BIDDER'S STATEMENT

BLUMONT GROUP LTD.

(Company Registration No. 199302554G)
(Incorporated in the Republic of Singapore)

Offer by Blumont Group Ltd.
to acquire all your shares in Merlin Diamonds Limited
5 Blumont Shares for every Merlin Share

The Offer is unanimously recommended by Merlin's Directors, in the absence of a Superior Proposal

This document is important and requires your immediate attention. You should read it in its entirety. If you are in any doubt as to how to deal with this document, please consult your financial, legal or other professional adviser.

Legal Adviser HOLDING REDLICH

IMPORTANT NOTICES

This Bidder's Statement is given by Blumont Group Ltd. (**Blumont**) to Merlin Diamonds Limited (**Merlin**) and Merlin Shareholders in relation to an off-market takeover bid for all Merlin Shares. It sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire Your Merlin Shares.

What's happening	Date
Announcement Date	28 February 2014
Date of this Bidder's Statement	24 April 2014
Date of the Offer	28 April 2014
Offer ends (unless extended or withdrawn)	7pm Sydney time on 31 July 2014

Role of ASIC

A copy of this Bidder's Statement was lodged with ASIC and the ASX on 24 April 2014. Neither ASIC, the ASX nor any of their officers take any responsibility for the contents of this Bidder's Statement.

Singapore Exchange (SGX) and application for listing of the Blumont Shares offered as the Offer Consideration

A copy of this 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 Bidder's Statement. This Bidder's Statement is also used, or to be used, by Blumont in support of its application to the SGX for the listing and quotation of the Blumont Shares (to be issued as the Offer Consideration) on the SGX. Within seven days after the date of this Bidder's Statement, an application for the listing and quotation of the Blumont Shares to be issued as the Offer Consideration will be made to the SGX for the Blumont Shares to be listed for quotation on the 'Official List' of the SGX. Blumont expects that the in-principle approval of the SGX for the listing and quotation of the Blumont Shares to be issued as the Offer Consideration will be granted at or around the time that the Circular is despatched to Blumont Shareholders. If granted, the in-principle approval of the SGX for the listing and quotation of the Blumont Shares is not to be taken as an indication of the merits of the Offer, Merlin, the Blumont Group, or their business and operations, or the Blumont Shares.

Responsibility for information in this Bidder's Statement

Blumont is responsible for the contents of the Bidder's Statement other than, to the maximum extent permitted by Law, the Investigating Accountant's Report (contained in Annexure E to this Bidder's Statement), the Australian taxation considerations in respect of accepting the Offer (contained in Annexure C to this Bidder's Statement) and the information relating to Merlin (see Section 7).

Investment decisions

This Bidder's Statement is not intended to provide financial or tax advice and has been prepared without taking into account your personal circumstances. You should obtain your own independent professional advice before making any decisions regarding the matters contained in this Bidder's Statement.

Forward looking statements

This Bidder's Statement contains forward looking statements which are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the industries in which the Blumont Group and Merlin operate, as well as general economic conditions, prevailing exchange rates and interest rates, conditions in financial markets, government policies and regulation, competitive pressures and changes in technology. Actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

None of Blumont, the members of the Blumont Group or any of their directors, officers, employees and advisers make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

Accordingly, you are cautioned about relying on forward looking statements contained in this Bidder's Statement.

Blumont Shareholders' Approval and Circular

The Offer is subject to a number of Conditions, as set out in Section 11.5. In particular, Blumont requires the approval of Blumont Shareholders for the Offer and the proposed allotment and issue of Blumont Shares to be issued as the Offer Consideration. Under the Listing Manual of the SGX, Blumont must prepare, and distribute to Blumont Shareholders, a 'Circular' in respect of the Offer. Blumont must also provide a 'qualified person's report' with the Circular, which will require Merlin's cooperation. Blumont will discuss with Merlin the preparation of that report, and the likely timing of the finalisation of the report. Merlin Shareholders should note that Blumont considers that it may take approximately 3 months for that report to be prepared and subsequent Extraordinary General Meeting to be held. Blumont will keep Merlin Shareholders updated on the status of this Condition and will make announcements on the ASX and SGXNET when the date for the Extraordinary General Meeting has been set.

Foreign Shareholders

The distribution of this Bidder's Statement in jurisdictions outside Australia and Singapore may be restricted by law and any person who comes into possession of it should seek advice. In particular, Merlin Shareholders whose address in the Merlin Register last supplied to Blumont is in New Zealand will, for the purposes of this Offer, be regarded as Ineligible Foreign Shareholders.

This Bidder's Statement does not constitute an Offer to acquire Merlin Shares from any Merlin Shareholder in any jurisdiction in which to do so would be illegal. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These disclosure requirements may be different from those in other countries. If you are not an Australian resident taxpayer or are liable for tax outside Australia, it is important that you seek specific tax advice in relation to the Australian and overseas tax consequences of the Offer.

Blumont public announcements and releases

Blumont has made various announcements on SGXNET and Blumont's Website (www.blumontgroup.com) which comply with the Laws of Singapore and the Listing Manual. While all information which is material and required to be disclosed for the purposes of this Offer which is contained in various announcements on SGXNET and Blumont's Website is included in this Bidder's Statement, statements made on SGXNET and Blumont's Website in relation to exploration targets, mineral resources and ore reserves may not be in compliance with the JORC Code 2012 Edition. Accordingly, Merlin's Shareholders should exercise caution before making any decision in relation to this Offer based on any publicly available information that is not included or incorporated by reference in this Bidder's Statement (or any supplementary Bidder's Statement).

Maps and diagrams

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data in maps, graphs, tables and diagrams is based on information available at the Last Practicable Date.

Currency

Unless otherwise stated, the exchange rates used in this Bidder's Statement are the exchange rates published by the Reserve Bank of Australia at 4pm (Sydney time) on the Last Practicable Date, being A$1:S$1.1710.

Effect of Rounding

A number of figures, amounts, percentages or estimates and calculations of value in this Bidder's Statement may be subject to the effect of rounding.

Privacy

Personal information relating to your shareholding in Merlin will be obtained by Blumont or its agents from Merlin in accordance with its rights under the Corporations Act. Blumont may share this information with its Related Bodies Corporate, advisers, agents and regulators, such as ASIC, ASX and SGX, where necessary for the purposes of the Offer, or as otherwise required or permitted by law. Blumont, its Related Bodies Corporate, advisers and agents will use this information solely for purposes relating to the Offer and to assist in any future relationship with you as a Blumont Shareholder.

Enquiries

Please contact the Blumont Offer Information Line on 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside of Australia) if you have any questions in relation to this Bidder's Statement or the Offer.

Glossary

Please see the Glossary at Section 13 for the meaning of capitalised terms.

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BLUMONT
博诺有限公司

A MESSAGE FROM THE CHAIRMAN OF BLUMONT

Dear Merlin Shareholder,

On 28 February 2014, Blumont Group Ltd. (**Blumont**) announced its intention to make an off-market takeover bid for all the ordinary shares in Merlin Diamonds Limited (**Merlin**).

On behalf of the Board of Directors of Blumont, I am delighted to provide you with this Offer by Blumont to acquire all of Your Merlin Shares and to become a shareholder in Blumont.

Background on Blumont

Blumont is a Singapore based investment holding company which is listed on the Singapore Exchange. Since 2012, we have embarked on a strategy to acquire interests in multiple and diversified mineral and energy resources assets and have actively acquired numerous investments in the Mineral and Energy Resources Sector. These include acquiring interests (including non-controlling interests) in mineral and energy resources companies whose projects include exploration for coking coal, thermal coal, uranium, base metals, diamonds and precious metals and, importantly, whose projects span several continents.

We also have an existing Investment Holdings Business unit (which has investments in marketable securities not in the Mineral and Energy Resources Sector), a Property Business and a Sterilisation Services Business meaning that we are a diversified company, which is part of our risk management strategy.

Our strategy and intention is to continue and ramp up our expansion into the Mineral and Energy Resources Sector and the acquisition of Merlin is a key part of that strategy. On 24 March 2014, we opened our conditional takeover bid for Genesis Resources Limited (**Genesis**), which is currently scheduled to be open until 24 September 2014. Genesis' main exploration focus is a copper-gold project at Plavica within the Republic of Macedonia.

The Blumont Board shares the Merlin Board's vision and business strategy for Merlin's projects and believes that the projects have excellent potential. Blumont believes that it can provide the scale, financial resources and access to capital necessary to develop Merlin's projects to their full potential in a more timely manner than without the added strength of Blumont behind Merlin.

Details of our Offer

We are offering to acquire Your Merlin Shares and in exchange you will receive 5 Blumont Shares for every Merlin Share that you own. When we initially announced the Takeover Bid on the Announcement Date, the initial Offer Consideration was 5.7 Blumont Shares for every 2 Merlin Shares. On 23 April 2014, we were pleased to announce an increase in the Offer Consideration to 5 Blumont Shares for every Merlin Share.

Our Offer represents an attractive premium for Your Merlin Shares. In particular, it is a:

1. 93.57% premium to the closing price of A$0.075 per Merlin Share on the ASX on the last day on which Merlin Shares traded on the ASX before 21 April 2014 being the Last Practicable Date; and

2. 32.82% premium to the three month volume weighted average price of A$0.1093 per Merlin Share as at the Last Practicable Date.

We believe that our Offer is also a compelling offer for the following reasons:

1. the Blumont Directors consider that Merlin Shares have historically low liquidity and the Offer provides an opportunity to acquire a significantly more liquid investment;

2. by accepting the Offer, Merlin Shareholders will still have an indirect interest in Merlin's assets but will also acquire an interest in a larger, more diversified organisation;

3. Blumont has access to Singapore capital markets and, by extension, a wider investor community in Asia which Blumont believes will make it easier to raise finance to develop Merlin's assets compared to Merlin seeking to do so alone; and

4. the Merlin Directors support the Offer in the absence of a Superior Proposal.

Merlin Shareholders should note that the implied value of the Offer, and the extent of any premium to the Merlin Share price, will (in addition to other variables) depend on the prevailing price of Blumont Shares as quoted on the SGX. In Section 2.1, we include a table and a discussion regarding the implied value of the Offer at various price points for Blumont Shares.

Conditions of the Offer

Please note that the Offer is subject to Conditions, which are set out in Section 11.5. These include (but are not limited to):

1. acceptance of the Offer by Merlin Shareholders which gives the Blumont Group an aggregate Relevant Interest in Merlin Shares of at least 50.1%;

2. the approval of Blumont's Shareholders at an Extraordinary General Meeting for the Offer and the allotment and issue of the Blumont Shares to be issued as the Offer Consideration. As noted in Section 11.6(a), that approval may take approximately 3 months to be obtained; and

3. the in-principle approval by the SGX of Blumont's application for the listing and quotation on the SGX of the Blumont Shares to be issued as the Offer Consideration. Blumont expects that the in-principle approval of the SGX for the listing and quotation of the Blumont Shares to be issued as the Offer Consideration will be granted at or around the time that the Circular is despatched to Blumont Shareholders.

As with all equity investments, there are risks in becoming a Blumont Shareholder. These are discussed in Section 9.

The Merlin Board supports and recommends the Offer

The Merlin Board has unanimously recommended the Offer to Merlin Shareholders and each Merlin Director (at the Announcement Date) has indicated their intention to accept the Offer for their own Merlin Shares, in the absence of a Superior Proposal.

Accept the Offer

I encourage you to carefully read this Bidder's Statement. Our Offer is open for acceptance until 7pm (Sydney time) on 31 July 2014 unless extended. I encourage you to **ACCEPT** the Offer by following the instructions on the accompanying Acceptance Form. If you have any queries, please contact the Blumont Offer Information Line on 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside of Australia).

The Blumont Board strongly believes that the Offer is a compelling opportunity for Merlin Shareholders and we look forward to receiving your acceptance and to welcoming you as a shareholder in Blumont.

Yours sincerely,



Mr Neo Kim Hock
Executive Chairman
Blumont Group Ltd.

1. INVESTMENT OVERVIEW

The information set out in this Section is intended to provide an overview of the Blumont Group, the Offer that Blumont is making for Your Merlin Shares and the risks you should consider in accepting this Offer.

The information in this Section is not intended to be exhaustive and should be read in conjunction with the detailed information contained in this Bidder's Statement.

1.1 Summary of the Offer

Question	Answer	More Information
What is the Offer?	Blumont is offering to acquire Your Merlin Shares, on the terms and subject to the conditions of this Offer.	See Section 11 for details of the Offer
What consideration will I be sent if I accept the Offer?	If you are an Eligible Shareholder and you accept the Offer, and it is declared unconditional, you will be issued 5 Blumont Shares for every Merlin Share you own.	See Section 11.2 regarding the Offer Consideration
What if I am an Ineligible Foreign Shareholder?	If you are an Ineligible Foreign Shareholder you can still accept the Offer. However, you will not receive any Blumont Shares. Instead, you will be paid the net proceeds of the sale (in Australian dollars) by the Foreign Sale Nominee of the Blumont Shares you would have otherwise been entitled to receive under the Offer.	See Section 11.19 for details regarding Ineligible Foreign Shareholders
What is the value of the Offer?	If you accept the Offer, the value of the consideration you will receive under the Offer will depend on the price of the Blumont Shares at the time the Blumont Shares are allotted and issued to you under the Offer, as well as the prevailing foreign exchange rate. In Section 2.1, we include a table and a discussion regarding the implied value of the Offer at various price points for Blumont Shares. For example, based on the exchange rate of A$1: S$1.1710 and using the closing price of S$0.034 of Blumont Shares traded on the SGX on the Last Practicable Date, this results in the Offer having an implied value of A$0.145 per Merlin Share at the Last Practicable Date. If you are an Ineligible Foreign Shareholder and you accept the Offer, the amount of cash you will be sent for your Blumont Shares will depend on the price received for the Blumont Shares when they are sold by the Foreign Sale Nominee and the prevailing foreign exchange rate. There is no certainty as to what that price and exchange rate may be and this will affect the amount that you will be paid.	See Section 2 and Section 11.19
Why should I accept the Offer?	The Blumont Board considers that there are numerous reasons why Merlin Shareholders should accept the Offer. These include: ▪ as at the Last Practicable Date, the Offer represents an attractive premium for your Merlin Shares. Merlin Shareholders should see Sections 5.9 and 9.2 for a discussion of the recent Blumont Share price on the SGX, including the decrease in the Blumont Share	See Section 2 for more information about why you should accept the Offer

	price since October 2013; ▪ the Blumont Directors consider that Merlin Shares have historically low liquidity and the Offer provides an opportunity to acquire a significantly more liquid investment; ▪ by accepting the Offer, Merlin Shareholders will still have an indirect interest in Merlin's assets and, in addition, will also acquire an interest in a larger, more diversified organisation; ▪ Blumont has access to Singapore capital markets and, by extension, a wider investor community in Asia which Blumont believes will make it easier to raise finance to develop Merlin's assets compared to Merlin seeking to do so alone; ▪ the Merlin Directors support the Offer in the absence of a Superior Proposal; ▪ if the Offer becomes unconditional and Blumont acquires control of Merlin there are risks to remaining a minority shareholder in Merlin; ▪ there is currently no alternative proposal to acquire Merlin; and ▪ some Merlin Shareholders may be able to obtain the benefit of capital gains tax scrip-for-scrip rollover relief if Blumont acquires more than an 80% interest in Merlin. Merlin Shareholders should note that there are risks associated with accepting the Offer and becoming a Blumont Shareholder. Please see Sections 1.4 and 9 for further details of these risks.	
Is the Offer subject to Conditions?	Yes. Similar to other off-market takeover bids, this Offer is subject to the satisfaction of various Conditions, including, but not limited to the following: ▪ minimum acceptance by Merlin Shareholders which gives Blumont a Relevant Interest in Merlin Shares of at least 50.1%; ▪ the approval of Blumont's Shareholders at an Extraordinary General Meeting for the Offer and the allotment and issue of the Blumont Shares to be issued as the Offer Consideration. As noted in Section 11.6(a), that approval may take approximately 3 months to be obtained; and ▪ SGX in-principle approval for the listing and quotation on the SGX of the Blumont Shares to be issued as Offer Consideration. Please note that the Offer is subject to various other	See Section 11.5 for more details of these and the other Conditions

	Conditions, details of which are set out in Section 11.5.	
What happens if the Conditions of the Offer are not satisfied or waived?	If the Conditions of the Offer are not satisfied or waived by the Closing Date, the Offer will lapse.	See Section 11.9

1.2 Overview of the Blumont Group

Question	Answer	More Information
Who is making the Offer?	Blumont Group Ltd. is the company making the Offer.	See Sections 4, 5 and 6
Who is Blumont?	Blumont is a company incorporated in the Republic of Singapore and whose shares are listed and quoted for trading on the SGX (Bloomberg code: BLUM SP, SGX code: A33). On the Last Practicable Date, Blumont had a market capitalisation of approximately S$87 million (approximately A$75 million). Blumont is a Singapore investment holding company. It currently has four business units being: ▪ investments in the Mineral and Energy Resources Sector; ▪ an Investment Holdings Business for investments in marketable securities (other than those in the Mineral and Energy Resources Sector); ▪ a Sterilisation Services Business; and ▪ a Property Business. Blumont's strategy and intention is to continue its expansion into the Mineral and Energy Resources Sector and the acquisition of Merlin is a key part of that strategy. On 24 March 2014, we opened our conditional takeover bid for Genesis, which is currently scheduled to be open until 24 September 2014. Genesis' main exploration focus is a copper-gold project at Plavica within the Republic of Macedonia, which is prospective for gold, copper and silver mineralisation. Just like our takeover bid for Merlin, we are excited about the opportunity to acquire Genesis and its projects. Further details regarding the Genesis Takeover Bid are contained in Section 12.12(b). Merlin Shareholders can obtain trading information about the Blumont Shares on the SGX Website or Blumont's Website.	See Section 4 (for a general outline of the Blumont Group's business), Section 5 (for information about the corporate profile of Blumont), Section 6 (for details about Blumont's financial information) and Section 12 (for additional information about the Blumont Group)
What are Blumont's intentions for Merlin?	It is the present intention of Blumont that, subject to the Offer becoming unconditional and Blumont acquiring a controlling interest in Merlin: ▪ Blumont will seek the appointment of persons to the Merlin Board such that Blumont nominees comprise a majority of the Merlin Board;	See Section 8

	▪ the operations of Merlin will be conducted in substantially the same manner as presently conducted (other than to the extent stated in Section 8); ▪ there will not be any redeployment of fixed assets of Merlin; and ▪ Blumont does not anticipate any need to reduce operational staff employed by Merlin. See Section 8 for more information about Blumont's intentions for Merlin, including an explanation of more specific intentions which are dependent on the Relevant Interest that Blumont acquires in Merlin after the Closing Date.	
Who are Blumont's Directors?	Blumont's Directors are: ▪ Mr Neo Kim Hock, Executive Chairman; ▪ Mr James Hong Gee Ho, Executive Director; ▪ Mr Goh Boon Kok, Lead Independent Director; ▪ Mr Calvin Lim Huan Kim, Independent Director; and ▪ Mr Ng Kim Huatt, Independent Director. Please see Section 5.3 for a biography of each of the Blumont Directors.	See Section 5.3
Who are Blumont's senior management?	Blumont's senior management are: ▪ Mr Neo Kim Hock, Executive Chairman; ▪ Mr James Hong Gee Ho, Executive Director; ▪ Mr Tony Lim Fong Chung, Director of Gemisuria Corporation Sdn Bhd; and ▪ Mr Yusman SH, Managing Director of PT. Rel-ion Sterilization Services. Please see Section 5.5 for a biography of each of the senior management members. In addition, Mr Alexander Alan Molyneux is a key adviser to the board of directors of Blumont. Please see Section 5.5 for a biography on Mr Molyneux.	See Section 5.5
Who are the substantial shareholders of Blumont?	Blumont's substantial shareholders as at the Last Practicable Date are: ▪ Mr Goh Seh Kiat; ▪ Mr Neo Kim Hock; ▪ Ipco International Limited; and ▪ Clear Water Developments Sdn Bhd.	See Section 5.7

Are there any differences between Australian and Singapore securities laws?	Yes, you should be aware that the companies and securities laws in Singapore (where Blumont is incorporated and the Blumont Shares are listed for trading) are different to Australian securities laws and listing rules. Please see Annexure B for a comparison of some of the key differences in the securities laws and regulations of Australia and Singapore.	See Annexure B

1.3 Questions about accepting the Offer

Question	Answer	More Information
What choices do I have?	If you are an Eligible Shareholder, you have the following choices: ▪ accept the Offer; ▪ sell Your Merlin Shares (unless you have previously accepted the Offer); or ▪ do nothing. If you are an Ineligible Foreign Shareholder, you can do all of the above, however, if you accept the Offer the procedure set out in Section 11.19 will apply following your acceptance.	See Section 3 and Section 11.19 if you are an Ineligible Foreign Shareholder
What choices do I have if I accept the Offer?	If you are an Eligible Shareholder and you validly accept the Offer you can: ▪ receive Blumont Shares in certificated form (by way of a physical share certificate); ▪ elect to receive the Blumont Shares in uncertificated form (electronically) into your CDP Securities Account; or ▪ elect to have the Blumont Shares issued to the CDP Securities Account of your nominee in uncertificated form (electronically).	See Section 3
How do I accept the Offer?	To accept the Offer, you must correctly complete the accompanying Acceptance Form in accordance with the instructions on it or, if you have a CHESS Holding, provide your instructions to your Controlling Participant (normally your stockbroker).	See Section 3 for information about accepting the Offer
Where do I send the Acceptance Form?	***By mail:*** Link Market Services Limited Merlin Diamonds Limited Takeover Locked Bag A14 SYDNEY SOUTH NSW 1235 ***By hand:*** Link Market Services Limited Merlin Diamonds Limited Takeover 1A Homebush Bay Drive	See the accompanying Acceptance Form

	RHODES NSW 2138	
What is the Closing Date?	The Offer is scheduled to close at 7pm (Sydney time) on 31 July 2014 unless extended or withdrawn in accordance with the Corporations Act.	
What happens if I do not accept the Offer?	If you do not accept the Offer and you do not sell Your Merlin Shares, you will remain a Merlin Shareholder and will not be sent any Offer Consideration. However, if Blumont becomes entitled to compulsorily acquire Your Merlin Shares, it intends to do so. If this occurs, Merlin will receive the Offer Consideration as your trustee. You must claim this consideration, so you will receive the consideration at a later date than you would have received it if you had accepted the Offer. In that case, you will be required to make a claim on Merlin, as trustee of your consideration, in order to receive the Offer Consideration for Your Merlin Shares at the conclusion of the compulsory acquisition process.	See Section 8
Can I withdraw my acceptance after I have accepted the Offer?	You cannot withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act. A withdrawal right will arise if, after you accept the Offer and the Offer is subject to the Conditions, Blumont varies the Offer in a way that postpones for more than one month the time that Blumont has to meet its obligations under the Offer (for example, if Blumont extends the Offer for more than one month while the Offer remains subject to any of the Conditions).	See Section 11.10
Can I accept the Offer for part of my shareholding?	No, you may only accept the Offer for all Your Merlin Shares.	See Section 11.1
Do I have to pay any brokerage fees if I accept the Offer?	No, you will not pay brokerage fees if you accept the Offer and are entitled to receive Blumont Shares. However, you may need to pay brokerage fees if you wish to trade the Blumont Share(s) you receive under the Offer.	
If I accept the Offer when will I receive my Blumont Shares?	If you are an Eligible Shareholder and accept the Offer, and the Offer becomes unconditional, the Blumont Shares will be issued to you on or before the earlier of one month after the Offer becoming unconditional or 21 days after the end of the Offer Period. If you are an Ineligible Foreign Shareholder please see Section 11.19 for details regarding the distribution by the Foreign Sale Nominee of the net proceeds you will receive from the sale of the Blumont Shares you would have otherwise been entitled to receive under the Offer.	See Section 11.13
Will Blumont Shares issued as the Offer Consideration be listed on the ASX?	No. If you accept the Offer, and subject to the SGX in-principle approval for the listing and quotation on the SGX of the Blumont Shares to be issued as the Offer Consideration being obtained, the Blumont Shares you receive will be listed and quoted for trading on the SGX. Blumont will, within seven days after the date of this Bidder's	

	Statement, make an application to the SGX for in-principle approval for the listing and quotation on the SGX of the Blumont Shares to be issued as the Offer Consideration.	
How do I deal with Blumont Shares on the SGX that I receive?	If you accept the Offer you will be issued Blumont Shares. These will only be quoted on the SGX (and not the ASX). Market trades for shares listed on the SGX are settled electronically through CDP. Generally, to trade shares on the SGX, you will need a CDP Securities Account (which is an account which allows you to hold shares that are listed and quoted for trading on the SGX), a trading account (maintained with a stockbroker who is a "SGX Member Company") and a bank account (with a bank account that can provide a direct crediting service) (even if you appoint a broker). If you do not have a CDP Securities Account and do not wish to open one, you should contact a broker for advice.	See Annexure A for more details on how you can deal with your Blumont Shares
What happens if I am entitled to receive a fraction of a Blumont Share as Offer Consideration?	Fractional entitlements will be rounded up to the nearest whole number.	See Section 11.2
Are there any difficulties in dealing with small parcels of Blumont Shares on the SGX?	Under the rules relating to trading on the SGX, listed securities are traded on the "ready market" of the SGX in lots of 1,000 shares, known as "board lots". Trading in smaller lots than board lots occurs on the unit share market, which is not as easily tradable. Accordingly, if you hold less than 200 Merlin Shares and you accept the Offer and are entitled to be issued with Blumont Shares, you will be issued less than 1,000 Blumont Shares and, therefore, you may not be able to easily trade those shares. You may need to appoint a broker and incur costs (including brokerage costs) in respect of dealing with that lot of shares. You might also find it difficult to find a broker who is willing to deal with such a small number of shares.	See Annexure A
What are the taxation implications of accepting the Offer?	Sections 10.2 and 10.3 contain an overview of the Australian and Singapore taxation implications of accepting the Offer. Blumont recommends that you seek independent professional advice in relation to your own specific circumstances. Any Merlin Shareholder that is in any doubt as to the taxation consequences of accepting the Offer should seek their own independent professional advice.	See Sections 10.2, 10.3, Annexure C and Annexure D

1.4 Overview of Risks

Question	Answer	More Information
What are the risks if I accept the	If you accept the Offer, and the Offer becomes unconditional, you will be issued with new Blumont Shares (unless you are an	See Section 9 for more information on the risks

Question	Answer	More Information
Offer?	Ineligible Foreign Shareholder). There are risks in holding Blumont Shares. Merlin Shareholders should note that the Section below is not an exhaustive list of all of the risks of the Offer and of becoming a Blumont Shareholder (for a fuller list, and more information on the risks, please refer to Section 9).	of the Offer
Risks that may arise from accepting the Offer	Merlin Shareholders may be exposed to the following risks as a result of accepting the Offer: ▪ as detailed in Section 9.2, the price of the Blumont Shares as quoted on the SGX fluctuates and, therefore, the implied value of the Offer Consideration will fluctuate depending on the value of the Blumont Shares. For example, the Blumont Share price on the SGX has fallen 44.26% from the day before the Announcement Date to the Last Practicable Date. Further, the price of the Blumont Shares has fallen significantly since 3 October 2013. Blumont notes (as detailed below) that the CAD is conducting an investigation into possible breaches of the *Securities and Futures Act* (Cap. 289) of Singapore arising from suspected trading irregularities in the shares of Blumont, which may or may not include trading activity during this period; ▪ G1 Investments, a wholly-owned subsidiary of Blumont, has received a notice from the CAD, requiring G1 Investments' assistance with the CAD's investigations into an offence under the Securities and Futures Act of Singapore. However, Blumont advises that the business and operations of Blumont are not affected by the investigations and will continue as normal; ▪ Blumont notes that, for a period up to 23 April 2014, its Audit Committee had two members which was less than the minimum number of three independent directors as required under the Listing Manual. Under Rule 704(8) of the Listing Manual and section 201B(4) of the Companies Act, Blumont was required to appoint a replacement independent director to its Audit Committee by 17 February 2014. Blumont appointed Mr Ng Kim Huatt as an independent director and Audit Committee member on 23 April 2014. In addition, Mr James Hong Gee Ho, an executive director of Blumont, has been requested to assist the CAD in its investigations into a possible infringement under the Securities and Futures Act. In the event that Mr Hong is unable to carry out his duties as an Executive Director as a result of his assisting with the CAD's investigations, the SGX-ST may require Blumont to appoint additional Executive Directors, failing which Blumont may be subject to certain sanctions, including the suspension of trading in	See Section 9

Question	Answer	More Information
	Blumont Shares on the SGX-ST; ▪ the Offer is subject to a number of Conditions, as set out in Section 11.5. In particular, Blumont requires the approval of Blumont Shareholders for the Offer and the proposed allotment and issue of the Blumont Shares to be issued as the Offer Consideration. Under the Listing Manual of the SGX, Blumont must prepare, and distribute to Blumont Shareholders, a 'Circular' in respect of the Offer. Blumont must also provide a 'qualified person's report' with the Circular, which will require Merlin's cooperation. Blumont will discuss with Merlin the preparation of that report, and the likely timing of the finalisation of the report. Merlin Shareholders should note that Blumont considers that it may take approximately 3 months for that report to be prepared and subsequent Extraordinary General Meeting to be held. Merlin Shareholders should note that the Offer will remain subject to the Conditions until this approval has been obtained (and all other Conditions are satisfied or waived). If, and until, that occurs, Merlin Shareholders that have accepted the Offer will not be able to withdraw their acceptance of the Offer or otherwise dispose of their Merlin Shares (except in limited circumstances as detailed in Section 11.10); ▪ there are risks in investing in a company which is incorporated and its securities listed in an overseas country (as Blumont is incorporated in Singapore and its shares are listed on the SGX – Blumont Shares are not listed on the ASX and Blumont has no intention to seek listing on the ASX at this time); and ▪ Blumont intends to issue further Blumont Shares to satisfy the consideration payable by Blumont in respect of other potential acquisitions, including up to approximately 913 million Blumont Shares as the offer consideration for the Genesis Takeover Bid (which will be approximately 17.3% of all Blumont Shares on issue including those that could be issued under the Takeover Bid and the Genesis Takeover Bid), and may issue new Blumont Shares or convertible securities as part of future acquisitions. It may also do so as part of further fundraisings. Accordingly, any further issues of Blumont Shares will have a dilutive effect on your Blumont Shares.	
Risk relating to the Blumont Group's overall business activities	Merlin Shareholders may be exposed to the following risks which relate to the Blumont Group's overall business activities: ▪ in order to proceed with the development of the projects in which it has or may in the future have an interest, including its intentions for Merlin as set out in	See Section 9

Question	Answer	More Information
	Section 8, and to pursue future acquisitions, the Blumont Group is likely to be required to raise additional funding in the future. In addition, all amounts that have been drawn down under the Wintercrest Facility (of up to US$30 million, approximately A$32 million) are repayable by 23 June 2014 and any further drawdowns under the Wintercrest Facility are at Wintercrest's discretion (meaning that Wintercrest may refuse further drawdowns). There is no assurance that the Blumont Group will be able to raise such capital when it is required or that the terms associated with providing such capital will be satisfactory to Blumont, which may prejudice its ongoing ability to fully pursue its strategy, intentions and projects in which it has an interest; ▪ as detailed in Section 4.2, the Blumont Group's current revenue is derived from its existing Property Business and Sterilisation Services Business and, to date, the Blumont Group has not received any revenue in respect of its investments in the Mineral and Energy Resources Sector. Therefore, other than raising capital through financing as discussed above, the Blumont Group relies on these business units for part of its current financing and cash flow management. Further, Blumont announced on SGXNET that it is expects to report a net loss for the first quarter ended 31 March 2014; ▪ the value of the Blumont Group's investment holdings assets (in its Investment Holdings Business as described in Section 4.8) decreased by approximately S$120 million (approximately A$102 million) to approximately S$16.7 million (approximately A$14.27 million) during the last calendar quarter of 2013. These reported losses arose from the mark-to-market adjustment of the value of these assets at fair value revaluations based on market bid prices of the quoted securities. The Blumont Board notes that the value of these assets is determined by market prices which may continue to fluctuate; ▪ the Blumont Group does not have a proven track record in the Mineral and Energy Resources Sector and the current management of the Blumont Group may not have the relevant experience and expertise required in the carrying out or implementation of its investments in the Mineral and Energy Resources Sector. Any failure in the execution of the investments in the Mineral and Energy Resources Sector could materially and adversely affect the Blumont Group's financial performance and financial position; and ▪ the returns on the Blumont Group's investments are dependent upon the financial performance of the projects and entities and/or companies in which it invests. However, as the Blumont Group may not take	

Question	Answer	More Information
	majority positions in the projects or companies nor seek board representation, it is reliant on the project or company's management in respect of the project or company's financial performance.	
Risks relating to exploration, exploitation, development and production generally	There are also additional risks that apply in respect of exploration, exploitation, development and production generally. These include: ▪ geopolitical risks; ▪ commodity price volatility; ▪ title and tenure risks; ▪ environmental risks; and ▪ exploration, exploitation, development and production risks in general.	See Section 9

2. REASONS TO ACCEPT THE OFFER

2.1 The Offer represents an attractive value for Your Merlin Shares

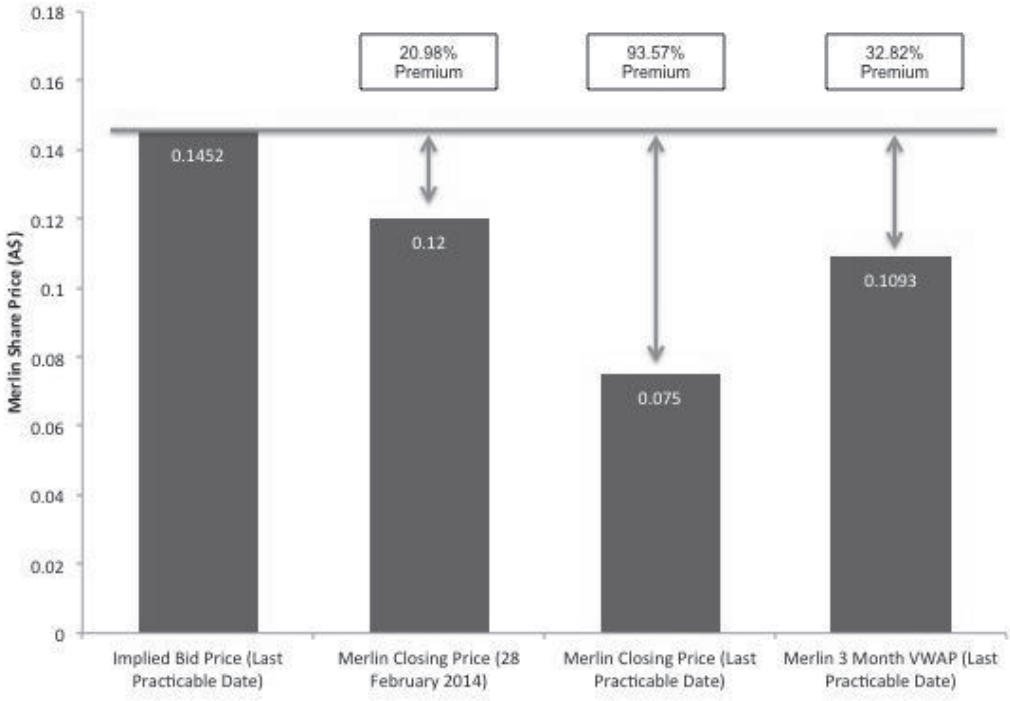
The Offer is 5 Blumont Shares for every Merlin Share which implies a value of A$0.145 per Merlin Share (based on a Blumont Share price of S$0.034 (approximately A$0.029) and the prevailing foreign exchange rate of A$1:S$1.1710 on the Last Practicable Date).

The Offer represents a:

(a) 93.57% premium to the closing price of A$0.075 per Merlin Share on the ASX on the last day on which Merlin Shares traded on the ASX before the Last Practicable Date; and

(b) 32.82% premium to the three month VWAP of A$0.1093 per Merlin Share on the ASX as at the Last Practicable Date.

The chart below illustrates the premium reflected in the Offer.



The implied value of the Offer, including the extent of the premium (if any) to the price of Merlin 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 Merlin Shares as quoted on the ASX; and

(c) the Singapore / Australian dollar exchange rate.

The table below details the implied value of the Offer, as well as whether it is at a premium to the closing price of Merlin Shares as quoted on the ASX, based on the closing price of Merlin Shares of A$0.075 and the Singapore/Australian dollar exchange rate of A$1:S$1.1710 (both of which were determined as at the Last Practicable Date).

Price of Blumont Shares	Implied value of the Offer at that Blumont Share price	Premium to Merlin Share price as at the Last Practicable Date
S$0.02	A$0.085	13.86%
S$0.025	A$0.107	42.33%
S$0.03	A$0.128	70.79%
S$0.035	A$0.149	99.26%
S$0.04	A$0.171	127.73%
S$0.045	A$0.192	156.19%
S$0.05	A$0.213	184.66%
S$0.055	A$0.235	213.12%
S$0.06	A$0.256	241.59%

Merlin Shareholders should note the following:

(a) when the Takeover Bid was originally announced by Blumont, the Offer Consideration was 5.7 Blumont Shares for every 2 Merlin Shares. On 23 April 2014, Blumont announced that it was increasing the Offer Consideration to 5 Blumont Shares for every Merlin Share; and

(b) since the Announcement Date until the Last Practicable Date, the price of Blumont Shares as quoted on the SGX has fallen from S$0.062 to S$0.034.

Merlin Shareholders should, therefore, note that the implied value of the Offer, including the extent of the premium (if any), will fluctuate depending on the Blumont Share price, Merlin Share price and foreign exchange rate.

Please see Sections 5.9 and 9.2 for a discussion of the recent Blumont Share price on the SGX, including the decrease in the Blumont Share price on SGX during October 2013 (between 4 and 7 October last year Blumont's Share price as quoted on the SGX fell by 93.56%).

2.2 You will acquire a more liquid and tradeable investment

The Blumont Directors consider that Merlin Shares have low liquidity on the ASX which makes it difficult for Merlin Shareholders to sell their Merlin Shares on market. As an indication of the low liquidity of Merlin Shares available to Merlin Shareholders, during the 3 month period ending on the Last Practicable Date, a total of approximately 3.46 million Merlin Shares were traded on the ASX. This represents approximately 1.3% of the existing Merlin Shares on issue as at the Last Practicable Date.

In contrast, Blumont Shares are actively traded on the SGX. For example, over the three month period prior to the Last Practicable Date, a total of approximately 1.6 billion Blumont Shares were traded on the SGX, representing 62.5% of the Blumont Shares on issue at the Last Practicable Date.

Shares with low trading liquidity are more difficult to sell on market, particularly in a single transaction. Therefore, the Offer provides you with an opportunity to hold or trade in a stock which has much stronger levels of liquidity.

2.3 Retain an indirect exposure to Merlin's assets but achieve greater diversification

By accepting the Offer, former Merlin Shareholders will still have an interest in Merlin's assets. It is just that the interest will be indirect by virtue of holding Blumont Shares and Blumont holding the Merlin Shares.

You 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 whose projects include exploration for coking coal, thermal coal, uranium, base metals, diamonds and precious metals and, importantly, whose projects span several continents. Therefore, you will become a shareholder in a larger and more diversified company which intends to seek out and secure further additional investments, such as the potential acquisition of Genesis under the Genesis Takeover Bid which we opened on 24 March 2014. Further details regarding the Genesis Takeover Bid are contained in Section 12.12(b).

Please see Section 4 of this Bidder's Statement for full details on the Blumont Group's current assets and strategy.

2.4 You may benefit from Blumont's ability to raise financing

Blumont Directors consider it is likely that Blumont will be better able than Merlin on its own to raise financing on more favourable terms for Merlin's projects because:

(a) Blumont believes that it has greater access to Singapore capital markets and, by extension, a wider investor community in Asia which Blumont believes will make it easier to raise finance to develop Merlin's assets compared to Merlin seeking to do so alone;

(b) unlike Australia, there are limited opportunities for investors to invest in resources-listed stocks in South-East Asia, particularly Singapore; and

(c) Blumont is based in Singapore which is an international banking centre.

Blumont has demonstrated its ability to raise finance. Blumont has recently:

(a) entered into a US$30 million (approximately A$32 million) loan facility with Wintercrest; and

(b) completed an approximately S$43 million (approximately A$36.7 million) rights issue from its shareholders (of which S$40.9 million (approximately A$34.9 million) was utilised for the business expansion of the Blumont Group).

As at the Last Practicable Date, Blumont currently has approximately 2,583,006,879 shares on issue, giving it a market capitalisation of approximately S$87 million (approximately A$75 million), compared to Merlin, which has a market capitalisation of approximately A$19.6 million. Therefore, in respect of equity capital raisings, given the much larger market capitalisation of Blumont compared to Merlin, any fundraisings by Blumont is likely to be less dilutive to Merlin Shareholders who accept the Offer and hold Blumont Shares than it would be for Merlin Shareholders if Merlin conducted these capital raisings on its own. Further, the Blumont Board considers that the low levels of liquidity of Merlin Shares may be a disincentive for future institutional investors to invest in Merlin.

2.5 The Merlin Directors have indicated that they unanimously recommend the Offer in the absence of a Superior Proposal

The Merlin Board has indicated that it unanimously recommends the Offer, in the absence of a Superior Proposal. All Merlin Directors (at the Announcement Date) who own or control Merlin Shares have confirmed they will accept the Offer in respect of the Merlin Shares they own or control, in the absence of a Superior Proposal.

2.6 If the Offer becomes unconditional and Blumont acquires control of Merlin there are risks to remaining a minority shareholder in Merlin

If Blumont acquires an interest in more than 50% of Merlin Shares, remaining Merlin Shareholders will become minority shareholders in a listed subsidiary that the Blumont Board considers has historically low levels of liquidity in its shares. This is likely to result in Merlin Shares being less likely to be subject to a future takeover bid unless that bid is supported

by Blumont. In these circumstances it is likely that trading in Merlin Shares will become less liquid than it was prior to the Last Practicable Date.

2.7 No alternative proposal

Since the announcement of the Takeover Bid, no alternative proposal to acquire a controlling interest in Merlin has emerged. Given the time that has lapsed since the announcement of the Takeover Bid, Blumont does not consider it is likely that a competing proposal will be announced in the foreseeable future.

2.8 Capital gains tax roll-over relief

If, as a result of the Offer, Blumont becomes the holder of 80% or more of the Merlin Shares and Merlin Shareholders would otherwise have made a capital gain in respect of the disposal of their Merlin Shares under the Offer, some Merlin Shareholders may be entitled to capital gains tax scrip-for-scrip rollover relief. If applicable, no taxable gain will arise as a consequence of acceptance of the Offer. Please see Annexure C for further details as to the potential operation of the scrip-for-scrip rollover provisions.

3. INFORMATION ABOUT ACCEPTING THE OFFER

3.1 Overview

The table below sets out an overview of the options available to Eligible Shareholders to receive the Offer Consideration if they accept the Offer. Further details about each of the options can be found in this Section below. The information in this Section is not intended to be exhaustive and if any Merlin Shareholders are in any doubt they should contact the Blumont Offer Information Line or seek independent professional advice.

If you are an Ineligible Foreign Shareholder you can, of course, still accept the Offer. Please see Section 11.19 for the procedure that will apply following your acceptance of the Offer.

If you choose to accept the Offer Consideration in this way:	You will need to do this:	You will receive this:	Next steps:
Receive Blumont Shares in certificated form (by way of a physical share certificate)	Accept the Offer as set out below. You do not need to do anything further.	You will be sent a physical share certificate in the mail.	If you wish to trade your Blumont Shares, you will need to deposit your physical share certificate with CDP in order to credit the shares into your CDP Securities Account. Refer to Annexure A for further details about setting up a CDP Securities Account. You will also need to set up a trading account with an SGX Member Company that is linked to your CDP Securities Account and open a bank account with a bank that provides direct crediting services. Alternatively, if you do not wish to open a CDP Securities Account, you may appoint a broker who has a CDP Securities Account to trade your Blumont Shares on your behalf.
Elect to receive Blumont Shares through your CDP Securities Account in uncertificated form (electronically)	Accept the Offer as set out below. You must also provide Link with your CDP Securities Account details under the Acceptance Form.	Your Blumont Shares will be deposited electronically into your CDP Securities Account. You will not receive a physical share certificate. Blumont will allot and despatch, to CDP for the account of the Depositors who hold the Blumont Shares, one certificate for all the Blumont Shares.	You can trade your Blumont Shares through a trading account linked to your CDP Securities Account. You must also have a bank account opened with a bank that provides direct crediting services.
Elect to direct the	Accept the Offer as set	Your Blumont Shares will	You should contact your

Blumont Shares to be issued to your nominee's CDP Securities Account in uncertificated form (electronically)	out below. You or your nominee must also provide the nominee's CDP Securities Account details under the Acceptance Form.	be deposited electronically into the CDP Securities Account of your nominee as advised. You will not receive a physical share certificate. Blumont will allot and despatch, to CDP for the account of the Depositors who hold the Blumont Shares, one certificate for all the Blumont Shares.	nominee to deal with your Blumont Shares held in your nominee's CDP Securities Account.

3.2 How do I accept the Offer?

Your Merlin Shares are registered in an Issuer Sponsored Holding (your SRN begins with an "I")	To accept the Offer you must complete, sign and return the accompanying Acceptance Form in accordance with the instructions so that it is correctly completed and received at the address indicated on the Acceptance Form before the end of the Offer Period.
Your Merlin Shares are registered in a CHESS Holding (your HIN starts with an "X")	To accept the Offer you must either: ▪ instruct your Controlling Participant (usually your broker) to accept the Offer in sufficient time for your acceptance to be received in CHESS before the end of the Offer Period – please also email a copy of the completed and signed Acceptance Form to Link to provide the required CDP Securities Account Details if you want your Blumont Shares to be deposited into a CDP Securities Account; ▪ correctly complete, sign and send the accompanying Acceptance Form directly to your Controlling Participant in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf – please also email a copy of the completed and signed Acceptance Form to Link to provide the required CDP Securities Account Details if you want your Blumont Shares to be deposited into a CDP Securities Account; or ▪ correctly complete, sign and return the accompanying Acceptance Form in accordance with the instructions so that it is received at the address indicated on the Acceptance Form by the second last Business Day of the Offer Period. This will authorise Blumont to instruct your broker or Controlling Participant to initiate acceptance of the Offer on your behalf.
You are a Controlling Participant	Acceptance of the Offer must be initiated in accordance with the ASX Settlement Operating Rules before the end of the Offer Period. Controlling Participants are advised that there are two separate CHESS codes: ▪ accept the Offer; and ▪ accept the Offer and direct the Blumont Shares to be electronically deposited into a particular CDP Securities Account.

Please note that if you accept the Offer but do not make any other election in the Acceptance Form, you will receive a physical share certificate.

Also, if you do not provide CDP Securities Account details (whether your own or those of your nominee), or the details you provide do not match CDP's information, you will receive a physical share certificate. It is your responsibility to provide these details in a timely manner.

You should be aware that you will not be able to deal with or trade your Blumont Shares until you establish or nominate a CDP Securities Account into which your Blumont Shares are to be held. This can be done at any time after you receive the share certificate for your Blumont Shares.

3.3 If I accept the Offer, how will I receive my Blumont Shares?

If you accept the Offer, you can receive your Blumont Shares in one of the following ways:

(a) receive a physical share certificate;

(b) if you provide details of your CDP Securities Account, your Blumont Shares will be credited to your CDP Securities Account; or

(c) if you appoint or nominate a broker/nominee/custodian with a CDP Securities Account to which you would like your Blumont Shares to be issued, your Blumont Shares will be credited to that CDP Securities Account.

If you accept the Offer and are an Ineligible Foreign Shareholder, you will not be issued Blumont Shares but rather the Blumont Shares to which you would otherwise have been entitled will (together with those of all other Ineligible Foreign Shareholders who accept the Offer) be issued to the Foreign Sale Nominee and you will receive the net proceeds of the sale by cheque – please refer to Section 11.19 for further details.

3.4 Appointment of a nominee

If you do not have a CDP Securities Account in your own name, you may appoint a nominee broker to receive your Blumont Shares in your nominee broker's CDP Securities Account. Blumont will not be responsible to any Merlin Shareholder for any delay in issuing the Blumont Shares to the nominee broker's CDP Securities Account if incorrect or insufficient information has been provided.

Please note that if you elect to appoint a nominee to receive your Blumont Shares in a CDP Securities Account, you will be deemed to have provided additional warranties and indemnities in favour of Blumont and others as set out in Section 11.11.

This option may also be used if you are a nominee who holds Merlin Shares on behalf of another person (**UBO**) and, on instructions of the UBO, you wish to receive Blumont Shares into the CDP Securities Account of another person (for example, because you are not able, whether under the terms of your mandate or otherwise, to hold shares listed on a foreign exchange, such as Blumont Shares).

3.5 Trading your Blumont Shares

Please see Annexure A for further information about how you may deal with the Blumont Shares you receive under the Offer, including the process involved in setting up a CDP Securities Account.

4. BLUMONT GROUP'S ACTIVITIES

4.1 Introduction – current businesses and expanded focus on Mineral and Energy Resources Sector

The Offer is being made by Blumont. If you accept the Offer (and are not an Ineligible Foreign Shareholder) you will be issued Blumont Shares as your Offer Consideration.

The Blumont Group currently undertakes four key business activities as detailed in the table below.

Key business activity	Details of the Blumont Group's current businesses
Investment Holdings Business – Marketable securities other than those in the Mineral and Energy Resources Sector	The Blumont Group holds interests in transferable securities (other than those in the Mineral and Energy Resources Sector) including marketable shares, warrants and debentures. Further details of these interests are included in Section 4.8.
Mineral and Energy Resources	The Blumont Group holds equity investments in various companies which operate in the Mineral and Energy Resources Sector. Further details of these interests are included in Section 4.6.
Sterilisation Services Business	The Blumont Group provides contract sterilisation and polymerisation services for food packaging, pharmaceuticals (such as medical devices), cosmetic raw materials and consumer products. It also owns the first and only commercial gamma irradiation facility in Jakarta, Indonesia. Further details of this business are included in Section 4.7.
Property Business	The Blumont Group undertakes the development of properties for sale and the long-term holding of properties for rent and property-related income. Further details of this business are included in Section 4.9.

Blumont proposes to seek the approval of Blumont Shareholders to add the Mineral and Energy Resources Sector as an additional "core business" activity of Blumont. The approval is required under the Listing Manual of the SGX and will permit the Blumont Group to make further significant investments in the Mineral and Energy Resources Sector without obtaining Blumont Shareholder approval for each individual acquisition going forward. If that approval is obtained, the Blumont Group intends to increase its focus and future intended business activities on the Mineral and Energy Resources Sector as further detailed in Section 4.3. If that approval is not obtained, this Takeover Bid of Merlin can proceed (as this particular Blumont Shareholder approval is not a Condition of this Takeover Bid) subject to the Conditions of the Offer (as set out in Section 11.5). Further, if that approval is not obtained the Genesis Takeover Bid can still proceed as that approval is not a condition of the Genesis Takeover Bid, subject to the satisfaction of the other conditions of the Genesis Takeover Bid as detailed in Blumont's bidder's statement for that takeover released to the ASX and the SGX on 21 March 2014.

Importantly, the Blumont Group remains committed to continuing its existing businesses of sterilisation services, property and investments in marketable securities for as long as they remain viable. The expanded focus on the Mineral and Energy Resources Sector is intended to be an expansion of the Blumont Group's core businesses, rather than a diminution or closure of the existing Sterilisation Services Business, Property Business or Investment Holdings Business.

4.2 Contribution of each of the current business units to the Blumont Group's overall current operations

The contribution of each of the above business units to the Blumont Group for the financial year ended 31 December 2013 is detailed in the table below (which is based on the audited consolidated financial statements of the Blumont Group).

Based on the latest audited consolidated financial statements of the Blumont Group as announced on SGXNET by Blumont on 31 March 2014, the value of the Blumont Group's assets in its Investment Holdings Business decreased by approximately

S$120 million (approximately A$102 million) to approximately S$16.7 million (approximately A$14.3 million) during the last calendar quarter of 2013. These reported losses arose from the mark-to-market adjustment of the value of these assets at fair value revaluations based on market bid prices of the quoted securities. The Blumont Board notes that the value of these assets is determined by market prices which may continue to fluctuate.

Business Segment	Assets (31/12/2013)		Revenue (financial year to 31/12/2013)		Profit/loss before income tax (financial year to 31/12/2013)	
	A$ '000s (approx)	%	A$ '000s (approx)	%	A$ '000s (approx)	%
Sterilisation Services Business	A$3,712	4.95%	A$2,178	70.8%	A$827	(1.19)%
Property Business	A$8,267	11.03%	A$900	29.2%	A$(273)	0.39%
Investment Holdings Business – Marketable securities	A$14,272	19.04%	-	-	A$(58,193)	83.9%
Mineral and Energy Resources Sector	A$48,621	64.88%	-	-	A$(11,709)	16.9%
Others	A$74	0.10%	-	-	-	-
Total	**A$74,946**	**100%**	**A$3,078**	**100%**	**A$(69,348)**	**100%**

As set out above, to date, the Blumont Group has not received any revenue from its investments in the Mineral and Energy Resources Sector and does not expect to receive any revenue from these investments in the short term due to the fact that most of the companies in which those investments are made are exploration rather than producing companies.

As detailed above, the Blumont Group remains committed to continuing its existing businesses for as long as they remain viable. Nevertheless, the Blumont Board will undertake regular reviews and evaluations of the Blumont Group's existing businesses to determine the viability of maintaining those businesses. If, following any review and evaluation, the Blumont Board determines that any existing business is no longer viable, the Blumont Group may decide to dispose of its interests in that existing business in compliance with the rules of the SGX.

4.3 Proposed addition of Mineral and Energy Resources Sector as a core business activity

Since late 2012, the Blumont Group has embarked on a strategy to acquire and hold multiple and diversified mineral and energy resources assets and has actively acquired investment opportunities in the Mineral and Energy Resources Sector.

In order to continue to do so, Blumont Shareholders must approve the Mineral and Energy Resources Sector as an additional "core business" activity of Blumont. Please see Section 4.1 for specific details as to why that approval is required.

If that approval is obtained at the meeting of Blumont Shareholders, the Blumont Group intends to undertake the following:

(a) exploration, exploitation, development and production of mineral and energy resources – this will involve the Blumont Group becoming directly involved in the management of businesses which undertake these activities. This may include members of the Blumont Group undertaking physical exploration and/or exploitation, project planning and development, providing funding and providing management, technical and administrative services; and

(b) investing in the Mineral and Energy Resources Sector – this will involve the Blumont Group investing (including through partnerships and joint ventures) in selected projects and companies which are in the early stages of

defining, developing and/or producing mineral and/or energy resources assets. The investments may be significant minority or majority interests.

(c) If that approval is not obtained future acquisitions in the Mineral and Energy Resources Sector will not be in the ordinary course of business of Blumont and may be deemed to change the existing risk profile of Blumont. Accordingly, Blumont Shareholder approval will likely have to be obtained for every acquisition under the rules of the Listing Manual of the SGX (on which Blumont Shares are listed).

(d) The Blumont Group does not intend for the Mineral and Energy Resources Sector to be restricted to any geographical area.

4.4 The rationale for the proposed expansion in the Mineral and Energy Resources Sector

The Blumont Group proposes to expand its focus on the Mineral and Energy Resources Sector for the following reasons:

(a) diversification - as part of its business development strategy, Blumont continually aims to provide Blumont Shareholders with diversified returns. It intends to continue searching for business opportunities in sectors with good prospects for long term growth to broaden the Blumont Group's revenue stream; and

(b) potential in the growing Mineral and Energy Resources Sector - Blumont has identified the Mineral and Energy Resources Sector as a business activity which will provide the Blumont Group with expected sustainable and long term prospects of profitability and growth. The rising global population and the increasing industrialisation and urbanisation, and rising income levels in emerging economies (particularly in Asia), are expected to continue to fuel demand for mineral and energy resources in the foreseeable future.

4.5 The Blumont Group's ongoing acquisition program

On 24 March 2014, we opened our conditional takeover bid for Genesis, which is currently scheduled to be open until 24 September 2014. Genesis' main exploration focus is a copper-gold project at Plavica within the Republic of Macedonia. The Plavica Project lies within Carpathian Volcanic Arc, a major epithermal province running through Eastern Europe, which is prospective for gold, copper and silver mineralisation. Just like our Takeover Bid for Merlin, we are excited about the opportunity to acquire Genesis and its projects. Further details regarding the Genesis Takeover Bid are contained in Section 12.12(b).

The Blumont Group's strategy is to selectively acquire interests (including non-controlling interests) in companies or projects with scalable resources in advanced stage development or promising production that may be rapidly enhanced. This generally reduces the time that would otherwise be required to identify potential sites, apply for the necessary permits, engage professionals to carry out initial exploration works and also reduces the speculative risk of exploring multiple sites and ascertaining economic recoverable resources.

The Blumont Group selects and vets its potential acquisitions based on a review and analysis of the following criteria (please note that these are not in any specific order of priority as this will be assessed on a transaction-by-transaction basis):

(a) current production profile;

(b) the possible consolidation of projects that are geographically proximate to each other;

(c) existing life;

(d) existing valuations vis-à-vis its share price or market capitalisation;

(e) declared mineral resources and ore reserves (prepared by suitable competent persons);

(f) project financing availability; and

(g) existing definitive feasibility studies.

Blumont is currently conducting reviews of certain projects and companies, but, as at the Last Practicable Date, each of these is a confidential and an incomplete proposal or in the preliminary stages only.

4.6 Details of the Blumont Group's Mineral and Energy Resources Sector assets

(a) **Overview**

Specific details of the Blumont Group's investments and acquisitions in the Mineral and Energy Resources Sector are included in the table below. Other than as set out below, the Blumont Group has no present intention, or obligation, to invest or advance any further funding to any of the entities listed below.

Entity	Current share-holding	Total equity investment amount (A$) (approx)	Amount of equity invested (A$) (approx)	Amount remaining to be invested in equity (A$) (approx)	Amount of convertible notes and loans advanced (A$) (approx)	Amount remaining to be advanced in convertible notes and loans (A$) (approx)
Merlin Diamonds Limited	6.12%	A$1,950,000	A$1,200,000	A$750,000	-	-
Celsius Coal Limited	11.30%	A$5,000,000	A$5,000,000	Nil	A$3,500,000	A$1,500,000
Cokal Limited	12.75%	A$9,609,125	A$9,609,125	Nil	A$3,213,651	A$1,067,805*
Powerlite Ventures Limited	100%	A$8,408,969	A$8,408,969	Nil	A$16,397,806*	A$11,532,301*
Kidman Resources Limited	9.83%	A$2,599,000	A$2,599,000	Nil	-	-
Blumont Copper Pte Ltd	85%	A$907,635	A$907,635	A$907,544	-	-
Discovery Metals Limited	11.56%	A$7,765,756	A$7,765,756	Nil	-	-
Total		**A$36,240,485**	**A$35,490,485**	**A$1,657,544**	**A$23,111,457**	**A$14,100,106**

** The remaining amounts required to be advanced under these arrangements are subject to certain conditions being met or at the discretion of Blumont. Please refer to Sections 12.12(g) and 12.12(h) for further information.*

(b) **Investment in Merlin and Takeover Bid for the remaining interests in Merlin**

Blumont has:

(i) acquired a 6.12% interest (being 16,000,000 shares) in Merlin for A$1.2 million and has a right under the Merlin Subscription Agreement to increase its holding to 26 million new Merlin Shares (for a total consideration of A$1.95 million) which would increase Blumont's interest to 9.94% (based on Merlin's share capital at the Last Practicable Date). Blumont intends to discuss with Merlin the timing of the issue of the remaining Merlin Shares under the Merlin Subscription Agreement; and

(ii) under this Bidder's Statement, is making a conditional Takeover Bid for the remaining Merlin Shares.

Further information about Merlin is included in Section 7. Please see Section 12.1 for a summary of the material terms of the Implementation Deed which Blumont and Merlin have signed in respect of the Takeover Bid and Section 12.12(a) for a summary of the material terms of the Merlin Subscription Agreement Blumont and Merlin have entered into in respect of the subscription detailed in Section 4.6(b)(i).

(c) **Investment in Celsius Coal Limited**

Celsius Coal Limited (ABN 95 009 162 949) (**Celsius**) is a company incorporated in Australia and its shares are listed on the ASX (ASX Code: CLA).

Blumont currently holds an 11.30% interest in Celsius (being 227,272,727 Celsius shares). These shares were acquired for A$5 million in March 2013. Blumont has also entered into a convertible note deed with Celsius under which Blumont has agreed to subscribe for a convertible note facility from Celsius for up to A$5 million. As at the Last Practicable Date, A$3.5 million of convertible notes have been issued. Each note is convertible into Celsius shares provided that Blumont's interest in Celsius remains below 20%. Please see Section 12.12(i) for further details of the material terms of the convertible note deed.

Celsius is a metallurgical coal explorer with coking and thermal coal deposits in the Kyrgyz Republic. Celsius is currently at the exploration and project planning stage and has an 80% interest in the flagship Uzgen Basin Coking Coal Project (**Uzgen Project**). Celsius's physical exploration programme at the Uzgen Project has been completed.

(d) **Investment in Cokal Limited**

Cokal Limited (ABN 55 082 541 437) (**Cokal**) is a company incorporated in Australia and its shares are listed on the ASX (ASX Code: CKA). The principal activity of Cokal is coal exploration.

Blumont currently holds a 12.75% interest in Cokal (being 60,057,034 Cokal shares). These shares were acquired for approximately A$9.6 million in five tranches in 2013. Blumont has also entered into a facility agreement with Cokal under which Blumont may advance up to US$8 million (approximately A$8.5 million) to Cokal (**Loan Amount**) (only US$4 million is required to be advanced under this agreement, the remaining US$4 million is at Blumont's discretion). As at the Last Practicable Date, the Loan Amount has been drawn down up to US$3 million (approximately A$3 million). Blumont has taken security over certain Cokal assets to secure the loan. Please see Section 12.12(h) for further details of the material terms of the loan agreement.

Cokal has interests in coal exploration tenements predominantly in Indonesia and also in Tanzania. Its flagship project is its 60% interest in the Bumi Barito Mineral project (**BBM Project**). The BBM Project is located at Upper Barito Coal Basin in Indonesia and is currently in the exploration and project planning stage.

(e) **Investment in Powerlite Ventures Limited**

Powerlite Ventures Limited (**Powerlite**) is a company incorporated in the British Virgin Islands which was acquired by Blumont in July 2013 for approximately US$7.875 million (approximately A$8.409 million). Powerlite's principal asset is its holding of 14.68% of Azarga Resources Limited (**Azarga**) (which is a company incorporated in the British Virgin Islands).

Powerlite has entered into a convertible note deed with Azarga under which it has agreed to make available to Azarga a facility of up to US$26 million (approximately A$28 million). In due course assuming that all convertible notes are issued and subject to the Powertech Transaction (see below for further details), the convertible notes will be converted into ordinary shares in Azarga which, based on the current issued capital of Azarga, would increase Powerlite's interest to 49.18%. As at the Last Practicable Date, approximately US$15.2 million of convertible notes have been issued (approximately A$16 million). Please see Section 12.12(g) for further details of the material terms of the convertible note deed.

On 26 February 2014, Powertech Uranium Corp (which is listed on the Toronto Stock Exchange, TSX Code: PWE) (**Powertech**) announced that it entered into a share purchase agreement with Azarga under which Powertech will acquire the entire issued capital in Azarga in exchange for 3.65 Powertech shares per share in Azarga (**Powertech Transaction**). The Powertech Transaction is subject to the receipt of regulatory and shareholder approvals and is scheduled to complete on or around 31 July 2014. If the Powertech Transaction is successful and Powertech acquires all shares in Azarga, Blumont (through its wholly owned subsidiary, Powerlite) will end up holding approximately 11% of Powertech which will in turn own Azarga. In this case, the outstanding convertible notes held or able to be subscribed for by Blumont (through its wholly owned subsidiary, Powerlite) would convert into convertible notes in Powertech at a conversion price of approximately C$0.15 per Powertech share.

Azarga is a major Asia-based uranium development and investment company, which has interests in uranium assets in the USA and the Kyrgyz Republic. Its interests include:

(i) a 21.35% interest in Black Range Minerals Limited (which is a company that is listed on the ASX), which is engaged in the development of Colorado uranium properties and holds uranium and coal projects in the USA;

(ii) an 80% interest in UrAsia in Kyrgyzstan LLC, which has uranium interests in the north of the Kyrgyz Republic;

(iii) a 45.11% interest in Powertech, which is listed on the Toronto Stock Exchange and is a Vancouver-based mineral exploration and development company with interests in South Dakota, Wyoming and Colorado;

(iv) a 60% interest in the Centennial uranium deposit in Colorado; and

(v) a 15.14% interest in Anatolia Energy Limited, which is listed on the ASX (ASX Code: AEK) and is a uranium exploration company holding a portfolio of exploration licenses in the Republic of Turkey.

As detailed above, please note that Blumont's interest in the above companies is only indirect (as the above interests are held by Azarga in which Blumont holds a 14.68% interest).

(f) **Investment in Kidman Resources Limited**

Kidman Resources Limited (ABN 88 143 526 096) (**Kidman**) is a company incorporated in Australia whose shares are listed on the ASX (ASX Code: KDR). Blumont currently holds a 9.83% interest in Kidman (being 11,300,000 Kidman shares). These shares were acquired for approximately A$2.6 million in August 2013.

Kidman has copper-silver-lead-zinc assets in Australia. Kidman's flagship project is its 100% owned Home of Bullion Project. Kidman is currently in the exploration stage.

(g) **Investment in Blumont Copper Pte. Ltd.**

Blumont currently holds an 85% interest in Blumont Copper Pte Ltd, a company incorporated in the Republic of Singapore. The remaining 15% is held by five investors (**Blumont Copper Investors**).

The principal activities of Blumont Copper are investment holdings and copper mining. Under a 'Joint Venture Agreement' between Blumont, the Blumont Copper Investors and another party, Blumont Copper was established to undertake the joint evaluation of and potential investment in minerals and resource projects, specifically in the copper sector. Through the joint venture Blumont intends to further its plans in the global copper industry. Please see Section 12.12(f) for further details of this joint venture agreement.

Blumont Copper has an 11.56% interest in Discovery Metals (being 64,714,633 shares in Discovery Metals). These shares were acquired in September 2013 for approximately A$7.8 million (which were provided pursuant to a loan from Blumont to Blumont Copper). Discovery Metals is a company incorporated in Australia and dual listed on the ASX (ASX Code: DML) and Botswana Stock Exchange (BSE Code: DML). Discovery Metals is a copper exploration and production company. It is focused on the emerging Kalahari Copper belt in north-west Botswana and is a copper producer with its 100% owned Boseto Copper Project.

Blumont has, as at the Last Practicable Date, granted to Wintercrest security over several of its current investments in the Mineral and Energy Resources Sector as security for the repayment of all amounts owing to Wintercrest under the Wintercrest Facility Agreement. Please see Section 12.12(d) for further details of the security granted by Blumont over several of its interests in the Mineral and Energy Resources Sector.

4.7 Details of the Blumont Group's existing Sterilisation Services Business

Blumont's Sterilisation Services Business is conducted through its subsidiary, PT. Rel-ion Sterilization Services (**Rel-ion**) in which Blumont has a 55% interest with the remainder being held by unrelated parties. Rel-ion runs Indonesia's leading commercial gamma irradiator facility which delivers sterilisation / gamma irradiation services for the purposes of decontamination, sterilisation and polymerisation.

Commissioned in 1992, the 3,360m^2 facility is located in the strategic industrial zone in Cibitung area, Bekasi, West Java, Indonesia, about 24 kilometres east of the capital Jakarta.

Gamma irradiation is used on agriculture, seafood, fruits, pharmaceutical and medical products, cosmetic items and food packaging. It is used to eliminate pathogenic bacteria contamination which leads to prolonged shelf life and improves quality, hygiene and safety. Rel-ion provides sterilisation services to a variety of customers and is not reliant on individual key customer contracts.

Please see Section 4.2 for details of the financial contribution of the Sterilisation Services Business to the current financial performance of the Blumont Group.

4.8 Details of the Blumont Group's Investment Holdings Business (investments in marketable securities not in the Mineral and Energy Resources Sector)

Blumont itself, and through its wholly owned subsidiary, G1 Investments, has interests in transferable securities, including marketable shares and warrants, primarily listed on the Singapore Exchange and Bursa Malaysia. These assets are held for a combination of long term investments and short term trading.

Based on the latest audited consolidated financial statements of the Blumont Group as announced on SGXNET by Blumont on 31 March 2014, the value of these assets decreased by S$120 million (approximately A$102 million) to S$16.7 million (approximately A$14.3 million) during the last calendar quarter of 2013. These reported losses arose from the mark-to-market adjustment of the value of these assets at fair value revaluations based on market bid prices of the quoted securities. The Blumont Board notes that the value of these assets is determined by market prices which may continue to fluctuate.

4.9 Details of the Blumont Group's existing Property Business

Blumont has various property investments in Malaysia through its subsidiaries Gemisuria Corporation Sdn Bhd (wholly owned by the Blumont Group), Trackplus Sdn Bhd (65% owned by the Blumont Group) and Raintree Rock Sdn. Bhd (wholly owned by the Blumont Group). In Malaysia, it owns residential units in various premium property developments in Kuala Lumpur and land for commercial and residential development.

Blumont has, through its wholly owned subsidiary Gemisuria Corporation Sdn Bhd, completed the development of 66 units comprised of residential units and shop lots for sale in Kota Kinabalu, Malaysia, which was the first completed development project for the Blumont Group. Blumont (through its wholly owned subsidiary Phelago Holdings Pte. Ltd.) has also acquired 37 units of land for residential development/sales in Pierce County, Washington, USA and has now sold all of these units.

Currently, Blumont (through its 65% owned subsidiary Trackplus Sdn Bhd) owns property in Shah Alam, Malaysia, which is intended to be used for a development project in the future. Blumont is at a preliminary stage in seeking planning approval. Blumont (through its wholly owned subsidiary Raintree Rock Sdn Bhd) also owns premium residential properties/condominiums for sale and for lease in Kuala Lumpur, Malaysia.

Please see Section 4.2 for details of the financial contribution of the Property Business to the current financial performance of the Blumont Group.

4.10 Funding of the Blumont Group's projects and interests

The Blumont Group currently funds its businesses through a combination of internal sources and borrowings. The Blumont Board will determine the optimal mix of internal and external funding (taking into account the cash flows of the Blumont Group and prevailing bank borrowing costs). In addition, Blumont may consider equity capital raisings when deemed appropriate.

On 24 December 2013, Blumont entered into a facility agreement (**Wintercrest Facility Agreement**) with Wintercrest under which Wintercrest will make available a loan facility of up to US$30 million (approximately A$32 million) (**Wintercrest Facility**) to Blumont. Assuming that the Wintercrest Facility is fully drawn down, and after taking into account related fees and interest expenses of approximately US$5.05 million (approximately A$5.39 million), Blumont intends that approximately US$21.8 million (approximately A$23.28 million) and US$3.15 million (approximately A$3.36 million) of the aggregate loans under the Wintercrest Facility will be utilised for investments and working capital respectively. As at the

Last Practicable Date, US$13.5 million (approximately A$14.41 million) has been drawn down. Any drawdown is at Wintercrest's discretion under the Wintercrest Facility Agreement. The loan must be repaid by 23 June 2014 (at which time Blumont will consider its options, which may include but not be limited to refinancing the loan). Members of the Blumont Group have, as at the Last Practicable Date, provided security in favour of Wintercrest, over several of Blumont's current interests in the Mineral and Energy Resources Sector (as detailed in Section 12.12(d)).

The Wintercrest Facility also included a condition precedent that Wintercrest and Blumont enter into a 'Bond Subscription Agreement' under which Wintercrest would subscribe for convertible bonds in Blumont up to an amount of US$70 million (approximately A$74.75 million). Wintercrest agreed to waive this condition precedent in respect of all amounts already drawn down by Blumont under the Wintercrest Facility. However, Wintercrest may require this to be satisfied in respect of future draw downs under the Wintercrest Facility, in which case Wintercrest and Blumont will seek to negotiate the terms of issue of those bonds and funding for Blumont.

In terms of revenue from existing operations, for the year ended 31 December 2013 (and based on the audited consolidated financial statements of the Blumont Group), the Blumont Group's existing business contributed S$3.6 million (approximately A$3.08 million) of revenue. The Sterilisation Services Business remains the largest contributor to revenue accounting for 71% of total revenue (or approximately S$2.55 million, approximately A$2.18 million), followed by the Property Business which contributed 29% of total revenue (or approximately S$1.05 million, approximately A$0.9 million) although it did not contribute any revenue during the three months until 31 December 2013. The Blumont Group has not received any revenue from its investments in the Mineral and Energy Resources Sector to date.

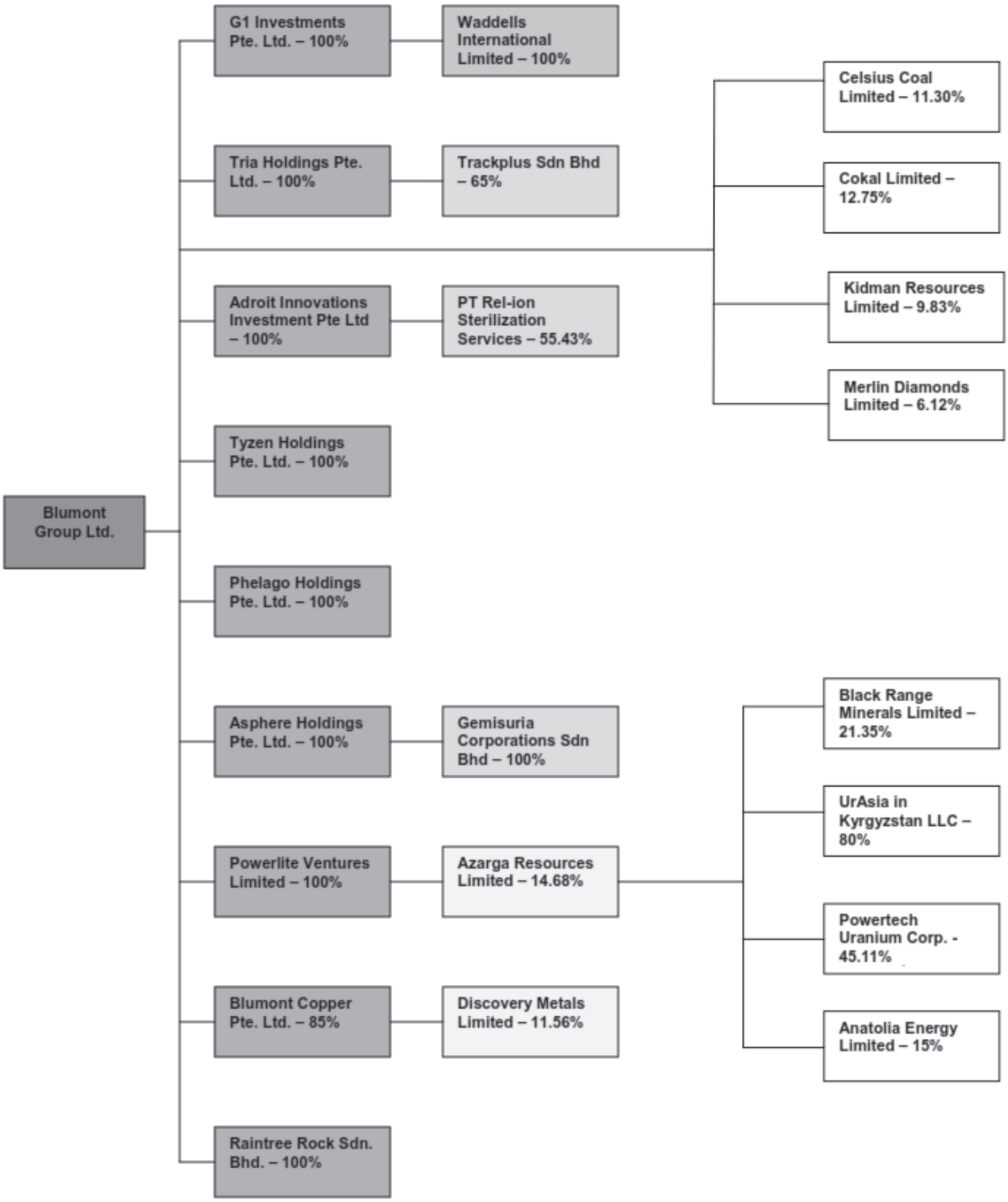
The Blumont Group anticipates requiring additional funds for the purposes of advancing the Blumont Group's businesses in the Mineral and Energy Resources Sector. Until such time that those businesses achieve an aggregate cash generative status, Blumont intends to utilise the funds raised by the Wintercrest Facility for the purpose of funding the Blumont Group's activities. Specifically, Blumont is required to invest an additional aggregate amount of A$17.61million in its existing investments in the Mineral and Energy Resources Sector as referred to in the table in Section 4.6(a), which Blumont intends to fund through the remaining amounts available for draw down under the Wintercrest Facility.

Blumont will require additional funds to advance each of Merlin's projects and Genesis' projects should each of the Offer and Genesis Takeover Bid become unconditional and Blumont respectively controls Merlin and Genesis. Blumont does not intend to fund either of Merlin's ongoing operations and projects, or Genesis' ongoing operations and projects, from Blumont's existing reserves or financing facilities.

5. BLUMONT CORPORATE INFORMATION

5.1 Blumont corporate structure

The graph below provides details of the members of the Blumont Group.



Merlin Shareholders should note that Blumont expects to increase its interest in some of the above companies. Please see Section 4.6 for further details of these further potential acquisitions.

5.2 Share Structure

As at the Last Practicable Date, Blumont had 2,583,006,879 ordinary shares on issue. The market capitalisation of Blumont, as at the Last Practicable Date, is approximately S$87 million (approximately A$75 million).

If the Offer is accepted by all Merlin Shareholders and assuming all the Merlin Options are exercised and all Merlin Shares are issued under the Merlin Approved Placements, the maximum number of Blumont Shares that will be issued under the Offer will be 1,792,276,980 which, at the Last Practicable Date, constitutes approximately 69.4% of the existing share capital of Blumont. On a fully diluted basis, assuming the exercise of all Merlin Options and all Merlin Shares are issued under the Merlin Approved Placements, the maximum number of Blumont Shares issued under the Offer will, at the Last Practicable Date, constitute approximately 41% of the enlarged share capital of Blumont following the issue of Blumont Shares under the Offer.

5.3 Board of Directors

The current members of the Blumont Board are detailed in the table below.

Mr Neo Kim Hock, Executive Chairman	Mr Neo Kim Hock is, and has been, the Chairman of the Board of Directors since 3 November 2003 and was redesignated as Executive Chairman on 14 November 2007. He is also a director of several private companies. He has been practising as a Licensed Land Surveyor in Peninsular Malaysia for more than 20 years. He is also involved in housing developments in Malaysia. Mr Neo graduated with a Bachelor of Applied Science (Surveying) degree from the Royal Melbourne Institute of Technology. Please see Section 9 providing details regarding a request from the CAD to access to, amongst others, all corporate electronic data from 1 January 2011 to-date, information technology equipment and data storage devices (if any) belonging to Mr Neo.
Mr James Hong Gee Ho, Executive Director	Mr James Hong Gee Ho was appointed as a Blumont Director on 24 November 2003. He is on the board of several private companies. He has had wide experience in strategic investments and business development in South East Asia and China. Mr Hong holds a Bachelor of Arts in Political Science and Economics degree from the National University of Singapore. As detailed in Section 9, Mr Hong has been requested to assist the CAD in its investigations into a possible infringement under the Securities and Futures Act. Mr Hong has indicated that he will cooperate fully with CAD in its investigations. The CAD has also requested access to, amongst others, all corporate electronic data from 1 January 2011 to-date, information technology equipment and data storage devices (if any) belonging to Mr Hong.
Mr Goh Boon Kok, Lead Independent Director	Mr Goh Boon Kok was appointed as a Blumont Director on 3 January 2006 and was appointed as Lead Independent Director since 14 November 2007. He is the Chairman of the Audit Committee and was recently re-designated as Chairman of the Nominating Committee. He has more than 10 years of working experience in both the public and private sectors. He is a Chartered Accountant (Singapore) and currently runs his own practice, Messrs Goh Boon Kok & Co. He is also a member of Chartered Institute of Management Accountants (UK) and Chartered Institute of Secretaries & Administrators. Mr Goh holds a Bachelor of Accountancy degree from the University of Singapore. Mr Goh is also an independent director in Super Group Ltd, Pan Asian Holdings Limited, GDS Global Limited and Magnus Energy Group Ltd, which are all SGX listed companies.
Mr Calvin Lim Huan Kim, Independent Director	Mr Calvin Lim Huan Kim was appointed as a Blumont Director on 15 March 2004. He is the Chairman of the Remuneration Committee. He has been the Managing Director for more than 10 years of a major European company dealing in specialty chemicals. Mr Lim graduated with a Bachelor of Science in Chemical Engineering from the California

	State University Pomona.
Mr Ng Kim Huatt, Independent Director	Mr Ng Kim Huatt was appointed as a Blumont Director on 23 April 2014. He is a member of the Audit Committee, Remuneration Committee and the Nominating Committee. Mr Ng has substantial experience in the private sector. He is currently the Deputy Chief Executive Officer of a private Malaysian company in the property, construction and oil and gas sectors. He has held a number of senior roles, including as director of Spencon Development Company, a subsidiary of Spencon International Ltd, and as General Manager (Head of Malaysian Operations) of MCL Land Ltd, a subsidiary of Jardine Cycle and Carriage Limited, a company listed on the SGX. Mr Ng holds a Bachelors Degree in Civil Engineering from the University of Canterbury, New Zealand.

5.4 Proposed further appointments to the Blumont Board

Blumont is constructively reviewing the composition of the Blumont Board and considering inviting directors with relevant experience and qualifications in the Mineral and Energy Resources Sector, especially independent director(s), to join the Blumont Board.

5.5 Technical team/senior management

The profiles of some of Blumont's senior management team are set out below.

Mr Neo Kim Hock, Executive Chairman	Please see Section 5.3 for a biography of Mr Neo Kim Hock.
Mr James Hong Gee Ho, Executive Director	Please see Section 5.3 for a biography of Mr James Hong Gee Ho.
Mr Tony Lim Fong Chung, Director of Gemisuria Corporation Sdn Bhd	Director of Gemisuria Corporation Sdn Bhd (which is a wholly owned subsidiary of Blumont). Mr Tony Lim is responsible for the overall operational aspects and day-to-day management of Gemisuria Corporation Sdn Bhd, which is involved in property development. He holds a degree in Accountancy from Macquarie University, Australia and has more than 20 years working experience in the property development industry in Australia and Malaysia.
Mr Yusman SH, Managing Director of PT. Rel-ion Sterilization Services	Managing Director of PT. Rel-ion Sterilization Services (which is a controlled but not wholly owned entity of Blumont). Mr Yusman is responsible for the overall operational aspects and day-to-day management of PT. Rel-ion Sterilization Services. He holds a law degree from the University of Tanjungpura, West Kalimantan, Indonesia.

In addition, Blumont has engaged the following key adviser:

Mr Alexander Alan Molyneux	On 7 October 2013, Blumont appointed Mr Alexander Alan Molyneux as Chairman designate of Blumont. Mr Molyneux's appointment as Chairman was conditional on completion of an acquisition of Blumont Shares, however, Mr Molyneux has notified Blumont that he does not intend to proceed with the acquisition. Mr Molyneux remains as a consultant and key adviser to the board of directors of Blumont and its Nominating Committee will consider the latest developments and seek to meet up with Mr Molyneux to make a decision regarding his position as Chairman-designate, as soon as possible. A veteran in the Mineral and Energy Resources Sector, Mr Molyneux will bring his wealth of experience to lead the Blumont Group's expansion into the Mineral and Energy Resources

	Sector. Mr Molyneux, based in Hong Kong, is a leader in Asia's natural resources industry. He is a key stakeholder and Chairman of Celsius and Azarga (see Section 4.6 for more details on these companies). Mr Molyneux also serves on the Boards of Ivanhoe Energy Inc (TSX: IE, NASDAQ: IVAN) and Goldrock Mines Corp (TSX-V: GRM). From April 2009 to September 2012, Mr Molyneux served as President, Chief Executive Officer and director of SouthGobi Resources Limited (**SouthGobi**) (HKEX: 1878, TSX: SGQ). Before SouthGobi, Mr Molyneux was Managing Director, Head of Metals and Mining Investment Banking, Asia Pacific, with Citigroup. In his position as a specialist resources investment banker, he spent approximately 10 years providing advice and investment banking services to mining and industrial corporations, advising on public offerings, mergers and acquisitions, bond and debt offerings totalling several billion dollars. He joined Citigroup from UBS in early-2007, where he had held a similar position.

In the future, Blumont may establish project management team(s) to be led by Blumont's executive directors to support and oversee the development and management of the companies or projects within the Mineral and Energy Resources Sector in which the Blumont Group invests. Blumont may also engage any additional manpower with suitable expertise and experience as and when required to assist the project management team(s). The Blumont Board is of the view that such experience and expertise can be progressively acquired and developed by the Blumont Group over time as it grows its businesses in the Mineral and Energy Resources Sector. The Blumont Group will evaluate the manpower and expertise required to carry out its businesses in the Mineral and Energy Resources Sector and will hire suitably qualified staff, external consultants and professionals with the necessary expertise and experience as and when required.

5.6 Blumont Directors' interests as at the Last Practicable Date

Name of Director	Direct Shares	Interest %	Deemed Shares	Interest %
Mr Neo Kim Hock, Executive Chairman	125,548	0.005%	183,164,819	7.091%
Mr James Hong Gee Ho, Executive Director	-	-	2,500,000	0.097%
Mr Goh Boon Kok, Lead Independent Director	-	-	4,500,000	0.174%
Mr Calvin Lim Huan Kim, Independent Director	1,700,000	0.066%	-	-

5.7 Substantial shareholders in Blumont

As at the Last Practicable Date, the substantial shareholders in Blumont are listed in the table below.

Name of Shareholder	Direct Shares	Interest (%)	Deemed Shares	Interest (%)
Mr Goh Seh Kiat	301,428,208	11.67%	589,000	0.023%
Ipco International Limited	190,230,802	7.36%	61,350,000	2.38%
Clear Water Developments Sdn Bhd	-	-	180,000,000	6.97%
Mr Neo Kim Hock, Executive Chairman	125,548	0.005%	183,164,819	7.091%

5.8 Corporate Governance

Blumont is committed to maintaining a high standard of corporate governance. It recognises the importance of practising good corporate governance as a fundamental part of its responsibilities to enhance shareholder value and the financial performance of the Blumont Group. As Blumont is listed on the SGX, it is required to report annually on its compliance with the Singapore Code of Corporate Governance (**Code**). The Code was first issued in March 2001 and a revised Code was

issued in July 2005. The Monetary Authority of Singapore issued a revised Code in May 2012 (**2012 Code**). The 2012 Code supersedes and replaces the Code that was issued in July 2005 and will take effect in respect of annual reports relating to financial years commencing from 1 November 2012.

The Code is benchmarked to international standards and designed to serve as a guide for companies to meet stakeholders' expectations of governance standards. Singapore adopts a 'comply-or-explain' approach towards the Code. Although compliance with the 2012 Code is not mandatory, companies listed on the SGX are required to disclose their corporate governance practices and give explanations for deviations from the Code in their annual reports. Principles of the Code and 2012 Code include having a strong and independent element on the board of directors, adopting transparent procedures and maintaining sound systems of risk management and internal controls to safeguard shareholders' interests and the company's assets.

Blumont has the following committees (which consist entirely of independent non-executive directors):

(a) an audit committee;

(b) a remuneration committee; and

(c) a nominating committee.

Blumont notes that, for a period up to 23 April 2014, its Audit Committee had two members which was less than the minimum number of three independent directors as required under the SGX Listing Manual. Under Rule 704(8) of the Listing Manual and section 201B(4) of the Companies Act, Blumont was required to appoint a replacement independent director to its Audit Committee by 17 February 2014. Blumont appointed Mr Ng Kim Huatt as an independent director and Audit Committee member on 23 April 2014.

In addition, as noted in Sections 5.3 and 9, Mr James Hong Gee Ho, an executive director of Blumont, has been requested to assist the CAD in its investigations into a possible infringement under the Securities and Futures Act. In the event that Mr Hong is unable to carry out his duties as an Executive Director as a result of his assisting with the CAD's investigations, the SGX-ST may require Blumont to appoint additional Executive Directors, failing which Blumont may be subject to certain sanctions, including the suspension of trading in Blumont Shares on the SGX-ST.

Blumont provides a corporate governance statement in its 'Annual Report' which can be found on Blumont's Website.

5.9 Blumont's recent share price performance

During the last 12 months before the Last Practicable Date, Blumont Shares have been trading between a range of S$0.034 and S$2.45 (approximately A$0.029 and A$2.092). Further, the Blumont Share price on the SGX has fallen 44.26% from the day before the Announcement Date to the Last Practicable Date.

Between 4 and 7 October last year Blumont's share price as quoted on the SGX fell by 93.56% (on 4 October last year the SGX suspended trading in Blumont Shares which continued until 7 October 2013).

Compared to the Last Practicable Date, Blumont Shares have fallen 98.3% since 3 October 2013 (the day before the abrupt fall in the trading price of Blumont Shares on the SGX) and have fallen 98.6% since the highest trading price of Blumont Shares on the SGX on 30 September 2013 of S$2.45.

As Blumont announced on SGXNET on 4 October 2013, it believes that a Singapore broking house had declared Blumont Shares (among other shares listed on the SGX) as 'designated securities' which Blumont believes was a contributing factor in the share price volatility. Other than this, and as publicly announced by Blumont at the time in respect of potential transactions it was considering, Blumont is not aware of any other possible explanation for the trading activity on and shortly following 4 October 2013.

On 6 October 2013, the SGX declared the Blumont Shares as designated securities, and imposed the following trading restrictions:

(a) a prohibition on the sale of Blumont Shares unless the seller held Blumont Shares equal to the quantity to be sold; and

(b) a prohibition on the purchase of Blumont Shares unless the buyer had the ability to make immediate cash payment or cash settlement at the time of the execution of the sale order.

The SGX subsequently lifted the designation of Blumont Shares as designated securities on 18 October 2013.

Blumont notes that the CAD is conducting an investigation into possible breaches of the Securities and Futures Act arising from suspected trading irregularities in the shares of Blumont, which may or may not include trading activity during the above period. Please see Section 9 for further details about these matters.

5.10 Dividends

During the last three years, Blumont has not paid a dividend. While Blumont will continue to assess the payment of a dividend in light of financial performance, regulations regarding the payment of dividends and the best interests of its shareholders, Blumont does not expect to pay a dividend in respect of the financial year ended 31 December 2013, nor does it expect to pay a dividend for the financial year ending 31 December 2014.

5.11 Information about the Blumont Shares

Blumont is incorporated in the Republic of Singapore. The Blumont Shares that are issued as the Offer Consideration will be listed on the SGX (subject to approval in-principle from the SGX for the listing and quotation on the SGX). Please note that they will not be listed on the ASX.

The following is a broad summary of the rights which attach to Blumont Shares. It is not intended to be an exhaustive summary. Please also refer to Annexure B for a table setting out some of the key companies and securities laws and regulations in Singapore which apply to Blumont and also a comparison of these laws and regulations against Australian companies and securities laws and regulations.

The rights, privileges and restrictions attaching to Blumont Shares are as follows:

Members	A holder of Blumont Shares whose name appears on Blumont's Register of Members is recognised as the legal owner of those Blumont Shares entered against his or her name and thus a member of Blumont. Members of Blumont are entitled to the rights which attach to Blumont Shares and members' rights conferred upon them by the Companies Act, the articles of association of Blumont and general law in Singapore. Under section 130D(1) of the Companies Act where the Blumont Shares are held under the book-entry system of CDP (i.e. in uncertified form), the shares are registered in the name of CDP but CDP will not be deemed a member of Blumont. The persons who are named as Depositors in the Depository Register maintained with CDP will be recognised as members of Blumont. This means that CDP acts as a bare trustee for the shareholder, holding the shares on behalf of the shareholder and all rights, entitlements and privileges attached to the Blumont Shares pass through to the shareholder. Depository agents (such as brokers) and custodian banks may also maintain sub-accounts for those shareholders who do not wish to maintain a direct account with CDP.
Share capital	The power to issue Blumont Shares is vested with the directors of Blumont. However, the directors may not exercise any power to issue shares without the prior approval of the company by ordinary resolution in general meeting. A company may issue preference shares by ordinary resolution in general meeting, provided that the rights attaching to such preference shares are expressly set out in Blumont's memorandum and articles of association.
Class of shares	As at the Last Practicable Date, Blumont has only one class of shares, namely ordinary shares.

No par value	Blumont Shares have no par value, meaning that the liabilities of the members are measured by the amount of capital remaining unpaid on the Blumont Shares held by them. Blumont is also not required to have an authorised capital, which is the maximum value of shares which a company may issue.
Share certificate	Every member of Blumont is entitled to receive one certificate for all the Blumont Shares held by it. In the case of members whose Blumont Shares are held in a CDP Securities Account and registered in the name of CDP, Blumont will allot and despatch to CDP for the account of such Depositors who hold Blumont Shares one certificate for all their Blumont Shares registered in the name of CDP. Where a registered holder of Blumont Shares has transferred part of its Blumont Shares which are comprised in one share certificate, Blumont will despatch to the registered holder a certificate in respect of the Blumont Shares not transferred.
Status of the Blumont Shares issued as the Offer Consideration	The Blumont Shares to be issued as the Offer Consideration will be allotted and issued as fully-paid ordinary shares in the capital of Blumont and will rank pari passu in all respects with all other Blumont Shares as at the date of their issue. This includes the right to any distributions declared in respect of all other Blumont Shares for which the record date falls on or after such issue date.
General meetings	Under the Companies Act, every member of Blumont has a right to attend any general meeting of Blumont and to speak at such meetings. In addition, every member of Blumont has a right to vote on any resolution to be passed at a meeting and is entitled to be sent notice of general meetings specifying the place, day and hour of the meeting at least 14 days before the meeting (excluding the date of notice and the date of meeting). Where notices contain special resolutions, they must be given to members at least 21 days before the meeting (excluding the date of notice and the date of meeting). A special resolution is a resolution passed by not less than 75% of members entitled to vote at the meeting, either in person or by proxy. An ordinary resolution is a resolution passed by a simple majority of over 50% of the votes cast by members entitled to vote at the meeting, either in person or by proxy.
Voting rights	A member need not be personally present at a meeting in order to cast his or her vote and he or she may appoint a proxy to do so on his or her behalf. The member may appoint not more than two proxies to attend and vote at the same general meeting, provided that the percentage of Blumont Shares to be represented by each proxy is specified. A proxy need not be a member of Blumont. On a show of hands every member present in person and each proxy will have one vote and, on a poll, every member present in person or by proxy will have one vote for each Blumont Share in respect of which he or she is a member. For Blumont Shares held under the book-entry system of CDP and where the member is a Depositor, a vote is accepted as validly cast by a Depositor in respect of such number of Blumont Shares as is equal to the number of Blumont Shares appearing against his or her name in the Depository Register 48 hours prior to the commencement of the general meeting as certified by CDP to Blumont. Any corporation which is a member of Blumont may, by resolution of its directors, authorise any person to act as its representative at any meeting of Blumont and such representative will be entitled to exercise the same powers on behalf of the corporation which he or she represents as if he or she had been an individual member.
Dividend rights	Blumont may, by ordinary resolution, declare dividends at a general meeting. No dividend will be declared which is larger than recommended by the directors and all dividends

	declared by Blumont must be paid out of the profits of the company. The right to any dividend declared will not pass with a transfer of Blumont Shares until the transfer has been registered or entered in the Depository Register. Any dividend may be paid in Singapore dollars by cheque, warrant or post office order sent through the post to the address of the member entitled appearing in the register. For Blumont Shares held in a CDP Securities Account, dividends are credited into a designated 'Direct Crediting Service' account. If the dividends cannot be credited into the account, CDP will issue a cheque instead.
Winding-up	If Blumont were to be wound up, and the assets available for distribution among the members are insufficient to repay the whole of the paid-up capital (**shortfall**), each member is liable for the shortfall in proportion to the capital paid up on the member's Blumont Shares. If the assets available for distribution among the members are more than sufficient to repay the whole of the paid-up capital, the excess will be distributed among the members in proportion to the capital paid up on the Blumont Shares held by each member. Under the Companies Act, there are two forms of winding-up: ▪ voluntary winding-up; and ▪ compulsory winding-up by the court. *Voluntary winding-up* In order to initiate a voluntary winding-up, a special resolution must be approved by the members at a general meeting. The directors of the company may make a statement pursuant to section 293(1) of the Companies Act that the directors of the company are of the view that the company will be able to pay its debts in full within a period not exceeding 12 months after the commencement of the winding-up (**declaration of solvency**). If the directors make such a declaration of solvency, the winding-up will proceed as a members' voluntary winding-up. In such circumstances, the members of the company will appoint the liquidator. If the directors do not make such a declaration of solvency, the winding-up will proceed as a creditors' voluntary winding up, in which case the directors must call a meeting of creditors in order to appoint the liquidator. A members' voluntary winding-up may be converted into a creditors' voluntary winding-up if the liquidator appointed by the members forms the opinion that the company will not be able to pay its debts in full within the period stated in the declaration of solvency. The liquidator will then have to summon a meeting of creditors and lay before them a statement of the assets and liabilities of the company. The creditors may then appoint some other person to be the liquidator for the purpose of the winding-up of the company. *Compulsory winding-up by the court* Where the directors of a company are unable to make a declaration of solvency, the company may also be compulsorily wound-up by an order of a court on the passing of a special resolution by the members in a general meeting. A petition to the court to wind up the company may be presented by: ▪ the company itself; ▪ a creditor; ▪ a contributory, the personal representative of a deceased contributory or the official assignee of the estate of a bankrupt contributory;

	▪ the liquidator of the company; ▪ a judicial manager; or ▪ certain government ministers on specified grounds.
Transfer of Shares	Any member of Blumont may transfer all or any of his or her Blumont Shares, provided that no Blumont Shares are transferred to any infant, bankrupt or person of unsound mind. Transfer of the Blumont Shares may be by either of the following means: ▪ an instrument in writing in the form approved by the SGX, which must be left at the registered office of Blumont, duly stamped and accompanied by the certificates of the Blumont Shares to be transferred; or ▪ book-entry in the Depository Register. The instrument of transfer will be signed by or on behalf of both the transferor and the transferee and be witnessed. CDP may transfer any Blumont Share in respect of which its name is entered in the Register of Members of Blumont by means of a registered transfer. CDP will not be required as transferee to sign any form of transfer for the transfer of Blumont Shares to it. The transferor will be deemed to remain the holder of the Blumont Shares concerned until the name of the transferee is entered in the Register of Members of Blumont in respect thereof. Under the book-entry settlement system of CDP, the transfer of share ownership is effected through computerised book entries by making an appropriate entry in the Depository Register. Three market days after instructions for the transfer, the buying clearing member will pay funds to CDP, while CDP will pay funds to the selling clearing member. After payment obligations are settled, CDP will debit the shares from the seller's account and credit them to the selling broker's account. Subsequently, the shares will be debited from the selling broker's account and credited to the buying broker's account before they are credited into the buyer's account.
Rights of pre-emption	Pursuant to section 161 of the Companies Act and Chapter 8 of the Listing Manual, the directors of Blumont may, at the company's annual general meeting, obtain a general mandate from members of Blumont to issue shares at any time to such persons and upon such terms and for such purposes as the directors of Blumont deem fit provided always that the aggregate number of shares to be issued pursuant to this mandate does not exceed 50% of Blumont's total number of issued shares excluding treasury shares, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of Blumont does not exceed 20% of the total number of Blumont's issued shares excluding treasury shares. This general mandate, if approved, will, unless revoked or varied by Blumont at a general meeting, continue in force until the conclusion of Blumont's next annual general meeting or the date by which the next annual general meeting of Blumont is required by law to be held, whichever is earlier. Blumont may also obtain specific approval from its members to issue shares. Unless otherwise determined by the members of Blumont in general meeting as described above, all new shares issued will, before issue, be offered to members of Blumont who are entitled to receive notice from Blumont of general meetings, in proportion to the amount of the existing Blumont Shares to which they are entitled. This is provided always that the directors of Blumont will have the absolute discretion to determine whether or not such offer will be made to any member in any country or jurisdiction outside Singapore. The directors of Blumont may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to the shares of the persons entitled to an offer of new shares)

	cannot, in the opinion of the directors, be conveniently offered.
Variation of rights of existing shares or classes of shares	Any special rights or privileges attached to any class of shares in the issued capital of Blumont may be modified either with the consent in writing of the members of Blumont who hold not less than 75% of the issued shares of that class or by the passing of a special resolution at a general meeting of the members in respect of shares in that class.
Change in capital	Subject to compliance with the relevant provisions under the Companies Act, the articles of association of Blumont permit Blumont to carry out the following: ▪ consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; ▪ cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; ▪ by subdivision of its existing shares or any of them divide its capital or any part thereof into shares of smaller amount than is fixed by its memorandum of association and so that as between the holders or Depositors of the resulting shares, one or more of such shares may be given any preference or advantage as regards dividend, capital, voting or otherwise over the others; and ▪ reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.
Access to records and right to information	Under the Listing Manual, Blumont is required to announce via SGXNET any information known to it concerning it or any of its subsidiaries or associated companies that is necessary to avoid the establishment of a false market in its securities or would be likely to materially affect the price or value of its securities. The Listing Manual also provides that certain transactions, such as related party transactions and major acquisitions and disposals, must be immediately announced. Where a sale and purchase agreement is entered into, or a valuation is conducted, in connection with a major acquisition or disposal, a copy of the relevant agreement or report must be made available for inspection for 3 months from the date of the announcement. Under the Companies Act, a member of Blumont has a right to inspect the following: ▪ the register of members; ▪ the register of directors, secretaries, managers and auditors; ▪ the register of substantial shareholders; ▪ the register of debenture holders; ▪ the register of charges; and ▪ minutes of the company's general meetings. Inspection of the above registers by members of Blumont may be made free of charge. A member may request to inspect the minutes of Blumont's general meetings (and not directors' meetings) at a nominal charge. In addition, every member of Blumont is also entitled to be informed of Blumont's financial position. Each member is entitled to be sent free of charge a copy of the last audited profit and loss account and balance sheets not less than 14 days before the general meeting at which the accounts are to be presented. Each member is also entitled to a copy of the auditor's report and director's report on the accounting records.

6. BLUMONT FINANCIAL INFORMATION

6.1 Blumont financial information

Set out in Tables A and B below (Blumont Balance Sheets and Blumont Profit and Loss Statements) is a summary of Blumont's consolidated balance sheets and profit and loss statements for the past 3 full financial years (noting the financial year of Blumont ends on 31 December).

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). You are encouraged to read these statements together with the Investigating Accountant's Report in order to gain an understanding of Blumont's financial statements and financial position and performance.

Merlin Shareholders should note that historical financial information is not necessarily a guide or an assurance as to the future performance or prospects of the Blumont Group.

Table A: Blumont Balance Sheets (for the last 3 financial years, in S$ and A$)

	Group					
	Audited As at 31.12.2013		Audited As at 31.12.2012		Audited As at 31.12.2011	
	S$	A$	S$	A$	S$	A$
			Restated		Restated	
ASSETS						
Current assets						
Cash and cash equivalents	2,534,408	2,164,311	1,581,322	1,350,403	1,354,140	1,156,396
Financial assets, at fair value through profit or loss	18,389,075	15,703,736	100,385,537	85,726,334	59,712,772	50,992,974
Trade and other receivables	1,645,316	1,405,052	6,077,529	5,190,033	2,250,119	1,921,536
Other current assets	225,411	192,494	122,997	105,036	111,459	95,183
Development properties	5,630,011	4,807,866	6,711,898	5,731,766	8,337,806	7,120,244
Assets held for sale	2,002,877	1,710,399	460,081	392,896	-	-
	30,427,098	25,983,858	115,339,364	98,496,468	71,766,296	61,286,333
Non-current assets						
Investments in subsidiaries	-	-	-	-	-	-
Loan to subsidiaries	-	-	-	-	-	-
Derivative assets	532,570	454,799	-	-	-	-
Investment properties	1,658,080	1,415,952	4,377,027	3,737,854	1,634,000	1,395,389
Financial assets, available-for-sale	52,440,792	44,782,914	-	-	-	-
Property and equipment	2,613,012	2,231,436	3,327,441	2,841,538	3,512,991	2,999,992
Other non-current assets	2,298	1,962	2,806	2,396	3,137	2,679
Deferred tax assets	86,560	73,920	102,500	87,532	36,180	30,897
	57,333,312	48,960,983	7,809,774	6,669,320	5,186,308	4,428,957
Total Assets	87,760,410	74,944,841	123,149,138	105,165,788	76,952,604	65,715,290
LIABILITIES						
Current liabilities						
Trade and other payables	6,388,966	5,455,991	6,935,124	5,922,395	2,823,184	2,410,917
Borrowings	3,739,530	3,193,450	593,489	506,822	851,632	727,269
Current income tax liabilities	93,520	79,863	428,663	366,066	86,652	73,998
	10,222,016	8,729,304	7,957,276	6,795,283	3,761,468	3,212,184
Non-current liabilities						
Employee compensation	391,393	334,238	609,568	520,553	492,665	420,722
Borrowings	208,466	178,024	264,160	225,585	319,995	273,266
Deferred tax liabilities	28,264	24,137	10,017,341	8,554,518	4,787,300	4,088,215
	628,123	536,399	10,891,069	9,300,656	5,599,960	4,782,203
Total Liabilities	10,850,139	9,265,703	18,848,345	16,095,939	9,361,428	7,994,387
Net Assets	76,910,271	65,679,138	104,300,793	89,069,849	67,591,176	57,720,903
EQUITY						
Capital and reserves attributable to owners of the Company						
Share capital	99,042,284	84,579,234	55,508,513	47,402,658	46,212,403	39,464,050
Reserves	(832,114)	(710,601)	(1,589,397)	(1,357,299)	(1,108,437)	(946,573)
(Accumulated losses)/ Retained earnings	(23,921,980)	(20,428,676)	46,830,722	39,992,077	19,349,331	16,523,767
	74,288,190	63,439,957	100,749,838	86,037,436	64,453,297	55,041,244
Non-controlling interests	2,622,081	2,239,181	3,550,955	3,032,413	3,137,879	2,679,659
Total Equity	76,910,271	65,679,138	104,300,793	89,069,849	67,591,176	57,720,903

Table B: Blumont Profit and Loss Statements (for the last three financial years, in S$ and A$)

	Group					
	Audited 31.12.2013		Audited 31.12.2012		Audited 31.12.2011	
	S$	A$	S$	A$	S$	A$
			Restated		Restated	
Revenue	3,604,259	3,077,933	4,395,840	3,753,920	3,696,304	3,156,537
Other (losses)/gains - net	(63,393,045)	(54,135,820)	35,475,812	30,295,313	6,761,378	5,774,020
Expenses						
- Raw materials and consumables used	(1,234,214)	(1,053,983)	(1,652,273)	(1,410,993)	(1,468,060)	(1,253,681)
- Employee benefits	(2,118,676)	(1,809,288)	(1,890,973)	(1,614,836)	(1,748,375)	(1,493,061)
- Others	(7,843,495)	(6,698,117)	(2,310,479)	(1,973,082)	(1,883,681)	(1,608,609)
- Allowance for impairment of financial assets, available-for-sale	(10,022,910)	(8,559,274)	-	-	-	-
- Finance	(197,967)	(169,058)	(61,299)	(52,348)	(92,909)	(79,342)
Total expenses	(21,417,262)	(18,289,720)	(5,915,024)	(5,051,259)	(5,193,025)	(4,434,693)
(Loss)/Profit before income tax	(81,206,048)	(69,347,607)	33,956,628	28,997,974	5,264,657	4,495,864
Income tax	9,838,456	8,401,756	(5,769,139)	(4,926,677)	(1,260,398)	(1,076,343)
(Loss)/Profit for the year	(71,367,592)	(60,945,851)	28,187,489	24,071,297	4,004,259	3,419,521
Other comprehensive (loss)/income						
Items reclassified and that will not be reclassified subsequently to profit or loss:						
Actuarial gains/(losses) on defined benefit plan	112,465	96,042	(106,655)	(91,080)	18,827	16,078
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	(1,215,343)	(1,037,868)	(655,509)	(559,786)	(227,602)	(194,365)
Net change in fair value of financial assets, available for sale	1,662,096	1,419,382	-	-	-	-
Reclassification of currency translation reserve on disposal of a subsidiary	-	-	7,080	6,046	286,074	244,299
Other comprehensive income/(loss), net of tax	559,218	477,556	(755,084)	(644,820)	77,299	66,012
Total comprehensive (loss)/income for the year	(70,808,374)	(60,468,295)	27,432,405	23,426,477	4,081,558	3,485,533
(Loss)/Profit for the year attributable to:						
Owners of the Company	(70,815,041)	(60,473,988)	27,717,353	23,669,815	3,779,696	3,227,751
Non-controlling interests	(552,551)	(471,863)	470,136	401,482	224,563	191,770
	(71,367,592)	(60,945,851)	28,187,489	24,071,297	4,004,259	3,419,521
Total comprehensive (loss)/income for the year attributable to:						
Owners of the Company	(69,879,481)	(59,675,047)	27,185,080	23,215,269	3,866,155	3,301,585

	Group					
	Audited 31.12.2013		Audited 31.12.2012		Audited 31.12.2011	
	S$	A$	S$	A$	S$	A$
			Restated		Restated	
Non-controlling interests	(928,893)	(793,248)	247,325	211,208	215,403	183,948
	(70,808,374)	(60,468,295)	27,432,405	23,426,477	4,081,558	3,485,533
(Losses)/Earnings per share attributable to owners of the Company (expressed in cents)						
- Basic	(3.77)	(3.22)	1.93	1.65	0.34	0.29
- Diluted	(3.77)	(3.22)	1.91	1.63	0.34	0.29

6.2 Accounting Standards

The financial statements of Blumont are prepared in accordance with Singapore Financial Reporting Standards, with the audited condensed consolidated financial information of Blumont for the year ended 31 December 2013, which forms part of the Investigating Accountant's Report (**IAR**), having been prepared in accordance with Singapore Financial Reporting Standard FRS 34 Interim Financial Reporting (which is equivalent to Australian Accounting Standard 134 Interim Financial Reporting).

There are no material differences between Australian Accounting Standards (Australian Equivalents to the International Financial Reporting Standards) and Singapore Financial Reporting Standards, with both countries closely modelling their accounting standards on the International Financial Reporting Standards issued by the International Accounting Standards Board.

6.3 Pro Forma Unaudited Consolidated Financial Information to show the effects of the acquisition of Merlin Shares under the Offer

The pro forma financial information included in Tables C and D below (Pro Forma Unaudited Consolidated Statement of Financial Position and Pro Forma Unaudited Consolidated Statement of Comprehensive Income for 31 December 2013) is intended to show the financial effects of the acquisition of Merlin Shares under the Offer. The information reproduced below has been extracted from the IAR. You are encouraged to read the full IAR at Annexure E for an understanding of the basis and methodology used in preparing this information.

The notional profit and loss statement for the year ended 31 December 2013 comprises the combination of the audited results of Blumont for the year ended 31 December 2013, the audited results of Merlin for the year ended 30 June 2013 (subtracting the unaudited results of Merlin for the half year ended 31 December 2012) plus the unaudited results of Merlin for the half year ended 31 December 2013 with one adjustment as set out on pages 124 and 125 of the IAR.

The pro forma statement of financial position as at 31 December 2013 incorporates the audited consolidated statement of financial position of Blumont as at 31 December 2013, adjusted on the basis of the acquisition of 100% of the issued capital of Merlin and the completion of certain other transactions as disclosed in note 3 of the IAR.

The condensed unaudited consolidated pro forma Statement of Financial Position of Blumont as at 31 December 2013, as presented in the IAR, does not take into account the trading results of Blumont and its controlled entities subsequent to 1 January 2014, except to the extent of specific transactions itemised in the IAR.

The notional profit and loss statement and pro forma statement of financial position (at Tables C and D) are unaudited and consolidated to include Merlin.

Table C: Pro Forma Unaudited Consolidated Statement of Financial Position as at 31 December 2013

	Pro-forma 31.12.2013 S$'000	A$'000
ASSETS		
Current assets		
Cash and cash equivalents	20,338	17,368
Financial assets, at fair value through profit or loss	12,827	10,954
Trade and other receivables	6,770	5,781
Other current assets	260	222
Development properties	5,630	4,808
Assets held for sale	2,003	1,711
	47,828	40,844
Non current assets		
Exploration, Evaluation & Development Expenditure	44,849	38,300
Derivative assets	533	455
Goodwill arising on consolidation	-	-
Investment properties	1,658	1,416
Financial assets, available-for-sale	58,200	49,701
Property and equipment	8,546	7,298
Other non-current assets	1,866	1,594
Deferred tax assets	87	74
	115,739	98,838
Total Assets	163,567	139,682
LIABILITIES		
Current liabilities		
Trade and other payables	16,681	14,245
Borrowings	16,172	13,810
Current income tax liabilities	93	79
Provisions	23	20
	32,969	28,154
Non–current liabilities		
Employee compensation	391	334
Borrowings	208	178
Deferred tax liabilities	28	24
Provisions - Rehabilitation	1,406	1,201
	2,033	1,737
Total liabilities	35,002	29,891
Net Assets	128,565	109,791
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	160,543	137,100
Reserves	(832)	(711)
Accumulated losses	(33,768)	(28,837)
	125,943	107,552
Non-controlling interests	2,622	2,239
Total Equity	128,565	109,791

Table D: Pro-forma Unaudited Consolidated Statement of Comprehensive Income for 12 months ended 31 December 2013

	Unaudited Notional 31.12.2013 S$'000	A$'000
Revenue	4,537	3,874
Other (losses)/gains – net	(63,277)	(54,037)
Expenses		
- Raw material and consumables used	(1,234)	(1,054)
- Employee benefits	(5,942)	(5,074)
- Others	(11,824)	(10,097)
- Allowance for impairment of financial assets, available-for-sale	(10,024)	(8,560)
- Finance	(246)	(210)
Total expenses	(29,270))	(24,995)
(Loss)/Profit for the year	(88,010)	(75,158)
Income tax benefit	9,839	8,402
(Loss)/Profit for the year	(78,171)	(66,756)
Other comprehensive (loss)/income		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on defined benefit plan	112	96
Items that reclassified and may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(1,221)	(1,043)
Net change in fair value of financial assets, available for sale	1,662	1,419
Reclassification of currency translation reserve on disposal of subsidiary	-	-
Other comprehensive (loss)/income net of tax	553	472
Total comprehensive (loss)/income for the year	(77,618)	(66,284)
(Loss)/Profit for the year attributable to:		
Owners of the Company	(77,618)	(66,284)
Non-controlling interests	(553)	(472)
	(78,171)	(66,756)
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	(76,689)	(65,490)
Non-controlling interests	(929)	(794)
	(77,618)	(66,284)
(Losses)/Earnings per share attributable to owners of the Company (expressed in cents)		
- Basic	(2.68)	(2.29)
- Diluted	(2.68)	(2.29)
Allocation of Notional Comprehensive (loss)/income		
- Blumont	(70,809)	(60,469)
- Merlin	(6,809)	(5,815)
	(77,618)	(66,284)

6.4 Currency

Blumont's financial statements are reported in Singapore dollars. For convenience, the figures above are also presented in Australian dollars at an exchange rate of A$1 = S$1.1710 being the currency rate as at the Last Practicable Date.

6.5 Borrowings

As at the Last Practicable Date, Blumont has aggregate borrowings of approximately S$17.2 million (being approximately A$14.65 million). The large majority of these borrowings are pursuant to the Wintercrest Facility (currently US$13.5 million, approximately A$14.5 million) which are secured over various assets of the Blumont Group and incur interest at a rate of 10% per annum. All amounts drawn down under the Wintercrest Facility are repayable by 23 June 2014.

7. INFORMATION ABOUT MERLIN

7.1 Disclaimer as to Merlin information

The information about Merlin and Merlin Shares contained in this Bidder's Statement has been prepared by Blumont using publicly available information. Information in this Bidder's Statement as to Merlin, the Merlin Shares, the Merlin Group and the assets and liabilities, financial position and prospects of the Merlin Group has not been independently verified by Blumont. Accordingly, Blumont does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

Further information relating to Merlin's business may be included in the Target's Statement.

7.2 Overview

Merlin is an ASX-listed company (ASX: MED) with a market capitalisation of approximately A$19.6 million on the Last Practicable Date. Merlin was incorporated in Western Australian and has its registered office in Victoria.

Merlin is a diamond exploration and production company which owns the Merlin Diamond Mine which will be Northern Territory's only operating diamond mine which is renowned for the production of quality white diamond. Merlin currently owns 3 major projects (with approximately 18 licences granted) in the Northern Territory and Western Australia which are set out in the table below. Merlin also has a 32.3% shareholding in Top End Minerals Limited, a company listed on the ASX.

Project	Commodity	Current area (Km^2) approx	Location	Merlin's beneficial interest
Merlin Diamond Project	Diamond	2,286	Northern Territory	100%
Arnhem Land Project	Diamond	20,804	Arnhem Land, Northern Territory	100%
Kimberly Project	Diamond		North Kimberly, Western Australia	100%
- **Ashmore**		7.49		
- **Forrest River**		4.49		
- **Seppelt**		5.45		

7.3 Financial overview

For details about the financial position of Merlin, please refer to the Merlin website (www.merlindiamonds.com.au) or the ASX website (www.asx.com.au).

7.4 Merlin's issued securities

As at the Last Practicable Date, based on information lodged with ASX, Merlin's issued securities consist of the securities set out in the following table:

Class of security	Number
Fully paid ordinary shares on issue	261,480,396
Options to acquire fully paid ordinary shares	6,975,000

The Merlin Shares are listed and quoted for trading on the ASX. As at the Last Practicable Date, based on information provided by Merlin's Share registrar, there are approximately 5,900 Merlin Shareholders.

7.5 Merlin Board of Directors

As at the Last Practicable Date, the Merlin directors are as detailed in the table below.

Director	Position
Joseph Gutnick	Executive Chairman, Managing Director, Chief Executive Officer
Craig Michael	Executive Director
David Tyrwhitt	Non-Executive Director
Henry Herzog	Non-Executive Director

7.6 Publicly available information

Merlin is a company that is listed on the ASX and is subject to periodic and continuous disclosure requirements under the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Merlin is subject to the Listing Rules which require disclosure of any information that a reasonable person would expect to have a material effect on the price or value of the Merlin Shares. In addition, Merlin is required to periodically lodge documents with ASX, including financial reports and activities statements.

A copy of Merlin's public announcements is available at Merlin's website (www.merlindiamonds.com.au) or the ASX website (www.asx.com.au).

8. BLUMONT'S INTENTIONS FOR MERLIN

8.1 Introduction

This Section sets out Blumont's intentions on the basis of facts and public information concerning Merlin which are known to Blumont at the Last Practicable Date. However, Blumont will only reach its decisions in light of material facts and circumstances at the relevant time. Accordingly, the statements set out are statements of current intentions only and may vary as new information becomes available or if circumstances change.

Further, the ability of Blumont to implement the intentions set out in this Section 8 will be subject to:

(a) the law, in particular in relation to related party transactions and conflicts of interests;

(b) the legal obligations of the Merlin Directors to act for proper purposes and in the best interests of Merlin Shareholders as a whole; and

(c) the rights of holders of Merlin Shares which may be subject to compulsory acquisition.

8.2 General intentions

Subject to the matters set out in this Section 8 and elsewhere in this Bidder's Statement, it is the present intention of Blumont, on the basis of the facts and information concerning Merlin that are known to Blumont and the existing circumstances affecting the business of Merlin at the Last Practicable Date, that:

(a) the operations of Merlin will be conducted in substantially the same manner as it is presently being conducted other than as set out below;

(b) there will not be any other redeployment of fixed assets of Merlin; and

(c) the employment of Merlin's current employees will continue.

8.3 Intentions if Blumont acquires more than 90% of Merlin Shares

This Section sets out Blumont's current intentions if during, or at the end of the Offer Period, Blumont has a Relevant Interest in 90% or more of the Merlin Shares and is entitled to proceed to compulsory acquisition of the outstanding Merlin Shares.

Compulsory acquisition	Blumont intends to proceed with the compulsory acquisition of any Merlin Shares not acquired under the Offer which Blumont is entitled to compulsorily acquire under the Corporations Act.
Review of operations and assets	Blumont intends to conduct, after the end of the Offer Period, an immediate review of Merlin's operations, assets, structure and employees. The key objective of this review will be to ascertain the extent of any changes required to improve the performance of Merlin and ensure that Merlin's assets are operated in order to maximise their value and long term viability.
Merlin Board	Blumont intends to seek the appointment of its nominees to the Merlin Board so that its nominees comprise a majority of directors of the Merlin Board. While the potential appointees to the Merlin Board have not yet been identified, it is likely that the candidates who will be considered by Blumont will be executives or directors of Blumont, with appropriate experience, skills and qualifications for Merlin and to implement Blumont's strategies and intentions for Merlin.
Delisting and conversion to a proprietary company	Following the conclusion of the compulsory acquisition process, Blumont intends to arrange for Merlin to be removed from the official list of the ASX. Additionally, providing that the requirements of the Corporations Act are satisfied, Blumont proposes to convene a meeting of Merlin for the purposes of considering and passing a resolution to change the status of Merlin from a public company to a proprietary company. If this resolution is

	passed, Blumont proposes to apply to ASIC to change the status of Merlin to a proprietary company.
Employees	As noted above, Blumont intends to conduct, after the end of the Offer Period, an immediate review of Merlin's operations, assets, structure and employees. This will be done with the input of management of both Blumont and Merlin. It is expected that advancement opportunities will be provided to a number of suitably qualified employees. In addition, Blumont may provide the opportunity to suitably qualified employees to be given the option to be redeployed to support the expanded the Blumont Group as is most appropriate. Blumont notes that some of the senior management services of Merlin are currently contracted through a services company, Axis Consultants Pty Limited (**Axis Agreement**). Under the Implementation Deed Blumont has the right, once the Takeover Bid is no longer subject to the Conditions, to require Merlin to renegotiate or vary the AXIS Agreement. Blumont has not formed any intention to require a renegotiation of the Axis Agreement and the services provided under it, nor, at this stage, does it have specific actions in mind in respect of these matters. Other than the above, Blumont intends to retain the present employees of Merlin.
Financing	Blumont does not intend to fund Merlin's ongoing operations from Blumont's existing reserves or financing facilities. In considering financing options, Merlin Directors will be required to have regard to the interests of Merlin and all Merlin Shareholders and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties.
Projects of Merlin	Subject to adequate third party financing being available, Blumont also intends to expedite the expansion of the business of Merlin to its full potential for the development of multiple satellite mine sites. Blumont will seek to increase exploration efforts at a prudent scale so as not to overstretch available resources, but at an appropriate rate to bring these properties to account.

8.4 Intentions if Blumont acquires less than 90% but more than 50% of Merlin Shares

This Section sets out Blumont's current intentions if during, or at the end of the Offer Period, it has a Relevant Interest in less than 90% but more than 50% of Merlin Shares.

Merlin Board	Blumont will seek to appoint to the board of directors of Merlin its nominees, so that it has, at least, a majority of nominees on the board of directors of Merlin. While the potential appointees to the Merlin Board have not yet been identified, it is likely that the candidates who will be considered by Blumont will be executives or directors of Blumont, with appropriate experience, skills and qualifications to implement Blumont's strategies and intentions for Merlin to the extent possible and appropriate.
Review of operations and assets	Blumont intends to conduct, after the end of the Offer Period, an immediate review of Merlin's operations, assets, structure and employees. The key objective of this review will be to ascertain the extent of any changes required to improve the performance of Merlin to the extent that Blumont is able to procure that these occur.
Dividends	The payment of dividends by Merlin will be at the discretion of its board. Blumont intends that Merlin should retain its cash to fund its business and operations and repay debt and, therefore, not pay a dividend if Merlin were to become controlled by, not wholly owned by, Blumont.
Employees	Blumont intends to retain the present employees of Merlin.

	Please see Section 8.3 for Blumont's intentions with respect to the Axis Agreement which apply if during, or at the end of the Offer Period, Blumont has a Relevant Interest in less than 90% but more than 50% of Merlin Shares.
Financing	Blumont does not intend to fund Merlin's ongoing operations from Blumont's existing reserves or financing facilities. In considering financing options, Merlin Directors will be required to have regard to the interests of Merlin and all Merlin Shareholders and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties.
ASX Listing	Subject to the spread and number of Merlin Shareholders remaining after the close of the Offer, and any required regulatory approvals, Blumont intends to undertake the procedure to delist Merlin from the ASX.
Limitation in giving effect to intentions	The ability of Blumont to implement the intentions set out in this Section 8.4 will be subject to the legal obligation of Merlin Directors to have regard to the interests of Merlin and all Merlin Shareholders and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. These may limit or modify the implementation of the intentions outlined above.

8.5 Intentions if Blumont acquires less than 50% of Merlin Shares

This Section sets out Blumont's current intentions if during, or at the end of the Offer Period, it has a Relevant Interest in less than 50% of Merlin Shares.

Blumont reserves its right to waive the Condition of the Offer that Blumont obtains a Relevant Interest of at least 50.1% of Merlin Shares but it has no present intention to do so. If Blumont does waive this Condition, Blumont intends to implement the intentions outlined in Section 8.4 to the extent that it is able to do so. This will include seeking the appointment of its nominees to the Merlin Board having regard to Blumont's interest in Merlin at the time.

9. RISK FACTORS

9.1 Introduction

This Section is a summary of the material risk factors to the Blumont Group as well as risks arising from the terms of the Offer.

9.2 Risks that may arise from accepting the Offer

Blumont Share price fluctuation	The price of Blumont Shares fluctuates and, therefore, the value of the Offer Consideration will fluctuate depending upon the future performance of the Blumont Group and the market value of Blumont Shares. Accordingly, you will be exposed to any rise or fall in the Blumont Share price. Please see Section 2 for a discussion regarding both the implied value of the Offer, including the extent of the premium (if any) to the Merlin Share price on the Last Practicable Date, at various price points for Blumont Shares and Section 5.9 for further details regarding the recent trading prices of Blumont Shares on SGX. For example, the Blumont Share price on the SGX has fallen 44.26% from the day before the Announcement Date to the Last Practicable Date. Between 4 and 7 October last year, Blumont's Share price as quoted on the SGX fell by 93.56% (on 4 October last year the SGX suspended trading in Blumont Shares which continued until 7 October 2013). Compared to the Last Practicable Date, the price of Blumont Shares have fallen 98.3% since 3 October 2013 (the day before the abrupt fall in the trading price of Blumont Shares on the SGX) and have fallen 98.6% since the highest trading price of Blumont Shares on the SGX on 30 September 2013 of S$2.45. As Blumont announced on SGXNET on 4 October 2013, it believes that a Singapore broking house had declared Blumont Shares (among other shares listed on the SGX) as 'designated securities' which Blumont believes was a contributing factor in the share price volatility. Other than this, and as publicly announced by Blumont at the time in respect of potential transactions it was considering, Blumont is not aware of any other possible explanation for the trading activity on and shortly following 4 October 2013. On 6 October 2013, the SGX declared the Blumont Shares as designated securities, and imposed the following trading restrictions: ▪ a prohibition on the sale of Blumont Shares unless the seller held Blumont Shares equal to the quantity to be sold; and ▪ a prohibition on the purchase of Blumont Shares unless the buyer had the ability to make immediate cash payment or cash settlement at the time of the execution of the sale order. The SGX subsequently lifted the designation of Blumont Shares as a designated security on 18 October 2013. Blumont notes that the CAD is conducting an investigation into possible breaches of the Securities and Futures Act arising from suspected trading irregularities in the shares of Blumont, which may or may not include trading activity during this period. This is discussed immediately below.
Investigation into suspected trading irregularities	On 2 April 2014, G1 Investments, a wholly-owned subsidiary of Blumont, received a notice from the CAD requiring G1 Investments' assistance with the CAD's investigations into an offence under the Securities and Futures Act. The CAD has requested access to, amongst others, all corporate electronic data from 1 January 2011 to-date, information technology equipment and data storage devices (if any) belonging to Mr Neo Kim Hock, the Executive Chairman of Blumont, and Mr James Hong Gee Ho,

	an executive director of Blumont. Further, Blumont has been informed that Mr Hong has been requested to assist the CAD in its investigations into a possible infringement under the Securities and Futures Act. Mr Hong has indicated that he will cooperate fully with the CAD in its investigations. Blumont notes that the CAD made the following announcement on 2 April 2014: *"The Commercial Affairs Department (CAD) of the Singapore Police Force has commenced an investigation into possible breaches of the Securities and Futures Act (Cap. 289) arising from suspected trading irregularities in the shares of ... Blumont Group Ltd ... CAD is working jointly with the Monetary Authority of Singapore in the investigation."* Blumont advises that the business and operations of Blumont are not affected by the investigations and will continue as normal. Blumont notes that, as at the Last Practicable Date, the price of Blumont Shares has fallen 41.4% since the closing price on the SGX on the day before the CAD announcement on 2 April 2014.
Board composition	Blumont notes that, for a period up to 23 April 2014, its Audit Committee had two members which was less than the minimum number of three independent directors as required under the SGX Listing Manual. Under Rule 704(8) of the Listing Manual and section 201B(4) of the Companies Act, Blumont was required to appoint a replacement independent director to its Audit Committee by 17 February 2014. Blumont appointed Mr Ng Kim Huatt as an independent director and Audit Committee member on 23 April 2014. Mr James Hong Gee Ho, an executive director of Blumont, has been requested to assist the CAD in its investigations into a possible infringement under the Securities and Futures Act of Singapore. In the event that Mr Hong is unable to carry out his duties as an Executive Director of Blumont as a result of his assisting with the CAD's investigations, the SGX-ST may require Blumont to appoint additional Executive Directors, failing which Blumont may be subject to certain sanctions, including the suspension of trading in Blumont Shares on the SGX-ST.
Blumont Shareholder approval is required	The Offer is subject to a number of Conditions, as set out in Section 11.5. In particular, Blumont requires the approval of Blumont Shareholders for the Offer and the proposed allotment and issue of the Blumont Shares to be issued as the Offer Consideration. Under the Listing Manual of the SGX, Blumont must prepare, and distribute to Blumont Shareholders, a 'Circular' in respect of the Offer. Blumont must also provide a 'qualified person's report' with the Circular, which will require Merlin's cooperation. Blumont will discuss with Merlin the preparation of that report, and the likely timing of the finalisation of the report. Merlin Shareholders should note that Blumont considers that it may take approximately 3 months for that report to be prepared and subsequent Extraordinary General Meeting to be held. Blumont will keep Merlin Shareholders updated on the status of this Condition and will make announcements on the ASX and SGXNET when the date for the Extraordinary General Meeting has been set. Merlin Shareholders should note that the Offer will remain subject to the Conditions until this approval has been obtained (and all other Offer Conditions are satisfied or waived). If, and until, that occurs Merlin Shareholders that have accepted the Offer

	will not be able to withdraw their acceptance of the Offer or otherwise dispose of their Merlin Shares (except in limited circumstances as detailed in Section 11.10).
Dilution	The Wintercrest Facility Agreement includes a condition precedent that Wintercrest and Blumont enter into a 'Bond Subscription Agreement' under which Wintercrest could subscribe for convertible bonds in Blumont up to an amount of US$70 million (approximately A$75 million). Wintercrest agreed to waive this condition precedent in respect of all amounts already drawn down by Blumont under the Wintercrest Facility. However, Wintercrest may require this agreement to be entered into in respect of further draw downs under the Wintercrest Facility. If a material number of convertible bonds are issued, this could result in Wintercrest holding a large percentage of Blumont Shares, which may act as a disincentive for a third party to make a takeover bid for Blumont Shares without the approval of Wintercrest. This may, in turn, lower the liquidity and attractiveness of Blumont Shares. Further, Blumont intends to issue additional Blumont Shares to satisfy the consideration payable by Blumont in respect of other potential acquisitions, including up to approximately 913 million Blumont Shares as the offer consideration for the Genesis Takeover Bid (which will be approximately 17.3% of all Blumont Shares on issue, including those that could be issued under the Takeover Bid and the Genesis Takeover Bid), and may issue new Blumont Shares or convertible securities as part of future fundraisings or further acquisitions. Accordingly, any further issues of Blumont Shares will have a dilutive effect on your Blumont Shares.
Investing in a foreign company	There are risks in investing in a company which is incorporated and its securities listed in an overseas country (as Blumont is incorporated in Singapore and its shares are listed on the SGX – Blumont Shares are not listed on the ASX and Blumont has no intention to seek listing on the ASX at this time). These risks include the difficulty in taking legal action (including enforcing your rights) against a foreign company and the associated costs in doing so. There are differences between the companies and securities laws of Singapore (which apply to Blumont) and Australian law. Please refer to Annexure B for more information about some of the key differences. Further, the Blumont Shares that will be issued as the Offer Consideration are expected to be listed and quoted on the SGX. Therefore, they will be quoted in Singapore dollars and any dividends will likely be paid in Singapore dollars. If a Merlin Shareholder wants to sell its Blumont Shares and receive proceeds in Australian dollars, or wants to convert any dividends paid in Singapore dollars to Australian dollars, this will involve a foreign exchange risk (meaning that the resulting proceeds in Australian dollars will vary depending on the prevailing exchange rate).
Offer terms	Once you have accepted the Offer for Your Merlin Shares, you only have the right to withdraw your acceptance of the Offer in limited circumstances (as set out in Section 11.10). Under the Corporations Act, if after you have accepted the Offer and while it remains subject to the Conditions, the Offer is varied (such as by an extension of the Offer Period) so as to postpone for more than one month the time when Blumont must meet its obligations under the Offer, you will be able to withdraw your acceptance. Otherwise, you will be unable to withdraw your acceptance of the Offer even if the market value of Blumont Shares varies significantly from their value on the date of your acceptance of the Offer.

9.3 Risk factors relating to the Blumont Group's overall business activities

Financing	One of the major factors that could affect the Blumont Group's ability to acquire assets in the Mineral and Energy Resources Sector as planned is the adequacy of financing. Further, in order to proceed with the development of the projects in which it has or may in the future have an interest, including its intentions for Merlin (as set out in Section 8) and Genesis under the Genesis Takeover Bid, the Blumont Group is likely to be required to raise additional funding in the future (including due to the fact that the Mineral and Energy Resources Sector is capital intensive). The Blumont Group plans to finance its investments in the Mineral and Energy Resources Sector through internal resources, equity capital raisings and/or forms of debt financing. There is no assurance that the Blumont Group will be able to raise such capital when it is required or that the terms associated with providing such capital will be satisfactory, which may prejudice its ongoing ability to fully pursue its strategy, intentions and projects in which it has an interest. In respect of debt finance, under the Wintercrest Facility Agreement any further drawdowns under that agreement are at Wintercrest's discretion (meaning that Wintercrest may refuse further drawdowns at its discretion) and the entire amount due under the Wintercrest Facility is due to be repaid by 23 June 2014 (at which time Blumont will consider its options, which may include but not be limited to refinancing the loan). In respect of other potential debt finance, even if the Blumont Group is able to raise capital, it may involve financial covenants which may limit its operations and which may have an impact on the gearing of the Blumont Group. Further, the Blumont Group may be required to provide security over its assets in favour of financiers. As detailed in Section 4.10, the Blumont Group has already provided security to Wintercrest over several of its current interests in the Mineral and Energy Resources Sector which, should the Blumont Group default under the Wintercrest Facility Agreement, may result in Wintercrest acquiring these assets. The use of financing from the capital markets is also subject to, amongst others, the prevailing capital market conditions, willingness and ability of Blumont Shareholders to support the fundraising exercise and costs associated with the fundraising. If the Blumont Group is unable to obtain such additional financing, it may be required to reduce the scope of its business activities, which could adversely affect its business, operating results and financial condition and the development of Merlin's projects.
Recent fall in value of Investment Holdings Business	The Blumont Group is exposed to equity securities price risk from its investments held, which are classified on the statement of financial position as financial assets, at fair value through profit or loss or available-for-sale. These equity securities are mostly securities listed in Singapore, Malaysia and Australia. The value of these investments are affected, among others, by changes in market prices of these securities. As detailed in Section 4.8, one of the Blumont Group's business units is its Investment Holdings Business which has interests in transferable securities including marketable shares, warrants and debentures. These investments include a portfolio of investments in companies listed on the SGX and Bursa Malaysia. Based on the latest audited consolidated financial statements of the Blumont Group as announced on SGXNET by Blumont on 31 March 2014, the value of these assets decreased by approximately S$120 million (approximately A$102 million) to approximately S$16.7 million (approximately A$14.3 million) during the last calendar quarter of 2013. These reported losses arose from the mark-to-market adjustment of

	the value of these assets at fair value revaluations based on market bid prices of the quoted securities. The Blumont Board notes that the value of these assets is determined by market prices which may continue to fluctuate. In this respect, Merlin Shareholders should refer to note 39(f) of the Investigating Accountant's Report for fluctuations in the value of these assets after 31 December 2013 up until the date of the Investigating Accountant's Report.
Concentration of revenue from existing business units and profit warning	As detailed in Section 4.2, the Blumont Group's current revenue is derived from its existing Property Business and Sterilisation Services Business. In respect of each of the Blumont Group's current investments in the Mineral and Energy Resources Sector, the Blumont Group has not yet received any revenue from these investments to date. Blumont does not expect to receive any revenue from these investments in the short term due to the fact that most of the companies in which these investments are made are exploration rather than producing companies. Therefore, other than raising capital through financing as discussed above, the Blumont Group relies on these business units for part of its current financing and cash flow management. Further, on 31 March 2014 Blumont announced on SGXNET that it expects to report a net loss for the first quarter ended 31 March 2014. The expected loss for that quarter arose from the unrealised losses arising from fair value readjustments of the Blumont Group's investment in transferable securities (financial assets). The Blumont Group's Investment Holding Business unit and quoted financial assets, available-for-sale, including the portfolio under the Mineral and Energy Resources Sector, is tied to the changes in financial markets and the global economy with uncertainty and volatility in the investment outlook.
Blumont does not have a proven track record in the Mineral and Energy Resources Sector	The Blumont Group does not have a proven track record in the Mineral and Energy Resources Sector and the current management of the Blumont Group may not have the relevant experience and expertise required in the carrying out or implementation of its investments in the Mineral and Energy Resources Sector. There is no assurance that the Blumont Group will be able to undertake the investments in the Mineral and Energy Resources Sector profitably. As all business and investment decisions are a matter of subjective judgment, there is no assurance that the Blumont Group will be able to make the right decisions in a timely manner all or most of the time. Any failure in the execution of the investments in the Mineral and Energy Resources Sector could materially and adversely affect the Blumont Group's financial performance and financial position.
Personnel risks	The future performance of the Blumont Group's interests in the Mineral and Energy Resources Sector will, where the Blumont Group is an active investor rather than holding a passive minority interest, depend on the ability of the Blumont Group to attract and retain key personnel. In particular, the successful operation will depend on the Blumont Group's ability to retain key management and qualified employees for technical, operations, marketing and managerial positions. The failure to attract such key personnel and/or the loss of any of these individuals could have a material effect on the operations and financial performance of the Blumont Group.
Control risks	The returns on the Blumont Group's investments are dependent upon the financial performance of its projects and entities and/or companies in which it invests. However, as the Blumont Group may not take majority positions in the projects or companies nor seek board representation, it is reliant on the project or company's management in

	respect of the project or company's financial performance.
Material litigation	The Blumont Group is currently involved in litigation as detailed in Section 12.11.
Change in control	Change of control provisions, if any, in Merlin's agreements triggered upon the acquisition of control of Merlin may lead to adverse consequences, including possible termination of those agreements.
Reliance on recurring customers of Sterilisation Services Business	The Blumont Group's revenue from its Sterilisation Services Business is largely reliant on recurring customers. A loss of these customers would have a material impact on revenue derived from the Sterilisation Services Business. In addition, the Blumont Group does not have any key contracts that bind these customers to continue to procure such services from the Blumont Group.
Contractual and joint venture	Members of the Blumont Group are party to a number of material contracts including those as set out at Section 12.12, some of which are with third parties or involve joint venture arrangements. Failure by any party to a contract with a member of the Blumont Group to comply with their obligations could have a material adverse effect on the Blumont Group. Additionally, the failure by the Blumont Group to finalise and execute contracts or perform its obligations under contracts presently under negotiation, or to finalise conditions arising under existing conditional material contracts, could affect the timely delivery of the Blumont Group's interest in projects and also have an adverse financial effect on the Blumont Group.
Exchange rates	The Blumont Group is exposed to currency exchange fluctuations in several countries in which it operates or has interests. The Blumont Group does not currently hedge its foreign exchange rate exposure. This has the potential to have an adverse effect on the Blumont Group particularly where revenue under contracts or investments is received in one currency but costs relating to that contract or interest are sourced in another currency.
Adverse changes in raw materials	An increase in the price or the decrease in the availability of raw materials may affect the Blumont Group's performance and financial position. For example, the availability of raw materials is critical for the sterilisation industry and without the necessary raw materials, infrastructure cannot be fully utilised. Any increase in the cost of raw materials may decrease profit margins.
Risk relating to failure to integrate business into the Blumont Group	The Blumont Group's investments in the Mineral and Energy Resources Sector need to be integrated with the other interests and operations of the Blumont Group. The Blumont Group may fail to successfully integrate the investments in the Mineral and Energy Resources Sector into its other operations and realise the anticipated benefits from such integration on a timely basis, or at all, which could negatively impact its business.
Taxation	The taxation regimes in the jurisdictions that the Blumont Group operates in or intends to operate in are subject to differing interpretation and changes in those jurisdictions. The interpretation by Blumont's subsidiaries of relevant taxation laws as applied to their transactions and activities may differ from that of the relevant tax authorities. The relevant tax authorities could challenge that company's taxation treatment of transactions, which may subject the profits of that company (and, therefore, the Blumont Group) from activities in those jurisdictions to additional taxation requirements. Reimbursements (if any) by certain tax authorities to those companies could also be subject to delay. An additional tax requirement or delay in the reimbursement of tax could result in a material adverse effect on the Blumont Group's business, results of

	operations and financial condition.

9.4 Risks relating to exploration, development and production

Resources Estimate	Resource estimates are based on calculations and expressions of judgment based on knowledge, experience and industry practice and on data collected in an ordered, methodical basis under the supervision of a "competent person". Blumont currently intends to apply industry best practices in accordance with acceptable standards such as the Canadian National Instrument 43-101 Standards of Disclosure for Minerals Projects (**NI43-101**) and/or the JORC Code, which is accepted by the SGX. The JORC Code and NI43-101 give investors and shareholders some comfort of different classifications for increased confidence in the estimates. Nonetheless, estimates valid when originally calculated may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork, data collection and analysis, the estimates may change. This could result in alterations to development and mining plans, which may, in turn, affect the Blumont Group's performance.
Exploration, exploitation, development and production risk	Exploration, exploitation and high risk development and production is inherently difficult and a speculative activity and success in ascertaining economic recoverable resources can never be guaranteed (and may be subject to factors over which the Blumont Group has little or no control). Substantial expenditures are also required in order to establish reserves through drilling, to develop metallurgical processes to extract the mineral from the ore, to develop the mining, production, gathering or processing facilities and infrastructure at any site chosen for mining and to determine if a property contains commercial quantities of minerals. Until the Blumont Group is able to realise value from its projects and interests, it may incur ongoing operating and financial losses. In addition, exploration, exploitation, development and production activities can be affected by uncontrollable factors such as inclement weather, industrial action, environmental issues, project delays, unforeseen increases in costs and technical difficulties not anticipated in Blumont's business plans. The development of the Blumont Group's current or future Mineral and Energy Resources Sector projects may require obtaining approvals and additional expenditure if economic mineral deposits are discovered. The Blumont Group might not be able to raise additional capital or to find suitable joint venture partners, which would negatively impact the Blumont Group's performance. There can be no assurance that exploration of the project areas described in this Bidder's Statement, or any other interests or tenements that may be acquired in the future, will result in the discovery of an economic ore deposit of commercial quantity. Even if an apparently viable deposit is identified, there is no certainty that it can be commercially developed.
Geopolitical risks	The Blumont Group's investments in the Mineral and Energy Resources Sector, as well as industry profitability generally, can be affected by changes in government policy, which are beyond the control of the Blumont Group. The governments of some of the countries in which the Blumont Group operates have exercised and continue to exercise significant influence over their respective mineral and energy resources industries. The Blumont Group has investments in projects in various countries and is, therefore, subject to differing legal systems, economic risks and political tensions. The Blumont Group must also comply with a number of regulatory, legal and political environments

	which increases its legal risks and may result in additional costs to ensure compliance. In certain countries where Blumont is seeking to expand its operations, there is heightened risk of state intervention such as nationalisation of part or all of private or foreign investment holdings in the Mineral and Energy Resources Sector. If disputes arise in connection with the Blumont Group's operations in developing countries, the Blumont Group may be subject to the exclusive jurisdiction of foreign courts or foreign arbitration tribunals or may not be successful in subjecting foreign persons, especially foreign mineral and energy resources ministries and national mineral and energy resources entities/companies, to the jurisdiction of courts in other countries.
Commodity price volatility	The price of commodities, which may fluctuate, is affected by numerous factors beyond the Blumont Group's control, which include: ▪ expectations of the rate of inflation; ▪ the relative exchange rate of the US dollar with other major currencies; ▪ global and regional economic activity; ▪ speculative trading; ▪ demand for the commodity; ▪ supply of the commodity from production, disinvestment, scrap and hedging; ▪ level of sales by producers in forward transactions and other hedging; ▪ the production and cost levels for the commodity in major producing nations; ▪ the cost level (in local currencies) for commodities in major consuming nations; and ▪ technology advancements. Fluctuations in commodity prices may adversely affect the market value of the Blumont Group's interests (including inventory), financial performance or results of operations and the inherent value of Blumont Shares. Further, if the market price of commodities in the sectors in which the Blumont Group operates falls, profitability and cash flow will suffer and the Blumont Group may experience losses, asset write-downs and may curtail or suspend some or all of its exploration, development and mining activities. Furthermore, sustained low commodity prices can: ▪ reduce revenues further by production cutbacks due to the cessation of the mining of deposits or portions of deposits that have become uneconomic at the then-prevailing commodity price; ▪ halt or delay the development of new projects; ▪ reduce funds available for exploration, with the result that depleted reserves are not replaced; ▪ reduce the existing mineral reserves where they cannot be economically mined or treated at prevailing prices; and ▪ result in the recording of a write-down of mining interests due to the determination that future cash flows do not recover the carrying value.
Title and tenure risks	Members of the Blumont Group have or may acquire an interest in mining rights which are governed by laws and regulations covering the grant and administration of permits, leases and licences. Each permit, lease or licence is for a specific term and carries with it annual expenditure, reporting, compliance or compulsory reduction conditions. Consequently, the relevant member of the Blumont Group may lose title to an interest if the relevant permit, lease or licence conditions are not met or if insufficient funds are

	available to meet expenditure requirements. If a mining right, permit, lease or licence is not renewed, the Blumont Group may suffer significant damage through loss of opportunity to discover and develop a material project within the relevant area granted. Permits, leases and licences are subject to administrative procedures for application, renewal or conversion into a different type of title. The Blumont Group has no control over the administrative procedures for the application, grant or renewal of a title.
Lack of, and maintenance of, infrastructure	Physical infrastructure in some areas of the countries in which the Blumont Group operates or intends to operate in the Mineral and Energy Resources Sector (or in which it has interests), is obsolete or non-existent and in certain respects has not been adequately funded and maintained. Breakdowns or failures of any part of the physical infrastructure in such areas may disrupt the Blumont Group's normal business activity, cause the Blumont Group to suspend operations or result in environmental damage to the surrounding areas. Further, deterioration of the physical infrastructure in such areas may disrupt the transportation of goods and supplies, increase operational costs of doing business in these areas and generally interrupt business operations, any or all of which could have a material adverse effect on the Blumont Group's business, results of operations, financial condition and prospects.
Processing capacity and production schedule	The estimated processing capacity of the Blumont Group's current and prospective investments is and will be based on certain estimates and assumptions, including the initial test results of samples obtained from exploratory drilling and interpretation of geological data, which are subject to significant uncertainties. Furthermore, variations in the execution of mining and processing plans, and unexpected delays in the construction of processing plants, may result in an inability to meet production schedules. The production schedule may also be affected by any prolonged and/or significant downtime from major and unexpected repairs or servicing of any major production plants which could result in a significant decrease in production rate or production quality.
Environmental risks	The operations and activities of the Blumont Group's business are subject to state and national laws and regulations concerning the environment. Mining, property and sterilisation activities can cause damage or harm to the environment. Although it is the intention of the Blumont Group to conduct its activities to the required standard of environment obligations, including compliance with environmental laws, the Blumont Group could be subject to costs for environmental rehabilitation, damage control and losses by third parties due to risks inherent in its activities, such as accidental spills, leakages or other unforeseen circumstances and pollutions such as noise, air, soil contamination, water, radioactive and littering. Furthermore, there may be exposure to restitution or compensation suits from individuals or communities affected by the hazardous waste products, which would not only result in negative publicity but would also have an adverse effect on the operations, business and profitability of the Blumont Group.
Reliance on third party service providers	As the Blumont Group and the companies in which it invests may not have ownership nor maintain all the infrastructure that produces, processes and transports commodities to customers, such infrastructure and services may have to be leased from third party providers and the Blumont Group and the companies in which it invests will have no control over the quality and availability of such services. Examples of such infrastructure include drilling and well completion equipment and materials, pipelines, storage tanks, separation equipment, enhanced recovery equipment, logging equipment and products and services provided by seismic companies. Interruptions due to logistical complications may also occur and, in the event of disruption or delay in the availability of equipment or

	infrastructure, the sale of commodities will have to be halted until the problem is rectified or until delivery is achieved via alternative methods.
Weather	The Blumont Group's operations and interests may be affected by wet weather conditions. During the wet weather seasons, excessive rainfall, typhoons and other conditions may cause landslides or floods, which, in turn, may damage roads and infrastructure thereby restricting travel, delivery of products and the suspension of mining activities in the affected regions. Conversely, droughts pose a threat to the ability to continue mining and exploration activities which may rely on potable and industrial water. This may have an effect on the revenue and/or profitability of Blumont's Mineral and Energy Resources business.
Insurance	Insurance against all risks associated with mineral exploration production and sterilisation services is not always available or affordable. The Blumont Group will maintain insurances where it is considered reasonably appropriate for its needs, however, it will not be insured against all risks either because appropriate cover is not available or because the Blumont Directors consider the required premiums to be excessive having regard to the benefits that would accrue.
Competing claims	The properties in which the Blumont Group has an interest may consist of recorded interests that have not been legally surveyed, and therefore, the precise boundaries and locations of such interests may be in doubt and may be challenged. A mineral and energy resources property may also be subject to prior unregistered agreements or transfers or native land claims, and the company's title may be affected by these and other undetected defects.

10. TAXATION

10.1 Introduction

The information provided in this Bidder's Statement about Australian and Singapore tax considerations does not constitute, and should not be construed as, taxation advice. Blumont does not accept any liability or responsibility in respect of any statements concerning the taxation consequences of the Offer or in respect of the taxation consequences themselves. You should obtain your own taxation advice in regard to your own individual circumstances.

10.2 Australian tax considerations

Please see Annexure C for a letter from Moore Stephens setting out an overview of relevant Australian taxation considerations in relation to the Offer.

10.3 Singapore tax considerations

Please see Annexure D for an overview of relevant Singapore tax considerations in relation to the Offer.

11. TERMS OF THE OFFER

11.1 Offer

(a) Blumont offers to acquire all of Your Merlin Shares, together with all Rights attached to them, on the following terms and conditions.

(b) The Offer will extend to Merlin Shares which are issued during the period from the Register Date to the Closing Date due to a conversion or exercise of rights attached to securities which exist, or will exist, as at the Register Date, including on the conversion of Merlin Options on issue at that date. As at the Last Practicable Date, only 49,333,333 Merlin Shares have been issued under the Merlin Approved Placements. Further, Blumont understands that Merlin intends to issue up to a further 22 million Merlin Options under the Merlin Incentive Option Scheme. If remaining Merlin Shares in respect of the Merlin Approved Placements, and Merlin Options, are not issued on or before the Register Date, Blumont intends to apply to ASIC for a modification to section 617 of the Corporations Act (as well as, if applicable, other ancillary sections of the Corporations Act) to allow these Merlin Shares, and Merlin Shares issued on exercise of the Merlin Options, to be subject to an Offer under the Takeover Bid.

(c) Please note that you may only accept the Offer for all, and not part only, of Your Merlin Shares.

11.2 Offer Consideration

(a) The consideration offered is 5 Blumont Shares for every Merlin Share, with any fractional entitlements to Blumont Shares rounded up to the nearest whole Blumont Share. When the Takeover Bid was originally announced by Blumont, the Offer Consideration was 5.7 Blumont Shares for every 2 Merlin Shares. On 23 April 2014, Blumont announced that it was increasing the Offer Consideration to 5 Blumont Shares for every Merlin Share.

(b) If Blumont reasonably believes that a Merlin Shareholder's holding has been manipulated to take advantage of any rounding (for example, through share splitting), then any fractional entitlement will be aggregated and rounded to the nearest whole number of Blumont Shares.

(c) The Blumont Shares to be issued under this Offer will, from their date of issue, rank equally in all respects with existing Blumont Shares currently on issue.

11.3 Offer Period

The Offer, unless withdrawn, will remain open for acceptance during the period commencing on the date of this Offer, being 28 April 2014, and ending at 7pm (Sydney time) on 31 July 2014, subject to any extension in accordance with the Corporations Act.

11.4 Official quotation

Blumont will, within seven days after the date of this Bidder's Statement, apply for official quotation on the SGX of the Blumont Shares that are to be issued as the Offer Consideration. Quotation will not be automatic but will depend on the SGX exercising its discretion. Blumont has already been admitted to the mainboard of the SGX and the Blumont Shares to be issued under the Offer are of the same class as Blumont Shares already quoted on the SGX. Blumont does not guarantee, and does not represent or imply, that the Blumont Shares will be listed on the SGX following issue. The Offer is conditional on the SGX approving the application for listing and quotation of the Blumont Shares to be issued as the Offer Consideration.

11.5 Offer Conditions

(a) **Minimum acceptance**

At or before the end of the Offer Period, Blumont has a Relevant Interest in such number of Merlin Shares which represents at least 50.1% of the aggregate of all the Merlin Shares on issue.

(b) **Blumont shareholder approval**

Prior to the end of the Offer Period, Blumont receives the approval of its shareholders, in general meeting, for:

(i) the Takeover Bid and the Offer if required, in accordance with Chapter 10 of the Listing Manual Part A: Mainboard Rules of the SGX-ST; and

(ii) the issuance of Blumont Shares as Offer Consideration in accordance with Chapter 8 of the Listing Manual Part A: Mainboard Rules of the SGX-ST.

(c) **No prescribed occurrences**

During the period from the Announcement Date to the end of the Offer Period (each inclusive), none of the following occurrences happens:

(i) Merlin converts all or any of its shares into a larger or smaller number of shares;

(ii) Merlin or a subsidiary of Merlin resolves to reduce its share capital in any way;

(iii) Merlin or a subsidiary of Merlin enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C (1) or 257D (1) of the Corporations Act;

(iv) Merlin or a subsidiary of Merlin issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than in respect of Merlin Shares issued pursuant to the terms of issue of the Merlin Options or the Merlin Approved Placements;

(v) Merlin or a subsidiary of Merlin issues, or agrees to issue, convertible notes;

(vi) Merlin or a subsidiary of Merlin disposes, or agrees to dispose of the whole, or a substantial part, of its business or property;

(vii) Merlin or a subsidiary of Merlin grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;

(viii) Merlin or a subsidiary of Merlin resolves to be wound up;

(ix) a liquidator or provisional liquidator of Merlin or of a subsidiary of Merlin is appointed;

(x) a court makes an order for the winding up of Merlin or of a subsidiary of Merlin;

(xi) an administrator of Merlin or of a subsidiary of Merlin is appointed under section 436A, 436B or 436C of the Corporations Act;

(xii) Merlin or a subsidiary of Merlin executes a deed of company arrangement; or

(xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Merlin or a subsidiary of Merlin,

(xiv) each a Prescribed Occurrence.

(d) **No action by Government Agency adversely affecting the Takeover Bid**

During the period from the Announcement Date to the end of the Offer Period:

(i) there is not in effect any preliminary or final decision, order, ruling or decree issued by (or on behalf of) a Government Agency;

(ii) no action or investigation is instituted, or threatened, by any Government Agency with respect to Merlin or any subsidiary of Merlin; or

(iii) no application is made to any Government Agency (other than an application by Blumont or any Related Body Corporate of Blumont, an application under sections 657C or 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid (other than a determination by ASIC or the Takeovers Panel in exercise of the power and discretions conferred by the Corporations Act), which restrains or prohibits, or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Takeover Bid or the completion of any transaction contemplated by the Takeover Bid (including implementing the intentions expressed therein) or that seeks to require the divestiture by Blumont of any Merlin Shares, or the divestiture of any assets by Merlin or by any subsidiary of Merlin or by any company within the Blumont Group.

(e) **Approvals by Government Agencies**

During the period from the Announcement Date to the end of the Offer Period, Blumont receives all Approvals which are required by law or by any Government Agency:

(i) to permit the Offers to be made to and accepted by Merlin Shareholders; or

(ii) as a result of the Offers or the successful acquisition of the Merlin Shares and which are necessary for the continued operation of the business of Merlin and its subsidiaries or of Blumont and its subsidiaries,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

This includes Blumont receiving the approval of:

(i) the SGX-ST for the listing and quotation of the Blumont Shares to be issued as Offer Consideration; and

(ii) relevant Government Agencies which may be required in respect of the Offer and, in particular, the change of control in the Merlin Tenements.

(f) **No material acquisitions, disposals or related party transactions**

Except for any proposed transaction publicly announced by Merlin through the ASX within the 12 months before the Announcement Date, none of the following events occurs before the end of the Offer Period without the written consent of Blumont:

(i) Merlin, or any subsidiary of Merlin, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than A$200,000 or makes an announcement about such an acquisition;

(ii) Merlin, or any subsidiary of Merlin, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create, an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount or value in aggregate greater than A$200,000 or makes an announcement about such a disposal or creation;

(iii) Merlin, or any subsidiary of Merlin, enters into, offers to enter into or announces that it proposes to enter into any joint venture, partnership or management agreement involving a commitment of greater than A$200,000 or dual listed company structure, or makes an announcement about such a commitment;

(iv) Merlin, or any subsidiary of Merlin, incurs or commits to, or grants to another person a right the exercise of which would involve Merlin or any subsidiary of Merlin incurring or committing to, any capital expenditure or liability for one or more related items of greater than A$200,000 in aggregate or makes an announcement about such a commitment; or

(v) Merlin, or any subsidiary of Merlin, enters into any contract, arrangement or understanding with a related party.

(g) **No material failings in filings**

Blumont does not become aware, during the period from the Announcement Date to the end of the Offer Period, that:

(i) any document filed by or on behalf of Merlin with ASX or ASIC contains a statement which is incorrect or misleading in any material respect or from which there is a material omission; or

(ii) Merlin has made or not made an announcement in breach of its continuous disclosure obligations.

(h) **Non-existence of certain rights**

No person has any right (whether subject to conditions or not), purports to or states an intention to (whether or not that intention is stated to be a final or determined decision of that person) as a result of Blumont acquiring Merlin Shares to:

(i) acquire, or require Merlin or a subsidiary of Merlin to dispose of, or offer to dispose of, any material asset of Merlin or a subsidiary of Merlin;

(ii) terminate or vary any material agreement with Merlin or a subsidiary of Merlin; or

(iii) accelerate or adversely modify the performance or occurrence of any obligations of Merlin or any of its subsidiaries in a material respect under any agreements, contracts or other legal arrangements.

(i) **No force majeure event**

During the period from the Announcement Date to the end of the Offer Period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, material increase in the intensity of any of the above events or other event beyond the control of Merlin or its subsidiaries occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Merlin or any of its subsidiaries.

(j) **No material adverse change to Merlin**

During the period from the Announcement Date to the end of the Offer Period, no Merlin Material Adverse Change occurs.

(k) **Mining interests**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Merlin Tenement, mining or exploration agreement, right, lease or licence to prospect, explore or mine or both a particular area or to construct, use or maintain infrastructure in connection with a mining operation, including an exploration licence, prospecting licence or mining lease or licence held by any member of the Merlin Group (including the Merlin Tenements) at the Announcement Date (**Mining Interests**), or any interest in any Mining Interest, is revoked, terminated or expires (excluding for the avoidance of doubt relinquishment of parts of tenements in the ordinary course of business) or in the case of a renewal of a Mining Interest is not granted other than tenements M80/492 and M80/532 as disclosed in writing to Blumont before the Announcement Date.

(l) **Distribution**

Other than as announced by Merlin before the Announcement Date, Merlin (and each subsidiary of Merlin) does not, before the end of the Offer Period, make or declare, or announce an intention to make or declare, any distribution (whether by way of divided, capital reduction or otherwise and irrespective of whether it is cash or in specie).

(m) **Fall in Blumont's Share price**

Before the end of the Offer Period, the rolling 5 day VWAP of Blumont's Shares ending on any trading day on the SGX-ST does not fall to a level that is 20% or more below the price of Blumont's Shares as at the close of trading of the SGX-ST on the Business Day before the Announcement Date.

(n) **Merlin Options**

Before the end of the Offer Period, all Merlin Options lapse or are exercised and all relevant Merlin Shares are issued by Merlin on exercise of the Merlin Options and that no:

(i) amount remains owing or may become owing by any person to Merlin (or any member of the Merlin Group) in relation to the issue or exercise of the Merlin Options or acquisition of Merlin Shares on exercise of the Merlin Options;

(ii) amount remains owing or may become owing by any person to any trustee or its related bodies corporate in relation to the Merlin Options or Merlin Shares issued on exercise of the Merlin Options (**Trustee**) in relation to the issue or exercise of the Merlin Options or acquisition of Merlin Shares on exercise of the Merlin Options; or

(iii) amount remains owing or may become owing by any Trustee or its related bodies corporate to Merlin (or any member of the Merlin Group) in relation to the issue or exercise of the Merlin Options or acquisition of Merlin Shares on exercise of the Merlin Options,

and Blumont is provided with written confirmation from Merlin of the receipt by and retention by Merlin of the full cash exercise price per Merlin Option that is exercised which must be A$0.15 per Merlin Share.

(o) **Placement shares and utilisation of proceeds**

(i) Other than in respect of Merlin Shares to be issued to Blumont as announced to the ASX on 17 February 2014, before the Register Date, any remaining Merlin Shares pursuant to the Merlin Approved Placements are issued by Merlin and the full proceeds are received in immediately available funds by Merlin.

(ii) The proceeds of the Merlin Approved Placements, and the issue of any Merlin Options or Merlin Shares on exercise of the Merlin Options, are used by Merlin for no purpose other than the following:

(A) approximately 50% to repay debt;

(B) approximately 30% for operational purposes; and

(C) approximately 20% for working capital;

and Merlin provides written evidence of this to Blumont.

11.6 Status of the Offer Conditions as at the Last Practicable Date

As at the Last Practicable Date, Blumont notes the following:

(a) in respect of the Condition set out at Section 11.5(b) (Blumont shareholder approval), Blumont requires the approval of Blumont Shareholders for the Offer and the proposed allotment and issue of the Blumont Shares to be issued as the Offer Consideration. Under the Listing Manual of the SGX Blumont must prepare, and distribute to Blumont Shareholders, a 'Circular' in respect of the Offer. Blumont must also provide a 'qualified person's report' with the Circular, which will require Merlin's cooperation. Blumont will discuss with Merlin the preparation of that report, and the likely timing of the finalisation of the report. Merlin Shareholders should note that Blumont considers that it may take approximately 3 months for that report to be prepared and subsequent Extraordinary General Meeting to be held. Blumont will keep Merlin Shareholders updated on the

status of this Condition and will make announcements on the ASX and SGXNET when the date for the Extraordinary General Meeting has been set;

(b) in respect of the Condition set out at Section 11.5(e) (Approvals by Government Agencies), within seven days after the date of this Bidder's Statement, an application for the listing and quotation of the Blumont Shares to be issued as the Offer Consideration will be made to the SGX for the Blumont Shares to be listed for quotation on the Official List of the SGX. Blumont expects that the in-principle approval of the SGX for the listing and quotation of the Blumont Shares to be issued as the Offer Consideration will be granted at or around the time that the Circular is despatched to Blumont Shareholders;

(c) in respect of the Condition set out at Section 11.5(m) (Fall in Blumont's Share price), this Condition has been triggered at various times prior to the Last Practicable Date. However, Blumont waives its rights in respect of the non-satisfaction of this Condition for the period prior to the start of the Offer Period.

In addition, in light of the increased Offer Consideration and the recent trading price of Blumont Shares, Blumont notes that it will not seek to rely on the non-satisfaction of this Condition unless the Blumont VWAP falls below S$0.0272 which is equivalent to a level that is 20% below the price of Blumont Shares as at the Last Practicable Date (and 55.4% below the price of Blumont Shares at the close of trading of the SGX-ST on the Business Day before the Announcement Date). Accordingly, Blumont notes that the relevant Blumont Share price at which Blumont may rely on this Condition being triggered is S$0.0272; and

(d) in respect of the Condition set out at Section 11.5(o)(i) (Placement shares), as at the Last Practicable Date this Condition has not been satisfied. If this Condition is not satisfied by the required timeframe, Blumont will waive the non-satisfaction of this Condition.

11.7 Declaration of the Offer being free from the Conditions

(a) Blumont may, subject to the Corporations Act, declare this Offer and all contracts resulting from the acceptance of the Offer free from the Conditions (or any one or more or any part of them) in Section 11.5. Subject only to Sections 11.6(c) and (d), Blumont has no present intention of waiving these Conditions. If for whatever reason, this intention does change, and any or all of the Conditions are waived, Blumont may provide you with further information as to whether or not to accept the Offer having regard to the impact of the Condition or Conditions being waived.

(b) Subject to compliance with sections 630 and 650F of the Corporations Act, a declaration made under Section 11.7(a) must be made by Blumont by notice in writing to Merlin not less than 7 days before the end of the Offer Period, other than if the Condition is one specified in section 652C(1) or 652C(2) of the Corporations Act in which case Blumont may make such a declaration no later than 3 Business Days after the end of the Offer Period.

11.8 Status Notice

The date for giving the notice referred to in section 630(1) of the Corporations Act relating to the status of the Conditions in Section 11.5 is 23 July 2014. This date will be extended in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

11.9 Void Contracts

If, at the end of the Offer Period:

(a) Blumont has not declared this Offer and all contracts resulting from the acceptance of the Offer free from the Conditions in Section 11.5; and

(b) the Conditions in Section 11.5 have not been fulfilled,

all contracts resulting from the acceptance of the Offer and all Offers that have been accepted from whose acceptance binding contracts have not yet resulted will be automatically void.

11.10 Effect of acceptance

Other than as detailed below, once you have accepted the Offer, you will be unable to revoke your acceptance. The contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Merlin Shares from the Offer or otherwise dispose of Your Merlin Shares, except as follows:

(a) if the Offer is terminated in accordance with Section 11.9; or

(b) if the Offer Period is extended for more than one month and at the time this Offer is subject to one or more of the Conditions in Section 11.5, in which case you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

11.11 Your agreement

By completing, signing and returning the Acceptance Form, or otherwise accepting the Offer, you will be deemed to have:

(a) subject to section 650E of the Corporations Act and Section 11.10, irrevocably accepted this Offer in respect of all Your Merlin Shares;

(b) subject to this Offer being declared free from the Conditions or such Conditions being fulfilled, agreed to transfer all Your Merlin Shares to Blumont;

(c) agreed to execute all such documents, transfers and assurances that may be necessary or desirable to convey Your Merlin Shares and any Rights to Blumont;

(d) represented and warranted to Blumont as a fundamental condition of the contract resulting from your acceptance of this Offer that, both at the time of acceptance of this Offer and at the time the transfer of Your Merlin Shares to Blumont:

(i) you have paid to Merlin all amounts which have fallen due for payment in respect of Your Merlin Shares;

(ii) all of Your Merlin Shares are fully paid up and free from all Encumbrances; and

(iii) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of Your Merlin Shares to Blumont;

(e) irrevocably authorised Blumont (and any of Blumont's Directors, officers, servants or agents) to alter the Acceptance Form on your behalf by:

(i) inserting correct details of you or Your Merlin Shares;

(ii) filling in any blanks remaining on the Acceptance Form; and

(iii) rectifying any errors or omissions on the Acceptance Form,

as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable registration of all Your Merlin Shares in the name of Blumont;

(f) with effect from the later of your acceptance of this Offer and the date on which all of the Conditions to this Offer in Section 11.5 have been fulfilled or freed:

(i) irrevocably appointed Blumont (and each of Blumont's Directors, secretaries, officers, agents and attorneys), from time to time, jointly and severally as your true and lawful attorney to exercise all powers and rights which you could lawfully exercise as the registered holder of Your Merlin Shares, including (without limitation), powers and rights to requisition, convene, attend and vote in person, by

proxy or by body corporate representative at all general meetings of Merlin and to request Merlin to register, in the name of Blumont or its nominee, Your Merlin Shares; and

(ii) agreed not to attend or vote in person at any meeting of Merlin or to exercise or purport to exercise any of the powers conferred on Blumont or its nominees under Section 11.11(f)(i);

(g) agreed that in exercising the powers and rights conferred by the powers of attorney granted under Section 11.11(f)(i), the attorney is entitled to act in the interests of Blumont as the beneficial owner and intended registered holder of Your Merlin Shares;

(h) agreed to do all such acts, matters and things that Blumont may require to give effect to the matters the subject of this Section 11.11 (including the execution of a written form of proxy to the same effect as this Section 11.11) which complies in all respects with the requirements of the constitution of Merlin, if requested by Blumont;

(i) irrevocably authorised and directed Merlin to pay to Blumont, or to account to Blumont for, all Rights in respect of Your Merlin Shares, subject to Blumont accounting to you for any such Rights received if this Offer is withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void;

(j) irrevocably authorised Blumont to notify Merlin on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Merlin Shares is the address specified by Blumont in the notification;

(k) if, at the time of acceptance of this Offer, Your Merlin Shares are in a CHESS Holding, with effect from the later of your acceptance of this Offer and the date on which all of the Conditions to this Offer in Section 11.5 have been fulfilled or freed, irrevocably authorised Blumont (and any nominee) to transmit a message in accordance with ASX Settlement Operating Rule 14.17.1 so as to transfer Your Merlin Shares to Blumont, regardless of whether it has not yet allotted the Offer Consideration due to you under this Offer at the time of such transfer;

(l) if, at the time of acceptance of this Offer, Your Merlin Shares are in an Issuer Sponsored Holding, with effect from the later of your acceptance of this Offer and the date on which all of the Conditions to this Offer in Section 11.5 have been fulfilled or freed, irrevocably authorised Blumont (and any nominee) to transfer ownership of Your Merlin Shares to Blumont, regardless of whether Blumont has not yet allotted the Offer Consideration due to you under this Offer at the time of such transfer;

(m) agreed to indemnify Blumont in respect of any claim or action against it for any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN, or in consequence of the transfer of Your Merlin Shares to Blumont being registered by Blumont without production of your HIN or SRN for Your Merlin Shares; and

(n) represented and warranted to Blumont that, unless you have notified it in accordance with Section 11.15, Your Merlin Shares do not consist of separate and distinct parcels of Merlin Shares.

In addition, if you elect to receive Blumont Shares through your CDP Securities Account in uncertificated form (or the account of your nominee), by completing, signing and returning the Acceptance Form, or otherwise accepting the Offer, you will be deemed to have:

(a) agreed that you will not receive a share certificate or any other document evidencing title to the Blumont Shares once the shares are credited to the CDP Securities Account;

(b) agreed that you will be responsible for any fee or other charge that may be levied by the nominee (if any);

(c) warranted that the issue of Blumont Shares to the CDP Securities Account of a nominee is not a change in beneficial ownership (including in respect of the consideration payable on those Merlin Shares);

(d) if you are a custodian, warranted that the client has provided instructions which are consistent with the information you provide on and in connection with the Application Form;

(e) acknowledged that Blumont is not privy to and has no knowledge (actual, implied or constructive) of your relationship or arrangement with your nominee and you warrant that you and your nominee will retain sole and absolute discretion on and over the Blumont Shares that would be allotted and issued to your nominee;

(f) undertaken not to bring any claim against and release Blumont and any of its directors, officers, employees, consultants or advisors in relation to the direction given under the Application Form;

(g) acknowledged and accepted that, in the event that Blumont or Link are not, for any reason, able or permitted to transfer Blumont Shares to the CDP Securities Account nominated in the Acceptance Form, that you will instead receive a share certificate for the Blumont Shares and, in these circumstances, undertake not to make any claim against Blumont or Link or any of their directors, officers, employees, consultants or advisors for any loss, costs, charges or expenses you (or others) incur or may incur arising from the failure to issue or transfer Blumont Shares to the CDP Securities Account nominated in the Acceptance Form; and

(h) agreed to indemnify and hold harmless Blumont and Link and each of their directors, officers, employees, consultants and advisors for any loss, costs, charges and expenses incurred by any of them in relation to any of the above representations, undertakings and statements or otherwise arising out of the allotment, issue or transfer of Blumont Shares which are the subject of the Acceptance Form.

11.12 Continuing representations and warranties

The representations, warranties, undertakings and authorities referred to in Section 11.11 will (unless otherwise stated) remain in force after you receive the consideration for Your Merlin Shares and after Blumont becomes registered as the holder of Your Merlin Shares.

11.13 Allotment of the Offer Consideration

(a) **When you will be issued your Offer Consideration**

Subject to this Section 11.13 and the Corporations Act, if you accept this Offer and Blumont is given all necessary documentation at the time of your acceptance, Blumont will issue the Offer Consideration that you are entitled to under the terms of this Offer on or before the earlier of:

(i) 1 month after the date you validly accepted this Offer or, if at the time of your acceptance this Offer is subject to the Conditions, within 1 month after the contract resulting from your acceptance of this Offer becomes unconditional; or

(ii) 21 days after the end of the Offer Period.

(b) **Where additional documents are required**

Where the Acceptance Form requires additional documents to be given to Blumont with your acceptance of the Offer to enable Blumont to become the holder of Your Merlin Shares (such as a power of attorney):

(i) if the documents are given with your acceptance, Blumont will issue the Offer Consideration in accordance with section 11.13(a) above;

(ii) if the documents are given after the acceptance and before the end of the Offer Period and the Offer is subject to the Conditions at the time that Blumont is given the documents, Blumont will issue the Offer Consideration by the end of whichever period ends earlier:

(A) within 1 month after the contract resulting from your acceptance of the Offer becomes unconditional; and

(B) 21 days after the end of the Offer Period;

(iii) if the documents are given after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that Blumont is given the documents, Blumont will issue the Offer Consideration by the end of which whichever period ends earlier:

(A) within 1 month after Blumont is given the documents; and

(B) 21 days after the end of the Offer Period; and

(iv) if the documents are given after the end of the Offer Period, and the Offer is unconditional at the time, Blumont will issue the Offer Consideration within 21 days after the documents are given but if at the time Blumont is given the documents the Offer is still subject to the Conditions referred to in subsection 652C(1) and 652C(2) of the Corporations Act, Blumont will issue the Offer Consideration within 21 days after the Offer becomes unconditional.

If you do not provide Blumont with the required additional documents within 1 month after the end of the Offer Period, Blumont may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

(c) **Return of documents**

If the Offer does not become unconditional or any contract arising from the Offer is rescinded by Blumont on the ground of a breach of a condition of that contract, Blumont will, at its election, return by post to you (at the address shown on the Acceptance Form) the Acceptance Form and any other documents sent by you or destroy those documents and notify the ASX of this.

(d) **Where Blumont is entitled to Rights**

If you accept this Offer and Blumont becomes entitled to any Rights in respect of Your Merlin Shares, you must give Blumont all documents necessary to vest title to those Rights in Blumont. If you do not give those documents to Blumont, or if you have received the benefit of those Rights, Blumont will be entitled to deduct from the Offer Consideration that you are entitled to in accordance with the terms of this Offer the amount (or an amount equal to the value, as reasonably assessed by Blumont) of those Rights.

(e) **Clearance for offshore residents**

If, at the time of acceptance of this Offer:

(i) any authority or clearance of a Government Agency is required for you to receive the Offer Consideration under the Offer; or

(ii) you are a:

(A) resident in, or a resident of, a place to which, or

(B) person to whom,

any Law that would make it unlawful for Blumont to allot the Offer Consideration that you are entitled to under the terms of the Offer,

then the acceptance of the Offer will not create or transfer to you any right (contractual or contingent) to have the Offer Consideration allotted to you unless and until all requisite authorities or clearances have been obtained.

11.14 If another person is entitled to Your Merlin Shares

If, when the Offer is made to you, or at any time during the Offer Period, another person is entitled to be registered as the holder of some or all of Your Merlin Shares (**Transferred Shares**), then Blumont will be taken to have:

(a) made to the other person a corresponding Offer for the Transferred Shares;

(b) made you a corresponding Offer for Your Merlin Shares except the Transferred Shares; and

(c) otherwise withdrawn the initial Offer made in respect of those Merlin Shares.

11.15 If you are a trustee or nominee

If at any time during the Offer Period you are a trustee for or nominee of another person or Your Merlin Shares for some other reason consist of two or more distinct portions within the meaning of section 653B of the Corporations Act, then:

(a) a separate Offer will be taken to have been made to you in relation to each of the distinct portions of Your Merlin Shares; and

(b) if you are a trustee or nominee, or otherwise hold the securities on account of another person, an acceptance by you of the Offer for a distinct portion of Your Merlin Shares will be ineffective unless:

(i) you have given Blumont a notice, delivered in accordance with this Section 11.15, stating that Your Merlin Shares consist of distinct portions; and

(ii) your acceptance specifies the number of Merlin Shares in the distinct portions to which the acceptance relates.

11.16 Withdrawal

Blumont may withdraw this Offer at any time with the written consent of ASIC. That consent may be given subject to any conditions specified in the consent.

11.17 Variation

Subject to the Corporations Act, Blumont may at any time before the end of the Offer Period vary this Offer in accordance with the Corporations Act including:

(a) by extending the Offer Period;

(b) by increasing the Offer Consideration; and

(c) with the written consent of ASIC, and subject to any conditions specified by ASIC in that consent, in the manner that ASIC permits.

11.18 Extension of the Offer Period

If Blumont extends the Offer Period, you will be sent notice of the extension, unless at the date of the extension you have already accepted this Offer and the Offer has become free from the Conditions in Section 11.5 or those Conditions have been waived.

11.19 Offer to Ineligible Foreign Shareholders

(a) If you are a person:

(i) whose address as shown in the Merlin Register last supplied to Blumont is in a jurisdiction other than Australia, its external territories or Singapore and the law of that jurisdiction makes it, in the reasonable opinion of Blumont, unlawful or too onerous for Blumont to make the Offer to you and for Blumont to issue you with Blumont Shares; or

(ii) to whom any law would make it unlawful or too onerous for Blumont to issue you with Blumont Shares,

then you will be taken to be an **Ineligible Foreign Shareholder**. As an Ineligible Foreign Shareholder, you will not be entitled to receive Blumont Shares as consideration for your Merlin Shares.

(b) In these circumstances:

(i) Blumont will arrange for the issue or transfer to the Foreign Sale Nominee the Blumont Shares which you (and other Merlin Shareholders to whom Section 11.19(a) applies) would have become entitled to receive under the Offer Consideration but for this Section 11.19;

(ii) cause the Foreign Sale Nominee to sell on-market on the SGX, or cause the Foreign Sale Nominee to procure the on-market sale on the SGX of, all Blumont Shares issued to the Foreign Sale Nominee under Section 11.19(b)(i) as soon as reasonably practicable after the Closing Date;

(iii) after the sale of Blumont Shares pursuant to Section 11.19(b)(ii), cause the Foreign Sale Nominee to procure the payment of the amount which is received by the Foreign Sale Nominee upon the sale of all Blumont Shares to which Section 11.19(a) applies less stamp duty and other sale expenses (**Net Proceeds of Sale**) to Link;

(iv) Link (as paying agent) will pay, or procure the net payment of the proportion of the Net Proceeds of Sale to which you are entitled to be paid (**Your Entitlement**), determined in accordance with the following formula:

Your Entitlement = Net Proceeds of Sale x (A/B)

where:

A is the number of Blumont Shares which Blumont would otherwise be required to issue to you as a result of the acceptance of the Offer; and

B is the total number of Blumont Shares issued to the Foreign Sale Nominee under Section 11.19; and

(v) under no circumstances will interest be paid on Your Entitlement of the Net Proceeds of Sale regardless of any delay in remitting those proceeds to you.

(c) Payment will be made by cheque in Australian dollars posted to you at your risk by ordinary mail.

(d) Notwithstanding anything else in the Bidder's Statement, Blumont is not under any obligation to spend any money, or undertake any action, in order to satisfy itself that a person is not an Ineligible Foreign Shareholder and is, therefore, able to receive Blumont Shares under the Offer or their share of the Net Proceeds of Sale as set out in this Section 11.19.

(e) If you are an Ineligible Foreign Shareholder, the amount of cash you will be sent in respect of the Blumont Shares that would otherwise have been issued to you will depend on the price received by the Foreign Sale Nominee for the Blumont Shares when they are sold and the prevailing foreign exchange rate.

12. ADDITIONAL INFORMATION

12.1 Bid Implementation Deed

Copies of the announcements made by Blumont on SGXNET and by Merlin to the ASX on the Announcement Date regarding the Offer (including the Implementation Deed) are available through the ASX and SGX Websites, and Blumont's Website and Merlin's website respectively.

In addition to the terms and conditions of the Offer set out in this Bidder's Statement, the Implementation Deed contains the following material terms:

(a) **Terms of the Offer**

Blumont will offer 5 Blumont Shares for every Merlin Share. The Takeover Bid will extend to any Merlin Shares issued as a result of the exercise of not more than 28,975,000 options to subscribe for Merlin Shares and to 117,333,333 Merlin Shares under one or more placements as announced by Merlin to ASX on 20 February 2014.

(b) **Recommendation**

Merlin must, until the end of the Offer Period, use its best endeavours to procure that all Merlin Directors maintain their unanimous recommendation that all Merlin Shareholders accept the Offer and their stated intention to accept the Offer in respect of all Merlin Shares that they own or control. This does not apply if a Superior Proposal emerges and it is not matched by Blumont within 5 Business Days.

(c) **Conduct of business by Merlin before the end of the Offer Period**

Until the end of the Offer Period, Merlin must and must procure that any subsidiary must carry on its business in substantially the same manner as previously conducted and in accordance with normal and prudent practice and in the ordinary course including maintaining the condition of its business and assets.

Until the end of the Offer Period, Merlin must:

(i) take all action from time to time as may be necessary to maintain any mining or exploration tenements, licences or permits (including the Merlin Tenements) registered in its name or its subsidiary's name in good standing;

(ii) comply with all Material Contracts, laws, regulations, rules, requirements, authorisations, licenses, permits, consents and approvals that are material to the conduct of the business of Merlin;

(iii) not offer or agree to terminate or novate any Material Contracts that are material to the conduct of the business of Merlin or to amend any such contract in any material respect; and

(iv) not deliberately do or cause to be done, or fail to do, or deliberately cause not to be done, anything that would result in the Takeover Bid not being implemented or being implemented otherwise than as soon as reasonably practicable and in accordance with the terms of the Implementation Deed.

(d) **Board appointments**

(i) As soon as practicable after the Offer Period closes (assuming that the Takeover Bid is no longer subject to the Offer Conditions) Merlin is to procure:

(A) the resignation of such number of Merlin Directors as requested by Blumont so that nominees of Blumont constitute a proportion of the Merlin Board that corresponds, as far as possible, to Blumont's Relevant Interest in Merlin; and

(B) that the Merlin Board appoints such number of persons nominated by Blumont as Merlin Directors such that the number of Merlin Directors nominated by Blumont to the Merlin Board is proportionate, as far as possible, to the Relevant Interest of Blumont in Merlin.

(ii) If all of the Offer Conditions have been waived or satisfied (and Blumont has a Relevant Interest in 50.1% or more of the aggregate of all the Merlin Shares on issue), then, on request from Blumont, Merlin must procure that the Merlin Board appoints persons nominated by Blumont such that nominees of Blumont constitute a majority of the directors on the Merlin Board provided that, whilst the Offer is open, Blumont agrees not to seek the removal of the remaining Merlin Directors.

(e) **Payment of break fee by Merlin**

Merlin has agreed to pay Blumont a break fee of $125,000 (**Break Fee**) in certain circumstances. The Break Fee will not be payable if the Offer Conditions have been satisfied or waived and Blumont has a Relevant Interest in at least 30% of Merlin Shares.

(f) **Compensation for Merlin**

Blumont has agreed to pay Merlin the Break Fee if:

(i) Merlin terminates the Implementation Deed in accordance with clause 10.1 of the Implementation Deed (which relates to a material breach); or

(ii) Blumont does not receive, before the end of the Offer Period, the approval of Blumont Shareholders for the Takeover Bid and the offer of Blumont Shares as the consideration for the Takeover Bid (other than where the other Offer Conditions have not been satisfied and provided that Merlin has complied with its obligations under the Implementation Deed in all material respects).

(g) **Exclusivity obligations**

Merlin has agreed to grant certain exclusivity rights to Blumont in respect of the Offer, subject to standard fiduciary carve-outs in the case of a Superior Proposal or a Competing Proposal.

(h) **Merlin warranties**

Under the Implementation Deed, Merlin has provided various representations and warranties in favour of Blumont. These include customary representations and warranties for a transaction of this nature.

(i) **Termination**

(i) Either party may terminate the Implementation Deed if the other party is in material breach.

(ii) Blumont may also terminate the Implementation Deed if a Superior Proposal is publicly made or announced for Merlin by a third party, a Merlin Director recommends the Superior Proposal or any member of the Merlin Board does not recommend the Takeover Bid or, having recommended it, changes his or her recommendation.

(iii) Merlin may also terminate the Implementation Deed if:

(A) a Superior Proposal is made or publicly announced for Merlin by a third party and the Merlin Directors recommend that Superior Proposal as permitted under the Implementation Deed;

(B) a Blumont 'material adverse change' occurs;

(C) the rolling 5 day VWAP of Blumont's Shares as quoted on the SGX-ST falls below S$0.03; or

(D) Blumont does not comply with the Corporations Act in all material respects as it applies to the Takeover Bid.

12.2 Acquisitions of Merlin Shares by Blumont and its Associates during the last 4 months

During the 4 months prior to the date of this Bidder's Statement, Blumont and its Associates, subscribed for 16,000,000 new Merlin Shares at A$0.075 per Merlin Share (A$1,200,000 in total). Blumont has a right under the Merlin Subscription Agreement to increase its holding to 26 million new Merlin Shares (for a total consideration of A$1.95 million) which would increase Blumont's interest to 9.94% (based on Merlin's share capital at the Last Practicable Date).

12.3 Interests in Merlin Shares

As at the date of this Bidder's Statement, Blumont has a Relevant Interest, and voting power, in 6.12% of Merlin Shares. Blumont has a right under the Merlin Subscription Agreement to increase its holding to 26 million new Merlin Shares (for a total consideration of A$1.95 million) which would increase Blumont's interest to 9.94% (based on Merlin's share capital at the Last Practicable Date).

12.4 Collateral benefits

During the period of 4 months before the date of this Bidder's Statement, neither Blumont nor any Associate of Blumont gave, or offered to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

(a) accept the Offer; or

(b) dispose of their Merlin Shares,

and which was not offered to all holders of Merlin Shares under the Offer.

12.5 Disclosure of fees and benefits received by certain persons

(a) Except as set out in this Bidder's Statement, no Blumont Director or proposed Blumont Director or any person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement or a promoter holds, or held at any time during the last two years, any interest in:

(i) the formation or promotion of Blumont;

(ii) property acquired or proposed to be acquired by Blumont in connection with its formation or promotion or the Offer; or

(iii) the Offer of Blumont Shares.

(b) Holding Redlich acted as Australian legal adviser to Blumont in relation to the Offer. In respect of this work, Holding Redlich will be paid approximately A$150,000 (excluding disbursements and GST) for work performed by it until the date of this Bidder's Statement.

(c) Moore Stephens Perth Corporate Services Pty Limited acted as Investigating Accountant and has prepared the Investigating Accountant's Report. Moore Stephens has prepared the section on the Australian tax considerations in Annexure C, as well as the section on franking credits in the final column of Annexure B. These entities will be paid approximately A$52,000 (excluding disbursements and GST) for work performed until the date of this Bidder's Statement.

12.6 Additional Consents

(a) Link has been engaged by Blumont to assist with certain aspects of the Offer, including:

(i) the printing and despatch of this Bidder's Statement;

(ii) providing the Blumont Offer Information Line;

(iii) the receipt and processing of acceptances of the Offer; and

(iv) the receipt and despatch to relevant Merlin Shareholders of funds received from the Foreign Sale Nominee in respect of the proceeds received under the sale of the Blumont Shares applying to Ineligible Foreign Shareholders.

(b) Ord Minnett Limited has been engaged by Blumont in respect of its role as Foreign Sale Nominee. In accordance with section 619(3) of the Corporations Act, Blumont has applied to ASIC for approval of Ord Minnett Limited (ABN 86 002 733 048 and Australian Financial Services Licence 237121) as the nominee for the purpose of receiving and selling Blumont Shares to which Ineligible Foreign Shareholders would otherwise have been entitled to receive under the Offer.

The parties above have given and have not, before the date of this Bidder's Statement, withdrawn their consent to be named in this Bidder's Statement in the form and context in which they are named above.

12.7 Responsibility for information

Moore Stephens Perth Corporate Services Pty Limited prepared the Investigating Accountant's Report and is responsible for that document. Moore Stephens prepared the Australian tax considerations section (Section 10.2 and corresponding Annexure), as well as the section on franking credits in the final column of Annexure B and is responsible for those sections. None of Blumont, nor its respective directors, officers, employees and advisers, assumes any responsibility for the accuracy or completeness of the information in the Investigating Accountant's Report or the Australian tax considerations section of this Bidder's Statement except, in relation to information given by Blumont to Moore Stephens Perth Corporate Services Pty Limited and Moore Stephens.

12.8 Agreements with Merlin Directors

There is no agreement between Blumont and a director or another officer of Merlin in connection with or conditional on the outcome of the Offers.

12.9 Expenses of the Offer

The total costs of the Offer to be borne by Blumont are estimated at approximately A$2,260,000. This includes accounting, solicitors, stamp duty, share registrar, printing, postage, ASIC, the ASX and other professional fees.

12.10 Date for determining holders

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is the Register Date, being 7pm (Sydney time) on 24 April 2014.

12.11 Material litigation

As announced by Blumont on SGXNET on 13 December 2013, Blumont is a defendant to proceedings brought by Prospect Resources Limited in the Supreme Court of New South Wales against it, Mr Alexander Molyneux and Pacific Advisers Pte Ltd (together, the **Consortium**), relating to a 'Subscription Agreement' between Prospect Resources Limited and the Consortium. Also as announced on 1 November 2013, Blumont maintains that the 'Termination Notice' issued by the Consortium in relation to the Subscription Agreement remains valid. The Consortium (including Blumont) continues to vigorously defend the proceedings.

12.12 Key contracts

Blumont's key contracts which are referred to in this Bidder's Statement are set out below.

(a) **Merlin Subscription Agreement**

On 16 February 2014, Blumont and Merlin entered into an agreement titled Application for Shares (**Merlin Subscription Agreement**). Under the Merlin Subscription Agreement Blumont agreed to subscribe for up to 26 million new Merlin Shares at A$0.075 (or A$1,950,000 in total). Merlin may, in its discretion, issue a lesser

number of shares. The subscription under the Merlin Subscription Agreement is subject to various conditions, including no material adverse change occurring to Merlin and Merlin Shareholder approvals (if required).

As at the Last Practicable Date, Blumont has subscribed for 16,000,000 new Merlin Shares at A$0.075 per Merlin Share (A$1,200,000 in total) under the Merlin Subscription Agreement giving it an interest in 6.12% of Merlin Shares. Blumont intends to discuss with Merlin the timing of the issue of the remaining Merlin Shares under the Merlin Subscription Agreement.

(b) **Genesis Bid Implementation Deed and Genesis Takeover Bid**

As announced on SGXNET and to the ASX on 24 January 2014, Blumont has entered into a 'Takeover Bid Implementation Deed' with Genesis Resources Limited under which Blumont has made a conditional off-market takeover bid (**Genesis Takeover Bid**) for the entire issued capital of Genesis (**Genesis Bid Implementation Deed**). A copy of the announcement in respect of the Genesis Takeover Bid, and a copy of the Genesis Bid Implementation Deed, are available through the SGX Website and Blumont's Website.

Blumont lodged its bidder's statement with ASX and ASIC in respect of the Genesis Takeover Bid on 21 March 2014 and despatched the bidder's statement to Genesis Shareholders on 24 March 2014. The offer is now open for acceptance by Genesis Shareholders. The offer period for the Genesis Takeover Bid is currently six months and may be extended as permitted by the Corporations Act. On 22 April 2014, Blumont and Genesis entered into a variation of the Genesis Bid Implementation Deed (**Genesis Variation Deed**) under which Blumont agreed to increase the offer consideration under the Genesis Takeover Bid to 9.5 Blumont Shares for every 2 Genesis Shares.

The offer is subject to a number of conditions as detailed below. In particular, Blumont requires the approval of Blumont Shareholders for the offers to be made under the Genesis Takeover Bid and the proposed allotment and issue of the Blumont Shares to be issued as the offer consideration under the Genesis Takeover Bid. Under the Listing Manual of the SGX, Blumont must prepare, and distribute to Blumont Shareholders, a 'Circular' in respect of the Genesis Takeover Bid. Blumont must also provide a 'qualified person's report' with the circular, which will, in part, need to be prepared by Genesis. Blumont will discuss with Genesis the preparation of this report, and the likely timing of the finalisation of the report. Blumont considers that it may take at least six months for this report to be prepared and subsequent extraordinary general meeting of Blumont Shareholders to be held.

The Genesis Bid Implementation Deed contains the following material terms:

(i) Terms of the Offer

Blumont will offer 9.5 Blumont Shares for every 2 Genesis Shares. The Genesis Takeover Bid will extend to any Genesis Shares issued as a result of the exercise of not more than 26,535,376 options to subscribe for Genesis Shares as announced by Genesis to ASX prior to date of the bidder's statement in respect of the Genesis Takeover Bid.

(ii) Recommendation

Genesis must, until the end of the offer period for the Genesis Takeover Bid, use its best endeavours to procure that all Genesis directors maintain their unanimous recommendation that all Genesis Shareholders accept into the Genesis Takeover Bid and their stated intention to accept in respect of all Genesis Shares that they own or control. This does not apply if a 'superior proposal' emerges and it is not matched by Blumont within 5 Business Days.

(iii) Conditions of the offer

As detailed above, the full terms of the offer conditions are available from the SGX Website and Blumont's Website.

(A) In summary, the offer conditions include:

a. a 50.1% minimum acceptance condition;

b. before the end of the offer period for the Genesis Takeover Bid, Blumont receives the approval of its shareholders for the Genesis Takeover Bid to be made and the issue of the Blumont Shares as the offer consideration in respect of the Genesis Takeover Bid;

c. no prescribed occurrence occurring of the form set out in section 652C of the Corporations Act;

d. no action being taken by a government agency which adversely affects Blumont's offer;

e. Blumont receiving all approvals from government agencies to permit Blumont's offer to be made and accepted by Genesis Shareholders or as a result of the offer (or acquisition of Genesis Shares) which are necessary for the continued operation of the business of Genesis or its subsidiaries;

f. Genesis and its subsidiaries not undertaking certain actions (including asset acquisitions or disposals over a specified amount, entry into joint ventures involving commitments over a specified amount or incurring capital expenditure or liability above a specified amount);

g. Blumont not becoming aware of any material error or misleading statement, or omission, in Genesis documents filed with ASIC or ASX;

h. no person having any right to acquire any material assets of Genesis or its subsidiaries, terminate any material agreement with any of them or accelerate or adversely modify the performance of any of their obligations under a material contract;

i. no event of force majeure occurring;

j. no material adverse change occurring;

k. no tenement, mining or exploration agreement, right or licence of Genesis or its subsidiaries is revoked or terminated other than in respect of specific tenements;

l. no person acquires a Relevant Interest in more than 20% of Genesis Shares;

m. Genesis and each of its subsidiaries does not make or declare any distribution (whether by way of cash or in specie);

n. the rolling 5 day VWAP of Blumont Shares as quoted on SGX-ST 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 SGX on 23 January 2014;

o. prior to the end of the offer period the Plavica JV Agreement is not, in summary, varied, terminated or breached;

p. certain actions with respect to the 'Plavica Concessions' (as defined in the Genesis Bid Implementation Deed) occur or do not occur;

q. no further amounts are drawn down under the Existing Loan Agreements; and

r. the terms of all Genesis options do not change prior to the end of the offer period for the Genesis Takeover Bid.

Prior to the date of the Genesis Variation Deed, being 22 April 2014, , the condition specified in Section 12.12(b)(iii)(A)(n) was not satisfied on various occasions. As Blumont announced on 22 April 2014 under a supplementary bidder's statement, Blumont has agreed to waive its rights in respect of any breach of the condition set out in Section 12.12(b)(iii)(A)(n) at any time prior to the date of the second supplementary bidder's statement, being 22 April 2014. In light of the increased offer consideration and the recent trading price of Blumont Shares, Blumont notes that it will not seek to rely on the non-satisfaction of this condition unless the Blumont VWAP falls below S$0.0272 which is equivalent to a level that is 20% below the price of Blumont Shares as at the Last Practicable Date. Accordingly, from 22 April 2014, Blumont notes that the relevant Blumont Share price at which Blumont may rely on this condition being triggered is S$0.0272.

(B) Blumont also advises that in respect of one of the conditions referred to in Section 12.12(b)(iii)(A)(p) it is ascertaining whether this condition was satisfied by the required timeframe of 31 March 2014. Blumont does not waive any non-satisfaction of that condition and reserves its rights to rely on the non-satisfaction of that condition.

(C) In respect of the condition set out in Section 12.12(b)(iii)(A)(q), Blumont waived this condition in respect of aggregate drawdowns under the Existing Loan Agreements of up to A$5 million.

(iv) Board appointments

Once Blumont's offer is unconditional (and provided that Blumont has greater than a 50.1% Relevant Interest in Genesis Shares) Blumont will be entitled to appoint persons to the Genesis board so that Blumont's number of nominees on the board constitutes a majority of the board (provided that, while the Genesis Takeover Bid remains open, Blumont cannot seek the removal of Genesis directors).

(v) Genesis warranties

Under the Genesis Bid Implementation Deed Genesis has provided various representations and warranties in favour of Blumont. These include customary representations and warranties for a transaction of this nature.

(vi) Payment of break fee by Genesis

Genesis has agreed to pay Blumont a break fee of $50,000 in certain circumstances.

(vii) Exclusivity obligations

Genesis has agreed to grant certain exclusivity rights to Blumont in respect of the Genesis Takeover Bid, subject to standard fiduciary carve-outs in the case of a 'superior proposal' or a 'competing proposal'.

(viii) Termination

(A) Either party may terminate the Genesis Bid Implementation Deed if the other party in material breach and fails to remedy that breach with 5 Business Days after written notice is given by the other party.

(B) Blumont may also terminate the Genesis Bid Implementation Deed if:

a. a Genesis 'material adverse change' occurs;

b. a 'prescribed occurrence' occurs;

c. there is a breach of certain warranties under the Genesis Bid Implementation Deed by Genesis;

d. a 'superior proposal' is made or publicly announced for Genesis by a third party;

e. the Genesis directors recommend a 'superior proposal'; or

f. any member of the Genesis board does not recommend the Genesis Takeover Bid be approved and accepted by Genesis Shareholders or having recommended the Genesis Takeover Bid changes his or her recommendation in relation to the Takeover Bid.

(C) Genesis may also terminate the Genesis Bid Implementation Deed, following consultation with Blumont, if a 'Blumont Event' occurs (which following the execution of the Genesis Variation Deed, will occur if the rolling 5 day VWAP of Blumont Shares as quoted on the SGX-ST falls to a level that is 20% or more below the price of Blumont Shares on the SGX-ST on 17 April 2014, being S$0.0272).

(c) **Bridging Loan Facility from Wintercrest**

On 24 December 2013, Blumont entered into the Wintercrest Facility Agreement with Wintercrest under which Wintercrest agreed to make available a short term bridging loan facility of up to US$30 million (approximately A$32 million) in principal amount to Blumont. Each request for draw down by Blumont may be accepted at Wintercrest's sole and absolute discretion.

The Wintercrest Facility Agreement contains the following additional material terms:

(i) Conditions precedent

Drawdown of the Wintercrest Facility is subject to standard conditions precedent being complied with prior to each drawdown date. In addition, Wintercrest has a general discretion to approve all drawdowns which Wintercrest can exercise at its discretion.

(ii) Repayment

All amounts drawn down under the Wintercrest Facility will be repaid in full on the date falling six months from the date of the first drawdown, being 23 June 2014 (**Wintercrest Facility Maturity Date**).

(iii) Interest

Interest at the rate of 10% per annum is chargeable on the principal amount borrowed from Wintercrest under the Wintercrest Facility and is payable monthly.

(iv) Events of default

If an 'event of default occurs' Wintercrest can issue a written notice to Blumont requiring that the total indebtedness be immediately due and payable. The events of default under the Wintercrest Facility Agreement include but are not limited to a failure to pay outstanding monies, the occurrence of insolvency events, cross defaults under other facilities and security agreements, disposal of a substantial part of the Blumont Group's assets and material adverse changes.

(v) Security

As security for Blumont's obligations under the Wintercrest Facility Agreement, Blumont has charged in favour of Wintercrest all securities owned by Blumont and/or its subsidiaries in Discovery Metals, Celsius, Cokal, Kidman and Powerlite. Please see Section 12.12(d) for further details of these arrangements.

(vi) Fees

Blumont will pay Wintercrest (i) on the date of the first drawdown, a drawdown fee of 5% of the total Wintercrest Facility; and (ii) on the Wintercrest Facility Maturity Date, an administration fee of 0.5% of

the aggregate principal amount outstanding under the Wintercrest Facility for each calendar month. Blumont will also pay Jett Capital Advisors Holdings, LLC (**Wintercrest Arranger**) on each respective drawdown date, an arranger fee of 4% of each drawing. The amount of fee payable to the Wintercrest Arranger was determined on an arm's length basis, based on normal commercial terms.

Blumont intends to utilise the Wintercrest Facility for investments and working capital purposes. Assuming that the Wintercrest Facility is fully drawn down, and after taking into account related fees and interest expenses of approximately US$5.05 million (approximately A$5.39 million), Blumont intends that approximately US$21.80 million (approximately A$23.28 million) and US$3.15 million (approximately A$3.38 million) respectively of the aggregate loans under the Wintercrest Facility will be utilised for investments and working capital.

As at the Last Practicable Date, US$13.5 million (approximately A$14.4 million) in principal amount of the Wintercrest Facility has been utilised.

(d) **Security granted in favour of Wintercrest**

On 24 December 2013, Blumont entered into a 'Share Charge' in favour of Wintercrest (**Share Charge**). Under the Share Charge, Blumont has granted Wintercrest a security interest (being a first ranking fixed charge) over Blumont's shares in Powerlite as security for the repayment of amounts due under the Wintercrest Facility. Under the Share Charge, on the occurrence of an event of default, Wintercrest has the power to take possession of the charged property, to deal with it, to raise money secured against it, and to do anything it may think fit to realise the charged property.

On 24 December 2013, Blumont and Wintercrest entered into a 'Specific Security Deed – Shares' (**Blumont SSD**). Under the Blumont SSD, Blumont has granted Wintercrest a security interest (by way of a charge) over its shareholdings in Celsius, Cokal and Kidman, as respectively detailed in Sections 4.6(c), 4.6(d) and 4.6(f) as security for the repayment of amounts due under the Wintercrest Facility. Under the Blumont SSD, on the occurrence of an event of default, Wintercrest has the power to take possession of the charged property, to deal with it, to appoint a receiver, as well as various others powers in respect of the secured property.

On 24 December 2013, Blumont Copper and Wintercrest entered into a 'Specific Security Deed – Shares' (**Blumont Copper SSD**). Under the Blumont Copper SSD, Blumont Copper has granted Wintercrest a security interest (by way of a charge) over its shareholding in Discovery Metals, as detailed in Section 4.6(g), as security for the repayment of amounts due by Blumont under the Wintercrest Facility. The Blumont Copper SSD is substantially similar to the Blumont SSD and, therefore, substantially creates the same rights for Wintercrest as created under the Blumont SSD.

(e) **Resource Generation Subscription Agreement and Deed of Settlement**

On 16 September 2013, Blumont entered into a conditional share subscription agreement with Resource Generation (**Resource Generation Subscription Agreement**) under which Blumont agreed to subscribe for new Resource Generation shares representing up to 15% of the enlarged share capital of Resource Generation (**Share Subscription**). On 18 December 2013, Blumont and Resource Generation entered into a deed of settlement (**Deed of Settlement**) under which Blumont paid A$2.5 million to Resource Generation. As Blumont has elected not to proceed with the Share Subscription, under the Deed of Settlement that amount has been forfeited and Resource Generation accepts that it will have no further claim against Blumont in respect of the Resource Generation Subscription Agreement.

(f) **Blumont Copper JVA**

On 18 September 2013, Blumont entered into a joint venture agreement (**Blumont Copper Joint Venture Agreement**) with Aristo Jet Capital Ltd, Cartier Peaks Investments Ltd, Celtic Stars Capital Ltd, Greenvale Asia Limited and Indigo Pearl Capital Ltd (Aristo Jet Capital Ltd, Cartier Peaks Investments Ltd, Celtic Stars Capital Ltd, Greenvale Asia Limited and Indigo Pearl Capital Ltd collectively, the **Blumont Copper Investors**) and Accessio Resources Pty Ltd (**Accessio**).

Pursuant to the Blumont Copper Joint Venture Agreement, Blumont Copper Pte. Ltd. was incorporated as a joint venture company to allow for the joint evaluation of and potential investment in minerals and resource projects, specifically in the copper sector. Under the terms of the Blumont Copper Joint Venture Agreement, Blumont Copper will have an issued and paid-up capital of up to US$1 million, with Blumont subscribing for up to 850,000 ordinary shares at US$1.00 each (for an 85% stake) and the Blumont Copper Investors subscribing for 30,000 ordinary shares at US$1.00 each (for each Blumont Copper Investor to hold a 3% stake) (the proportionate shareholding interests of Blumont and the Blumont Copper Investors in Blumont Copper, the **Blumont Copper Proportionate Interests**).

Under the terms of the Blumont Copper Joint Venture Agreement, certain expenditures (excluding all costs of acquiring interests in copper projects or entities holding such copper projects (**Blumont Copper Acquisition Costs**)) incurred by Accessio for or on behalf of Blumont or Blumont Copper pursuant to a program or budget approved by the board of Blumont Copper are to be funded by the initial share capital as described above, and through funds contributed by Blumont. This may be done by way of additional contributions to the share capital of Blumont Copper, shareholder loans by Blumont to Blumont Copper or such method as agreed upon by Blumont and the Blumont Copper Investors. Any such fund contributions will be made by Blumont on behalf of itself and the Blumont Copper Investors, allowing the Blumont Copper Proportionate Interests to be maintained.

The Blumont Copper Acquisition Costs are to be funded by Blumont through additional contributions to the share capital of Blumont Copper made or such other method agreed by Blumont and the Blumont Copper Investors (again, any such fund contributions will be made by Blumont on behalf of itself and the Blumont Copper Investors, allowing the Blumont Copper Proportionate Interests to be maintained).

(g) **Azarga Convertible Note**

On 22 May 2013, Blumont's wholly-owned subsidiary, Powerlite, entered into a convertible note deed (**Azarga Convertible Note Deed**) with Azarga Resources Limited under which Powerlite agreed to make available to Azarga a facility for the sum of up to US$15 million (approximately A$16 million) (**Azarga Facility**) for the period up till 22 May 2023. The Azarga Facility is subject to draw down by Azarga. It was also agreed that Blumont would provide loans to Powerlite of up to US$15 million (approximately A$16 million) so as to fulfil the obligation of Powerlite whenever Azarga draws down on the Azarga Facility (**Azarga Facility Loans**). The Azarga Facility Loans are to be funded from the internal resources of the Blumont Group and the Wintercrest Facility.

Following amendments to the Azarga Convertible Note Deed on 28 August 2013 and 27 February 2014, the Azarga Facility has been increased to US$26 million (approximately A$27.76 million) and the Azarga Facility Loans have correspondingly been increased to US$26 million (approximately A$27.76 million). All other provisions of the Azarga Convertible Note Deed remain unchanged and in force.

The convertible notes, when issued by Azarga to Powerlite following the drawdown of the Azarga Facility, will, in due course, be converted into ordinary shares of Azarga at the price of US$0.50 for each ordinary share of Azarga. Each draw down by Azarga under the Azarga Facility will be for an amount to be mutually agreed between Powerlite and Azarga. Azarga may draw down on the additional US$5 million (approximately A$5.34 million) (under the amendment to the Azarga Convertible Note Deed on 27 February 2014) in 2015 subject to Powerlite and Azarga mutually agreeing on a draw down schedule before the end of 2014.

As at the Last Practicable Date, Azarga has drawn down US$15.2 million (approximately A$16.23 million) of the Azarga Facility and Blumont has provided US$15.2 million (approximately A$16.23 million) of the Azarga Facility Loans.

Assuming the Azarga Facility is fully drawn down and converted on the Last Practicable Date, Powerlite will hold a total of 63,250,000 ordinary shares in the capital of Azarga, representing approximately 49.18% of the enlarged issued share capital of Azarga as at the Last Practicable Date.

Merlin Shareholders should consider the Azarga Convertible Note in the context of the Powertech Transaction – please see Section 4.6(e) for further details.

(h) **Loan Agreement between Blumont and Cokal**

On 5 November 2013, Blumont and Cokal entered into a 'Facility Agreement' under which Blumont agreed to advance US$4 million (approximately A$4.27 million) to Cokal, and under which Blumont may, but is not obliged to, advance a further US$4 million (approximately A$4.27 million). Interest accrues at the rate of 5% per annum and the loan is due to repaid on third anniversary of the draw down date unless the parties agree that the moneys owing will be capitalised (by Cokal issuing shares to Blumont). The Facility Agreement contains representations, warranties and covenants which Blumont considers customary for a loan of this nature. Cokal has also provided security over certain of its assets to Blumont.

(i) **Convertible Note Deed between Blumont and Celsius**

On 6 February 2013, Blumont entered into a convertible note deed with Celsius (**CLA Convertible Note Deed**), pursuant to which Blumont is to make available a convertible note facility for up to A$5.0 million to Celsius, convertible into new shares in Celsius at a conversion price of the 20 day VWAP, subject to a floor price of A$0.025 per share and a cap of A$0.03 per share. The maturity period is 10 years from drawdown and the interest rate is 12.5% per annum. Following the date which is 12 months from the date that the issue of notes to Blumont having an aggregate face value of A$3 million, Celsius may call for Blumont to convert any or a portion of the outstanding notes (and accrued interest) into ordinary shares by giving notice to Blumont. Blumont will not be entitled to convert any notes (or accrued interest) into ordinary shares of Celsius to the extent that the voting power (as defined in section 610 of the Corporations Act) of Blumont would exceed 20% following the issue of any ordinary shares in accordance with the terms of the CLA Convertible Note Deed.

12.13 ASIC modifications

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or ASX. Under the terms of the ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in the Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, free of charge and within 2 Business Days, please contact the Blumont Offer Information Line on 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside of Australia).

12.14 Governing law

The Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

12.15 No other material information

Except as set out in this Bidder's Statement, in the opinion of the Blumont Board, there is no other information material to the making of a decision in relation to the Offer which has not been previously been disclosed, being information that is within the knowledge of any director of Blumont which has not been disclosed.

12.16 Expiry date

No Blumont Shares will be issued on the basis of the Offer after the date that is 13 months after the date of this Bidder's Statement.

13. GLOSSARY AND INTERPRETATION

13.1 Glossary

The following is a glossary of certain terms used in this Bidder's Statement (except for each document annexed to this Bidder's Statement) unless the context clearly requires otherwise.

Expression	Meaning
A$	Australian dollars, the lawful currency of the Commonwealth of Australia
Acceptance Form	the acceptance form accompanying this Bidder's Statement
Announcement Date	the date of announcement of the Offer, being 28 February 2014
Approval	a licence, authority, consent, approval, order, exemption, waiver, ruling or decision
ASIC	Australian Securities & Investments Commission
Associate	has the meaning in section 9 of the Corporations Act
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange
ASX Listing Rules	the Listing Rules of the ASX
ASX Settlement	ASX Settlement Pty Ltd, the body which administers CHESS in Australia
ASX Settlement Operating Rules	the settlement rules of ASX Settlement
Audit Committee	Blumont's audit committee
AXIS Agreement	has the meaning given in Section 8.3
Azarga	Azarga Resources Limited which is a company incorporated in the British Virgin Islands
Bidder's Statement	this document including its annexures
Blumont or the **Company**	Blumont Group Ltd. incorporated in the Republic of Singapore, company registration number 199302554G
Blumont Board	the board of directors of Blumont
Blumont Copper	Blumont Copper Pte. Ltd. incorporated in the Republic of Singapore, company registration number 201325362N
Blumont Group	Blumont and its subsidiaries
Blumont Offer Information Line	the telephone line that Merlin Shareholders can call if they have any questions in relation to the Offer, being 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside Australia)
Blumont Share	a fully paid ordinary share in the capital of Blumont
Blumont Shareholder	a holder of Blumont Shares from time to time
Blumont's Website	www.blumontgroup.com
Business Day	a day on which the banks are open for business in Melbourne, Australia and Singapore, excluding a Saturday, Sunday or public holiday
C$	Canadian dollars, the lawful currency of the Canada
CAD	Commercial Affairs Department of the Singapore Police Force
CDP	The Central Depository (Pte) Limited
CDP Securities Account	an account held by CDP for shareholders to enable them to trade their shares on the SGX

Expression	Meaning
Celsius	Celsius Coal Limited (ABN 95 009 162 949)
Centennial	the Centennial uranium deposit in Colorado
CHESS	Clearing House Electronic Subregister System established and operated by ASX Settlement which provides for electronic transferring and registering of the ownership of the ASX listed securities
CHESS Holding	a holding of Merlin Shares on the CHESS subregister of Merlin
Circular	the 'circular' that Blumont is required to prepare and distribute to Blumont Shareholders in connection with seeking the Blumont Shareholder approvals discussed in Section 11.6(a)
Closing Date	7pm (Sydney time) on 31 July 2014 or such later date to which the Offer is extended
Cokal	Cokal Limited (ABN 55 082 541 437)
Companies Act	*Companies Act* (Cap. 50) of Singapore
Competing Proposal	any proposal, expression of interest, offer, transaction or arrangement pursuant to which a person (other than Blumont or any of its Related Bodies Corporate) would, if such were implemented substantially in accordance with its terms: ▪ directly or indirectly, acquire an interest in all or a substantial part of the assets of Merlin; ▪ directly or indirectly, acquire a Relevant Interest in or become the holder of 20% or more of the Merlin Shares; ▪ acquire control of Merlin, within the meaning of section 50AA of the Corporations Act; or ▪ otherwise acquire or merge with Merlin (including by way of a scheme of arrangement, reverse takeover bid or dual listed companies structure)
Condition or **Offer Condition**	each condition set out in Section 11.5
Controlling Participant	has the same meaning as in the ASX Settlement Operating Rules
Corporations Act	*Corporations Act 2001* (Cth) of Australia
Depositor	means a person who has an account directly with CDP and not through a depository agent, but does not include a sub-account holder
Depository Register	means a register maintained by CDP in respect of book-entry securities
Discovery Metals	Discovery Metals Limited (ABN 29 104 924 423)
Eligible Shareholder	all Merlin Shareholders who are not Ineligible Foreign Shareholders
Encumbrance	includes a security interest, mortgage, charge, lien, restriction against transfer, encumbrance and other third party interest and "encumber" has a corresponding meaning
Existing Loan Agreements	the 'Loan Agreements' between Genesis and each of Axle Capital Sdn Bhd and Lim Yau Young respectively dated 17 September 2013 and 23 October 2013
Extraordinary General Meeting	the proposed meeting of Blumont Shareholders as detailed in the 'Important Notices' Section of the Bidder's Statement, Section 9.2 and Section 11.6(a) in connection with the Offer and the issue of the Blumont Shares to be issued as the Offer Consideration
Foreign Sale Nominee	expected to be Ord Minnett Limited (ABN 86 002 733 048 and Australian Financial Services Licence 237121), as Blumont has, in accordance with section 619(3) of the Corporations Act, applied to ASIC for approval of Ord Minnett Limited as the nominee for the purpose of receiving and selling Blumont Shares to which Ineligible Foreign Shareholders would otherwise have been entitled to receive under the Offer]

Expression	Meaning
G1 Investments	G1 Investments Pte Ltd, a wholly owned subsidiary of Blumont
Genesis	Genesis Resources Limited (ABN 22 114 787 469)
Genesis Bid Implementation Deed	the 'Takeover Bid Implementation Deed' between Genesis and Blumont dated 24 January 2014 which is detailed in Section 12.12(b)
Genesis Share	an ordinary share in the capital of Genesis
Genesis Shareholder	a holder of one or more Genesis Shares
Genesis Takeover Bid	an off-market takeover bid for all the Genesis Shares by Blumont on the terms and conditions detailed in Section 12.12(b)
Genesis Variation Deed	the deed of variation of the Genesis Bid Implementation Deed dated 22 April 2014
Government Agency	means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity whether foreign, federal, state, territorial or local in any part of the world in which a party is domiciled or holds any of its assets, including ASIC, ASX and SGX-ST (and any other stock exchange)
GST	has the meaning given under section 195(1) of the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*
HIN	Holder Identification Number, which is the number that starts with an "X"
IAR or **Investigating Accountant's Report**	the Investigating Accountant's Report prepared by Moore Stephens Perth Corporate Services Pty Limited attached as Annexure E to this Bidder's Statement
Implementation Deed	the Bid Implementation Deed between Blumont and Merlin executed on 28 February 2014 (and as amended by an amendment deed dated 23 April 2014) as detailed in Section 12.1
Ineligible Foreign Shareholder	has the meaning given to that term in Section 11.19
Investigating Accountant	Moore Stephens Perth Corporate Services Pty Limited (ABN 41 421 048 107)
Investment Holdings Business	the business unit of the Blumont Group described in Section 4.8
Issuer Sponsored Holding	a holding of Merlin Shares on Merlin's issuer sponsored register
JORC	Joint Ore Reserves Committee
JORC Code	the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' 2012 Edition
Kidman	Kidman Resources Limited (ABN 88 143 526 096)
Last Practicable Date	21 April 2014, in the case of the Blumont Share price and, in all other cases, 17 April 2014 (being the last Business Day before 21 April 2014)

Expression	Meaning
Law	the law in force at any time in the Commonwealth of Australia (including in each State and Territory and local government area), as those laws apply to Merlin, and the law of Singapore as those laws apply to Blumont, and includes: ▪ legislation, ordinances, regulations, rules, rulings, determinations, by-laws or orders; ▪ common law; and ▪ any requirement, notice, order, direction, judgment, injunction, recommendation, stipulation or similar notification given by any Government Agency or imposed by a Government Agency, whether written or otherwise
Link	Link Market Services Limited
Listing Manual	the 'Listing Manual' of the SGX
Material Contract	has the meaning given in the Implementation Deed
Merlin	Merlin Diamonds Limited (ACN 009 153 119)
Merlin Approved Placements	means the placements of Merlin Shares referred to in Merlin's ASX announcements dated 17 February 2014 and 20 February 2014
Merlin Board	the board of directors of Merlin
Merlin Diamond Mine	the mine more specifically described in Section 7.2
Merlin Director	a director of Merlin
Merlin Group	Merlin and each of its controlled entities
Merlin Incentive Option Scheme	means the 'Merlin Diamonds Limited 2013 Incentive Option Scheme' as adopted by Merlin at it annual general meeting on 26 November 2013
Merlin Material Adverse Change	any event, change or condition that has, or could reasonably be expected to have (when aggregated with all other events, changes and conditions), a material adverse effect on: ▪ the business, assets, liabilities, financial or trading position, profitability or prospects of the Merlin Group, taken as a whole by an amount of A$500,000 or more; or ▪ the status or terms of any Approvals by any Government Agency or of the prospecting, exploration or mining Merlin Tenements owned by Merlin or its subsidiaries (and, for the avoidance of doubt, relinquishment of parts of Merlin Tenements in the ordinary course of business will not be considered, for the purpose of this definition, as an event having a material adverse effect on a Merlin Tenement), except for events, changes and conditions publicly announced by Merlin or otherwise disclosed to ASIC by Merlin or any of its subsidiaries prior to the Announcement Date provided that the relevant announcement or disclosure is not, and is not likely to be, incomplete, incorrect, untrue or misleading
Merlin Option	▪ 6,975,000 options as issued, prior to the Announcement Date, in accordance with the Merlin Incentive Option Scheme; and ▪ 22,000,000 options (in accordance with the Merlin Incentive Option Scheme) for which approval was sought and obtained under resolutions 7 to 10 (inclusive) at the general meeting of Merlin Shareholders held on 26 November 2013
Merlin Register	the share register of Merlin
Merlin Share	a fully paid ordinary share in the capital of Merlin

Expression	Meaning
Merlin Shareholder	a person who is recorded in Merlin Register as the holder of one or more Merlin Shares
Merlin Subscription Agreement	the agreement dated 16 February 2014 between Blumont and Merlin titled 'Application for Shares' as more specifically described in Section 12.12(a)
Merlin Tenements	has the meaning given to 'Tenements' in the Implementation Deed
Mineral and Energy Resources Sector	the business of the exploration, exploitation, development and production of mineral and energy resources and investments in mineral and energy resources projects, entities and companies
Moore Stephens	Moore Stephens Perth Pty Limited (ABN 87 009 034 048)
Offer	the offer by Blumont for Merlin Shares as set out in this Bidder's Statement
Offer Consideration	the consideration for the Offer as set out in Section 11.2
Offer Period	the period during which the Offer is open for acceptance being 28 April 2014 to the Closing Date
Plavica JV Agreement	the joint venture agreement between Genesis and the Plavica JV Partner dated 19 July 2007 in relation to the Plavica Project
Plavica JV Partner	"Mining Industrial Combine – SILEKS joint stock company-Kratovo" (in Macedonian: Рударско индустриски комбинат - СИЛЕКС акционерско друштво-Кратово)
Plavica Project	the project in Macedonia in which Genesis has an interest under the Plavica JV Agreement
Powerlite	Powerlite Ventures Limited, a company incorporated in the British Virgin Islands
Powertech	Powertech Uranium Corp a company whose shares are listed on the Toronto Stock Exchange (TSX:PWE)
Powertech Transaction	has the meaning set out in Section 4.6(e)
Prescribed Occurrence	has the meaning given in Section 11.5
Property Business	the Blumont Group's existing property business unit which is more specifically discussed in Section 4.9
Register Date	7pm (Sydney time) on 24 April 2014
Related Body Corporate	has the meaning given in section 50 of the Corporations Act
Relevant Interest	has the meaning given in the Corporations Act
Resource Generation	Resource Generation Limited (ABN 91 059 950 337)
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from Merlin Shares directly or indirectly, including all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by Merlin or any of its subsidiaries
S$	Singapore dollars, the lawful currency of the Republic of Singapore
Section	a section of this Bidder's Statement
Securities and Futures Act	*Securities and Futures Act* (Cap. 289) of Singapore
SGX, **SGX-ST** or **Singapore Exchange**	Singapore Exchange Securities Trading Limited or the financial market known as the Singapore Exchange

Expression	Meaning
SGXNET	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX
SGX Member Company	an entity that has been approved as a stockbroking member company (member of CDP) of the SGX in accordance with the rules of the SGX
SGX Website	www.sgx.com
SRN	Securityholder Reference Number, which is the number which starts with an "I" to identify a Merlin Shareholder with an Issuer Sponsored Holding
Sterilisation Services Business	the Blumont Group's existing sterilisation services business unit which is more specifically discussed in Section 4.7
Superior Proposal	a bona fide Competing Proposal which the Merlin Directors have determined, in good faith and after consultation with external legal and financial advisers, is: ▪ reasonably capable of being valued, taking into account all aspects of the Competing Proposal and the person making it; ▪ reasonably capable of being completed on a timely basis; and ▪ more favourable to Merlin Shareholders than the Takeover Bid, taking into account all the terms and conditions of the Competing Proposal
Takeover Bid	an off-market takeover bid for all Merlin Shares by Blumont constituted by the despatch of the Offers in accordance with the Corporations Act
Target Statement	the target's statement to be issued by Merlin under section 638 of the Corporations Act in relation to the Offer
USA	United States of America
US$	United States dollars, the lawful currency of the USA
VWAP	volume weighed average price
Wintercrest	Wintercrest Advisors LLC
Wintercrest Facility	has the meaning given in Section 4.10
Wintercrest Facility Agreement	has the meaning given in Section 4.10
Your Merlin Shares	the Merlin Shares in respect of which a Merlin Shareholder is registered as the holder and to which that person is able to give good title at the time they accept the Offer during the Offer Period

13.2 Interpretation

In this Bidder's Statement (except for documents annexed to this Bidder's Statement), unless the context clearly indicates otherwise:

(a) a reference to **legislation** or a **legislative provision** includes any statutory modification or substitution of that legislation or legislative provision and any subordinate legislation issued under that legislation or legislative provision;

(b) a reference to a **body** or **authority** which ceases to exist is a reference to a body or authority having substantially the same objects as the named body or authority;

(c) a reference to a **person** includes a natural person, corporation, statutory corporation, partnership, the Crown or any other organisation or legal entity;

(d) a reference to a **natural person** includes their personal representatives, successors and permitted assigns;

(e) a reference to a **corporation** includes its successors and permitted assigns;

(f) terms defined in the Corporations Act have the meaning given in the Corporations Act;

(g) **including** and **includes** are not words of limitation; and

(h) a reference to a time is to that time in Sydney, Australia.

Approval of Bidder's Statement

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

Signed for and on behalf of Blumont by Mr James Hong Gee Ho, being a director of Blumont, who is authorised to sign by a resolution passed at a meeting of the directors of Blumont.



…….
Mr James Hong Gee Ho
Director

Dated: 24 April 2014

ANNEXURE A

TRADING YOUR BLUMONT SHARES

ANNEXURE A – TRADING YOUR BLUMONT SHARES

1. **Introduction**

This Annexure provides a brief overview about how you may trade Blumont Shares if you accept the Offer. You should obtain your own independent professional advice about dealing with shares listed on the SGX.

2. **What do I need to do to trade my Blumont Shares that I receive under the Offer?**

Unless you appoint a nominee broker that is able to receive your Blumont Shares in a CDP Securities Account (regardless whether such CDP Securities Account is in the name of your nominee broker or in your name maintained with your nominee broker), you will need a CDP Securities Account, a trading account and a bank account (with a bank that can provide a direct crediting service) in order to trade shares on the SGX.

Market trades for shares listed on the SGX are settled electronically through The Central Depository (Pte) Limited (**CDP**), a subsidiary of SGX, that provides depository, clearing, settlement and computerized book-entry services for securities traded on the SGX. CDP holds shares on your behalf in securities accounts.

Your situation	Further information
I do not have a CDP Securities Account and wish to trade shares on the SGX	You will need to do all of the below (not in order of priority): ▪ open a CDP Securities Account (further details below); ▪ open a trading account (further details below); ▪ open a bank account with a participating bank which provides direct crediting services (further details below); and ▪ link the CDP Securities Account with the trading account (further details below).
I have a CDP Securities Account, a trading account, and a bank account opened with a bank that provides direct crediting services	If you already have a CDP Securities Account, a trading account opened with a SGX Member Company that is linked to your CDP Securities Account, and a bank account opened with a bank that provides direct crediting services, you are able to instruct the SGX Member Company with whom you have a trading account to trade your Blumont Shares on your behalf.
I do not have a CDP Securities Account and do not wish to obtain one	If you do not have a CDP Securities Account and do not wish to open a CDP Securities Account or appoint a nominee broker who has a CDP Securities Account, you should contact a stockbroker based in Australia to enquire if they are able to assist you in trading your Blumont Shares on your behalf.

3. **Opening a CDP Securities Account**

How do I open a CDP Securities Account?	▪ In person in Singapore at CDP ▪ Through a SGX Member Company ▪ By mailing the application form which can be obtained through the Blumont Offer Information Line to CDP
What do I need to do?	You need to provide the required documents (see the question and answer below) and verify your signature on the application form (see the relevant question and answer below)
Who can verify my signature on the application form?	▪ Singapore Embassy ▪ Notary Public ▪ Singapore solicitors or advocates ▪ Justices of the Peace ▪ Commissioners for Oaths

What documents do I need?	You will need to provide certified (certified by the same person witnessing the signature on the application form) copies of the following: ▪ an application form (request a copy by calling the Blumont Offer Information Line); ▪ applicable identity documents – Australian citizens will need a valid and current passport; and ▪ additional corporate documents (for corporations)
Who do I give certified copies of these documents to?	▪ If in person, at the offices of CDP. Send to The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis Tower 2, Singapore 138588. ▪ Give them to the SGX Member Company with whom you have opened a trading account
Who are SGX Member Companies?	This information can be found on the SGX Website or a list can be requested from the Blumont Offer Information Line.
Are there any fees to open a CDP account?	No, there are no fees.
Additional information	Additional information relating to CDP and the services offered by CDP are available at the SGX Website.

4. **Opening a trading account**

How do I open a trading account?	You must visit a stockbroker who is a SGX Member Company and complete an application form in the presence of an authorised officer. Alternatively, some SGX Member Companies may allow you to complete and sign the application form in the presence of the persons listed under the section, "Who can verify my signature on an application form". You may contact the SGX Member Companies to enquire if you are able to open a trading account if you are unable to visit their offices.
What documents do I need?	Identification card (if applicable), passport, work and re-entry permit (if applicable), bank account number, CPF (the Singapore statutory pension fund scheme), investment account number (if any), CDP Securities Account number.
Additional information	Additional information on how to open a trading account is available at the SGX Website.

5. **Opening a bank account with a direct crediting service**

You need to open a bank account which allows you to credit payments directly into your bank account. The direct crediting service application form can be obtained by calling the Blumont Offer Information Line. Conditions may apply.

6. **Linking your CDP Securities account with your trading account**

You need to complete a linkage form, which can be obtained from the SGX Member Company with whom you have opened your trading account. Alternatively, this form can also be obtained from the SGX Website or by requesting a copy from the Blumont Offer Information Line.

7. **What are the brokerage fees if I trade my Blumont Shares?**

There is no fee involved in opening a CDP Securities Account but there will be fees and brokerage payable when you trade your Blumont Shares. Commission may be charged by stockbrokers and rates vary from stockbroker to stockbroker. You should contact brokers directly to obtain their fees and charges. Merlin Shareholders should note that brokerage fees in Singapore may be higher than equivalent rates in Australia, for those Merlin Shareholders who receive small shareholdings in Blumont Shares if they accept the Offer.

8. **Use a CDP account of your broker**

If you do not have a CDP Securities Account in your own name, you may appoint a nominee broker to receive your Blumont Shares in your nominee broker's CDP Securities Account. Blumont will not be responsible for any incorrectly completed or late form including any delay in issuing the Blumont Shares to the nominee broker's CDP Securities Account. Please contact your broker for further information.

9. **What happens if I do not elect to receive my Blumont Shares in a CDP Securities Account**

If you accept the Offer but do not nominate a CDP Securities Account into which your Blumont Shares should be issued, you will receive a physical share certificate. In this case, you will not be able to deal with or trade your Blumont Shares until you establish or nominate a CDP Securities Account into which your Blumont Shares are to be held. This can be done at any time after you receive your Blumont Shares.

10. **How can I get copies of the forms and documents required?**

If you require any of the documents listed below, please call the Blumont Offer Information Line to request copies of these documents:

(a) application for opening of CDP Securities Account;

(b) direct credit service application form;

(c) account linkage form; or

(d) list of SGX Member Companies.

11. **Small parcels of shares**

Under the rules relating to trading of the SGX, listed securities are traded on the "ready market" of the SGX in lots of 1,000 shares, known as "board lots". Trading in smaller lots than board lots occurs on the unit share market, which is not as easily tradable.

Accordingly, if you hold less than 200 Merlin Shares and you accept the Offer and are entitled to be issued with Blumont Shares, you will be issued less than 1,000 Blumont Shares and, therefore, you may not be able to easily trade those shares. You may need to appoint a broker and incur costs (including brokerage costs) in respect of dealing with that lot of shares. You might also find it difficult to find a broker who is willing to deal with such a small number of shares.

ANNEXURE B

COMPARISON OF RELEVANT COMPANIES AND SECURITIES LAWS AND LISTING RULES IN SINGAPORE AND AUSTRALIA

ANNEXURE B – COMPARISON OF RELEVANT COMPANIES AND SECURITIES LAWS AND LISTING RULES IN SINGAPORE AND AUSTRALIA

As Blumont is a company incorporated under the laws of the Republic of Singapore and whose shares are listed on the SGX, Blumont must comply with Singapore laws, as well as the listing rules of the SGX.

Comparison table

The information below is only a summary of some of the companies and securities laws and listing rules that apply to Blumont in Singapore and which may be of interest to Merlin Shareholders in their consideration of the Offer. For comparison purposes only, a general outline of Australian laws and regulations (under the Corporations Act and ASX Listing Rules) is also set out in the 3rd column. Merlin Shareholders should note that this is set out for comparison purposes only and Australian laws and regulations will not apply to Blumont or to Blumont Shares that are issued as Offer Consideration (other than in respect of taxation laws and regulations for which you should seek your own professional advice).

The information below is general in nature and is not intended to be an authoritative or a complete statement of the companies or securities laws or listing rules or other regulations that are or may be applicable to Blumont or to companies incorporated in the Republic of Singapore or whose shares are listed on the Singapore Exchange. The information below does not constitute legal advice and Merlin Shareholders should consider obtaining their own professional advice on these and other companies and securities laws and listing rules and other regulations that do or may apply to Blumont and how they do or may differ to Australian companies and securities laws, regulations and listing rules.

	Singapore position	Australian position
Takeovers	Under Rule 14 of the Singapore Code on Take-overs and Mergers, mandatory offers must be made to all shareholders of a listed company when: (a) a person acquires more than 30% or more of the voting rights of a listed company; or (b) when a person, holds between 30% and 50% of the voting rights of a listed company, and that person acquires in any period of 6 months additional shares carrying more than 1% of the voting rights.	Under Chapter 6 of the Corporations Act, a person must not acquire a Relevant Interest in voting shares of a public company of 20% or more, subject to a number of exemptions (including approval by shareholders and a 3% creep every 6 months).
Compulsory Acquisition	Under section 215(1) of the Companies Act, if a person receives valid acceptances or acquires not less than 90% of the total shares of another company (other than those already held by such person, its related corporations or their respective nominees as at the date of the offer and excluding shares held as treasury shares), such person would be entitled to exercise the right to compulsorily acquire all the shares of shareholders who have not accepted the offer at the offer price and proceed to delist the company from the SGX. In addition, under section 215(3) of the Companies Act, if a person acquires such number of shares which, together with shares held by it, its related corporations and their respective nominees, comprise not less than 90% of the total shares of a company, shareholders who have not accepted the offer have a right to require such person to acquire their shares at the offer price.	Under Chapter 6A of the Corporations Act, a person who holds a Relevant Interest in 90% or more of a class of securities in a public company may be entitled to compulsorily acquire all of the remaining securities in that class and move to 100% ownership. There are different rules that apply to a compulsory acquisition which follows a takeover bid and a compulsory acquisition which follows a person acquiring a 90% interest in securities in a class by other means.
Issue of new	Shareholder approval is required for any issues	Under ASX Listing Rule 7.1, an entity listed on the ASX

	Singapore position	Australian position
securities	of new shares by listed companies. It is usual for a listed company to obtain a general mandate from the shareholders to issue shares at the listed company's annual general meeting. This general mandate continues in force until the conclusion of the next annual general meeting (or expiration of the period within which the next annual general meeting was supposed to be held). The aggregate number of shares that may be issued under the general mandate must not be more than 50% of the total number of issued shares of the company (excluding treasury shares) of which the aggregate number of shares issued, other than on a pro rata basis, must not be more than 20% of the total number of issued shares of the company (excluding treasury shares).	cannot issue securities without shareholder approval unless the securities to be issued constitute less than 15% of the total ordinary share capital of the company. This 15% threshold is calculated by reference to shares on issue over a rolling 12 month period. Certain exceptions apply under Listing Rule 7.2. Some listed companies may be able to obtain shareholder approval at an annual general meeting to increase the 15% limit to 25%.
Disclosure requirements for issues of new securities	Under the *Securities and Futures Act* (Cap. 289) of Singapore, listed companies proposing to issue new shares to new investors would need to provide each new investor with a prospectus (which includes a prospectus, notice, circular, material, advertisement or publication used to make an offer of securities). There are exemptions from these disclosure requirements, including: (a) a small personal offer where the total amount raised in a 12-month period does not exceed S$5 million (approximately A$4.27 million); (b) a private placement to no more than 50 persons within a 12-month period; (c) an underwriting agreement relating to securities; (d) an offer to institutional investors and specified persons, including sophisticated investors; and (e) offers for the same class of shares already listed for quotation, whether by way of rights issues or otherwise – in which case, an offer information statement is required.	A public company cannot issue new securities without a disclosure document which complies with the requirements of Chapter 6D of the Corporations Act. However, there are a number of exemptions from these requirements, including: (a) personal offers where the total amount raised does not exceed $2 million in a 12 month period and from no more than 20 investors; (b) issues to "professional investors" (as defined in section 9 of the Corporations Act); (c) issues to sophisticated investors, being investors who have an income of more than $250,000 per annum or assets in excess of $2.5 million, in each case, as certified by an accountant; (d) offers to senior managers; and (e) offers by way of rights issues by listed entities – subject to section 708AA of the Corporations Act (including that an entity has not been suspended from trading for 5 or more days over the preceding 12 months and the entity has complied with its financial reporting requirements).
Related party transactions	In Singapore, the concept of related parties transactions is referred to as "interested person transactions". Under Rule 905(1) of the Listing Manual, in the case of any transaction with an interested party (which includes a director, chief executive officer, controlling shareholder or an associate of the listed company), a listed company must make an immediate announcement on SGXNET where the value of the interested person transaction is equal to or more than 3% of the group's latest audited net tangible assets. In addition, under Rule 906(1) of the Listing Manual, listed companies must obtain shareholder approval for any transaction with an interested party where the value of the transaction is equal to or more than 5% of the	Under Chapter 2E of the Corporations Act, a public company cannot provide a financial benefit to a related party without shareholder approval, subject to certain exemptions, including arm's length transactions. A related party includes: (a) an entity that controls the public company; (b) directors of the public company; (c) directors of an entity that controls the public company; (d) an entity that has reasonable grounds to believe that it will be a related entity in the future; and (e) an entity which acts in concert with a related party of the public company on the understanding that the related party will receive a financial benefit if the public

	Singapore position	Australian position
	group's latest audited net tangible assets (provided that no approval is required for any transaction below S$100,000 (approximately A$85,397). The exceptions to these rules include as follows: (a) a payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the issuer's shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer; (b) the grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme approved by the SGX; (c) a transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through the listed company, is less than 5%; (d) a transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the listed company at the time of the transaction; (e) a transaction (which includes telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets) between an entity at risk and an interested person for the provision of goods or services if: (i) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and (ii) the sale prices are applied consistently to all customers or class of customers; (f) the provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business; (g) the receipt of financial assistance or services from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business; and (h) director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments). There are reporting requirements (similar to Australia) regarding the disclosure of shareholdings of directors and substantial	company gives the entity a financial benefit. In addition, under Chapter 10 of the ASX Listing Rules, a shareholder who holds 10% or more of the shares of a listed entity is subject to restrictions under Listing Rule 10.1 regarding acquisitions and disposals of substantial assets from the public company. On any shareholders' resolution to approve the giving of a financial benefit under Chapter 2E of the Corporations Act (or Chapter 10 of the ASX Listing Rules), none of the related party or its associates is able to vote on the relevant resolution. Under section 671B of the Corporations Act, a substantial shareholder of a listed company must give the ASX information about its shareholding, including any movements of 1% or more in its shareholding. A substantial shareholder is defined as being a holder who holds a Relevant Interest in 5% or more of the securities of a listed entity. In addition, under Listing Rule 3.19A of the ASX Listing Rules, a listed entity must notify the ASX of any notifiable interests of directors, i.e. information about their shareholdings in the listed entity. The listed entity must then provide this information to the ASX. There are also restrictions that apply to remuneration of directors of public companies (and listed entities) particularly any termination payments under section 200 of the Corporations Act and Chapter 10 of the Listing Rules.

	Singapore position	Australian position
	shareholders of listed companies. Directors must notify the listed company of interests or changes in interests in the shares of the listed company. Substantial shareholders (a person holding not less than 5% of the voting rights in the company) must notify the listed company of changes in percentage level in voting shares of the listed company. The listed company must then notify the securities market via an announcement made on SGXNET.	
Capital reductions	A listed company cannot reduce its capital, except to the extent that the Companies Act permits. There are two methods of capital reduction for a listed company under the Companies Act: (a) court-sanction capital reduction under sections 78G, 78H and 78I; and (b) non-court sanctioned capital reduction under sections 78C to 78F. The articles of association of the company must also permit the reduction of capital.	Under Chapter 2J .1 of the Corporations Act, a company can reduce its capital if the reduction: (a) does not materially prejudice creditors or the interest of the company; and (b) is approved by shareholders. In addition, there are specific forms of capital reduction, share buy-backs and financial assistance that have specific rules and restrictions under the Corporations Act and the ASX Listing Rules.
Appointment or removal of directors	In general, the articles of association of a company prescribe that directors may be appointed and removed by ordinary resolution. For listed companies, electing two or more persons as directors in a single resolution is not allowed. Most listed companies' articles of association also allow the board of directors to fill casual vacancies or to appoint additional directors. Such directors so appointed will hold office only until the next annual general meeting of the company, and then will be eligible for re-election. A company's articles of association usually provide for the retirement of one-third of the directors by rotation at the annual general meeting of the company, provided that all directors will retire from office at least once in every three years.	Generally speaking, directors may be appointed to fill casual vacancies on the board by the directors of the company. However, under the ASX Listing Rules, the appointment of any director appointed by the board must be ratified by shareholders at the next annual general meeting of the company. In addition, most listed entities have provisions in their constitution requiring directors to retire at least every 3 years but are eligible for re-election. Directors of a public company may only be removed by ordinary resolution of the members – the board cannot remove directors. Any such resolution of the company is subject to requirements set out in the Corporations Act (including a two month notice period).
Disclosure requirements that apply to mining companies	Listed companies are subject to continuous disclosure requirements set out in the Listing Manual. In particular, Singapore listed mineral, oil and gas companies (companies whose principal activities consist of exploration for or extraction of minerals, oil or gas) are subject to additional disclosure requirements set out, amongst others, under Part VIII of Chapter 7 of the Listing Manual.	Listed entities are subject to continuous disclosure requirements set out in section 674 of the Corporations Act and Listing Rule 3.1 of the Listing Rules. Australian listed entities that are "mining entities" (as defined in the Listing Rules) are subject to separate disclosure requirements under Chapter 5 of the Listing Rules, which apply to Merlin.
Franking credits	Singapore has implemented a one-tier corporate tax system since 1 January 2003. As such, there is no franking credit system in Singapore in relation to any dividends that may be paid. Dividends are exempt from tax in the	Australia has a full dividend franking (imputation) system. If Merlin was a taxpayer (it has not paid any tax to date) it may pay a dividend which is franked and carries a franking credit. An Australian tax resident shareholder would be entitled to a franking credit. A

	Singapore position	Australian position
	hands of shareholders of the company.	shareholder who is not an Australian tax resident and receives a fully franked dividend from Merlin would not be subject to withholding tax on the dividend but would not receive any credit in Australia in respect of the franking credit. Australian tax resident shareholders in Blumont will generally include the gross amount (inclusive of any withholding tax deducted) of any dividends received in their taxable income. They would then be allowed a tax off-set in respect of any withholding tax paid in Singapore.