

BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

DISPOSAL OF SHARES IN DISCOVERY METALS LIMITED

1. INTRODUCTION

The board of directors (the “**Board**”) of Blumont Group Ltd. (博诺有限公司) (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Blumont Copper Pte. Ltd. (“**Blumont Copper**”), a wholly owned subsidiary of the Company, has sold 30,033,521 shares (the “**DML Shares**”) in Discovery Metals Ltd. (“**DML**”) during the period from 12 February 2015 to 17 February 2015, by way of open market sales on the Australian Securities Exchange (“**ASX**”), for total net proceeds (the “**Net Proceeds**”) of approximately A\$1.00 million (approximately S\$1.05 million) (the “**Disposal**”).

The DML Shares sold represent approximately 4.66% of DML’s total issued share capital as at the date of this announcement. The Group now holds 34,708,112 shares in DML, representing approximately 5.39% of DML’s total issued share capital.

2. BACKGROUND ON DML

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

2.1. Corporate Information

DML is a company incorporated in Australia whose shares are dual listed and quoted for trading on the ASX (ASX Code: DML) and Botswana Stock Exchange (BSE Code: DML). The current directors of DML are Jeremy Read (Chairman), Robert (Bob) Fulker (Managing Director and CEO) and Royston Denysschen (Non-Executive Director). DML has its registered office at Level 23, 333 Ann Street, Brisbane, QLD 4000, Australia.

As at 31 December 2014, DML has a total issued share capital of 644,039,581 listed ordinary shares.

2.2. Mineral and Resources Portfolio

DML 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. DML has prospecting licences covering approximately 26,150 square kilometres in Botswana. The list of its exploration and production projects is set out in the table below.

Project	Interest of DML (%)	Area (sq km)	Location
Boseto Copper Project	100	1,865.44	Republic of Botswana
Dikoloti Nickel Project	28 ⁽¹⁾	283	Republic of Botswana
Newport Farms Copper	100	3,002	Republic of Botswana
Lobatse Manganese	33 ⁽²⁾	13,557	Republic of Botswana
Kalahari Manganese	33	10,604.1	Republic of Botswana
Kraalpan	100	866	Republic of Botswana
Kuke Copper Project	100	747	Republic of Botswana
D'kar Copper	100	4,928	Republic of Botswana

Notes:

- (1) Pursuant to a joint venture agreement between Japanese Oil, Gas and Metals National Corporation (“**JOGMEC**”), DML and Bamangwato Concessions Limited.
- (2) Pursuant to a joint venture agreement between JOGMEC and DML.

The book value, net tangible asset (“**NTA**”) value and latest available open market value of the DML Shares pursuant to the Disposal are as follows:

DML Shares

Book value ⁽¹⁾	US\$2,787,000
NTA value ⁽¹⁾	US\$2,787,000
Latest available open market value ⁽²⁾	A\$780,872

Notes:

- (1) Based on the latest announced consolidated financial statements of DML for the financial year ended 30 June 2014.
- (2) Based on the volume weighted average price (“**VWAP**”) of each DML share of A\$0.026 on 17 February 2015.

Additional information on DML can be found at its website at www.discoverymetals.com.

3. RATIONALE AND PROCEEDS

The Company had undertaken the disposal of the DML Shares by way of open market sales on the ASX based on the then prevailing market price of the ordinary shares of DML. No valuation report was procured for the DML Shares.

The Company has received Net Proceeds of approximately A\$1.00 million (approximately S\$1.05 million) for the DML Shares. The Net Proceeds represent a loss of A\$0.71 million (approximately S\$0.75 million) over the book value of the DML Shares of A\$1.70 million (approximately S\$1.80 million) and a loss of A\$2.61 million (approximately S\$3.22 million) over the acquisition cost of the DML Shares of approximately A\$3.60 million (approximately S\$4.28 million).

The Net Proceeds will be applied towards partial repayment of the amounts owing by the Company to Wintercrest Advisors LLC (“**Wintercrest**”). As previously announced by the Company, the Company has a loan facility of up to US\$23.5 million (approximately S\$31.83) in principal amount from Wintercrest (the “**Wintercrest Facility**”), which has been drawn down in

aggregate amount of US\$21.5 million (S\$27.01 million). All amounts due under the Wintercrest Facility are repayable on 15 March 2015. As security for the Company's obligations under the Wintercrest Facility Agreement, the Company had charged, amongst others, the DML Shares, in favour of Wintercrest.

4. RELATIVE BASES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the audited financial statements of DML for the financial year ended 30 June 2014, DML has incurred a profit of US\$19.00 million (approximately S\$25.76 million).

The relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual Part A: Mainboard Rules of the SGX-ST (the "Listing Manual") are set out below.

Bases	Percentage (%)
(a) Net asset value of the assets to be disposed of compared with the Group's net asset value ⁽¹⁾	7.15
(b) Net profits/(losses) attributable to the assets acquired or disposed of, compared with the Group's net profits ⁽²⁾	(4.96)
(c) Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares ⁽³⁾	2.3
(d) Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e) Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) DML's net asset value for the 12-month period ended 30 June 2014 was approximately US\$59.77 million (approximately S\$81.01 million). The net asset value of DML attributable to all the DML Shares is approximately S\$3.78 million. The Group's net asset value for the 9-month period ended 30 September 2014 was S\$52.87 million.
- (2) DML's net profit before tax for the 12-month period ended 30 June 2014 was approximately US\$19.01 million (approximately S\$25.76 million). The net profit of DML attributable to all the DML Shares, is approximately S\$1.20 million. The Group's net loss before income tax, minority interests and extraordinary items for the 9-month period ended 30 September 2014 was S\$(22.93) million.
- (3) The aggregate value of the consideration is A\$1.00 million (approximately S\$1.06 million). The market capitalisation of the Company as at 16 February was S\$46,059,593 million, determined by multiplying the number of Shares as at 16 February 2015, being 2,709,387,832 Shares, by the VWAP of S\$0.017 per Share on 16 February 2015.

As each of the relative figures computed on the bases set out in Rule 1006 is less than 20%, there is no requirement for the Company to seek approval from its Shareholders for the Disposal.

5. FINANCIAL EFFECTS OF THE DISPOSAL

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

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

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

- (a) the Disposal was completed on 1 January 2013 for the purpose of computing the *pro forma* financial effects on the earnings per Share ("**EPS**") of the Company; and
- (b) the Disposal was completed on 31 December 2013 for the purpose of computing the *pro forma* financial effects on the NTA per Share of the Company.

5.1. Effect on EPS

For illustrative purposes only, and assuming the Disposal was completed at the beginning of the financial year ended 31 December 2013, the *pro forma* financial effects of the Disposal on the EPS of the Company are as follows:

	Before the Disposal	After the Disposal
Net loss(S\$)	(70,815,041)	(71,685,974 ⁽¹⁾)
Weighted average number of Shares	1,877,852,984	1, 877,852,984
Loss per Share (cents)	(3.77)	(3.82)

Note:

- (1) The figure is derived by deducting carrying amount over the net proceeds (after transaction costs) approximately S\$870,933 and the net loss of the Company of S\$70,815,041.

5.2. Effect on NTA

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

	Before the Disposal	After the Disposal
NTA value (S\$)	74,288,190	73,417,257 ⁽¹⁾
Weighted average number of Shares	2,583,006,879	2,583,006,879
NTA per Share (cents)	2.88	2.84

Note:

- (1) The figure is derived by deducting of the carrying amount of the investment and net proceeds (after transaction costs) approximately S\$870,933) and the NTA of the Company of S\$74,288,190.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

7. UPDATES

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

BY ORDER OF THE BOARD

Blumont Group Ltd.

Ng Kim Huatt
Executive Director
17 February 2015