BLUMONT
博诺有限公司

BLUMONT GROUP LTD.

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

Fourth Supplementary Bidder's Statement

1. Introduction

This document is the fourth supplementary bidder's statement (**Fourth Supplementary Bidder's Statement**) to the bidder's statement dated 24 April 2014 (**Bidder's Statement**) issued by Blumont Group Ltd. (**Blumont**) in relation to its off-market takeover bid for all the ordinary shares in Merlin Diamonds Limited (**Merlin**). This Fourth Supplementary Bidder's Statement is dated 18 August 2014.

This Fourth Supplementary Bidder's Statement supplements and should be read together with the Bidder's Statement, as well as the first supplementary bidder's statement by Blumont dated 2 May 2014, the second supplementary bidder's statement by Blumont dated 6 June 2014 and the third supplementary bidder's statement by Blumont dated 23 July 2014.

A copy of this Fourth Supplementary Bidder's Statement has been lodged with ASIC and the ASX on 18 August 2014. Neither ASIC, the ASX nor any of their officers, take any responsibility for the contents of this Fourth Supplementary Bidder's Statement. A copy of this Fourth Supplementary Bidder's Statement will also be released by Blumont on SGXNET in Singapore. The SGX assumes no responsibility for the correctness of any of the statements, reports contained/referred to or opinions expressed in this Fourth Supplementary Bidder's Statement.

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

Unless otherwise stated the exchange rate used in this Fourth Supplementary Bidder's Statement is the exchange rate as published by the Reserve Bank of Australia at 4pm (Sydney time) on the Business Day before the date of this Fourth Supplementary Bidder's Statement.

2. Blumont half year results

On 12 August 2014 Blumont released on SGXNET unaudited financial statements for second quarter and the half year ended 30 June 2014. During the six months ended 30 June 2014 the Blumont Group made a total loss of S$19.33 million (approximately A$16.65 million). Blumont notes that the reported losses primarily arose from the fair value readjustments of the Blumont Group's investments in transferable securities which Blumont considers is attributable to the recent volatility in financial markets and the global economy. Specifically, Blumont notes that approximately S$9.34 million (approximately A$8.05 million) of these losses arose from the mark-to-market adjustment of the value of the Blumont Group's portfolio of quoted investments listed on the Australian Securities Exchange and also notes that S$4.61 million (approximately A$3.97 million) of these losses arose from the mark-to-market adjustment of the value of quoted financial assets in its Investment Holdings Business unit based on market bid prices of the securities held. As a result, the Blumont Group's net assets and total equity has been reduced from S$76.91 million (approximately A$66.26 million) as at 31 December 2013 (based on Blumont's audited financial statements for the full year ended 31 December 2013) to S$57.58 million (approximately A$49.61 million) as at 30 June 2014 (based on Blumont's unaudited financial statements for the six months ended 30 June 2014). Blumont will not pay a dividend in respect of the half year ended 30 June 2014.

Revenue for the six months ended 30 June 2014 was S$1.82 million (approximately A$1.57 million) which was 8% higher than the corresponding period for the previous financial year. The Sterilisation Services Business was the largest contributor to revenue and contributed 90% of revenue, followed by Blumont's Property Business which contributed 9% of revenue.

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

3. Investment in Elysium Resources Limited

Blumont is pleased to announce that on 6 August 2014 Blumont entered into a 'Share Subscription Agreement' with Elysium Resources Limited (**Elysium**) under which Blumont will subscribe for 100 million ordinary shares in Elysium (**Elysium Shares**) and will also receive 100 million options (**Elysium Options**). In return for the issue of the Elysium Shares and Elysium Options, Blumont will issue A$1 million of Blumont Shares to Elysium (which will be based on the higher of the VWAP of Blumont Shares on the business day before completion of the subscription and S$0.0377 per Blumont Share).

Completion of the acquisition by Blumont of the Elysium Shares and Elysium Options is conditional on the SGX approving the listing and quotation of the Blumont Shares to be issued to Elysium. Subject to the satisfaction of that condition, once the Elysium Shares are issued Blumont will hold 10.8% of Elysium Shares then on issue and, if all the Elysium Options are exercised by Blumont and resulting Elysium Shares are issued, Blumont would then hold approximately 19.5% of Elysium Shares then on issue.

Each Elysium Option entitles Blumont to subscribe for one Elysium Share at an issue price of 1.4 cents per Elysium Share. Blumont has not yet decided whether it will exercise any or all of the Elysium Options and, if so, the funding source for the acquisition. The Elysium Options will expire on 30 November 2014 if they are not exercised by that time.

Elysium is listed on the ASX (ASX Code: EYM) and is a mineral exploration company whose core business is the exploration of copper and gold deposits in Australia (at Burraga in New South Wales and Horseshoe South in Western Australia) and Indonesia (at Malang in East Java).

4. Additional matters

4.1 Litigation success

As detailed in Section 12.11 of the Bidder's Statement, Blumont is a defendant in 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**). Blumont is pleased to announce that the Supreme Court of New South Wales has dismissed the claim by Prospect Resources Limited and ordered that it pay the Consortium's costs.

4.2 Azarga Resources Limited

As detailed in Section 4.6(e) of the Bidder's Statement, Azarga Resources Limited (**Azarga**), a company in which the Blumont Group has a 14.68% interest, has announced that it has entered into a share purchase agreement with Powertech Uranium Corp (**Powertech**) under which Powertech will acquire the entire issued capital of Azarga in exchange for 3.65 Powertech shares per Azarga share. The Powertech Transaction was scheduled to complete on or around 31 July 2014. The parties have now agreed to extend this date until 15 September 2014. Completion of the Powertech Transaction remains subject to regulatory approvals.

4.3 Board composition

As detailed in the Bidder's Statement including Section 9.2, Mr James Hong Gee Ho (then an executive director of Blumont) had been requested to assist the Commercial Affairs Department of the Singapore Police Force in its investigations into a possible infringement under the *Securities and Futures Act* (Cap. 289) of Singapore and, in the event that Mr Hong was unable to carry out his duties as an executive director of Blumont as a result of his assisting with the 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. Given that Mr Hong is no longer

an executive director of Blumont, and that Mr Ng Kim Huatt was redesignated as an executive director of Blumont with effect from 19 July 2014, Blumont no longer faces a risk of sanctions from SGX (solely relating to Mr Hong being unable to carry out his duties as an executive director of Blumont).

5. 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 our Offer or this Fourth Supplementary Bidder's Statement.

APPROVAL OF FOURTH SUPPLEMENTARY BIDDER'S STATEMENT

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

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



……

Mr Ng Kim Huatt
Director

Dated: 18 August 2014