BLUMONT
博诺有限公司

BLUMONT GROUP LTD.

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

Fifth Supplementary Bidder's Statement

1. Introduction

This document is the fifth supplementary bidder's statement (**Fifth 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 Fifth Supplementary Bidder's Statement is dated 29 October 2014.

This Fifth 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 (**First Supplementary Bidder's Statement**), the second supplementary bidder's statement by Blumont dated 6 June 2014, the third supplementary bidder's statement by Blumont dated 23 July 2014 and fourth supplementary bidder's statement by Blumont dated 18 August 2014 (**Fourth Supplementary Bidder's Statement**).

A copy of this Fifth Supplementary Bidder's Statement has been lodged with ASIC and the ASX on 29 October 2014. Neither ASIC, the ASX nor any of their officers, take any responsibility for the contents of this Fifth Supplementary Bidder's Statement. A copy of this Fifth 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 Fifth Supplementary Bidder's Statement.

Capitalised terms in this Fifth 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 Fifth 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 Fifth Supplementary Bidder's Statement.

2. Changes in Blumont Directors and committees

2.1 Appointment of independent non-executive director

Blumont is pleased to announce that Mr Aris Muhammad Rizal has been appointed as an independent non-executive director of Blumont with effect from 10 October 2014. Mr Rizal has also been appointed as a member of Blumont's Nominating Committee, Audit Committee and Remuneration Committee.

Mr Rizal is currently the Operational Manager at PT. Denichi Amina Selaras which is an Indonesian private company holding iron ore mining interests in Aie Dingin, West Sumatra Indonesia which undertakes a wide array of activities including exploration. Prior to this, from June 2009 to February 2011 Mr Rizal was a Senior Geologist with PT Mineral Nusantara Pratama which is an Indonesian private company that is engaged in the exploration of minerals at Tenggarong East Kalimantan (for coal) and Kupang, West southeast Nusa (for manganese). From 2006 to 2009, Mr Rizal held various positions as Project Manager and Geologist with various companies operating in the Mineral and Energy Resources Sector in Asia. Mr Rizal holds a Bachelor of Engineering (Geological) from the University of Padjadjaran (Indonesia). Mr Rizal does not have an interest in any Blumont Shares.

2.2 Reconstitution of board and committees

As at the date of this Fifth Supplementary Bidder's Statement, the Blumont Board consists of the following directors:

(a) Mr Ng Kim Huatt (Executive Director);

(b) Mr Calvin Lim Huan Kim (Lead Independent Director);

(c) Mr Tan Gim Kang, Arran (Independent Non-Executive Director);

(d) Mr Farhash Wafa Salvador (Independent Non-Executive Director); and

(e) Mr Aris Muhammad Rizal (Independent Non-Executive Director).

Mr Calvin Lim Huan Kim, Mr Tan Gim Kang, Arran, Mr Farhash Wafa Salvador and Mr Aris Muhammad Rizal are all members of Blumont's Nominating Committee, Audit Committee and Remuneration Committee.

3. Increase in interests in Azarga Resources Limited

As detailed in Section 4.6(e) of the Bidder's Statement, Blumont's wholly owned subsidiary Powerlite Ventures Limited (**Powerlite**) is party to a convertible note deed with Azarga Resources Limited (**Azarga**) under which Powerlite has agreed to make available a convertible note facility of up to US$26 million (approximately A$29.49 million) (**Azarga Facility**).

Blumont is pleased to announce that, pursuant to a conversion notice issued by Azarga, convertible notes with an aggregate value of US$19.1 million (approximately A$21.66 million), of which US$18 million (approximately A$20.41 million) was principal and US$1.1 million (approximately A$1.25 million) was accrued interest, have been converted into ordinary shares in Azarga at the conversion price of US$0.50 cent Azarga share. As a result Powerlite has been issued 38,212,493 Azarga shares, resulting in Powerlite holding a total of 49,462,493 Azarga shares which represents approximately 43.08% of the total issued share capital in Azarga.

As at the date of this Fifth Supplementary Bidder's Statement US$18 million (approximately A$20.415 million) has been drawn down under the Azarga Facility. Any further draw downs under the Azarga Facility may only be undertaken subject to mutual agreement between Powerlite and Azarga.

Blumont also notes that, as detailed in Section 4.6(e) of the Bidder's Statement, Azarga has previously 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 parties have now agreed to extend the closing date for the Powertech Transaction until 31 October 2014. Completion of the Powertech Transaction remains subject to conditions.

4. Extension of the Offer Period until 13 February 2015

4.1 Extension of the Offer Period

As announced by Blumont on 17 September 2014, Blumont has extended the Offer Period under its Takeover Bid. The Offer is now scheduled to close at 7:00pm (Sydney time) on 13 February 2015 (unless further extended or withdrawn). As detailed in the Bidder's Statement, Blumont's Offer is conditional on the approval of Blumont Shareholders for the Offer and the proposed allotment and issue of the Blumont Shares to be issued to Merlin Shareholders. In order to obtain that approval Blumont must prepare a 'Circular' to send to its shareholders, which must be accompanied by a 'qualified person's report'. Blumont's advisers have now been able to commence the preparation of that report. Blumont considers that the time to finalise its Circular and qualified person's report, coupled with the time to convene the required shareholders' meeting, required that the Offer Period be extended until 7.00pm Sydney time on 13 February 2015.

4.2 New date for giving notice on the status of the Conditions

Blumont notes that, as a result of the extension of the Offer Period, the new date for giving notice on the status of the Conditions is 5 February 2015, subject to variation in accordance with section 630(2) of the Corporations Act. As at the date of this Fifth Supplementary Bidder's Statement, so far as Blumont is aware, none of the Conditions in Section 11.5 of the Bidder's Statement have been fulfilled (other than the Condition in Section 11.5(o)(i) which has been waived by Blumont as detailed in Section 4 of the First Supplementary Bidder's Statement).

5. Completion of investment in Elysium Resources Limited

As detailed in Section 3 of the Fourth Supplementary Bidder's Statement, Blumont is a party to a share subscription agreement with Elysium Resources Limited (**Elysium**) under which Blumont had agreed to subscribe for 100 million ordinary shares in Elysium (**Elysium Shares**) and also 100 million free options (**Elysium Options**). In return for the issue of the Elysium Shares and Elysium Options, Blumont agreed to issue A$1 million of Blumont

Shares to Elysium. Blumont is pleased to advise that the 100 million Elysium Shares and 100 million Elysium Options have been allotted and issued to Blumont and Blumont has issued A$1 million of Blumont Shares to Elysium. Blumont now holds approximately 10.8% of the total number of issued Elysium shares.

6. Blumont results warning

Blumont announced on SGX on 24 October 2014 that Blumont is expected to report net losses for the third quarter and nine months ended 30 September 2014. The expected losses for these periods primarily arose from the fair value readjustments of the Blumont Group's investments in transferable securities (financial assets), which Blumont considers is attributable to the recent volatility in the financial markets and the global economy. The Blumont Group's investment holding segment and the portfolio of its 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's financial statements for these periods are expected to be released on or before 14 November 2014 and, until such time, Blumont has advised its shareholders to exercise caution when dealing in Blumont Shares.

7. Update on Conditions

7.1 Blumont Share price

As set out in Section 11.5(m) of the Bidder's Statement, one of the Conditions of the Offer is that prior to the end of the Offer Period, the rolling 5 day VWAP of Blumont's Shares as quoted on the SGX ending on any trading day on the SGX-ST (**Blumont VWAP**) does not fall to a level that is 20% or more below the price of Blumont Shares as at the close of trading on the Business Day before the Announcement Date. Under the Section 11.6(c) of the Bidder's Statement Blumont stated that it will not seek to rely on the non-satisfaction of this Condition unless the Blumont VWAP falls below S$0.0272.

Blumont notes that, in respect of the period between 21 October 2014 and 28 October 2014, the Blumont VWAP was below S$0.0272 and, therefore, the Condition was not satisfied. Blumont waives the non-satisfaction of this Condition at any time prior to the date of this Fifth Supplementary Bidder's Statement.

7.2 Proposed issue of Merlin Shares by Merlin

Blumont notes that on 28 October 2014 Merlin released its notice of annual general meeting to the ASX (**AGM Notice**). Under that AGM Notice, Merlin indicated that it proposes to seek shareholder approval as its annual general meeting on 27 November 2014 for numerous potential issues of more than 300 million new Merlin Shares (**Proposed New Merlin Shares**).

Blumont notes that the issue of the Proposed New Merlin Shares is conditional on Merlin Shareholder approval. Blumont also notes that each of these Proposed New Merlin Share issues would trigger a defeating Condition of the Takeover Bid set out in Section 11.5(c) of the Bidder's Statement which, if not waived by Blumont, would result in the Offer lapsing.

Blumont is currently considering its position with respect to each of the Proposed New Merlin Share issues and, accordingly, Blumont does not waive any Condition of the Offer triggered by a Proposed New Merlin Share issue and may rely on any Condition of the Offer triggered as a result of a Proposed New Merlin Share issue in order for the Offers to lapse. Blumont will provide further supplementary disclosure in due course when it has reached a decision on whether and, if so on what conditions, it may consent to any or all of the Proposed New Merlin Share issues.

8. Genesis Takeover Bid

8.1 Extension of the offer period

As Blumont announced on 11 September 2014, Blumont has extended the offer period under its Genesis Takeover Bid so that the Genesis Takeover Bid is now scheduled to close at 7:00pm (Melbourne time) on 13 February 2015 (unless further extended or withdrawn).

As at the close of business on the business day before the date of this Fifth Supplementary Bidder's Statement, Blumont has received acceptances for approximately 5.89% of Genesis shares under the Genesis Takeover Bid.

8.2 Extension of the offer to newly issued Genesis shares

On 19 September 2014, Genesis announced to the ASX that it had issued 24,864,384 ordinary shares for a total amount of A$1,243,219 (**New Genesis Shares**). The New Genesis Shares constitute approximately 13.04% of all Genesis shares currently on issue. Shortly after the issue was made, Blumont made an application to ASIC to extend the Genesis Takeover Bid to these New Genesis Shares. This application was required as, under section 617 of the Corporations Act, the Genesis Takeover Bid was (without a modification from ASIC) not able to extend to the New Genesis Shares. ASIC has now approved that application and the Genesis Takeover Bid will, therefore, now extend to the New Genesis Shares.

As a result of the extension of the Genesis Takeover Bid to the New Genesis Shares, if the Genesis Takeover Bid is accepted by all Genesis Shareholders, the maximum number of Blumont Shares that will be issued under the Genesis Takeover Bid will now be 905,478,003 Blumont Shares which, at the date of this Fifth Supplementary Bidder's Statement, constitutes approximately 34.7% of the existing share capital of Blumont.

9. 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 Fifth Supplementary Bidder's Statement.

APPROVAL OF FIFTH SUPPLEMENTARY BIDDER'S STATEMENT

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

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



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Mr Ng Kim Huatt
Director

Dated: 29 October 2014