 2014 (based on Blumont's unaudited financial statements for the year ended 31 December 2014). Blumont notes that, in respect of its non-current assets comprising financial assets (available for assets) these have fallen from approximately S\$52.44 million (approximately A\$48.99 million) as at 31 December 2013 (based on Blumont's financial statements for the full year ended 31 December 2013) to approximately S\$13.15 million (approximately A\$12.28 million) as at 31 December 2014 (based on Blumont's unaudited financial statements for the year ended 31 December 2014).

Revenue for the twelve months ended 31 December 2014 was approximately S\$3.60 million (approximately A\$3.36 million) which was in line with the revenue for the previous financial year. The Sterilisation Services Business was the largest contributor to revenue and contributed 94% of revenue, followed by Blumont's Property Business which contributed 6% of revenue.

Blumont also notes that it had negative working capital of approximately S\$16.47 million (approximately A\$15.39 million) as at 31 December 2014 (compared to positive working capital of approximately S\$20.21 million (approximately A\$18.88 million) as at 31 December 2013). Blumont intends to fund its operations through internal resources, disposal of investments, borrowings and / or capital raisings as and when required.

Blumont will not pay a dividend in respect of the year ended 31 December 2014.

The full accounts and financial statements of Blumont are available on both the SGX Website (www.sgx.com) and Blumont's Website (www.blumontgroup.com). Genesis Shareholders should note that historical financial information is not necessarily a guide or assurance as to the future performance or prospects of the Blumont Group.

5. Update on investment in Discovery Metals Limited

As Blumont detailed in the Twelfth Supplementary Bidder's Statement, Blumont Copper Pte. Ltd. (**Blumont Copper**), which is a wholly owned subsidiary of Blumont, currently holds 34,708,112 shares in Discovery Metals Limited (**DML**) or approximately 5.39% of DML's total ordinary shares.

Blumont advises that, on 27 February 2015, DML announced to the ASX that the board of directors of DML appointed Michael Ryan and Stefan Dopking of FTI Consulting as voluntary administrators of DML (**Voluntary Administrators**), with effect from 27 February 2015. The decision to appoint the Voluntary Administrators follows DML's lender group's demand for full and immediate repayment by DML of all monies (comprising principal repayments, interests and costs). Accordingly, the board of directors of DML considers DML to be insolvent or likely to be insolvent. The Voluntary Administrators are working with DML's management team and secured lenders to fully understand the options available to the DML group, which may potentially include seeking expressions of interest to purchase the business and assets, a restructure or recapitalisation of the DML group.

Following the appointment of the Voluntary Administrators, the securities of DML were suspended from quotation on the ASX with immediate effect.

6. Issue of Genesis Shares on 17 February 2015

As Blumont detailed in the Twelfth Supplementary Bidder's Statement, Genesis has issued 63,926,464 Genesis Shares on 17 February 2015 (**Additional Genesis Shares**). The Additional Genesis Shares constitute approximately 25.1% of all Genesis Shares currently on issue.

Shortly after the issue was made, Blumont made an application to ASIC to extend the Offer to these Additional Genesis Shares. This application was required as, under section 617 of the Corporations Act, the Offer was (without a modification from ASIC) not able to extend to the Additional Genesis Shares.

Blumont is pleased to announce that ASIC has granted its consent to the Additional Genesis Shares being subject to an Offer under the Takeover Bid. Therefore, the Offer will now extend to the Additional Genesis Shares. A formal notice of variation of the Takeover Bid, as required under the conditions of ASIC's approval of the application, which implements the extension of the Offer to the Additional Genesis Shares, was lodged with ASIC and the ASX on 6 March 2015 and will also be despatched to all Genesis Shareholders (**Variation Notice**). A copy of the Variation Notice is included in Annexure A of this Thirteenth Supplementary Bidder's Statement.

The holders of the Additional Genesis Shares may apply to Blumont for a copy of the Bidder's Statement, Genesis' target statement, Genesis supplementary target statement dated 3 March 2015 and a copy of each Supplementary Bidder's Statement.

Blumont confirms that it will waive any defeating condition of the Offer referred to in section 650F(1)(a) or item 2(d)(ii) of section 611 of the Corporations Act if, at the end of the Offer Period for the Takeover Bid, the Condition is triggered only by reason of the events associated with the issue of the Additional Genesis Shares.

As a result of the extension of the Offer to the New Genesis Shares, if the Offer is accepted by all Genesis Shareholders, the maximum number of Blumont Shares that will be issued under the Offer will now be 1,209,128,707 Blumont Shares which, at the date of this Thirteenth Supplementary Bidder's Statement, constitutes approximately 44.63% of the existing share capital of Blumont and will, following the issue of all Blumont Shares as consideration for the Offer, constitute approximately 30.86% of the enlarged share capital of Blumont.

7. Update on Blumont VWAP Condition

As set out in Section 6 of the Second Supplementary Bidder's Statement, one of the Conditions of the Offer is that, prior to the end of the Offer Period, the rolling 5 day VWAP of Blumont Shares as quoted on the SGX ending on any trading day on the SGX-ST (**Blumont VWAP**) does not fall to a level that is 20% or more below the price of Blumont Shares as at the close of trading on the Business Day before the Announcement Date. Under the Second Supplementary Bidder's Statement Blumont stated that it will not seek to rely on the non-satisfaction of this Condition unless the Blumont VWAP falls below S\$0.0272 and, under the Twelfth Supplementary Bidder's Statement, Blumont waived the non-satisfaction of this Condition prior to 25 February 2015.

Blumont notes that, at various times since the date of the Twelfth Supplementary Bidder's Statement, the Blumont VWAP was below S\$0.0272 and, therefore, the Condition was not satisfied. Blumont waives the non-satisfaction of this Condition at any time prior to the date of this Thirteenth Supplementary Bidder's Statement.

8. Update on Blumont acceptances under the Takeover Bid

As at the date of this Thirteenth Supplementary Bidder's Statement, Blumont has a relevant interest in 15,266,098 Genesis Shares or 6.00% of the total issued share capital of Genesis.

9. Enquiries

Please contact the Blumont Offer Information Line on 1300 459 512 (for callers within Australia) or +61 3 9415 4290 (for callers outside of Australia) if you have any questions in relation to our Offer or this Thirteenth Supplementary Bidder's Statement.

APPROVAL OF THIRTEENTH SUPPLEMENTARY BIDDER'S STATEMENT

This Thirteenth Supplementary Bidder's Statement has been approved by a unanimous resolution passed of the directors of Blumont.

Signed for and on behalf of Blumont by Mr. Ng Kim Huatt, being a director of Blumont, who is authorised to sign by a resolution of the directors of Blumont.



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Mr Ng Kim Huatt
Director

Dated: 6 March 2015

Annexure A – Variation Notice

Blumont Group Ltd.

Takeover bid for Genesis Resources Limited

Notice of variation - Extension of offer to further Genesis Shares

To: Genesis Resources Limited (**Genesis**)

Australian Securities and Investments Commission (**ASIC**)

ASX Limited

Each holder of Genesis shares to whom the Offer referred to below has been made

This is a notice given by Blumont Group Ltd. (**Blumont**) in relation to the offers made under its off-market takeover bid for all of the ordinary shares in Genesis (**Offer**) pursuant to its bidder's statement dated 21 March 2014 (**Bidder's Statement**).

In accordance with section 650D of the *Corporations Act 2001* (Cth), Blumont gives notice that the Offer is varied by extending the Offer to 63,926,464 Genesis Shares issued by Genesis on or around 16 February 2015.

A copy of this notice was lodged with ASIC on 6 March 2015. Neither ASIC nor any of its officers takes any responsibility for the contents of this notice.

This notice has been approved by a unanimous resolution of the directors of Blumont.

Terms that are defined have the meaning given to them in the Bidder's Statement.