



26 March 2014

Companies Announcements Platform  
Australian Securities Exchange  
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20 Bridge Street  
SYDNEY NSW 2000

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Dear Sir / Madam

**Blumont Group Ltd. takeover bid for Genesis Resources Limited (Offer)  
Notice of despatch of Bidder's Statement**

In accordance with section 633(1) item 8 of the *Corporations Act 2001* (Cth) (**Corporations Act**), we advise that Blumont Group Limited on 26 March 2014 completed the despatch of its bidder's statement (**Bidder's Statement**) relating to the Offer dated 21 March 2014, as required by section 633(1) item 6 of the *Corporations Act*.

Please find enclosed a copy of the Bidder's Statement as despatched to the holders of ordinary shares in Genesis Resources Limited.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Holding Redlich', written over a horizontal line.

**Holding Redlich**

Enclosures: 1

Sydney . Melbourne . Brisbane

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ABN 15 364 527 724

# BIDDER'S STATEMENT

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## **BLUMONT GROUP LTD.**

(Company Registration No. 199302554G)

(Incorporated in the Republic of Singapore)

Offer by Blumont Group Ltd.

to acquire all your shares in Genesis Resources Limited

5.3 Blumont Shares for every 2 Genesis Shares

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The Offer is unanimously recommended by Genesis' 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.

## IMPORTANT NOTICES

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

What's happening	Date
Announcement Date	24 January 2014
Date of this Bidder's Statement	21 March 2014
Date of the Offer	24 March 2014
Offer ends (unless extended or withdrawn)	7:00pm Melbourne time on 24 September 2014

### Role of ASIC

A copy of this Bidder's Statement was lodged with ASIC and ASX on 21 March 2014. Neither ASIC, 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 Consideration Shares 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, Genesis, 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 Genesis (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 Genesis 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, in part, need to be prepared by Genesis. Blumont will discuss with Genesis the preparation of that report, and the likely timing of the finalisation of the report. Genesis Shareholders should note that Blumont considers that it may take at least six months for that report to be prepared and subsequent Extraordinary General Meeting to be held. Blumont will keep Genesis 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, Genesis Shareholders whose address, in the Genesis 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 Genesis Shares from any Genesis 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](http://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, Genesis' 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 (Melbourne time) on the Last Practicable Date, being A\$1:S\$1.1418.

### **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 Genesis will be obtained by Blumont or its agents from Genesis 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 1300 459 512 (for callers within Australia) or +61 3 9415 4290 (for callers outside of Australia) if you have any questions in relation to 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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## A MESSAGE FROM THE CHAIRMAN OF BLUMONT

Dear Genesis Shareholder,

On 24 January 2014, Blumont Group Ltd. (**Blumont**) announced its intention to make an off-market takeover bid for all the ordinary shares in Genesis Resources Limited (**Genesis**).

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 Genesis 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.

Our strategy and intention is to continue and ramp up our expansion into the Mineral and Energy Resources Sector and the acquisition of Genesis is a key part of that strategy. On 28 February 2014, we also announced a conditional takeover bid for Merlin Diamonds Limited (**Merlin**) which is the owner of the only diamond mine in the Northern Territory of Australia. Blumont already has a 5.91% interest in Merlin and, just like our takeover bid for Genesis, we are excited about the opportunity to acquire Merlin and its projects.

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.

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

### Details of our Offer

We are offering to acquire Your Genesis Shares and in exchange you will receive 5.3 Blumont Shares for every 2 Genesis Shares that you own.

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

- 1 41.83% premium to the closing price of A\$0.09 per Genesis Share on the ASX on the last day on which Genesis Shares traded on the ASX before 14 March 2014 being the last practicable date before the date of this Bidder's Statement (**Last Practicable Date**); and
- 2 38.45% premium to the three month volume weighted average price of A\$0.092 per Genesis Share as at the ASX on the Last Practicable Date.

Our Offer is also a compelling offer for the following additional reasons:

- 1 Genesis Shares have historically low liquidity and the Offer provides an opportunity to acquire a significantly more liquid investment;

- 2 by accepting the Offer, Genesis Shareholders will still have an indirect interest in Genesis' assets (including the Plavica Project) 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 Genesis' assets compared to Genesis seeking to do so alone; and
- 4 the Genesis Directors support the Offer in the absence of a Superior Proposal.

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 Genesis Shareholders which gives the Blumont Group an aggregate Relevant Interest in Genesis 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), this approval may take at least six 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 Consideration Shares will be granted at or around the time that the Circular is despatched to Blumont Shareholders.

#### **The Genesis Board supports and recommends the Offer**

The Genesis Board has unanimously recommended the Offer to Genesis Shareholders and each Genesis Director (at the Announcement Date) has indicated their intention to accept the Offer for their own Genesis 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 (Melbourne time) on 24 September 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 1300 459 512 (for callers within Australia) or +61 3 9415 4290 (for callers outside of Australia).

The Blumont Board strongly believes that the Offer is a compelling opportunity for Genesis 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 Genesis 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
<b>What is the Offer?</b>	Blumont is offering to acquire Your Genesis Shares, on the terms and subject to the conditions of this Offer.	See Section 11 for details of the Offer
<b>What consideration will I be sent if I accept the Offer?</b>	If you are an Eligible Shareholder and you accept the Offer, and it is declared unconditional, you will be issued 5.3 Blumont Shares for every 2 Genesis Shares you own.	See Section 11.2 regarding the Offer Consideration
<b>What if I am an Ineligible Foreign Shareholder?</b>	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
<b>What is the value of the Offer?</b>	<p>If you accept the Offer, the value of the consideration you will be sent under the Offer will depend on the price of Blumont Shares at the time the Blumont Shares are allotted and issued to you under the Offer.</p> <p>For example, based on the exchange rate of A\$1:S\$1.1418 and using the closing price of S\$0.055 of Blumont Shares traded on the SGX on the Last Practicable Date, this results in an implied value under the Offer of A\$0.1276 per Genesis Share at the Last Practicable Date. However, the implied value of the Offer may change as a result of changes in the market price of Blumont Shares and fluctuations in the Australian dollar and Singapore dollar exchange rates.</p> <p>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.</p>	See Section 2 and Section 11.19
<b>Why should I accept the Offer?</b>	<p>The Blumont Board considers that there are numerous reasons why Genesis Shareholders should accept the Offer. These include:</p> <ul style="list-style-type: none"> <li>• the Offer represents an attractive value for Your Genesis Shares;</li> <li>• Genesis Shares have historically low liquidity and the Offer provides an opportunity to acquire a significantly more liquid investment;</li> <li>• by accepting the Offer, Genesis Shareholders will still have an indirect interest in Genesis' assets (including the Plavica Project) and, in addition, will also acquire an interest in a larger, more diversified organisation;</li> <li>• 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 Genesis' assets compared to Genesis seeking to do so alone;</li> <li>• the Genesis Directors support the Offer in the absence of a Superior Proposal;</li> <li>• if the Offer becomes unconditional and Blumont acquires control of Genesis there are risks to remaining a minority shareholder in Genesis (including being a minority shareholder);</li> </ul>	See Section 2 for more information about why you should accept the Offer

	<ul style="list-style-type: none"> <li>• there is currently no alternative proposal to acquire Genesis; and</li> <li>• some Genesis Shareholders may be able to obtain the benefit of capital gains tax scrip-for-scrip relief over relief if Blumont acquires more than an 80% interest in Genesis.</li> </ul> <p>Genesis 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.</p>	
<b>Is the Offer subject to Conditions?</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• minimum acceptance by Genesis Shareholders which gives Blumont a Relevant Interest in Genesis Shares of at least 50.1%;</li> <li>• 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), this approval may take at least six months to be obtained; and</li> <li>• SGX in-principle approval for the listing and quotation on the SGX of the Blumont Shares to be issued as Offer Consideration.</li> </ul> <p>Please note that the Offer is subject to various other Conditions, details of which are set out in Section 11.5.</p>	See Section 11.5 for more details of these and the other Conditions
<b>What happens if the Conditions of the Offer are not satisfied or waived?</b>	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
<b>Who is making the Offer?</b>	Blumont Group Ltd. is the company making the Offer.	See Sections 4, 5 and 6
<b>Who is Blumont?</b>	<p>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\$142 million (approximately A\$124 million).</p> <p>Blumont is a Singapore investment holding company. It currently has four business units being:</p> <ul style="list-style-type: none"> <li>• investments in the Mineral and Energy Resources Sector;</li> <li>• an Investment Holdings Business for investments in marketable securities (other than those in the Mineral and Energy Resources Sector);</li> <li>• a Sterilisation Services Business; and</li> <li>• a Property Business.</li> </ul> <p>Blumont's strategy and intention is to continue its expansion into the Mineral and Energy Resources Sector and the acquisition of Genesis is a key part of that strategy. On 28 February 2014, Blumont also announced a conditional takeover bid for Merlin which is the owner of the only diamond mine in the Northern Territory of Australia. Blumont already has a 5.91% interest in Merlin.</p> <p>Genesis Shareholders can obtain trading information about the Blumont Shares on the SGX Website or Blumont's Website.</p>	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)

<p><b>What are Blumont's intentions for Genesis?</b></p>	<p>It is the present intention of Blumont that, subject to the Offer becoming unconditional and Blumont acquiring a controlling interest in Genesis:</p> <ul style="list-style-type: none"> <li>• Blumont will seek the appointment of persons to the Genesis Board such that Blumont nominees comprise a majority of the Genesis Board;</li> <li>• the operations of Genesis will be conducted in substantially the same manner as presently conducted (other than to the extent stated in Section 8);</li> <li>• there will not be any redeployment of fixed assets of Genesis; and</li> <li>• Blumont does not anticipate any need to reduce operational staff.</li> </ul> <p>See Section 8 for more information about Blumont's intentions for Genesis, including an explanation of more specific intentions which are dependent on the Relevant Interest that Blumont acquires in Genesis after the Closing Date.</p>	<p>See Section 8</p>
<p><b>Who are Blumont's Directors?</b></p>	<p>Blumont's Directors are:</p> <ul style="list-style-type: none"> <li>• Mr Neo Kim Hock, Executive Chairman;</li> <li>• Mr James Hong Gee Ho, Executive Director;</li> <li>• Mr Goh Boon Kok, Lead Independent Director; and</li> <li>• Mr Calvin Lim Huan Kim, Independent Director.</li> </ul> <p>Please see Section 5.3 for a biography of each of the Blumont Directors.</p>	<p>See Section 5.3</p>
<p><b>Who are Blumont's senior management?</b></p>	<p>Blumont's senior management are:</p> <ul style="list-style-type: none"> <li>• Mr Neo Kim Hock, Executive Chairman;</li> <li>• Mr James Hong Gee Ho, Executive Director;</li> <li>• Ms Ines Scotland, CEO of Blumont Copper Pte. Ltd.;</li> <li>• Mr Tony Lim Fong Chung, Director of Gemisuria Corporation Sdn Bhd; and</li> <li>• Mr Yusman SH, Managing Director of PT. Rel-ion Sterilization Services.</li> </ul> <p>Please see Section 5.5 for a biography of each of the senior management members.</p> <p>Blumont's key advisers are:</p> <ul style="list-style-type: none"> <li>• Mr Apolonius Struijk; and</li> <li>• Mr Alexander Alan Molyneux.</li> </ul> <p>Please see Section 5.5 for a biography of each of the key advisers.</p>	<p>See Section 5.5</p>
<p><b>Who are the substantial shareholders of Blumont?</b></p>	<p>Blumont's substantial shareholders as at the Last Practicable Date are:</p> <ul style="list-style-type: none"> <li>• Mr Goh Seh Kiat;</li> <li>• Mr Neo Kim Hock;</li> <li>• Ipco International Limited;</li> <li>• Clear Water Developments Sdn Bhd; and</li> <li>• Mr Alexander Alan Molyneux (subject to completion of the Share Acquisitions).</li> </ul>	<p>See Section 5.7</p>
<p><b>Are there any differences between Australian and Singapore securities laws?</b></p>	<p>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.</p> <p>Please see Annexure B for a comparison of some of the key differences in the securities law and regulations of Australia and Singapore.</p>	<p>See Annexure B</p>

### 1.3 Questions about accepting the Offer

Question	Answer	More Information
<b>What choices do I have?</b>	<p>If you are an Eligible Shareholder, you have the following choices:</p> <ul style="list-style-type: none"> <li>• accept the Offer;</li> <li>• sell Your Genesis Shares (unless you have previously accepted the Offer); or</li> <li>• do nothing.</li> </ul> <p>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.</p>	See Section 3 and Section 11.19 if you are an Ineligible Foreign Shareholder
<b>What choices do I have if I accept the Offer?</b>	<p>If you are an Eligible Shareholder and you validly accept the Offer you can:</p> <ul style="list-style-type: none"> <li>• receive Blumont Shares in certificated form (by way of a physical share certificate);</li> <li>• elect to receive Blumont Shares in uncertificated form (electronically) into your CDP Securities Account; or</li> <li>• elect to have Blumont Shares issued to the CDP Securities Account of your nominee in uncertificated form (electronically).</li> </ul>	See Section 3.1
<b>How do I accept the Offer?</b>	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 3.2 for information about accepting the Offer
<b>Where do I send the Acceptance Form?</b>	Computershare Investor Services Pty Limited GPO Box 2115 Melbourne Victoria Australia 3001	See the accompanying Acceptance Form
<b>What is the Closing Date?</b>	The Offer is scheduled to close at 7pm, Melbourne time, on 24 September 2014 unless extended or withdrawn in accordance with the Corporations Act.	
<b>What happens if I do not accept the Offer?</b>	If you do not accept the Offer and you do not sell Your Genesis Shares, you will remain a Genesis Shareholder and will not be sent any Offer Consideration. However, if Blumont becomes entitled to compulsorily acquire Your Genesis Shares, it intends to do so. If this occurs, Genesis 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 Genesis, as trustee of your consideration, in order to receive the Offer Consideration for Your Genesis Shares at the conclusion of the compulsory acquisition process.	See Section 8
<b>Can I withdraw my acceptance after I have accepted the Offer?</b>	<p>You cannot withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act.</p> <p>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).</p>	See Section 11.10
<b>Can I accept the Offer for part of my shareholding?</b>	No, you may only accept the Offer for all Your Genesis Shares.	See Section 11.1

<b>Do I have to pay any brokerage fees if I accept the Offer?</b>	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.	
<b>If I accept the Offer when will I receive my Blumont Shares?</b>	<p>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.</p> <p>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.</p>	See Section 11.13
<b>Will Blumont Shares issued as the Offer Consideration be listed on the ASX?</b>	<p>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 Offer Consideration being obtained, the Blumont Shares you receive will be listed and quoted for trading on the SGX.</p> <p>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.</p>	
<b>How do I deal with Blumont Shares on the SGX that I receive?</b>	<p>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.</p> <p>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).</p> <p>If you do not have a CDP Securities Account and do not wish to open one, you should contact a broker for advice.</p>	See Annexure A for more details on how you can deal with your Blumont Shares
<b>What happens if I am entitled to receive a fraction of a Blumont Share as Offer Consideration?</b>	Fractional entitlements will be rounded up to the nearest whole number.	See Section 11.2
<b>Are there any difficulties in dealing with small parcels of Blumont Shares on the SGX?</b>	<p>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.</p> <p>Accordingly, if you hold less than 378 Genesis 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.</p>	See Annexure A
<b>What are the taxation implications of accepting the Offer?</b>	<p>Sections 10.2 and 10.3 contain an overview of the Australian and Singapore taxation implications of accepting the Offer.</p> <p>Blumont recommends that you seek independent professional advice in relation to your own specific circumstances. Any Genesis Shareholder that is in any doubt as to the taxation consequences of accepting the Offer should seek their own independent professional advice.</p>	See Sections 10.2, 10.3, Annexure C and Annexure D

## 1.4 Overview of Risks

Question	Answer	More Information
<p><b>What are the risks if I accept the Offer?</b></p>	<p>If you accept the Offer, and the Offer becomes unconditional, you will be issued with new Blumont Shares (unless you are an Ineligible Foreign Shareholder).</p> <p>There are risks in holding Blumont Shares. Genesis 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).</p>	<p>See Section 9 for more information on the risks of the Offer</p>
<p><b>Risks that may arise from accepting the Offer</b></p>	<p>Genesis Shareholders may be exposed to the following risks as a result of accepting the Offer:</p> <ul style="list-style-type: none"> <li>• 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, in part, need to be prepared by Genesis. Genesis Shareholders should note that Blumont considers that it may take at least six months for this report to be prepared and subsequent Extraordinary General Meeting to be held. Genesis 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 Genesis Shareholders that have accepted the Offer will not be able to withdraw their acceptance of the Offer or otherwise dispose of their Genesis Shares (except in limited circumstances as detailed in Section 11.10);</li> <li>• as detailed in Section 9.2, the price of the Blumont Shares as quoted on the SGX fluctuates and, therefore, the value of the Offer Consideration will fluctuate depending on the value of the Blumont Shares;</li> <li>• the share price of the Blumont Shares has fallen significantly since 3 October 2013. Specifically, Genesis Shareholders should note that Blumont Shares have fallen 97.28% since 3 October 2013 and have fallen 97.76% since the highest trading price of Blumont Shares on the SGX on 30 September 2013 of S\$2.45. Genesis Shareholders should note that the price of Blumont Shares on the SGX has fluctuated significantly over the last six months and the volatility may continue, including due to the fact that quoted share prices are subject to fluctuations due to systemic risks such as wider market sentiments and economic conditions;</li> <li>• 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</li> <li>• Blumont intends to issue further Blumont Shares to satisfy the consideration payable by Blumont in respect of other potential acquisitions, including up to approximately 1,021 million Blumont Shares as the offer consideration for the Merlin Takeover Bid (which will be approximately 24.8% of all Blumont Shares on issue including those that could be issued under the Takeover Bid and the Merlin 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</li> </ul>	<p>See Section 9</p>

	<p>fundraisings. Accordingly, any further issues of Blumont Shares will have a dilutive effect on your Blumont Shares.</p>
<p><b>Risk relating to the Blumont Group's overall business activities</b></p>	<p>Genesis Shareholders may be exposed to the following risks See Section 9 which relate to the Blumont Group's overall business activities:</p> <ul style="list-style-type: none"> <li>• 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 Genesis as set out in 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\$33.3 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;</li> <li>• 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;</li> <li>• 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\$105 million) to approximately S\$16.7 million (approximately A\$14.6 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;</li> <li>• the Blumont Group does not have a proven track record in the Mineral and Energy Resources Sector and, notwithstanding the appointment of several veterans in the Mineral and Energy Resources Sector, 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</li> <li>• 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 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.</li> </ul>

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<b>Risks relating to exploration, exploitation, development and production generally</b>	<p>There are also additional risks that apply in respect of exploration, exploitation, development and production generally. These include:</p> <ul style="list-style-type: none"><li>• geopolitical risks;</li><li>• commodity price volatility;</li><li>• title and tenure risks;</li><li>• environmental risks; and</li><li>• exploration, exploitation, development and production risks in general.</li></ul>	See Section 9
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## 2 REASONS TO ACCEPT THE OFFER

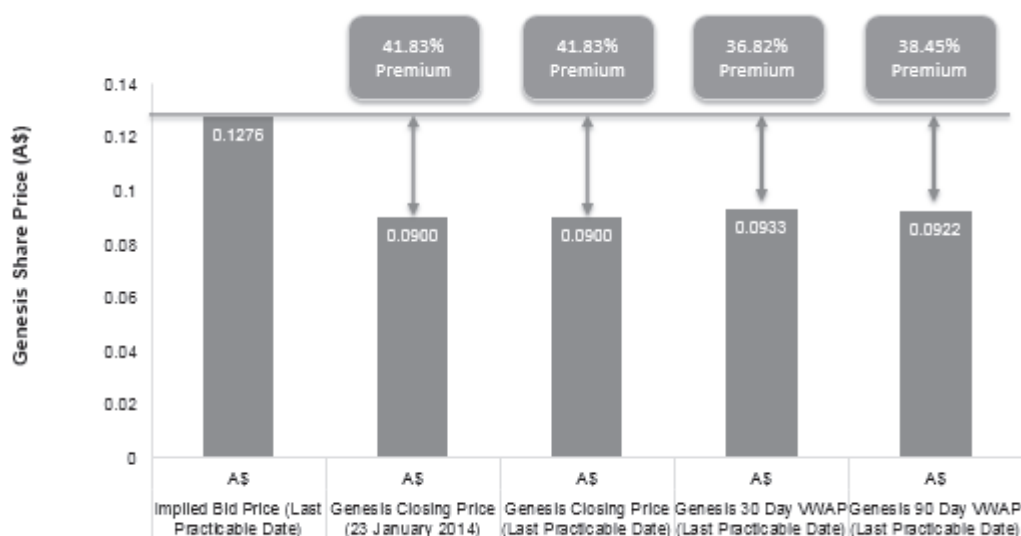
### 2.1 The Offer represents an attractive value for Your Genesis Shares

The Offer is 5.3 Blumont Shares for every 2 Genesis Shares which implies a value of A\$0.1276 per Genesis Share (based on a Blumont Share price of S\$0.055 (approximately A\$0.048) and the prevailing foreign exchange rate of A\$1:S\$1.1418 on the Last Practicable Date).

The Offer represents a:

- 41.83% premium to the closing price of A\$0.09 per Genesis Share on the ASX on the last day on which Genesis Shares traded on the ASX before the Last Practicable Date; and
- 38.45% premium to the three month VWAP of A\$0.092 per Genesis Share on the ASX as at the Last Practicable Date.

The chart below illustrates the premium reflected in the Offer.



Genesis Shareholders should note that the implied value of the Offer may change as a result of changes in the market price of Blumont Shares and fluctuations in the Australian dollar and Singapore dollar exchange rates.

### 2.2 You will acquire a significantly more liquid and tradeable investment

Genesis Shares have very low liquidity on the ASX which makes it difficult for Genesis Shareholders to sell their Genesis Shares on market. As an indication of the low liquidity of Genesis Shares available to Genesis Shareholders, during the last six months prior to the Last Practicable Date, only on two trading days were more than 40,000 Genesis Shares traded (i.e. more than A\$4,000 worth of shares). Over the three month period prior to the Last Practicable Date, there were only three trades conducted on ASX with the average volume per trade being 15,000 Genesis Shares (0.009% of all Genesis Shares on the Last Practicable Date). Further, over the last 30 trading days before the Last Practicable Date, on 28 of these days no Genesis Shares were traded on the ASX.

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 1.45 billion Blumont Shares were traded on the SGX, representing 56% 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 should you wish to convert the Blumont Shares you receive under the Offer into cash.

### 2.3 Retain an indirect exposure to Genesis' assets but achieve greater diversification

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

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 the remainder of Merlin under the Merlin Takeover Bid which we announced on 28 February 2014.

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 Genesis on its own to raise financing on more favourable terms for Genesis' 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 Genesis' assets compared to Genesis 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\$33.3 million) loan facility with Wintercrest Advisors LLC; and
- (b) completed an approximately S\$43 million (approximately A\$37.7 million) rights issue from its shareholders (of which S\$40.9 million (approximately A\$35.8 million) was utilised for the business expansion of the Blumont Group).

As at the Last Practicable Date, Blumont currently has approximately 2.58 billion shares on issue, giving it a market capitalisation of approximately S\$142 million (approximately A\$124 million), compared to Genesis, which has a market capitalisation of approximately A\$14.9 million. Therefore, in respect of equity capital raisings, given the much larger market capitalisation of Blumont compared to Genesis, any fundraisings by Blumont is likely to be less dilutive to Genesis Shareholders who accept the Offer and hold Blumont Shares than it would be for Genesis Shareholders if Genesis conducted these capital raisings on its own. Further, the Blumont Board considers that the very low levels of liquidity of Genesis Shares may be a disincentive for future institutional investors to invest in Genesis.

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

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

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

If Blumont acquires an interest in more than 50% of Genesis Shares, remaining Genesis Shareholders will become minority shareholders in a listed subsidiary that has historically low levels of liquidity in its shares. This is likely to result in Genesis Shares being less likely to be subject to a future takeover bid unless that bid is supported by Blumont. In these circumstances it is likely that trading in Genesis Shares will become even less liquid than it was prior to the Last Practicable Date.

Further, if the number of Genesis Shareholders after the close of the Offer is not sufficient to warrant the continued quotation of Genesis Shares on the ASX (to satisfy the ongoing spread requirements under the ASX Listing Rules), Blumont intends to make an application to remove Genesis from quotation on the ASX.

## **2.7 No alternative proposal**

Since the announcement of the Takeover Bid, no alternative proposal to acquire a controlling interest in Genesis Shares 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 Genesis Shares and Genesis Shareholders would otherwise have made a capital gain in respect of the disposal of their Genesis Shares under the Offer, some Genesis 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 Genesis 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.

<b>If you choose to accept the Offer Consideration in this way:</b>	<b>You will need to do this:</b>	<b>You will receive this:</b>	<b>Next Steps:</b>
<b>Receive Blumont Shares in certificated form (by way of a physical share certificate)</b>	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.
<b>Elect to receive Blumont Shares through your CDP Securities Account in uncertificated form (electronically)</b>	Accept the Offer as set out below. You must also provide Computershare 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.
<b>Elect to direct the Blumont Shares to be issued to your nominee's CDP Securities Account in uncertificated form (electronically)</b>	Accept the Offer as set out below. You or your nominee must also provide the nominee's CDP Securities Account details under the Acceptance Form.	Your Blumont Shares will be deposited electronically into the CDP Securities Account of your nominee as advised. You will not receive a physical share	You should contact your nominee to deal with your Blumont Shares held in your nominee's CDP Securities Account.

	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.
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### 3.2 How do I accept the Offer?

<b>Your Genesis Shares are registered in an Issuer Sponsored Holding (your SRN begins with an “I”)</b>	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.
<b>Your Genesis Shares are registered in a CHES Holding (your HIN starts with an “X”)</b>	To accept the Offer you must either: <ul style="list-style-type: none"> <li>• instruct your Controlling Participant (usually your broker) to accept the Offer in sufficient time for your acceptance to be received in CHES before the end of the Offer Period – please also email a copy of the completed and signed Acceptance Form to Computershare to provide the required CDP Securities Account Details;</li> <li>• 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 Computershare to provide the required CDP Securities Account Details; or</li> <li>• 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.</li> </ul>
<b>You are a Controlling Participant</b>	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 CHES codes: <ul style="list-style-type: none"> <li>• accept the Offer; and</li> <li>• accept the Offer and direct the Blumont Shares to be electronically deposited into a particular CDP Securities Account.</li> </ul>

***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 Genesis 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 your Genesis Shares on behalf of another person (**UBO**) and, on instructions of the UBO, you wish to receive your 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.

<b>Key business activity</b>	<b>Details of the Blumont Group's current businesses</b>
<b>Investment Holdings Business – Marketable Securities other than those in the Mineral and Energy Resources Sector</b>	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.
<b>Mineral and Energy Resources</b>	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.
<b>Sterilisation Services Business</b>	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.
<b>Property Business</b>	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 Genesis 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).

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 unaudited consolidated financial statements of the Blumont Group).

As announced on SGXNET by Blumont on 28 February 2014, the value of the Blumont Group's assets in its Investment Holdings Business decreased by approximately S\$120 million (approximately A\$105 million) to approximately S\$16.7 million (approximately A\$14.6 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		Revenue		Profit / loss before income tax	
	A\$	%	A\$	%	A\$	%
	'000s		'000s		'000s	
	(approx)		(approx)		(approx)	
<b>Sterilisation Services Business</b>	A\$3,806	4.95%	A\$2,234	70.8%	A\$848	(1.2)%
<b>Property Business</b>	A\$8,478	11.03%	A\$923	29.2%	A\$(280)	0.4 %
<b>Investment Holdings Business – Marketable Securities</b>	A\$14,637	19.04%	-	-	A\$(59,681)	81.9%
<b>Mineral and Energy Resources Sector</b>	A\$49,864	64.88%	-	-	A\$(13,779)	18.9%
<b>Others</b>	A\$76	0.1%	-	-	-	-
<b>Total</b>	<b>A\$76,861</b>	<b>100%</b>	<b>A\$3,157</b>	<b>100%</b>	<b>A\$(72,892)</b>	<b>100%</b>

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.

#### 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 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.

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).

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 28 February 2014, Blumont announced a conditional takeover bid for Merlin which is an ASX listed diamond explorer which is the owner of the only diamond mine in the Northern Territory of Australia. Like the acquisition of Genesis, the proposed acquisition of the remainder of Merlin is an important part of the Blumont Group's future strategic direction.

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) 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 businesses**

##### **(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	5.91%	A\$1,950,000	A\$1,000,000	A\$950,000	-	-
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\$3,295,836	A\$1,109,878*
Powerlite Ventures Limited	100%	A\$8,740,289	A\$8,740,289	Nil	A\$16,595,100*	A\$12,208,657*
Kidman Resources Limited	9.83%	A\$2,599,000	A\$2,599,000	Nil	-	-
Blumont Copper Pte Ltd	85%	A\$943,396	A\$94	A\$943,302	-	-
Discovery Metals Limited	11.56%	A\$7,765,756	A\$7,765,756	Nil	-	-
<b>Total</b>		<b>A\$36,607,566</b>	<b>A\$34,714,264</b>	<b>A\$1,893,302</b>	<b>A\$23,390,936</b>	<b>A\$14,818,535</b>

\* 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(f) and 12.12(g) for further information.

(b) **Investment in Merlin Diamonds Limited and proposed takeover bid for the remaining interests in Merlin**

Merlin Diamonds Limited (ABN 86 009 153 119), which is listed on the ASX (ASX Code: MED), is the owner of the Merlin diamond mine, the only diamond mine in the Northern Territory of Australia.

Blumont has:

- (i) acquired a 5.91% interest (being 13,333,333 shares) in Merlin for A\$1 million and has a right under a subscription agreement to increase its holding to 26 million Merlin Shares (for a total consideration of A\$1.95 million) and would increase Blumont's interest to 10.92% (based on Merlin's share capital at the Last Practicable Date); and
- (ii) announced on 28 February 2014 a conditional takeover bid for Merlin. Like the acquisition of Genesis, the proposed acquisition of the remainder of Merlin is an important part of the Blumont Group's future strategic direction. Under the Merlin Takeover Bid, Blumont will offer 5.7 Blumont Shares for every 2 Merlin Shares. The Merlin Takeover Bid is subject to various conditions which are detailed in Section 12.12(a).

Further information about Merlin can be obtained from Merlin's announcements to the ASX which are available from the ASX website ([www.asx.com.au](http://www.asx.com.au)).

(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 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\$8.9 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\$3.3 million). Blumont has taken security over certain Cokal assets to secure the loan. Please see Section 12.12 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\$8.74 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\$28.9 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 million of convertible notes have been issued. Please see Section 12.12 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 22.62% 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 leverage the experience and expertise of Ms Scotland to further its plans in the global copper industry (Ms Scotland is discussed in Section 5.5). Please see Section 12.12 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(c) 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<sup>2</sup> 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 Pte. Ltd., 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.

As announced on SGXNET by Blumont on 28 February 2014, the value of these assets decreased by S\$120 million (approximately A\$105 million) to S\$16.7 million (approximately A\$14.6 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 Advisors LLC (**Wintercrest**) under which Wintercrest will make available a loan facility of up to US\$30 million (approximately A\$33.3 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\$5.6 million), Blumont intends that approximately US\$21.8 million (approximately A\$23.4 million) and US\$3.15 million (approximately A\$3.5 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\$14.98 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(c)).

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\$77.7 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 unaudited consolidated financial statements of the Blumont Group), the Blumont Group's existing business contributed S\$3.6 million (approximately A\$3.2 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\$2.23 million), followed by the Property Business which contributed 29% of total revenue (or approximately S\$1.05 million, approximately A\$920,000) 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.

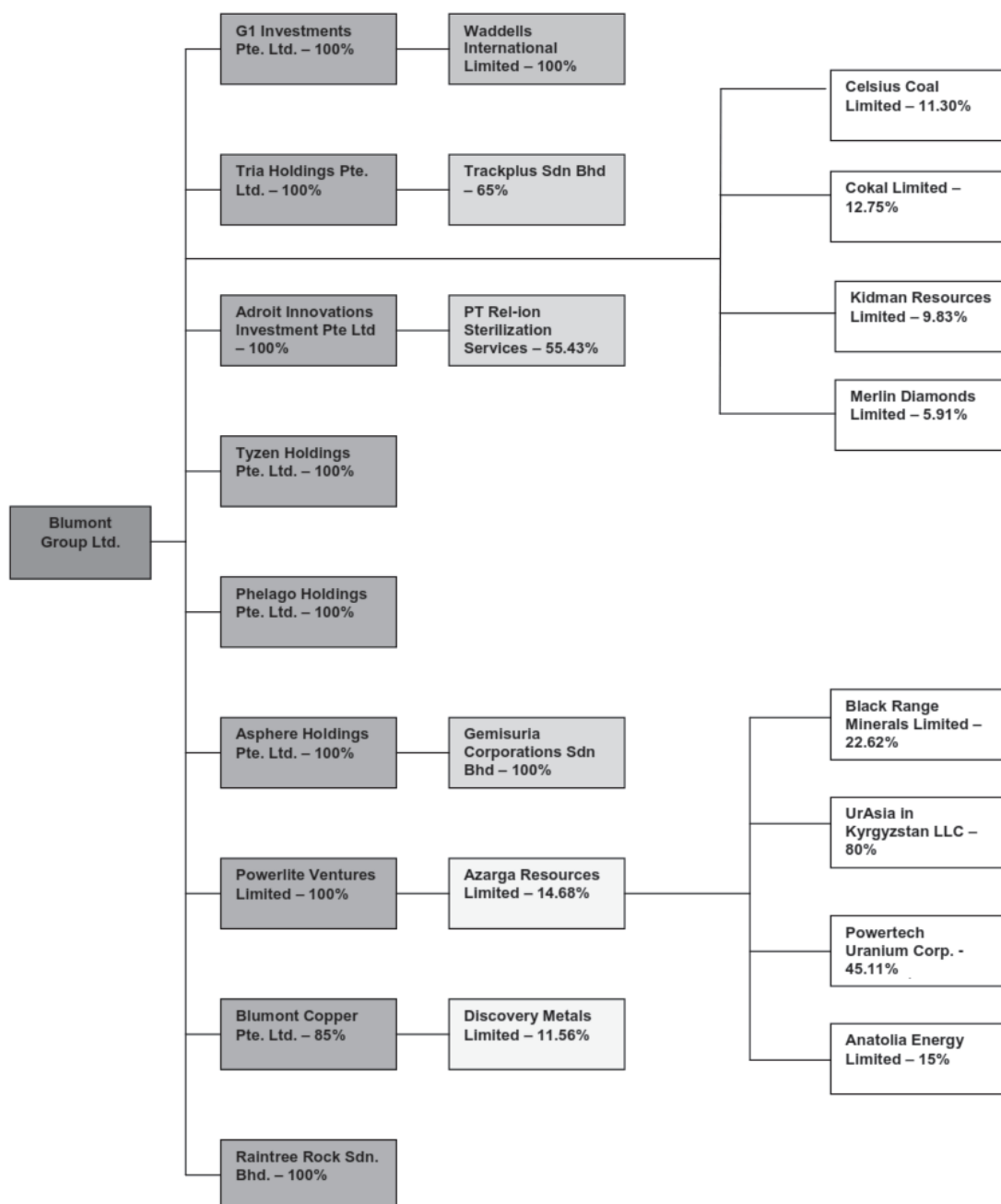
The Blumont Group anticipates requiring additional funds for the purposes of advancing the Blumont Group's businesses in the Mineral and Energy Resources Sector. Until such time that those businesses achieve an aggregate cash generative status, Blumont intends to utilise the funds raised by the Wintercrest Facility for the purpose of funding the Blumont Group's activities. Specifically, Blumont is required to invest an aggregate amount of A\$16.7 million 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 Genesis' projects and Merlin's projects should each of the Offer and Merlin Takeover Bid become unconditional and Blumont respectively controls Genesis and Merlin. Blumont does not intend to fund either Genesis' ongoing operations and projects, or Merlin's 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.



*Genesis 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\$142 million (approximately A\$124 million).

If the Offer is accepted by all Genesis Shareholders and assuming all the Genesis Options are exercised, the maximum number of Blumont Shares that will be issued under the Offer will be 509,549,791 which, at the Last

Practicable Date, constitutes approximately 19.73% of the existing share capital of Blumont. On a fully diluted basis, assuming the exercise of all Genesis Options, the maximum number of Blumont Shares issued under the Offer will, at the Last Practicable Date, constitute approximately 16.48% 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.

<b>Mr Neo Kim Hock, Executive Chairman</b>	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.
<b>Mr James Hong Gee Ho, Executive Director</b>	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.
<b>Mr Goh Boon Kok, Lead Independent Director</b>	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. 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.
<b>Mr Calvin Lim Huan Kim, Independent Director</b>	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 Lim is also an independent director in IPCO International Ltd, an SGX listed company.

### 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.

<b>Mr Neo Kim Hock, Executive Chairman</b>	Please see Section 5.3 for a biography of Mr Neo Kim Hock.
<b>Mr James Hong Gee Ho, Executive Director</b>	Please see Section 5.3 for a biography of Mr James Hong Gee Ho.
<b>Mr Tony Lim Fong Chung, Director of Gemisuria Corporation Sdn Bhd</b>	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.

<b>Mr Yusman SH, Managing Director of PT. Rel-ion Sterilization Services</b>	<p>Managing Director of PT. Rel-ion Sterilization Services (which is a controlled but not wholly owned entity of Blumont).</p> <p>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.</p>
<b>Ms Ines Scotland, CEO of Blumont Copper Pte. Ltd.</b>	<p>On 18 September 2013 Blumont and mining industry expert, Ms Ines Scotland, teamed up to form Blumont Copper, which it is intended will be involved in the business of identifying undervalued opportunities in the global copper industry for the purpose of acquisitions and investment (please see Section 4.6(g) for specific details about Blumont Copper).</p> <p>Ms Scotland has been appointed chief executive officer of Blumont Copper and will be assisted in growing Blumont Copper by some of her former colleagues in Citadel Resource Group Limited (<b>Citadel</b>).</p> <p>Ms Scotland has more than 20 years' experience in the mining industry having worked for large scale gold and copper companies in Australia, Papua New Guinea, the USA and the Middle East. She was the former Managing Director of Citadel, an ASX-listed gold and base metals company she founded in 2007 with a market capitalisation of A\$10 million and within three years steered its growth into a A\$700 million company.</p> <p>Citadel was the first Western group to secure a mining licence in Saudi Arabia and the developer of the country's biggest copper deposit – the Jabal Sayid copper/gold project. In 2007, Ms Scotland led Citadel's successful ASX-listing and its sale to Equinox Minerals Limited in late 2010 for A\$1.25 billion, a premium price that gave due recognition to the company's substantial assets and achievements.</p> <p>Prior to founding Citadel, Ms Scotland worked for the US division of Vertex Services, an engineering services provider to the resource industry, for two years and she spent 15 years with various subsidiaries of global metals and mining giant, Rio Tinto, including Comalco, Boyne Smelters, Lihir Gold and Kennecott Utah Copper.</p> <p>Most recently, Ms Scotland served as Chief Executive Officer of ASX-listed mineral exploration, development and mining company, Ivanhoe Resources Limited (recently renamed Inova Australia Limited). She has been Non-Executive Chairman of Australian diversified mineral exploration company, Metal Bank Limited, since August 2013.</p>

In addition, Blumont has engaged the following key advisers.

<b>Mr Alexander Alan Molyneux, Chairman designate</b>	<p>On 7 October 2013, Blumont appointed Mr Alexander Alan Molyneux as Chairman designate of Blumont. Mr Molyneux's appointment as Chairman is conditional on completion of an acquisition of Blumont Shares as detailed in Section 5.6.</p> <p>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.</p> <p>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 Sections 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 (<b>SouthGobi</b>) (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. Mr Molyneux is currently engaged by Blumont as a consultant.</p>
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<b>Mr Apolonius Struijk, Adviser to Chairman</b>	<p>On 15 July 2013, Blumont appointed Mr Apolonius Struijk, a corporate veteran with extensive experience in corporate work as well as in mergers and acquisitions, as adviser to the Chairman, to work closely with Blumont's management team as the Blumont Group accelerates its strategy to invest in multiple and diversified global assets in the Mineral and Energy Resources Sector.</p> <p>Mr Struijk was most recently on the board of Hong Kong-listed Winsway Coking Coal Holdings Ltd (<b>Winsway</b>) where he was executive director from 2010 to 2013, as well as managing director of its Singapore-based subsidiary, Winsway Resources Pte. Ltd. He was, among other things, co-responsible for the structuring of the procurement of seaborne coal as well as Winsway's mergers and acquisitions activities. Following Winsway's acquisition of a majority stake in Canada-based metallurgical-coal producer Grand Cache Coal LP, he was appointed acting interim chief executive officer of the latter.</p>
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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. 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	-	-	8,250,000	0.32%
Mr Goh Boon Kok, Lead Independent Director	-	-	4,500,000	0.17%
Mr Calvin Lim Huan Kim, Independent Director	1,700,000	0.07%	-	-

\* With respect to these holdings, 95 million Blumont Shares held by Mr Neo Kim Hock are the subject of the Share Acquisitions detailed in Section 5.6.

Mr Molyneux has entered into two conditional sale and purchase agreements dated 7 October 2013 to acquire an aggregate of 135 million issued Blumont Shares, constituting approximately 5.23% of Blumont's share capital. Under the acquisitions, Mr Molyneux will acquire 95 million Blumont Shares from Mr Neo Kim Hock, the Chairman of Blumont, and 40 million Blumont Shares from an individual investor who is neither a substantial shareholder nor director of Blumont (**Share Acquisitions**). On 8 November 2013, the completion period of the Share Acquisitions was mutually extended to take place on a date on or before 6 December 2013. As at the Last Practicable Date, the parties to the Share Acquisitions are continuing discussions to resolve certain technical issues and completion of the Share Acquisitions has been deferred.

## 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%

<b>Mr Alexander Alan Molyneux*</b>	-	-	135,000,000	5.23%
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\* With respect to these holdings, 95 million Blumont Shares are the subject of the Share Acquisitions detailed in Section 5.6.

## 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. Blumont is required to comply with the 2012 Code in its annual report for the 2013 financial year.

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.

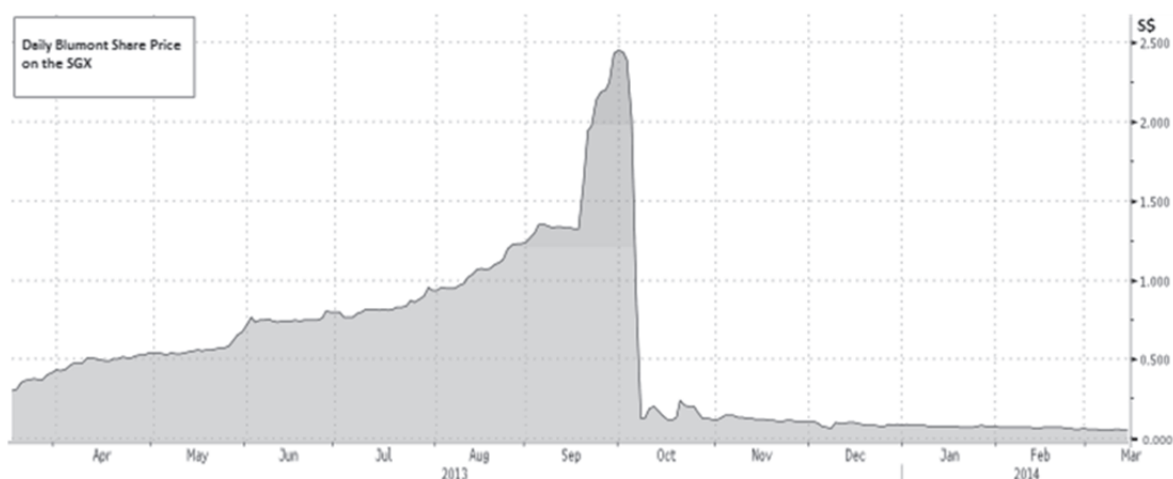
Blumont has the following committees (which consist entirely of independent non-executive directors):

- (a) an audit committee;
- (b) a remuneration committee; and
- (c) a nominating committee.

Blumont 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

The table below shows Blumont's share price performance during the last 12 months before the Last Practicable Date. During this time, Blumont Shares have been trading between a range of S\$0.052 and S\$2.45 (approximately A\$0.045 and A\$2.146).



The information in the above table has been prepared by Blumont and sourced from publicly available information regarding Blumont's share price on the SGX.

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 97.28% since 3 October 2013 (the day before the abrupt fall in the trading price of Blumont Shares on the SGX) and have fallen 97.76% 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:

1. a prohibition on the sale of the Blumont Shares unless the seller held Blumont Shares equal to the quantity to be sold; and
2. a prohibition on the purchase of the 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.

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

## 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:

<b>Members</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>Share capital</b>	<p>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.</p> <p>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.</p>
<b>Class of shares</b>	<p>As at the Last Practicable Date, Blumont has only one class of shares, namely ordinary shares.</p>

<b>No par value</b>	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.
<b>Share certificate</b>	<p>Every member of Blumont is entitled to receive one certificate for all the Blumont Shares held by it.</p> <p>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.</p> <p>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.</p>
<b>Status of the Blumont Shares issued as the Offer Consideration</b>	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.
<b>General meetings</b>	<p>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).</p> <p>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.</p>
<b>Voting rights</b>	<p>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.</p> <p>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.</p> <p>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.</p>
<b>Dividend rights</b>	<p>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.</p> <p>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.</p>
<b>Winding-up</b>	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),

	<p>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 is 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.</p> <p>Under the Companies Act, there are two forms of winding-up:</p> <p>(a) voluntary winding-up; and</p> <p>(b) compulsory winding-up by the court.</p> <p><i>Voluntary winding-up</i></p> <p>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.</p> <p>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.</p> <p><i>Compulsory winding-up by the court</i></p> <p>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:</p> <p>(a) the company itself;</p> <p>(b) a creditor;</p> <p>(c) a contributory, the personal representative of a deceased contributory or the official assignee of the estate of a bankrupt contributory;</p> <p>(d) the liquidator of the company;</p> <p>(e) a judicial manager; or</p> <p>(f) certain government ministers on specified grounds.</p>
<p><b>Transfer of Shares</b></p>	<p>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.</p> <p>Transfer of the Blumont Shares may be by either of the following means:</p> <p>(a) 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</p> <p>(b) book-entry in the Depository Register.</p> <p>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.</p> <p>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.</p>

<b>Rights of pre-emption</b>	<p>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.</p> <p>Blumont may also obtain specific approval from its members to issue shares.</p> <p>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.</p>
<b>Variation of rights of existing shares or classes of shares</b>	<p>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.</p>
<b>Change in capital</b>	<p>Subject to compliance with the relevant provisions under the Companies Act, the articles of association of Blumont permit Blumont to carry out the following:</p> <ul style="list-style-type: none"> <li>(a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;</li> <li>(b) 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;</li> <li>(c) 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</li> <li>(d) reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.</li> </ul>
<b>Access to records and right to information</b>	<p>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.</p> <p>Under the Companies Act, a member of Blumont has a right to inspect the following:</p> <ul style="list-style-type: none"> <li>(a) the register of members;</li> <li>(b) the register of directors, secretaries, managers and auditors;</li> <li>(c) the register of substantial shareholders;</li> <li>(d) the register of debenture holders;</li> <li>(e) the register of charges; and</li> <li>(f) minutes of the company's general meetings.</li> </ul>

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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.

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## **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). In respect of the financial year ended 31 December 2013, the consolidated balance sheet and profit and loss statement are unaudited.

The full accounts and financial statements of Blumont are available on both the SGX Website ([www.sgx.com](http://www.sgx.com)) and Blumont's Website ([www.blumontgroup.com](http://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.

Genesis 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\$)**

	Unaudited		Group		Audited	
	As at 31.12.2013		As at 31.12.2012		As at 31.12.2011	
	S\$	A\$	S\$	A\$	S\$	A\$
			Restated		Restated	
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	2,534,408	2,219,660	1,581,322	1,384,938	1,354,140	1,185,970
Financial assets, at fair value through profit or loss	18,389,075	16,105,338	100,385,537	87,918,670	59,712,772	52,297,050
Trade and other receivables	1,645,316	1,440,984	6,077,529	5,322,761	2,250,119	1,970,677
Other current assets	225,411	197,417	122,997	107,722	111,459	97,617
Development properties	5,630,011	4,930,821	6,711,898	5,878,348	8,337,806	7,302,335
Assets held for sale	2,002,877	1,754,140	460,081	402,944	-	-
	<b>30,427,098</b>	<b>26,648,360</b>	<b>115,339,364</b>	<b>101,015,383</b>	<b>71,766,296</b>	<b>62,853,649</b>
<b>Non-current assets</b>						
Derivative assets	532,570	466,430	-	-	-	-
Goodwill arising on consolidation	8,047,876	7,048,411	-	-	-	-
Investment properties	1,658,080	1,452,163	4,377,027	3,833,445	1,634,000	1,431,074
Financial assets, available-for-sale	44,392,916	38,879,765	-	-	-	-
Property and equipment	2,613,012	2,288,503	3,327,441	2,914,206	3,512,991	3,076,713
Other non-current assets	2,298	2,014	2,806	2,457	3,137	2,747
Deferred tax assets	86,560	75,810	102,500	89,771	36,180	31,687
	<b>57,333,312</b>	<b>50,213,096</b>	<b>7,809,774</b>	<b>6,839,879</b>	<b>5,186,308</b>	<b>4,542,221</b>
<b>Total Assets</b>	<b>87,760,410</b>	<b>76,861,456</b>	<b>123,149,138</b>	<b>107,855,262</b>	<b>76,952,604</b>	<b>67,395,870</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	6,388,966	5,595,520	6,935,124	6,073,852	2,823,184	2,472,573
Borrowings	5,761,930	5,046,357	593,489	519,784	851,632	745,868
Current income tax liabilities	93,520	81,906	428,663	375,427	86,652	75,891
	<b>12,244,416</b>	<b>10,723,783</b>	<b>7,957,276</b>	<b>6,969,063</b>	<b>3,761,468</b>	<b>3,294,332</b>
<b>Non-current liabilities</b>						
Employee compensation	391,393	342,786	609,568	533,866	492,665	431,481
Borrowings	208,466	182,577	264,160	231,354	319,995	280,255
Deferred tax liabilities	28,264	24,754	10,017,341	8,773,289	4,787,300	4,192,766
	<b>628,123</b>	<b>550,117</b>	<b>10,891,069</b>	<b>9,538,509</b>	<b>5,599,960</b>	<b>4,904,502</b>
<b>Total Liabilities</b>	<b>12,872,539</b>	<b>11,273,900</b>	<b>18,848,345</b>	<b>16,507,572</b>	<b>9,361,428</b>	<b>8,198,834</b>
<b>Net Assets</b>	<b>74,887,871</b>	<b>65,587,556</b>	<b>104,300,793</b>	<b>91,347,690</b>	<b>67,591,176</b>	<b>59,197,036</b>
<b>EQUITY</b>						
<b>Capital and reserves attributable to owners of the Company</b>						
Share capital	99,042,284	86,742,235	55,508,513	48,614,918	46,212,403	40,473,290
Reserves (Accumulated losses)/ Retained earnings	(832,114)	(728,774)	(1,589,397)	(1,392,010)	(1,108,437)	(970,780)
	<b>(25,944,380)</b>	<b>(22,722,350)</b>	<b>46,830,722</b>	<b>41,014,820</b>	<b>19,349,331</b>	<b>16,946,340</b>
	<b>72,265,790</b>	<b>63,291,111</b>	<b>100,749,838</b>	<b>88,237,728</b>	<b>64,453,297</b>	<b>56,448,850</b>
<b>Non-controlling interests</b>	<b>2,622,081</b>	<b>2,296,445</b>	<b>3,550,955</b>	<b>3,109,962</b>	<b>3,137,879</b>	<b>2,748,186</b>
<b>Total Equity</b>	<b>74,887,871</b>	<b>65,587,556</b>	<b>104,300,793</b>	<b>91,347,690</b>	<b>67,591,176</b>	<b>59,197,036</b>

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

	Unaudited 31.12.2013		Group Audited 31.12.2012		Audited 31.12.2011	
	S\$	A\$	S\$	A\$	S\$	A\$
<b>Revenue</b>	3,604,259	3,156,647	4,395,840	3,849,921	3,696,304	3,237,260
Other (losses)/gains - net	(73,415,955)	(64,298,437)	35,475,812	31,070,075	6,761,378	5,921,683
<b>Expenses</b>						
- Raw materials and consumables used	(1,234,214)	(1,080,937)	(1,652,273)	(1,447,077)	(1,468,060)	(1,285,742)
- Employee benefits	(2,118,676)	(1,855,558)	(1,890,973)	(1,656,133)	(1,748,375)	(1,531,245)
- Others	(9,865,895)	(8,640,650)	(2,310,479)	(2,023,542)	(1,883,681)	(1,649,745)
- Finance	(197,967)	(173,382)	(61,299)	(53,686)	(92,909)	(81,371)
<b>Total expenses</b>	<b>(13,416,752)</b>	<b>(11,750,527)</b>	<b>(5,915,024)</b>	<b>(5,180,438)</b>	<b>(5,193,025)</b>	<b>(4,548,103)</b>
<b>(Loss)/Profit before income tax</b>	<b>(83,228,448)</b>	<b>(72,892,317)</b>	<b>33,956,628</b>	<b>29,739,558</b>	<b>5,264,657</b>	<b>4,610,840</b>
Income tax	9,838,456	8,616,619	(5,769,139)	(5,052,670)	(1,260,398)	(1,103,869)
<b>(Loss)/Profit for the year</b>	<b>(73,389,992)</b>	<b>(64,275,698)</b>	<b>28,187,489</b>	<b>24,686,888</b>	<b>4,004,259</b>	<b>3,506,971</b>
<b>Other comprehensive (loss)/income Items reclassified and that will not be reclassified subsequently to profit or loss:</b>						
Actuarial gains/(losses) on defined benefit plan	112,465	98,498	(106,655)	(93,410)	18,827	16,488
<b>Items reclassified and may be reclassified subsequently to profit or loss:</b>						
Exchange differences on translating foreign operations	(1,215,343)	(1,064,410)	(655,509)	(574,101)	(227,602)	(199,336)
Net change in fair value of financial assets, available for sale	1,662,096	1,455,681	-	-	-	-
Reclassification of currency translation reserve on disposal of a subsidiary	-	-	7,080	6,201	286,074	250,547
<b>Other comprehensive income/(loss), net of tax</b>	<b>559,218</b>	<b>489,769</b>	<b>(755,084)</b>	<b>(661,310)</b>	<b>77,299</b>	<b>67,699</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(72,830,774)</b>	<b>(63,785,929)</b>	<b>27,432,405</b>	<b>24,025,578</b>	<b>4,081,558</b>	<b>3,574,670</b>
<b>(Loss)/Profit for the year attributable to:</b>						
Owners of the Company	(72,837,441)	(63,791,768)	27,717,353	24,275,138	3,779,696	3,310,296
Non-controlling interests	(552,551)	(483,930)	470,136	411,750	224,563	196,675
	<b>(73,389,992)</b>	<b>(64,275,698)</b>	<b>28,187,489</b>	<b>24,686,888</b>	<b>4,004,259</b>	<b>3,506,971</b>

	Unaudited 31.12.2013		Group Audited 31.12.2012		Audited 31.12.2011	
	S\$	A\$	S\$	A\$	S\$	A\$
			Restated		Restated	
<b>Total comprehensive (loss)/income for the year attributable to:</b>						
Owners of the Company	(71,901,881)	(62,972,395)	27,185,080	23,808,968	3,866,155	3,386,018
Non-controlling interests	(928,893)	(813,534)	247,325	216,610	215,403	188,652
	<u>(72,830,774)</u>	<u>(63,785,929)</u>	<u>27,432,405</u>	<u>24,025,578</u>	<u>4,081,558</u>	<u>3,574,670</u>
<b>(Losses)/Earnings per share attributable to owners of the Company (expressed in cents)</b>						
- Basic	(3.88)	(3.40)	1.93	1.69	0.34	0.30
- Diluted	(3.88)	(3.40)	1.91	1.67	0.34	0.30

## 6.2 Accounting Standards

The financial statements of Blumont are prepared in accordance with Singapore Financial Reporting Standards, with the unaudited 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 effects of the acquisition of Genesis Shares under the Offer

The pro forma financial information included in Tables C and D below (Pro Forma Unaudited Consolidated Statements 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 Genesis 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 unaudited results of Blumont and of Genesis for the year ended 31 December 2013 without adjustment.

The proforma balance sheet as at 31 December 2013 incorporates the unaudited consolidated balance sheet of Blumont as at 31 December 2013, adjusted on the basis of the acquisition of 100% of the issued capital of Genesis 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 balance sheet (at Tables C and D) are unaudited and consolidated to include Genesis.

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

	Unaudited Pro-forma 31.12.2013	
	S\$'000	A\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,227	5,454
Financial assets, at fair value through profit or loss	17,119	14,993
Trade and other receivables	1,720	1,506
Other current assets	227	199
Development properties	5,630	4,931
Assets held for sale	2,003	1,754
	32,926	28,837
<b>Non-current assets</b>		
Exploration & Evaluation Expenditure	38,170	33,429
Derivative assets	533	467
Goodwill arising on consolidation	8,047	7,048
Investment properties	1,658	1,452
Financial assets, available-for-sale	52,441	45,928
Property and equipment	2,873	2,516
Other non-current assets	3	3
Deferred tax assets	87	76
	103,812	90,919
<b>Total Assets</b>	136,738	119,756
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	6,274	5,495
Borrowings	20,494	17,949
Current income tax liabilities	93	82
	26,861	23,526
<b>Non-current liabilities</b>		
Employee compensation	391	342
Borrowings	208	182
Deferred tax liabilities	28	25
	627	549
<b>Total liabilities</b>	27,488	24,075
<b>Net Assets</b>	109,250	95,681
<b>EQUITY</b>		
<b>Capital and reserves attributable to owners of the Company</b>		
Share capital	135,680	118,829
Reserves	(832)	(729)
Accumulated losses	(28,220)	(24,715)
	106,628	93,385
Non-controlling interests	2,622	2,296
<b>Total Equity</b>	109,250	95,681

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

	<b>Unaudited Notional 31.12.2013</b>	
	<b>S\$'000</b>	<b>A\$'000</b>
<b>Revenue</b>	3,604	3,156
Other (losses)/gains – net	(73,316)	(64,210)
<b>Expenses</b>		
- Raw material and consumables used	(1,234)	(1,081)
- Employee benefits	(3,433)	(3,007)
- Others	(11,208)	(9,816)
- Finance	(287)	(251)
<b>Total expenses</b>	<b>(16,162)</b>	<b>(14,155)</b>
<b>(Loss)/Profit for the year</b>	<b>(85,874)</b>	<b>(75,209)</b>
Income tax benefit	9,839	8,617
<b>(Loss)/Profit for the year</b>	<b>(76,035)</b>	<b>(66,592)</b>
<b>Other comprehensive (loss)/income</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Actuarial gains/(losses) on defined benefit plan	112	98
<b>Items that reclassified and may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translating foreign operations	(1,135)	(994)
Net change in fair value of financial assets, available for sale	1,662	1,456
Reclassification of currency translation reserve on disposal of subsidiary	-	-
<b>Other comprehensive (loss)/income net of tax</b>	<b>639</b>	<b>560</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(75,396)</b>	<b>(66,032)</b>
<b>(Loss)/Profit for the year attributable to:</b>		
Owners of the Company	(75,482)	(66,108)
Non-controlling interests	(553)	(484)
	<b>(76,035)</b>	<b>(66,592)</b>
<b>Total comprehensive (loss)/income for the year attributable to:</b>		
Owners of the Company	(74,467)	(65,218)
Non-controlling interests	(929)	(814)
	<b>(75,396)</b>	<b>(66,032)</b>
<b>(Losses)/Earnings per share attributable to owners of the Company (expressed in cents)</b>		
- Basic	(3.16)	(2.77)
- Diluted	(3.16)	(2.77)
<b>Allocation of Notional Comprehensive (loss)/income</b>		
- Blumont	(72,831)	(63,785)
- Genesis	(2,565)	(2,247)
	<b>(75,396)</b>	<b>(66,032)</b>

#### **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\$1.1418 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\$17.4 million (being approximately A\$15.2 million). The large majority of these borrowings are pursuant to the Wintercrest Facility (currently US\$13.5 million, approximately A\$14.98 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 GENESIS

### 7.1 Disclaimer

Information in this Bidder's Statement about Genesis, the Genesis Shares, the Genesis Shareholders and the Genesis Group and the assets and liabilities, financial position and prospects of the Genesis Group has not been independently verified by Blumont. Further, the information should not be considered comprehensive. 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 Genesis' business is expected to be included in the Target's Statement.

### 7.2 Overview

Genesis is an ASX-listed company (ASX:GES) with a market capitalisation of approximately A\$14.9 million as at the Last Practicable Date. As at 31 December 2013, Genesis reported cash holdings of approximately A\$681,000.

Genesis is a mineral exploration and development company with a portfolio that includes gold, iron, manganese, uranium and base metal (copper-zinc-silver) in the proterozoic and phanerozoic metallogenic provinces of northern and central Australia. It owns seven exploration licences in Queensland and the Northern Territory in Australia that are set out in the table below.

Project	Commodity	Current Area (Km <sup>2</sup> )	Location	Genesis beneficial interest
Arlunga	Copper, Gold	95.2	Northern Territory	100%
Alice Springs	Copper, Gold, Iron	352.59	Northern Territory	100%
Gladstone	Manganese	63.93	Queensland	100%
Pioneer	Gold	6.23	Queensland	100%
McArthur River	Manganese-Base metals	380.88	Northern Territory	100%
Laura River	Gold-PGE	165.35	Queensland	100%
Fenn Gap	Iron – Manganese	52.43	Northern Territory	100%

Genesis' main exploration focus is a copper-gold project at Plavica within the Republic of Macedonia (**Plavica Project**). 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. The project comprises 7 tenements for a total of 186.6 square kilometres.

The Plavica Project is administered through an unincorporated joint venture with the Plavica JV Partner and Genesis has the right, upon paying for all work expenditures up to the completion of the final feasibility study, to acquire a 62% interest in the joint venture. The Ministry of Economics within the Republic of Macedonia has granted 7 concession licences over the Plavica Project for a term of 4 years which expire in April 2014.

### 7.3 Financial overview

For details of the financial position of Genesis, please refer to the Genesis website ([www.genesisresourcesltd.com.au](http://www.genesisresourcesltd.com.au)) or the ASX website ([www.asx.com.au](http://www.asx.com.au)).

### 7.4 Genesis' issued securities

According to documents provided by Genesis to the ASX, as at the Last Practicable Date, its issued securities consisted of the securities set out in the following table:

Class of security	Number
Fully paid ordinary shares on issue	165,752,564
Options to acquire fully paid ordinary shares	26,530,376
Unlisted options exercisable at \$0.10 on or before 4 May 2014	19,419,424
Unlisted options exercisable at \$0.10 on or before 11 May 2014	7,110,952

Note: Genesis Shares are listed on the ASX. Genesis Options are unlisted and cannot be traded on the ASX.

## 7.5 Substantial shareholders

Based on Genesis' last annual report, each of the following persons had disclosed the following substantial shareholdings in the issued ordinary shares of Genesis.

Substantial Shareholder	Percentage of issued capital	Disclosed number of Genesis Shares held
S Active Holding SDN BHD	13.34%	22,117,930
Mr Chin Niap Mah	10.11%	16,764,706
Mr Edwin Sugriarto	9.05%	15,000,000
China Century Overseas Ltd	8.45%	13,998,290
Berne no 132 Nominees Pty Ltd <600835 A/C>	5.51%	9,128,000

## 7.6 Genesis Board of Directors

As at the Last Practicable Date, the directors of Genesis are:

Director	Position
Mr Eddie Lung Yiu Pang	Executive Chairman
Mr Alex Hooi-Kiang Lim	Non-Executive Director
Mr Patrick Volpe	Non-Executive Director
Mr Deric Wee	Non-Executive Director
Mr John Zee	Non-Executive Director

## 7.7 Publicly available information

Genesis 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, Genesis 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 Genesis Shares. In addition, Genesis is required to periodically lodge documents with ASX, including financial reports and activities statements.

A copy of Genesis' public announcements is available at the Genesis website ([www.genesisresourcesltd.com.au](http://www.genesisresourcesltd.com.au)) and from the ASX website ([www.asx.com.au](http://www.asx.com.au)).

## 8 BLUMONT'S INTENTIONS FOR GENESIS

### 8.1 Introduction

This Section sets out Blumont's intentions on the basis of facts and public information concerning Genesis which are known to Blumont at the date of this Bidder's Statement. However, Blumont will only reach its decision 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 obligation of the Genesis Directors to act for proper purposes and in the best interests of Genesis Shareholders as a whole; and
- (c) the rights of holders of Genesis 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 Genesis that are known to Blumont and the existing circumstances affecting the business of Genesis at the Last Practicable Date, that:

- (a) the operations of Genesis 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 Genesis; and
- (c) the employment of Genesis' current employees will continue.

### 8.3 Intentions if Blumont acquires more than 90% of Genesis 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 Genesis Shares and is entitled to proceed to compulsory acquisition of the outstanding Genesis Shares.

<b>Compulsory acquisition</b>	Blumont intends to proceed with the compulsory acquisition of any Genesis Shares not acquired under the Offer which Blumont is entitled to compulsorily acquire under the Corporations Act.
<b>Review of operations and assets</b>	Blumont intends to conduct, after the end of the Offer Period, an immediate review of Genesis' 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 Genesis and ensure that Genesis' assets are operated in order to maximise their value and long term viability.
<b>Genesis Board</b>	Blumont intends to seek the appointment of its nominees to the Genesis Board so that its nominees comprise a majority of directors of the Genesis Board. While the potential appointees to the Genesis 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 Genesis and to implement Blumont's strategies and intentions for Genesis.
<b>Delisting and conversion to proprietary company</b>	Following the conclusion of the compulsory acquisition process, Blumont intends to arrange for Genesis 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 Genesis for the purposes of considering and passing a resolution to change the status of Genesis from a public company to a proprietary company. If this resolution is passed, Blumont proposes to apply to ASIC to change the status of Genesis to a proprietary company.
<b>Employees</b>	As noted above, Blumont intends to conduct, after the end of the Offer Period, an immediate review of Genesis' operations, assets, structure and employees. This will be done with the input of management of both Blumont and Genesis. 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. Other than the above, Blumont intends to retain the present employees of Genesis.

<b>Financing</b>	Blumont does not intend to fund Genesis' ongoing operations from Blumont's existing reserves or financing facilities. In considering financing options, Genesis Directors will be required to have regard to the interests of Genesis and all Genesis Shareholders and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties.
<b>Australian Projects of Genesis</b>	Subject to adequate third party financing being available, Blumont also intends to expedite the expansion of the business of Genesis 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 satellite properties to account.

#### 8.4 Intentions if Blumont acquires less than 90% but more than 50% of Genesis 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 Genesis Shares.

<b>Genesis Board</b>	Blumont will seek to appoint to the board of directors of Genesis its nominees, so that it has, at least, a majority of nominees on the board of directors of Genesis. While the potential appointees to the Genesis 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 Genesis to the extent possible and appropriate.
<b>Review of operations and assets</b>	Blumont intends to conduct, after the end of the Offer Period, an immediate review of Genesis' 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 Genesis to the extent that Blumont is able to procure that these occur.
<b>Dividends</b>	The payment of dividends by Genesis will be at the discretion of its board. Blumont intends that Genesis should retain its cash to fund its business and operations and repay debt and, therefore, not pay a dividend if Genesis were to become controlled by, not wholly owned by, Blumont.
<b>Employees</b>	Blumont intends to retain the present employees of Genesis.
<b>Financing</b>	Blumont does not intend to fund Genesis' ongoing operations from Blumont's existing reserves or financing facilities. In considering financing options, Genesis Directors will be required to have regard to the interests of Genesis and all Genesis Shareholders and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties.
<b>ASX Listing</b>	Subject to the spread and number of Genesis Shareholders remaining after the close of the Offer, and any regulatory approvals, Blumont intends to seek the approval of Genesis Shareholders to delist Genesis from the ASX.
<b>Limitation in giving effect to intentions</b>	The ability of Blumont to implement the intentions set out in this Section 8.4 will be subject to the legal obligation of Genesis Directors to have regard to the interests of Genesis and all Genesis 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 Genesis 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 Genesis Shares.

Blumont reserves its right to waive the Condition of the Offer that Blumont obtains a Relevant Interest of at least 50.1% of Genesis 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 Genesis Board having regard to Blumont's interest in Genesis 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

<b>Blumont Shareholder approval is required</b>	<p>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, 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. Genesis Shareholders should note that Blumont considers that it may take at least six months for this report to be prepared and subsequent Extraordinary General Meeting to be held.</p> <p>Genesis 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 Genesis Shareholders that have accepted the Offer will not be able to withdraw their acceptance of the Offer or otherwise dispose of their Genesis Shares (except in limited circumstances as detailed in Section 11.10).</p>
<b>Blumont Share price fluctuation</b>	<p>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.</p> <p>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 97.28% since 3 October 2013 (the day before the abrupt fall in the trading price of Blumont Shares on the SGX) and have fallen 97.76% since the highest trading price of Blumont Shares on the SGX on 30 September 2013 of S\$2.45.</p> <p>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:</p> <ul style="list-style-type: none"><li>• a prohibition on the sale of Blumont Shares unless the seller held Blumont Shares equal to the quantity to be sold; and</li><li>• 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.</li></ul> <p>The SGX subsequently lifted the designation of Blumont Shares as a designated security on 18 October 2013.</p>
<b>Dilution</b>	<p>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\$77.7 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.</p> <p>Further, Blumont intends to issue additional Blumont Shares to satisfy the consideration payable by Blumont in respect of other potential acquisitions,</p>

	including up to approximately 1,021 million Blumont Shares as the offer consideration for the Merlin Takeover Bid (which will be approximately 24.8% of all Blumont Shares on issue, including those that could be issued under the Takeover Bid and the Merlin 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.
<b>Investing in a foreign company</b>	<p>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.</p> <p>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 Genesis 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).</p>
<b>Offer terms</b>	Once you have accepted the Offer for Your Genesis 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**

<b>Financing</b>	<p>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 Genesis (as set out in Section 8) and Merlin under the Merlin 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).</p> <p>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.</p> <p>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.</p> <p>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 fund raising exercise and costs associated with the fundraising.</p>
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	<p>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 Genesis' projects.</p>
<p><b>Recent fall in value of its Investment Holdings Business</b></p>	<p>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.</p> <p>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.</p> <p>As announced on SGXNET by Blumont on 28 February 2014, the value of these assets decreased by approximately S\$120 million (approximately A\$105 million) to approximately S\$16.7 million (approximately A\$14.6 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, Genesis 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.</p>
<p><b>Concentration of revenue from existing business units</b></p>	<p>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.</p> <p>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.</p>
<p><b>Blumont does not have a proven track record in the Mineral and Energy Resources Sector</b></p>	<p>The Blumont Group does not have a proven track record in the Mineral and Energy Resources Sector and, notwithstanding the appointment of several veterans in the Mineral and Energy Resources Sector, 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.</p> <p>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.</p>
<p><b>Personnel risks</b></p>	<p>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.</p>
<p><b>Control risks</b></p>	<p>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.</p>

<b>Key material litigation</b>	The Blumont Group is currently involved in litigation as detailed in Section 12.11.
<b>Change in control</b>	Change of control provisions, if any, in Genesis' agreements triggered upon the acquisition of control of Genesis may lead to adverse consequences, including possible termination of those agreements.
<b>Reliance on recurring customers of Sterilisation Services Business</b>	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.
<b>Contractual and joint venture</b>	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.
<b>Exchange rates</b>	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.
<b>Adverse changes in raw materials</b>	An increase in the price or the decrease in 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.
<b>Risk relating to failure to integrate business into the Blumont Group</b>	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.
<b>Taxation</b>	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

<b>Resources Estimate</b>	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 ( <b>NI43-101</b> ) 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.
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<p><b>Exploration, exploitation, development and production risk</b></p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p><b>Geopolitical risks</b></p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p><b>Commodity price volatility</b></p>	<p>The price of commodities, which may fluctuate, is affected by numerous factors beyond the Blumont Group's control, which include:</p> <ul style="list-style-type: none"> <li>• expectations of the rate of inflation;</li> <li>• the relative exchange rate of the US dollar with other major currencies;</li> <li>• global and regional economic activity;</li> <li>• speculative trading;</li> <li>• demand for the commodity;</li> <li>• supply of the commodity from production, disinvestment, scrap and hedging;</li> <li>• level of sales by producers in forward transactions and other hedging;</li> <li>• the production and cost levels for the commodity in major producing nations;</li> <li>• the cost level (in local currencies) for commodities in major consuming nations; and</li> <li>• technology advancements.</li> </ul> <p>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.</p>

	<p>Furthermore, sustained low commodity prices can:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• halt or delay the development of new projects;</li> <li>• reduce funds available for exploration, with the result that depleted reserves are not replaced;</li> <li>• reduce the existing mineral reserves where they cannot be economically mined or treated at prevailing prices; and</li> <li>• 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.</li> </ul>
<b>Title and tenure risks</b>	<p>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.</p> <p>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.</p>
<b>Lack of, and maintenance of, infrastructure</b>	<p>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.</p>
<b>Processing capacity and production schedule</b>	<p>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.</p>
<b>Environmental risks</b>	<p>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.</p>
<b>Reliance on third party service providers</b>	<p>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</p>

	<p>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.</p>
<b>Weather</b>	<p>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.</p>
<b>Insurance</b>	<p>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.</p>
<b>Competing claims</b>	<p>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.</p>

## **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 Genesis Shares, together with all Rights attached to them, on the following terms and conditions.
- (b) The Offer will extend to Genesis 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 Genesis Options on issue at that date.
- (c) Please note that you may only accept the Offer for all, and not part only, of Your Genesis Shares.

### 11.2 Offer Consideration

- (a) The consideration offered is 5.3 Blumont Shares for every 2 Genesis Shares, with any fractional entitlements to Blumont Shares rounded up to the nearest whole Blumont Share.
- (b) If Blumont reasonably believes that a Genesis 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 24 March 2014, and ending at 7pm (Melbourne time) on 24 September 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 Genesis Shares which represents at least 50.1% of the aggregate of all the Genesis 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, in accordance with Chapter 10 of the Listing Manual Part A: Mainboard Rules of the SGX; 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.

#### (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) Genesis converts all or any of its shares into a larger or smaller number of shares;
- (ii) Genesis or a subsidiary of Genesis resolves to reduce its share capital in any way;

- (iii) Genesis or a subsidiary of Genesis 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) other than in respect of the placement as announced through the ASX on 23 January 2014, Genesis or a subsidiary of Genesis issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than any Genesis Shares issued on exercise of a Genesis Option on issue and announced by Genesis to the ASX prior to the Announcement Date;
- (v) Genesis or a subsidiary of Genesis issues, or agrees to issue, convertible notes;
- (vi) Genesis or a subsidiary of Genesis disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Genesis or a subsidiary of Genesis grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (viii) Genesis or a subsidiary of Genesis resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Genesis or of a subsidiary of Genesis is appointed;
- (x) a court makes an order for the winding up of Genesis or of a subsidiary of Genesis;
- (xi) an administrator of Genesis or of a subsidiary of Genesis is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Genesis or a subsidiary of Genesis 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 Genesis or a subsidiary of Genesis,

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 Genesis or any subsidiary of Genesis; 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 Genesis Shares, or the divestiture of any assets by Genesis or by any subsidiary of Genesis 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 Genesis Shareholders; or
- (ii) as a result of the Offers or the successful acquisition of the Genesis Shares and which are necessary for the continued operation of the business of Genesis 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 for the listing and quotation of the Blumont Shares to be issued as Offer Consideration; and
- (ii) relevant Government Agencies in the Republic of Macedonia and Australia which may be required in respect of the Offer and, in particular, the change of control in the Genesis Tenements.

(f) **No material acquisitions, disposals, etc**

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

- (i) Genesis, or any subsidiary of Genesis, 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) Genesis, or any subsidiary of Genesis, 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) Genesis, or any subsidiary of Genesis, 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) Genesis, or any subsidiary of Genesis, incurs or commits to, or grants to another person a right the exercise of which would involve Genesis or any subsidiary of Genesis incurring or committing to, any capital expenditure or liability for one or more related items of greater than A\$200,000 or makes an announcement about such a commitment; or
- (v) Genesis, or any subsidiary of Genesis, or the Plavica JV Partner disposes, offers to dispose or agrees to dispose of, or creates, or offers to create, an interest in or an Encumbrance over any one or more of the Plavica Concessions.

(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 Genesis 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) Genesis 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) as a result of Blumont acquiring Genesis Shares to:

- (i) acquire, or require Genesis or a subsidiary of Genesis to dispose of, or offer to dispose of, any material asset of Genesis or a subsidiary of Genesis;
- (ii) terminate or vary any material agreement with Genesis or a subsidiary of Genesis; or

- (iii) accelerate or adversely modify the performance or occurrence of any obligations of Genesis or any of its subsidiaries in a material respect under any material 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 Genesis or its subsidiaries occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Genesis or any of its subsidiaries.
- (j) **No material adverse change to Genesis**  
 During the period from the Announcement Date to the end of the Offer Period, no Genesis Material Adverse Change occurs.
- (k) **Mining interests**  
 Between the Announcement Date and the end of the Offer Period (each inclusive), no mining or exploration agreement, right or licence to 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 or mining licence held by any member of the Genesis Group or in which a member of the Genesis Group has a legal or economic interest (including the Genesis Tenements and the Plavica Concessions) at the Announcement Date (**Mining Interests**), or any interest in any Mining Interest, is revoked or terminated (excluding for the avoidance of doubt relinquishment of parts of tenements in the ordinary course of business).
- (l) **Distribution**  
 Other than as announced by Genesis before the Announcement Date, Genesis (each subsidiary of Genesis) 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 dividend, capital reduction or otherwise and irrespective of whether it is cash or in specie).
- (m) **Other persons acquiring a Relevant Interest**  
 Other than as announced through the ASX before the Announcement Date, before the end of the Offer Period no person or persons (other than Blumont and its Associates) acquire a Relevant Interest in 20% or more of Genesis Shares.
- (n) **Blumont Event**  
 Before 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 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 on the Business Day before the Announcement Date.
- (o) **Plavica Joint Venture Agreement**  
 Between the Announcement Date and the end of the Offer Period:
  - (i) there is no variation or termination of the Plavica JV Agreement; and
  - (ii) neither a member of the Genesis Group nor the Plavica JV Partner is in breach of any material term or obligation under the Plavica JV Agreement.
- (p) **Plavica Concessions**
  - (i) Between the Announcement Date and the end of the Offer Period, all of the Plavica Concessions are and remain valid, effective and in good standing.
  - (ii) Between the Announcement Date and the end of the Offer Period, the Plavica JV Partner is and remains the registered holder of all of the Plavica Concessions.
  - (iii) Between the Announcement Date and the end of the Offer Period, the Plavica JV Partner is in, and remains in, compliance with all material obligations under the terms and conditions of the Plavica Concessions.

- (iv) By 31 March 2014, Genesis will finalise and submit to the Plavica JV Partner the final feasibility study in respect of Plavica Concession No. 19-6648/1 in accordance and compliance with the terms of the Plavica JV Agreement and all relevant Laws.
  - (v) Prior to the end of the Offer Period, no application for exploitation, exploration or extension of any of or in respect of any of the Plavica Concessions (or any of the land the subject of the Plavica Concessions) which is made by the Plavica JV Partner or Genesis (or an associate of either entity) is rejected or declined by the Ministry of Economy of the Republic of Macedonia.
- (q) **Existing Loan Agreements**
- At any time between the Announcement Date and the end of the Offer Period:
- (i) no additional amounts are drawn down by Genesis under the Existing Loan Agreements; and
  - (ii) there is no issue of any Genesis Shares as a result of any conversion or set-off of any amounts owing the Existing Loan Agreements.
- (r) **Genesis Options**
- There is no change, before the end of the Offer Period, to any of the terms or conditions of the Genesis Options.

## 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, 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. Genesis Shareholders should note that Blumont considers that it may take at least six months for this report to be prepared and subsequent Extraordinary General Meeting to be held. Blumont will keep Genesis 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 Consideration Shares 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(n) (Blumont Event), prior to the Last Practicable Date, this Condition was not satisfied in respect of the period between 4 March 2014 to 11 March 2014. Blumont waives its right in respect of the non-satisfaction of this Condition for the period prior to the date of this Offer being 24 March 2014. However, Blumont does not waive any non-satisfaction of the Condition (if any) after that date. For the purpose of this Condition, Blumont notes that the relevant Blumont Share price at which the Condition is triggered is S\$0.0575;
- (d) in respect of the Condition set out at Section 11.5(p)(iv) (Plavica Concessions), when Blumont announced the Takeover Bid the specific Condition required this event to occur by 28 February 2014. The event did not occur by that date. Blumont has, in accordance with section 631(1) of the Corporations Act, amended the Condition so that it must now be satisfied by 31 March 2014; and
- (e) in respect of the Condition set out in Section 11.5(q)(i) (Existing Loan Agreements), Blumont waives this Condition in respect of aggregate draw downs under the Existing Loan Agreements of up to A\$5 million.

## **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 Section 11.6(c) and Section 11.6(e), 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 Genesis 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 16 September 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 Genesis Shares from the Offer or otherwise dispose of Your Genesis 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 Genesis Shares;
- (b) subject to this Offer being declared free from the Conditions or such Conditions being fulfilled, agreed to transfer all Your Genesis Shares to Blumont;
- (c) agreed to execute all such documents, transfers and assurances that may be necessary or desirable to convey Your Genesis 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 Genesis Shares to Blumont:
  - (i) you have paid to Genesis all amounts which have fallen due for payment in respect of Your Genesis Shares;
  - (ii) all of Your Genesis 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 Genesis 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 Genesis 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 Genesis 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 Genesis 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 Genesis and to request Genesis to register, in the name of Blumont or its nominee, Your Genesis Shares; and
  - (ii) agreed not to attend or vote in person at any meeting of Genesis 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 Genesis 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 Genesis, if requested by Blumont;
- (i) irrevocably authorised and directed Genesis to pay to Blumont, or to account to Blumont for, all Rights in respect of Your Genesis Shares, subject to Blumont accounting to you for any such Rights received if this Offer is withdrawn or any contract resulting from your acceptance to this Offer is rescinded or rendered void;
- (j) irrevocably authorised Blumont to notify Genesis on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Genesis Shares is the address specified by Blumont in the notification;
- (k) if, at the time of acceptance of this Offer, Your Genesis Shares are in a CHES 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 Genesis 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 Genesis 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 Genesis 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 Genesis Shares to Blumont being registered by Blumont without production of your HIN or SRN for Your Genesis Shares; and

- (n) represented and warranted to Blumont that, unless you have notified it in accordance with Section 11.15, Your Genesis Shares do not consist of separate and distinct parcels of Genesis 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 Genesis 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 Computershare 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 Computershare 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 Computershare 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 Genesis Shares and after Blumont becomes registered as the holder of Your Genesis 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 Genesis 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 at 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 Genesis 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 Genesis 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 Genesis 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 Genesis Shares except the Transferred Shares; and
- (c) otherwise withdrawn the initial Offer made in respect of those Genesis 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 Genesis 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 Genesis 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 Genesis Shares will be ineffective unless:
  - (i) you have given Blumont a notice, delivered in accordance with this Section 11.15, stating that Your Genesis Shares consist of distinct portions; and
  - (ii) your acceptance specifies the number of Genesis 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 Genesis 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 Genesis 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 Genesis 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 Computershare;
  - (iv) Computershare (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:  

$$\text{Your Entitlement} = \text{Net Proceeds of Sale} \times (A/B)$$
 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 Genesis 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 Genesis' 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) Conduct of business by Genesis before the end of the Offer Period
  - (i) Until the end of the Offer Period, Genesis must and 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.
  - (ii) Until the end of the Offer Period, Genesis must:
    - (A) take all action from time to time as may be necessary to maintain any mining or exploration tenements, licences or permits (including the Genesis Tenements) registered in its name or its subsidiaries' name in good standing;
    - (B) comply with all Material Contracts, its obligations in relation to the Genesis Tenements, Laws, regulations, rules, requirements, authorisations, licenses, permits, consents and Approvals that are material to the conduct of the business of Genesis;
    - (C) not offer or agree to terminate or novate any Material Contracts that are material to the conduct of the business of Genesis or to amend any such contract in any material respect;
    - (D) 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;
    - (E) use its best endeavours to preserve its relationships with the Plavica JV Partner under the Plavica JV Agreement and with all Government Agencies relevant to its business and the Genesis Tenements; and
    - (F) not draw down any further amounts under the Existing Loan Agreements.
- (b) 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) Genesis is to procure:
    - (A) the resignation of such number of Genesis Directors as requested by Blumont so that nominees of Blumont constitute a proportion of the Genesis Board that corresponds, as far as possible, to Blumont's Relevant Interest in Genesis; and
    - (B) that the Genesis Board appoints such number of persons nominated by Blumont as Genesis Directors such that the number of Genesis Directors nominated by Blumont to the Genesis Board is proportionate, as far as possible, to the Relevant Interest of Blumont in Genesis.
  - (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 Genesis Shares on issue), then, on request from Blumont, Genesis must procure that the Genesis Board appoints persons nominated by Blumont such that nominees of Blumont constitute a majority of the directors on the Genesis Board (including the position of Chairman) provided that, whilst the Offer is open, Blumont agrees not to seek the removal of the remaining Genesis Directors.
- (c) Genesis warranties

Under the 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, and also include specific warranties in relation to Genesis' interests in the Plavica Project and its assets.

(d) Payment of break fee by Genesis

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

(e) Exclusivity obligations

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

(f) Termination

(i) Either party terminate the 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.

(ii) Blumont may also terminate the Implementation Deed if:

(A) a Genesis Material Adverse Change occurs;

(B) a Prescribed Occurrence occurs;

(C) there is a breach of any warranty under the 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 Takeover Bid be approved and accepted by Genesis Shareholders or having recommended the Takeover Bid changes his or her recommendation in relation to the Takeover Bid.

(iii) Following consultation with Blumont, the Implementation Deed may be terminated by written notice by Genesis if a Blumont Event occurs.

## **12.2 Acquisitions of Genesis Shares by Blumont and its Associates during the last 4 months**

During the 4 months prior to the date of this Bidder's Statement, neither Blumont nor any Associates of Blumont, acquired Genesis Shares and, therefore, did not provide or agree to provide any consideration for any Genesis Shares.

## **12.3 Interests in Genesis Shares**

As at the date of this Bidder's Statement, Blumont does not hold a Relevant Interest or voting power in any Genesis Shares.

## **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 Genesis Shares,

and which was not offered to all holders of Genesis 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, held 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\$56,000 (excluding disbursements and GST) for work performed until the date of this Bidder's Statement.

## 12.6 Additional Consents

- (a) Computershare Investor Services Pty Limited 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) the receipt and processing of acceptances of the Offer; and
  - (iii) the receipt and despatch to relevant Genesis 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) Georgeson Shareholder Communications Australia Pty Ltd has been engaged by Blumont to provide the Blumont Offer Information Line to Genesis Shareholders in relation to the Offer.
- (c) 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 Genesis Directors

There is no agreement between Blumont and a director or another officer of Genesis 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\$750,000. 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 (Melbourne time) on 21 March 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 Bid Implementation Deed**

As announced on SGXNET and to the ASX on 28 February 2014, Blumont has entered into a 'Bid Implementation Deed' with Merlin Diamonds Limited under which Blumont will make a conditional off-market takeover bid (**Merlin Takeover Bid**) for the entire issued capital of Merlin (other than Merlin Shares that Blumont already has a Relevant Interest in) (**Merlin Bid Implementation Deed**). A copy of the announcement in respect of the Merlin Takeover Bid, and a copy of the Merlin Bid Implementation Deed, is available through the SGX Website and Blumont's Website.

The Merlin Implementation Deed contains the following material terms:

#### (i) Terms of the Offer

- (A) Blumont will offer 5.7 Blumont Shares for every 2 Merlin Shares. The Merlin 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) Blumont must despatch the offer and its bidder's statement in respect of the offer by no later than 28 April 2014.

#### (ii) Recommendation

Merlin must, until the end of the offer period for the Merlin Takeover Bid, use its best endeavours to procure that all Merlin directors maintain their unanimous recommendation that all Merlin shareholders accept into the Merlin Takeover Bid and their stated intention to accept 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.

#### (iii) Conditions of the offer

- (A) As detailed above, the full terms of the offer conditions are available from the SGX Website and Blumont's Website.
- (B) In summary, the offer conditions include:
  - a. a 50.1% minimum acceptance condition;
  - b. before the end of the offer period for the Merlin Takeover Bid, Blumont receives the approval of its shareholders for the Merlin Takeover Bid to be made and the issue of the Blumont Shares as the offer consideration in respect of the Merlin Takeover Bid;
  - c. no prescribed occurrence occurring under 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 Merlin shareholders or as a result of the offer (or acquisition of Merlin Shares) which are necessary for the continued operation of the business of Merlin or its subsidiaries;
- f. Merlin 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 Merlin documents filed with ASIC or ASX;
- h. no person having any right to acquire any material assets of Merlin 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 or mining right, lease or prospect of Merlin or its subsidiaries is revoked, terminated or expires other than in respect of specific tenements;
- l. Merlin and each of its subsidiaries does not make or declare any distribution (whether by way of cash or in specie);
- m. 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 27 February 2014;
- n. all 'target options' on issue in Merlin are converted and, in summary, paid for in full without liability to Merlin; and
- o. Merlin only uses the proceeds of options and certain placements for specific purposes.

(iv) Conduct of business by Merlin before the end of the offer period

- (A) Until the end of the offer period for the Merlin Takeover Bid, Merlin must and 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.
- (B) Until the end of the offer period for the Merlin Takeover Bid, Merlin must ensure that it takes all action from time to time as may be necessary to maintain any mining or exploration tenements, licences or permits registered in its name or its subsidiary's in good standing.
- (C) The Merlin Implementation Deed also includes specific prohibitions regarding the conduct of Merlin and its subsidiaries which Blumont considers are standard for a transaction of this nature.

(v) 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 to the Merlin Takeover Bid have been satisfied or waived and Blumont has a Relevant Interest in at least 30% of Merlin Shares.

(vi) Compensation for Merlin

Blumont has agreed to pay Merlin the Break Fee if:

- (A) Merlin terminates the Merlin Bid Implementation Deed in accordance with clause 10.1 of the Merlin Bid Implementation Deed (which relates to a material breach); or
  - (B) Blumont does not receive, before the end of the offer period for the Merlin Takeover Bid, the approval of its shareholders for the Merlin Takeover Bid and the offer of Blumont Shares as the consideration for the Merlin Takeover Bid (other than where the other offer conditions have not been satisfied and provided that Merlin has complied with its obligations under the Merlin Bid Implementation Deed in all material respects).
- (vii) 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.
- (viii) Board appointment
- Once Blumont's offer is unconditional (and provided that Blumont has greater than a 50.1% Relevant Interest in Merlin Shares) Blumont will be entitled to appoint persons to the Merlin board so that Blumont's number of nominees on the board constitutes a majority of the board (provided that, while the Merlin Takeover Bid remains open, Blumont cannot seek the removal of Merlin directors). Once the offer closes (provided that it is unconditional) the Merlin board will be reconstituted (including by appointment of Blumont nominees and resignation of existing directors) so that, as far as possible, the number of Blumont nominees corresponds to its Relevant Interest in Merlin Shares.
- (ix) Termination
- (A) Either party may terminate the Merlin Bid Implementation Deed if the other party is in material breach.
  - (B) Blumont may also terminate the Merlin Bid Implementation Deed if a 'superior proposal' is publicly made or announced for Merlin by a third party, a Merlin director recommends such a superior proposal or any member of the Merlin board does not recommend the Merlin Takeover Bid or, having recommended it, changes his or her recommendation.
  - (C) Merlin may also terminate the Merlin Bid 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 Merlin Bid Implementation Deed;
    - b. a Blumont 'material adverse change occurs';
    - c. the rolling 5 days VWAP of Blumont's Shares as quoted on the SGX-ST falls to a level that is 20% or more below the 7 day VWAP of Blumont Shares on SGX on 27 February 2014; or
    - d. Blumont does not comply with the Corporations Act in all material respects as it applies to the Merlin Takeover Bid.

(b) **Bridging Loan Facility from Wintercrest Advisors LLC**

On 24 December 2013, Blumont entered into a facility agreement (**Wintercrest Facility Agreement**) with Wintercrest Advisors LLC under which Wintercrest agreed to make available a short term bridging loan facility of up to US\$30 million (approximately A\$33.3 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(c) 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\$5.6 million), Blumont intends that approximately US\$21.80 million (approximately A\$23.4 million) and US\$3.15 million (approximately A\$3.5 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\$14.98 million) in principal amount of the Wintercrest Facility has been utilised.

(c) **Security granted in favour of Wintercrest Advisors LLC**

On 24 December 2013, Blumont entered into a 'Share Charge' in favour of Wintercrest Advisors LLC (**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.

(d) **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.

(e) **Blumont Copper JVA**

On 18 September 2013, Blumont entered into a joint venture agreement (the **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 (the **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).

(f) **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\$16.6 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\$16.6 million) so as to fulfill 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\$28.9 million) and the Azarga Facility Loans have correspondingly been increased to US\$26 million (approximately A\$28.9 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\$5.5 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 million (approximately A\$16.6 million) of the Azarga Facility and Blumont has provided US\$15 million (approximately A\$16.6 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.

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

(g) **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\$4.4 million) to Cokal, and under which Blumont may, but is not obliged to, advance a further US\$4 million (approximately A\$4.4 million). Interest accrues at the rate of 5% per annum and the loan is due to be repaid on the 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.

(h) **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 1300 459 512 (for callers within Australia) or +61 3 9415 4290 (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
<b>A\$</b>	Australian dollars, the lawful currency of the Commonwealth of Australia
<b>Acceptance Form</b>	the acceptance form accompanying this Bidder's Statement
<b>Announcement Date</b>	the date of announcement of the Offer, being 24 January 2014
<b>Approval</b>	a licence, authority, consent, approval, order, exemption, waiver, ruling or decision
<b>ASIC</b>	Australian Securities & Investments Commission
<b>Associate</b>	has the meaning in section 9 of the Corporations Act
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange
<b>ASX Listing Rules</b>	the Listing Rules of the ASX
<b>ASX Settlement</b>	ASX Settlement Pty Ltd, the body which administers CHESS in Australia
<b>ASX Settlement Operating Rules</b>	the settlement rules of ASX Settlement
<b>Azarga</b>	Azarga Resources Limited which is a company incorporated in the British Virgin Islands
<b>Bidder's Statement</b>	this document including its annexures
<b>Blumont or the Company</b>	Blumont Group Ltd. incorporated in the Republic of Singapore, company registration number 199302554G
<b>Blumont Board</b>	the board of directors of Blumont
<b>Blumont Copper</b>	Blumont Copper Pte. Ltd. incorporated in the Republic of Singapore, company registration number 201325362N
<b>Blumont Event</b>	any event or circumstances which results in the rolling 5 day VWAP of Blumont Shares as quoted on the SGX ending on any trading day after the period from the Announcement Date falling 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
<b>Blumont Group</b>	Blumont and its subsidiaries
<b>Blumont Offer Information Line</b>	the telephone line that Genesis Shareholders can call if they have any questions in relation to the Offer, being 1300 459 512 (for callers within Australia) or +61 3 9415 4290 (for callers outside Australia)
<b>Blumont Share</b>	a fully paid ordinary share in the capital of Blumont
<b>Blumont Shareholder</b>	a holder of Blumont Shares from time to time
<b>Blumont's Website</b>	www.blumontgroup.com
<b>Business Day</b>	a day on which the banks are open for business in Melbourne, Australia and Singapore, excluding a Saturday, Sunday or public holiday
<b>C\$</b>	Canadian dollars, the lawful currency of the Canada
<b>CDP</b>	The Central Depository (Pte) Limited
<b>CDP Securities Account</b>	an account held by CDP for shareholders to enable them to trade their shares on the SGX
<b>Celsius</b>	Celsius Coal Limited (ABN 95 009 162 949)
<b>Centennial</b>	the Centennial uranium deposit in Colorado

<b>Expression</b>	<b>Meaning</b>
<b>CHESS</b>	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
<b>CHESS Holding</b>	a holding of Genesis Shares on the CHESS subregister of Genesis
<b>Circular</b>	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)
<b>Closing Date</b>	7pm (Melbourne time) on 24 September 2014 or such later date to which the Offer is extended
<b>Cokal</b>	Cokal Limited (ABN 55 082 541 437)
<b>Companies Act</b>	<i>Companies Act</i> (Cap. 50) of Singapore
<b>Competing Proposal</b>	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: <ul style="list-style-type: none"> <li>(a) directly or indirectly, acquire an interest in all or a substantial part of the assets of Genesis;</li> <li>(b) directly or indirectly acquire a Relevant Interest in or become the holder of 20% or more of the Genesis Shares and/or 20% or more of the Genesis Options;</li> <li>(c) acquire control of Genesis, within the meaning of section 50AA of the Corporations Act; or</li> <li>(d) otherwise acquire or merge with Genesis (including by way of a scheme of arrangement, reverse takeover bid or dual listed company structure)</li> </ul>
<b>Computershare</b>	Computershare Investor Services Pty Limited
<b>Condition or Offer Condition</b>	each condition set out in Section 11.5
<b>Controlling Participant</b>	has the same meaning as in the ASX Settlement Operating Rules
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth) of Australia
<b>Depositor</b>	means a person who has an account directly with CDP and not through a depository agent, but does not include a sub-account holder
<b>Depository Register</b>	means a register maintained by CDP in respect of book-entry securities
<b>Discovery Metals</b>	Discovery Metals Limited (ABN 29 104 924 423)
<b>Eligible Shareholder</b>	all Genesis Shareholders who are not Ineligible Foreign Shareholders
<b>Encumbrance</b>	includes a security interest, mortgage, charge, lien, restriction against transfer, encumbrance and other third party interest and "encumber" has a corresponding meaning
<b>Existing Loan Agreements</b>	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
<b>Extraordinary General Meeting</b>	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 Consideration Shares
<b>Foreign Sale Nominee</b>	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
<b>Genesis</b>	Genesis Resources Limited (ABN 22 114 787 469)
<b>Genesis Board</b>	the board of directors of Genesis
<b>Genesis Director</b>	a director of Genesis

<b>Expression</b>	<b>Meaning</b>
<b>Genesis Group</b>	Genesis and each of its controlled entities
<b>Genesis Material Adverse Change</b>	<p>means any event, change or condition that does, or could reasonably be expected to (when aggregated with all other events, changes and conditions):</p> <p>(a) have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Genesis Group, taken as a whole, by an amount of A\$500,000 or more; or</p> <p>(b) have a material adverse effect on the status or terms of any Approvals by any Government Agency or of the prospecting, exploration or mining tenements owned by Genesis or its subsidiaries or in which a member of the Genesis Group has a legal or economic interest (and, for the avoidance of doubt, relinquishment of parts of Genesis 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 Genesis Tenement); or</p> <p>(c) result in, or could reasonably be expected to result in (now or at any time in the future) the termination or loss of, or a reduction in a member of the Genesis Group's interest in, the Plavica JV Agreement and/or the termination or loss of, or failure to renew, the Genesis Tenements,</p> <p>except for events, changes and conditions publicly announced by Genesis or otherwise disclosed to ASX or ASIC by Genesis or any of its subsidiaries prior to the Announcement Date provided that the relevant announcement or disclosure was not when made materially incomplete, incorrect, untrue or misleading</p>
<b>Genesis Option</b>	an option to subscribe for a Genesis Share as announced by Genesis to the ASX prior to the Announcement Date and detailed in the ASX Appendix 3B lodged with ASX by Genesis on 25 February 2014
<b>Genesis Register</b>	the share register of Genesis
<b>Genesis Share</b>	a fully paid ordinary share in the capital of Genesis
<b>Genesis Shareholder</b>	a person who is recorded in Genesis' Register as the holder of one or more Genesis Shares
<b>Genesis Tenements</b>	has the meaning given to 'Tenements' in the Implementation Deed
<b>Government Agency</b>	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 (and any other stock exchange)
<b>GST</b>	has the meaning given under section 195(1) of the <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
<b>HIN</b>	Holder Identification Number, which is the number that starts with an "X"
<b>IAR or Investigating Accountant's Report</b>	the Investigating Accountant's Report prepared by Moore Stephens Perth Corporate Services Pty Limited attached as Annexure E to this Bidder's Statement
<b>Implementation Deed</b>	the Bid Implementation Deed between Blumont and Genesis executed on 24 January 2014 as detailed in Section 12.1
<b>Ineligible Foreign Shareholder</b>	has the meaning given to that term in Section 11.19
<b>Investigating Accountant</b>	Moore Stephens Perth Corporate Services Pty Limited (ABN 41 421 048 107)
<b>Investment Holdings Business</b>	the business unit of the Blumont Group described in Section 4.8
<b>Issuer Sponsored Holding</b>	a holding of Genesis Shares on Genesis' issuer sponsored register
<b>JORC</b>	Joint Ore Reserves Committee

<b>Expression</b>	<b>Meaning</b>
<b>JORC Code</b>	the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' 2012 Edition
<b>Kidman</b>	Kidman Resources Limited (ABN 88 143 526 096)
<b>Last Practicable Date</b>	14 March 2014
<b>Law</b>	the law in force at any time in the Commonwealth of Australia (including in each State and Territory and local government area) and the Republic of Macedonia, as those laws apply to Genesis, and the law of Singapore as those laws apply to Blumont, and includes: <ul style="list-style-type: none"> <li>(a) legislation, ordinances, regulations, rules, rulings, determinations, by-laws or orders;</li> <li>(b) common law; and</li> <li>(c) 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</li> </ul>
<b>Listing Manual</b>	the 'Listing Manual' of the SGX
<b>Material Contract</b>	has the meaning given in the Implementation Deed
<b>Merlin</b>	Merlin Diamonds Limited (ABN 86 009 153 119)
<b>Merlin Bid Implementation Deed</b>	Bid Implementation Deed between Merlin and Blumont dated 28 February 2014 which is detailed in Section 12.12(a)
<b>Merlin Share</b>	an ordinary share in the capital of Merlin
<b>Merlin Takeover Bid</b>	an off-market takeover bid for all the Merlin Shares by Blumont (other than the Merlin Shares in which Blumont already has a Relevant Interest) on the terms and conditions detailed in Section 12.12(a)
<b>Mineral and Energy Resources Sector</b>	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
<b>Moore Stephens</b>	Moore Stephens Perth Pty Limited (ABN 87 009 034 048)
<b>Offer</b>	the offer by Blumont for Genesis Shares as set out in this Bidder's Statement
<b>Offer Consideration</b>	the consideration for the Offer as set out in Section 11.2
<b>Offer Period</b>	the period during which the Offer is open for acceptance being 24 March 2014 to the Closing Date
<b>Plavica Concessions</b>	the following tenements in the Republic of Macedonia: <ul style="list-style-type: none"> <li>(a) 19-6070/1;</li> <li>(b) 19-6077/1;</li> <li>(c) 19-6078/1;</li> <li>(d) 19-6081/1;</li> <li>(e) 19-6082/1;</li> <li>(f) 19-6083/1; and</li> <li>(g) 19-6648/1</li> </ul>
<b>Plavica JV Agreement</b>	the joint venture agreement between Genesis and the Plavica JV Partner dated 19 July 2007 in relation to the Plavica Project
<b>Plavica JV Partner</b>	"Mining Industrial Combine – SILEKS joint stock company-Kratovo" (in Macedonian: Рударско индустриски комбинат - СИЛЕКС акционерско друштво-Кратово)
<b>Plavica Project</b>	the project in Macedonia in which Genesis has an interest under the Plavica JV Agreement and as more specifically described in Section 7
<b>Powerlite</b>	Powerlite Ventures Limited, a company incorporated in the British Virgin Islands

<b>Expression</b>	<b>Meaning</b>
<b>Powertech</b>	Powertech Uranium Corp a company whose shares are listed on the Toronto Stock Exchange (TSX:PWE)
<b>Powertech Transaction</b>	has the meaning set out in Section 4.6(e)
<b>Prescribed Occurrence</b>	has the meaning given in Section 11.5
<b>Property Business</b>	the Blumont Group's existing property business unit which is more specifically discussed in Section 4.9
<b>Register Date</b>	7pm (Melbourne time) on 21 March 2014
<b>Related Body Corporate</b>	has the meaning given in section 50 of the Corporations Act
<b>Relevant Interest</b>	has the meaning given in the Corporations Act
<b>Resource Generation</b>	Resource Generation Limited (ABN 91 059 950 337)
<b>Rights</b>	means all accretions, rights or benefits of whatever kind attaching to or arising from Genesis 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 Genesis or any of its subsidiaries
<b>S\$</b>	Singapore dollars, the lawful currency of the Republic of Singapore
<b>Section</b>	a section of this Bidder's Statement
<b>SGX, SGX-ST or Singapore Exchange</b>	Singapore Exchange Securities Trading Limited or the financial market known as the Singapore Exchange
<b>SGX Member Company</b>	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
<b>SGX Website</b>	www.sgx.com
<b>Share Acquisition</b>	has the meaning given in Section 5.6
<b>SGXNET</b>	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX
<b>SRN</b>	Securityholder Reference Number, which is the number which starts with an "I" to identify a Genesis Shareholder with an Issuer Sponsored Holding
<b>Sterilisation Services Business</b>	the Blumont Group's existing Sterilisation Services Business unit which is more specifically discussed in Section 4.7
<b>Superior Proposal</b>	a bona fide Competing Proposal which the Genesis Directors have determined, in good faith and after consultation with external legal and financial advisers, is: <ul style="list-style-type: none"> <li>(a) reasonably capable of being valued, taking into account all aspects of the Competing Proposal and the person making it;</li> <li>(b) reasonably capable of being completed on a timely basis; and</li> <li>(c) more favourable to Genesis Shareholders than the Takeover Bid, taking into account all the terms and conditions of the Competing Proposal</li> </ul>
<b>Takeover Bid</b>	an off-market takeover bid for all Genesis Shares by Blumont constituted by the despatch of the Offers in accordance with the Corporations Act
<b>Target Statement</b>	the target's statement to be issued by Genesis under section 638 of the Corporations Act in relation to the Offer
<b>USA</b>	United States of America
<b>US\$</b>	United States dollars, the lawful currency of the USA
<b>VWAP</b>	volume weighed average price
<b>Wintercrest</b>	Wintercrest Advisors LLC
<b>Wintercrest Facility</b>	has the meaning given in Section 4.10

Expression	Meaning
Wintercrest Facility Agreement	has the meaning given in Section 4.10
Your Genesis Shares	the Genesis Shares in respect of which a Genesis 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

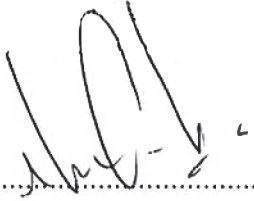
In this Bidder's Statement (except for documents annexed to this Bidder's Statement), unless the context clearly indicates otherwise:

- (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 Melbourne, 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: 21 March 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
<b>I do not have a CDP Securities Account and wish to trade shares on the SGX</b>	You will need to do all of the below (not in order of priority): <ul style="list-style-type: none"> <li>open a CDP Securities Account (further details below);</li> <li>open a trading account (further details below);</li> <li>open a bank account with a participating bank which provides direct crediting services (further details below); and</li> <li>link the CDP Securities Account with the trading account (further details below).</li> </ul>
<b>I have a CDP Securities Account, a trading account, and a bank account opened with a bank that provides direct crediting services</b>	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.
<b>I do not have a CDP Securities Account and do not wish to obtain one</b>	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

<b>How do I open a CDP Securities Account?</b>	<ul style="list-style-type: none"> <li>In person in Singapore at CDP</li> <li>Through a SGX Member Company</li> <li>By mailing the application form which can be obtained through the Blumont Offer Information Line to CDP</li> </ul>
<b>What do I need to do?</b>	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)
<b>Who can verify my signature on the application form?</b>	<ul style="list-style-type: none"> <li>Singapore Embassy</li> <li>Notary Public</li> <li>Singapore solicitors or advocates</li> <li>Justices of the Peace</li> <li>Commissioners for Oaths</li> </ul>
<b>What documents do I need?</b>	You will need to provide certified (certified by the same person witnessing the signature on the application form) copies of the following: <ul style="list-style-type: none"> <li>an application form (request a copy by calling the Blumont Offer Information Line);</li> <li>applicable identity documents – Australian citizens will need a valid and current passport; and</li> <li>additional corporate documents (for corporations)</li> </ul>

<b>Who do I give certified copies of these documents to?</b>	<ul style="list-style-type: none"> <li>• If in person, at the offices of CDP</li> <li>• Send to: <ul style="list-style-type: none"> <li>• before 13 April 2014, The Central Depository (Pte) Limited, 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807, or</li> <li>• from 14 April 2014, The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis Tower 2, Singapore 138588</li> </ul> </li> <li>• Give them to the SGX Member Company with whom you have opened a trading account</li> </ul>
<b>Who are SGX Member Companies?</b>	This information can be found on the SGX Website or a list can be requested from the Blumont Offer Information Line.
<b>Are there any fees to open a CDP account?</b>	No, there are no fees.
<b>Additional information</b>	Additional information relating to CDP and the services offered by CDP are available at the SGX Website.

#### 4 **Opening a trading account**

<b>How do I open a trading account?</b>	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.
<b>What documents do I need?</b>	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.
<b>Additional information</b>	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. Genesis Shareholders should note that brokerage fees in Singapore may be higher than equivalent rates in Australia, for those Genesis 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 378 Genesis 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 Genesis 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 3<sup>rd</sup> column. Genesis 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 Genesis 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
<b>Takeovers</b>	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).
<b>Compulsory Acquisition</b>	<p>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.</p> <p>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.</p>	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.
<b>Issue of new securities</b>	Shareholder approval is required for any issues 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	Under ASX Listing Rule 7.1, an entity listed on the ASX 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

	<b>Singapore position</b>	<b>Australian position</b>
	<p>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).</p>	<p>reference to shares on issue over a rolling 12 month period. Certain exceptions apply under Listing Rule 7.2.</p> <p>Some listed companies may be able to obtain shareholder approval at an annual general meeting to increase the 15% limit to 25%.</p>
<b>Disclosure requirements for issues of new securities</b>	<p>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:</p> <ul style="list-style-type: none"> <li>(a) a small personal offer where the total amount raised in a 12-month period does not exceed S\$5 million (approximately A\$4.4 million, based on an exchange rate of A\$1:S\$1.1418 as at the Last Practicable Date);</li> <li>(b) a private placement to no more than 50 persons within a 12-month period;</li> <li>(c) an underwriting agreement relating to securities;</li> <li>(d) an offer to institutional investors and specified persons, including sophisticated investors; and</li> <li>(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.</li> </ul>	<p>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 under section 708, including:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) issues to “professional investors” (as defined in section 9 of the Corporations Act);</li> <li>(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;</li> <li>(d) offers to senior managers; and</li> <li>(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).</li> </ul>
<b>Related party transactions</b>	<p>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 group’s latest audited net tangible assets (provided that no approval is required for any transaction below S\$100,000 (approximately A\$87,581, based on an exchange rate of A\$1:S\$1.1418 as at the Last Practicable Date)). The exceptions to these rules include</p>	<p>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:</p> <ul style="list-style-type: none"> <li>(a) an entity that controls the public company;</li> <li>(b) directors of the public company;</li> <li>(c) directors of an entity that controls the public company;</li> <li>(d) an entity that has reasonable grounds to believe that it will be a related entity in the future; and</li> <li>(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 company gives the entity a financial benefit.</li> </ul> <p>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</p>

Singapore position	Australian position
<p>as follows:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(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;</li> <li>(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%;</li> <li>(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;</li> <li>(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: <ul style="list-style-type: none"> <li>(i) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and</li> <li>(ii) the sale prices are applied consistently to all customers or class of customers;</li> </ul> </li> <li>(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;</li> <li>(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</li> <li>(h) director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).</li> </ul> <p>There are reporting requirements (similar to Australia) regarding the disclosure of shareholdings of directors and substantial 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</p>	<p>company.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

	<b>Singapore position</b>	<b>Australian position</b>
	made on SGXNET.	
<b>Capital reductions</b>	<p>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:</p> <p>(a) court-sanction capital reduction under Sections 78G, 78H and 78I; and</p> <p>(b) non-court sanctioned capital reduction under Sections 78C to 78F.</p> <p>The articles of association of the company must also permit the reduction of capital.</p>	<p>Under Chapter 2J .1 of the Corporations Act, a company can reduce its capital if the reduction:</p> <p>(a) does not materially prejudice creditors or the interest of the company; and</p> <p>(b) is approved by shareholders.</p> <p>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.</p>
<b>Appointment or removal of directors</b>	<p>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.</p>	<p>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.</p> <p>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).</p>
<b>Disclosure requirements that apply to mining companies</b>	<p>Listed companies are subject to continuous disclosure requirements set out in the Listing Manual.</p> <p>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.</p>	<p>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.</p> <p>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 Genesis.</p>
<b>Franking credits</b>	<p>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 hands of shareholders of the company.</p>	<p>Australia has a full dividend franking (imputation) system. If Genesis 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 shareholder who is not an Australian tax resident and receives a fully franked dividend from Genesis would not be subject to withholding tax on the dividend but would not receive any credit in Australia in respect of the franking credit.</p> <p>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.</p>

# ANNEXURE C

## AUSTRALIAN TAXATION CONSIDERATIONS

5 March 2014

The Directors  
Blumont Group Limited  
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Dear Directors

**OFF- MARKET TAKEOVER OF GENESIS RESOURCES LIMITED ('GENESIS') BY BLUMONT GROUP LIMITED ('BLUMONT')**

Following are our comments for inclusion in a Bidder's Statement in relation to the tax consequences for shareholders in Genesis ('Genesis Shareholders') who accept the offer ('the Offer'). The facts in this matter are summarised in the Investigating Accountant's Report and we have relied on these in preparing our comments.

**1 TAX CONSIDERATIONS**

**1.1 Introduction**

The information contained in this Section is general in nature and should not be relied upon by Genesis Shareholders as tax advice. This Section is not intended to be an authoritative or complete statement of the taxation law applicable to the particular circumstances of every Genesis Shareholder.

This Section reflects the tax law in effect in Australia as at the date of this Bidder's Statement. It does not take into account or anticipate any changes in taxation law, nor does it take into account the tax law in any other country except Australia.

Any information in this section does not constitute tax advice. Genesis Shareholders should obtain their own professional advice on the taxation consequences of disposing of their Genesis Shares under the Offer.

This Section does not consider the Australian tax consequences for Genesis Shareholders who:

- hold their Genesis Shares as trading stock or as revenue assets; or
- hold their Genesis Shares as part of a profit making undertaking or plan.

Acceptance of the Offer will involve the disposal by Genesis Shareholders of Genesis Shares to Blumont which may give rise to a capital gains tax event (**CGT Event**) for Australian (tax resident) Genesis Shareholders. The **CGT Event** will generally happen at the time Australian Genesis Shareholders accept the Offer to transfer their Genesis Shares to Blumont.

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However this may not be so in all cases and each shareholder should confirm their position with an appropriate advisor.

Australian Genesis Shareholders will make a capital gain if the capital proceeds received are greater than the cost base (or indexed cost base as referred to below) of those shares.

The capital proceeds on the disposal of Genesis Shares under the transaction will, for each Genesis Shareholder, be the value of the Blumont shares issued to the Genesis Shareholder.

The cost base of the Genesis Shares in the hands of the Genesis Shareholders will, broadly, be the original amount paid to acquire those Genesis Shares and any incidental costs incurred in acquiring or disposing of the shares.

## 1.2 Australian Tax Implications

### (a) Duty

No transfer duty should be payable by Genesis Shareholders on the disposal of their Genesis Shares pursuant to the Offer.

### (b) GST

No GST will be payable by Genesis Shareholders in respect of the disposal their Genesis Shares pursuant to the Offer.

Genesis Shareholders may however be subject to GST on costs that relate to their participation in the transaction (such as advisor fees). Genesis Shareholders may be entitled to full or partial input tax credits for any GST payable on such costs, but this will depend on the Genesis Shareholder's individual circumstances.

Genesis Shareholders should seek independent advice in this regard.

### (c) Capital Gains Tax

The disposal of Genesis Shares will (an exception is explained under Scrip for Scrip Rollover) gives rise to a **CGT Event** for Genesis Shareholders.

#### (i) Shares acquired (or deemed to be acquired) on or after 20 September 1985

Genesis Shareholders who acquired (or are deemed to have acquired) their Genesis Shares on or after 20 September 1985 may be entitled to reduce any capital gain on the disposal of their Genesis Shares by applying the CGT discount (discussed below). Alternatively they may be able to calculate any capital gain by adjusting (discussed below) the cost to account for movements in the Consumer Price Index ('CPI').

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(ii) Indexation

Where Genesis Shares were acquired (or are deemed to have been acquired) by Genesis Shareholders on or after 30 September 1985 and at or before 11.45am on 21 September 1999 the cost base of the Genesis Shares may be increased for indexation based on the CPI movement from the date of acquisition to 30 September 1999.

This indexation can be applied by Genesis Shareholders that are companies and have held their Genesis Shares for at least 12 months. These taxpayers would not be entitled to any general discount.

Genesis Shareholders that are individuals, trusts or complying superannuation funds that have held Genesis Shares prior to 11.45am on 21 September 1999 can choose to apply either the cost base indexation or the CGT discount in calculating their net capital gain from the disposal of their Genesis Shares.

Where Genesis Shareholders acquired (or are deemed to have acquired) their Genesis Shares after 11.45am on 21 September 1999, they cannot apply indexation to the cost base of the Genesis Shares.

(iii) Capital Gains Tax discount

The capital gains tax discount should be available to Genesis Shareholders who are individuals, trusts or complying superannuation funds, who have held their Genesis Shares for at least 12 months before the disposal under the transaction and who hold their shares as a capital asset.

Broadly, the capital gains tax discount provisions enable the Genesis Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and 33 1/3% for complying superannuation funds.

The capital gains tax discount is not available to Genesis Shareholders that are companies or for Genesis Shareholders who have chosen to apply the indexation method to the cost base of their Genesis Shares.

If the Genesis Shares are held for less than 12 months the discount would not apply to any capital gain.

(d) Capital losses

Any capital loss may be used to offset any capital gains derived by the Genesis Shareholder for the relevant year of income, or may be carried forward to offset against capital gains in future income years.

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Specific loss recoupment rules apply to trusts and companies to restrict their ability to utilise capital losses in future years. Genesis Shareholders should seek their own tax advice in relation to the operation of these rules.

(e) Shares acquired before 20 September 1985

A Genesis Shareholder acquired their Genesis shares before 20 September 1985 (and is not deemed under the income tax law to have acquired them on or after that date) should seek their own legal advice.

### 1.3 Scrip for Scrip Rollover

Deferral of a taxable capital gain that would otherwise arise as described above may be available. If applicable no taxable gain will arise as a consequence of acceptance of the Offer, and the tax consequences will be determined when the Blumont shares are dealt with (subject to further rollover concessions).

The basic requirements for an Australian resident Genesis Shareholder to be able to choose roll-over are:

- Genesis shares are exchanged for Blumont shares.
- A capital gain would have been made if roll-over wasn't chosen.
- The Genesis shareholder chooses to take roll-over.
- Blumont ultimately acquires at least 80% of Genesis's issued shares.

Subject to satisfying the conditions, scrip for scrip relief under Subdivision 124-M of the *Income Tax Assessment Act 1997* may be available to the Genesis Shareholders that are Australian resident taxpayers. A shareholder who derives a taxable capital gain can choose to apply the provisions. The choice is only available where a gain would have otherwise been made and cannot be made where a capital loss is incurred.

Genesis Shareholders who are not Australian tax residents may be able to choose the roll-over but only if they would have made a taxable capital gain. Non-resident Genesis Shareholders would only make a taxable capital gain under the arrangement if:

- They hold a 10% or greater interest in Genesis (either directly or indirectly)
- More than 50% of Genesis's assets are Australian real property

Australian real property is:

- Real property situated in Australia
- A mining, quarrying or prospecting right in respect of minerals, petroleum or quarrying materials situated in Australia.

We understand that the majority of Genesis' assets are mining information (akin to 'know-how') which is not taxable Australian real property. Therefore based on the information we have a non-resident will not be able to take advantage of the roll-over option. Page 4 of 5

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If the provisions are applicable, and a choice is made to apply them, any capital gain which would otherwise be realised by a Genesis Shareholder would be disregarded for tax

Where the choice is made to apply the scrip v scrip provisions, the Genesis Shareholders' CGT cost base for the shares they receive in Blumont will be the same as the cost base of the shares they previously held in Genesis.

Genesis shareholders who accept the Blumont offer and choose to take advantage of these provisions will need to apportion the cost base of their Genesis shares over the larger number of Blumont shares they receive.

If rollover relief is not available or no choice is made the shareholder will derive an assessable capital gain or incur a loss on disposal of Genesis shares. The capital gain would be calculated as outlined above.

The choice for scrip v scrip rollover is only available where Blumont ultimately acquires at least 80% of the shares in Genesis. We note that the Offer Conditions state the minimum acceptance for the Takeover Offer is 50.1%. Subject to the 80% acceptance level being achieved Genesis Shareholders can make their choice at the time they lodge their income tax return for the year in which the Offer is accepted.

Yours sincerely



Syd Jenkins  
Moore Stephens

# ANNEXURE D

## SINGAPORE TAXATION CONSIDERATIONS

## ANNEXURE D – SINGAPORE TAXATION CONSIDERATIONS

The information provided below is general in nature and is not intended to be an authoritative or a complete statement of the Singapore income tax, goods and services tax and stamp duty implications that are or may be applicable to Genesis Shareholders who accept the Takeover Bid and become holders of Blumont Shares. The information provided below is based on relevant Singapore taxation and stamp duty law, regulations and guidelines issued by the relevant authorities as at the Last Practicable Date and does not take into account or anticipate changes in Singapore taxation law, nor does it take into account tax laws of any other countries other than Singapore.

The information provided below does not constitute tax advice regarding a particular Genesis Shareholder's tax position. Genesis Shareholders should consider obtaining their own professional advice from a qualified taxation advisor specific to their own circumstances.

### (a) **Income tax**

#### *Corporate income tax*

Companies, whether Singapore tax residents or non tax-residents, are subject to Singapore corporate income tax on:

- (i) income that is accrued in or derived from Singapore; or
- (ii) subject to certain exceptions, foreign-sourced income (income that does not arise from a trade or business carried on in Singapore) received or deemed to be received in Singapore.

A company is a Singapore tax resident if the control and management of its business is exercised in Singapore. The control and management of a company generally lies with its board of directors. In practice, the board of directors exercise control and manage in the country where the board of directors' meetings of the company are held, which is normally the country where a company is resident.

Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by specified Singapore tax resident companies or individuals on or after 1 June 2003, will be exempt from tax if the following prescribed qualifying conditions are met:

- (i) the foreign-sourced income must have been subject to tax in the foreign country from which it is received;
- (ii) the highest corporate tax rate of the foreign country in the year that the foreign-sourced income is received must be at least 15%; and
- (iii) the Comptroller of Income Tax must be satisfied that the tax exemption would be beneficial to the Singapore corporate tax resident.

The prevailing corporate tax rate in Singapore is currently 17% with certain exemptions for the first S\$300,000 of the company's chargeable income.

#### *Individual income tax*

For individuals (whether Singapore tax-resident or non tax-resident), only income which is accrued or derived from Singapore will be subject to income tax. All foreign-sourced income received in Singapore on or after 1 January 2004 by individuals (other than partners of a partnership) is exempt from tax. In addition, certain Singapore-sourced investment income received on or after 1 January 2004 is exempt from tax.

The rate of tax applied to income which is accrued or derived from Singapore depends on the tax residency of the individual.

An individual is a Singapore tax resident in a year of assessment if:

- (i) he/she is a Singaporean;
- (ii) he/she is a Singapore Permanent Resident who has established a permanent home in Singapore; or
- (iii) he/she is a foreigner who stayed or exercised an employment in Singapore (other than as a director of a company) for 183 days or more in the preceding year.

For a Singapore tax resident individual, the rate of tax varies progressively from 0% to 20% depending on the individual's chargeable income.

For a non-resident individual, investment income is subject to tax at a current rate of 20%, except for certain specified income that may be taxed at lower rates, and employment income is taxed at 15% or at the Singapore tax resident rate, whichever is higher. Director's fees and other income are also currently taxed at a rate of 20%.

(b) **Dividend distributions**

Singapore moved to the one-tier corporate tax system with effect from 1 January 2008. Under this system, the tax payable on normal chargeable income by Singapore companies, whether tax resident in Singapore or not, would constitute a final tax. As such, dividends payable by Singapore companies under the one-tier corporate tax system are exempt from tax in the hands of its shareholders.

There is also no withholding tax imposed on dividends paid to non-Singapore tax resident shareholders by Singapore companies.

Genesis Shareholders are advised to consult their own tax advisors in respect of the tax laws of their respective countries of residence and the applicability of any double taxation agreement that their country of residence may have with Singapore.

(c) **Gains on disposal of Your Genesis Shares**

Singapore does not impose tax on capital gains. However, gains derived from sale of Your Genesis Shares may be construed to be income and subject to Singapore tax if they arise from or are connected with activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore.

Similarly, any gains from the disposal of Blumont Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature, in which case, the disposal profits would be taxable.

Under Section 13Z of the Income Tax Act (Cap. 134) of Singapore (**Income Tax Act**), the gains derived from the disposal of ordinary shares in an investee company during the period 1 June 2012 to 31 May 2017 (both dates inclusive) is exempt from income tax if immediately prior to the date of the share disposal, the divesting company had legally and beneficially held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months.

This rule does not apply to a divesting company whose gains or profits from the disposal of shares are included as part of its income based on the provisions of Section 26 of the Income Tax Act, or disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development).

In addition, corporate shareholders who adopt the tax treatment to be aligned with the Singapore Financial Reporting Standard 39 Financial Instruments—Recognition and Measurement for the purposes of Singapore income tax may be taxed on gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of offering shares is made.

(d) **Stamp Duty**

No stamp duty is payable on the issuance of your Blumont Shares.

Stamp duty is payable on the instrument of transfer of Blumont Shares at the rate of S\$0.20 for every S\$100 or any part thereof, calculated on the consideration of the transfer, or the market value of the Blumont Shares, whichever is higher.

The purchaser is liable for stamp duty, unless otherwise agreed. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore and is not received in Singapore. However, stamp duty will be payable if the instrument of transfer which is executed outside Singapore is received in Singapore.

Stamp duty is not applicable for electronic transfers of Blumont Shares under the book-entry settlement system of CDP (i.e. in uncertificated form).

(e) **Singapore Estate duty**

Singapore estate duty was abolished with effect from 15 February 2008.

(f) **Singapore Goods and Services Tax (GST)**

The sale of shares by an investor who is GST-registered in Singapore through an SGX member or to another person who is a resident of Singapore is an exempt sale not subject to GST. Any GST directly or indirectly incurred by the GST-registered investor in respect of this exempt sale will become an additional cost to the investor.

Where Blumont Shares are sold by a GST-registered investor to a person who is not a resident of Singapore, the sale is a zero-rated sale subject to GST at a zero rate, if certain conditions are met. Any GST incurred by the GST-registered investor in the making of this zero-rated sale, if the same is a supply in the course or furtherance of a business, may be claimable as a refund from the Comptroller of GST. Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor who is a resident of Singapore in connection with the investor's purchase, sale, holding of Blumont Shares will be subject to GST at the current rate of 7%. Similar services rendered to a non-resident investor in Singapore may be zero-rated if certain conditions are met.

# ANNEXURE E

## INVESTIGATING ACCOUNTANT'S REPORT

19 March 2014

The Directors  
Blumont Group Ltd  
298 Tiong Bahru Road  
#20-02/03 Central Plaza  
Singapore 168730

Dear Directors

## **INVESTIGATING ACCOUNTANT'S REPORT**

### **1. Introduction**

This report has been prepared at the request of the Directors' of Blumont Group Ltd ("Blumont" or "the Company") for inclusion in the Bidder's Statement, so as to provide Genesis Resources Limited shareholders with information in relation to historical and pro-forma financial information of Blumont as at 31 December 2013 and for the year then ended.

On 24 January 2014 the Company and Genesis Resources Limited ("Genesis") announced that they had signed a Takeover Bid Implementation Deed for an off-market takeover bid by Blumont for all the issued and outstanding shares in Genesis (the "Bid").

Consideration for the transaction will be in Blumont shares with Genesis shareholders offered 5.3 Blumont shares for every 2 Genesis shares held (the "Offer"). The transaction values Genesis at AUD\$0.169 per share, or approximately AUD\$32.5 million (SGD\$36.6 million), based on a Blumont share price of SGD\$0.0719 and foreign exchange rate of SGD\$1.1276: AUD\$1.00, as at 24 January 2014. Further details of the off-market takeover bid are set out in the Bidder's Statement.

Expressions defined in the Bidders Statement have the same meaning in this report.

### **2. Basis of Preparation**

The historical and pro-forma financial information is presented in a condensed consolidated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for Blumont nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Bidder's Statement, other than responsibility for this report.

### **3. Background**

Blumont is a public Company which is headquartered in Singapore and listed on the main board of the Singapore Exchange Limited ("SGX").

Blumont has four core business segments comprising Investment Holding, Sterilisation, Property and Mineral & Energy Resources.

Blumont's legacy businesses comprise the Investment Holding division, which invests in transferable securities, but not limited to marketable shares, warrants and debentures. The Sterilisation division provides contract sterilisation and polymerisation services to various industries. The Property division is involved in the development, sale and long term holding of properties for rental and property-related income.

Since late 2012, Blumont has strategically focussed on acquiring diversified mineral and energy resources assets across a number of geographies and has been actively pursuing and acquiring new investment opportunities in this sector. The Company has recently acquired or invested in several strategic mineral and energy resources assets comprising projects involved in thermal and coking coal, copper, lead, zinc, silver and uranium. In recent months the Company has accelerated its move into the Mineral & Energy Resources business segment.

Genesis is a public listed Company on the Australian Securities Exchange ("ASX"). It is a mineral exploration and development company with a portfolio of gold, iron, manganese, uranium and base metal (copper, zinc, silver) projects in northern and central Australia. Its exploration licences cover more than 1,136 square kilometres in Queensland and the Northern Territory of Australia and it has an interest in an exploration project in the Republic of Macedonia.

Genesis's main focus is the exploration project in the Republic of Macedonia, governed by the Plavica Joint Venture Agreement (the "Plavica Project"), which is highly prospective for gold, copper and silver mineralisation. The Ministry of Economics of the Republic of Macedonia has granted seven concession licences over the Plavica Project to the joint venture partners for a term of four years expiring April 2014. In 2012 Genesis announced a maiden JORC Inferred Mineral Resource (based on the JORC Code 2004 edition) for the Plavica Project estimating it to contain Inferred Mineral Resources of 1.86 million ounces of gold at an average grade of 1.0 grams per tonne ("g/t") Au; 28.2 million ounces of silver at an average grade of 25 g/t Ag; and 33,900 tonnes of copper at an average grade of 0.43% Cu. The results from subsequent drilling have been reported as encouraging and Genesis believes that the Plavica Project is viable at current economic conditions and prices.

Genesis has the right, upon paying for all work expenditures up to the completion of the final feasibility study, to acquire a 62% interest in the Plavica Project. Genesis has also engaged a number of specialist consultants in Macedonia to complete a Macedonian government required feasibility study. Upon completion of the final feasibility study Genesis expects that the Ministry of Economics of the Republic of Macedonia will issue a 30 year exploitation licence in respect of the principal concession of the Plavica Project and Genesis expects that it will have also satisfied the terms of the Plavica JV agreement to acquire a 62% interest in the Plavica Project.

On 24 January 2014 Blumont announced that it had signed a Takeover Bid Implementation Deed for the takeover of all the issued share capital in Genesis, to be satisfied by the issue of up to 509,549,791 Blumont shares at SGD\$0.0719 per share.

The Bid is subject to a number of conditions including Blumont receiving all approvals required by law or by any government agency.

Further information about the takeover bid and the future plans of the Company can be found in other sections of the Bidder's Statement.

#### **4. Scope of Report**

You have requested Moore Stephens Perth Corporate Services Pty Ltd to prepare an Investigating Accountant's Report to provide limited assurance on:

- a) The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of Blumont for the twelve months ended 31 December 2013.
- b) The notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of Blumont for the twelve months ended 31 December 2013.
- c) The condensed consolidated Statement of Financial Position of Blumont as at 31 December 2013.
- d) The condensed consolidated pro-forma Statement of Financial Position of Blumont as at 31 December 2013 adjusted on the basis of the acquisition of 100% of the issued and outstanding shares in Genesis as at that date and the completion of certain other transactions as disclosed in this report.

#### **5. Scope of Review**

##### *Management's responsibilities*

The Directors of Blumont are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

##### *Our responsibilities*

Procedures performed by us have been undertaken to form a conclusion as to whether we have become aware, in all material respects, that the historical financial information set out in Appendix 1 to 3 does not present fairly, in accordance with Australian Accounting Standards (which are equivalent to International Financial Reporting Standards) and the accounting policies adopted by the Company, a view which is consistent with our understanding of the financial position and pro-forma financial position of the Company and its controlled entities as at 31 December 2013 and of their actual and notional consolidated financial result for the year ended 31 December 2013.

We have conducted our limited assurance review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the notional and pro-forma information is solely to illustrate the impact of the takeover bid on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly we do not provide any assurance that the actual outcome of the takeover would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a) a review of contractual arrangements;
- b) a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- c) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards in Australia and Singapore, with the accounting policies adopted by the Company;
- d) a review of the assumptions used to compile the notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income and the condensed consolidated pro-forma Statement of Financial Position;
- e) a review of the overall presentation of the pro-forma financial information; and
- f) enquiry of directors, management and auditors of Blumont and Genesis.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### *Sources of information*

The historical financial information has been extracted from the Company's audit reviewed consolidated management accounts for the year ended 31 December 2013, the audited consolidated financial statements of Genesis for the year ended 30 June 2013 and the unaudited consolidated financial statements of Genesis for the half years ended 31 December 2012 and 2013.

The Company's consolidated management accounts for the year ended 31 December 2013 were subject to audit review by Moore Stephens LLP (the Company's auditor) in accordance with Singapore Standards on Auditing. They are currently in the process of completing the audit of the Company's consolidated financial statements for the year ended 31 December 2013.

Genesis's consolidated financial report for the year ended 30 June 2013 was subject to audit by PricewaterhouseCoopers (Genesis's auditor) in accordance with Australian Auditing Standards, whilst the consolidated financial statements for the half years ended 31 December 2012 and 2013 of Genesis were reviewed by PricewaterhouseCoopers and RSM Bird Cameron, respectively, in accordance with the Australian Standard on review engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

#### *Historical and Pro-forma Financial Information*

The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income and the notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of Blumont for the year ended 31 December 2013 are included at Appendix 1. The notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013 comprises the combination of the results of Blumont and Genesis for the year ended 31 December 2013 without adjustment (does not incorporate the pro-forma adjustments set out in Note 3 of Appendix 3).

The condensed consolidated Statement of Financial Position as at 31 December 2013 of the Company is included in Appendix 2.

Also included in Appendix 2 is the condensed consolidated pro-forma Statement of Financial Position of the Company which incorporates the condensed consolidated Statement of Financial Position as at 31 December 2013, adjusted on the basis of the acquisition of 100% of the issued and outstanding shares in Genesis as at that date and the completion of certain other transactions as disclosed in this report. Details of these transactions are set out in Note 3 of Appendix 3.

## **6. Valuation of Capitalised costs – Exploration & Evaluation Expenditure**

Upon completion of the acquisition of Genesis, a significant asset of Blumont's will be its interests in exploration and mining tenements, comprising tenement acquisition, exploration and evaluation costs, which have been capitalised in the Statements of Financial Position.

The interests in exploration and mining tenements have been included at either cost of acquisition to Blumont or capitalised exploration and evaluation expenditure incurred, in the Statements of Financial Position.

We have not carried out valuations of the exploration and mining tenements and do not express a view on whether the carrying values of the capitalised exploration and evaluation expenditure exceeds recoverable amounts. In addition the value of the exploration and mining tenements may rise or fall depending on such factors as future exploration results and world prices for minerals being sought.

## **7. Accounting for Acquisition of Powerlite Ventures Limited ("PVL")**

As disclosed in Note 19 (b) and Note 20 the initial accounting for the acquisition of PVL has only been provisionally determined, as at 31 December 2013. Hence the recorded amount attributable to goodwill arising on consolidation of SGD\$8,047,000 is provisional and subject to change.

When the accounting for this acquisition is finalised it may result in the allocation between different classes of non-current assets changing significantly. However any change will only

be between asset classes within non-current assets and we do not expect any impact on the consolidated statement of profit or loss and other comprehensive income.

## **8. Measurement of assets and liabilities acquired from Genesis**

The acquisition of Genesis as recorded in the condensed consolidated pro-forma Statement of Financial Position reflects provisional amounts allocated to the assets and liabilities acquired (also refer Appendix 3, Note 4).

The assets and liabilities acquired from Genesis will be remeasured after completion of the acquisition. Whilst the total net assets acquired are not expected to change significantly, the allocation between the different types of assets acquired may change significantly as a result of this re-measurement.

## **9. Conclusion**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income and the notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of the Company for the year ended 31 December 2013, as set out in Appendix 1, does not present fairly the results for the year then ended in accordance with the accounting methodologies required by Australian Accounting Standards;
- The condensed consolidated Statement of Financial Position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 31 December 2013 in accordance with the accounting methodologies required by Australian Accounting Standards;
- The condensed consolidated pro-forma Statement of Financial Position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 31 December 2013 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 3 of Appendix 3;
- The assumptions and applicable criteria used in the preparation of the condensed consolidated pro-forma Statement of Financial Position of the Company as at 31 December 2013 do not provide a reasonable basis for presenting the significant effects directly attributable to the takeover bid and do not reflect proper application of those adjustments to the unadjusted financial information.

## **10. Consistency in Application of Accounting Standards**

We have been advised by the Directors' of Blumont that the Company's unaudited consolidated management accounts for the year ended 31 December 2013 have been prepared in accordance with Singapore Financial Reporting Standards, with the accounting policies applied and methods of computation used being consistent with those adopted in the preparation of the Company's most recently audited financial statements.

There are no key differences between Australian Accounting Standards (Australian Equivalents to International Financial Reporting Standards - "AIFRS") and Singapore

Financial Reporting Standards (“FRS”), with both countries closely modelling their accounting standards on the International Financial Reporting Standards issued by the International Accounting Standards Board.

Accordingly we expect there to be no material differences between the consolidated management accounts (nor the consolidated financial statements once finalised) of Blumont for the year ended 31 December 2013, as they have been prepared, in comparison to their preparation under AIFRS. In order to confirm this view we reviewed the Company’s audit reviewed consolidated management accounts and draft unaudited consolidated financial statements for the year ended 31 December 2013 and made enquiries of the persons at Blumont responsible for the financial information included therein. Based on our review and discussions nothing has come to our attention that indicates that Blumont’s audit reviewed consolidated management accounts and consolidated financial statements (once finalised) for the year ended 31 December 2013, have not or will not have been prepared on a basis consistent with Australian Accounting Standards (AIFRS).

Our review and discussions in relation to the above matter was substantially less in scope than an audit or review conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or review. Accordingly we do not express an audit opinion or provide any level of assurance in relation to the Company’s audit reviewed consolidated financial results for the year ended 31 December 2013.

#### **11. Subsequent Events**

To the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 31 December 2013 not otherwise disclosed in this report or the Bidder’s Statement, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

The condensed consolidated pro-forma Statement of Financial Position of Blumont as at 31 December 2013, as presented in Appendix 2 of our report, does not take into account the trading results of Blumont and its controlled entities subsequent to 31 December 2013, except to the extent of specific transactions itemised in Note 3 of Appendix 3.

#### **12. Other Matters**

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased conclusion on this matter.

In conducting the review we have complied with the independence requirements of the Corporations Act 2001 and the applicable code of professional conduct.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant’s Report.

Moore Stephens Perth, a related practice entity of Moore Stephens Perth Corporate Services Pty Ltd, has also provided a letter for inclusion in the Bidders Statement summarising the tax implications of the offer for Blumont shareholders. Moore Stephens Perth will receive a professional fee for the preparation of this letter.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Bidder’s Statement and accordingly makes no representations or

warranties as to the completeness and accuracy of any information contained in any other part of the Bidder's Statement.

Yours faithfully

A handwritten signature in black ink that reads "Neil Pace". The signature is written in a cursive, flowing style.

Neil Pace  
Director

Signed at Perth this 19<sup>th</sup> day of March 2014.

**BLUMONT GROUP LTD**  
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**CONDENSED**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

Summarised below is the Company's unaudited actual and unaudited notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013. The unaudited notional condensed consolidation Statement of Profit or Loss and Other Comprehensive Income illustrates what the financial performance of the Company would have been had it owned Genesis from 1 January 2013 (the results of Blumont and Genesis have been combined, without adjustment - it does not incorporate the pro-forma adjustments set out in Note 3 of Appendix 3).

	Note	Unaudited Actual 31.12.2013 S\$'000	Unaudited Notional 31.12.2013 S\$'000
<b>Revenue</b>	5	3,604	3,604
Other (losses)/gains – net	6	(73,417)	(73,316)
Expenses			
- Raw material and consumables used		(1,234)	(1,234)
- Employee benefits	7	(2,119)	(3,433)
- Others	8	(9,865)	(11,208)
- Finance	9	(198)	(287)
Total expenses		<u>(13,416)</u>	<u>(16,162)</u>
<b>(Loss)/Profit for the year</b>		<u>(83,229)</u>	<u>(85,874)</u>
Income tax benefit	10	9,839	9,839
<b>(Loss)/Profit for the year</b>		<u>(73,390)</u>	<u>(76,035)</u>
<b>Other comprehensive (loss)/income</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Actuarial gains/(losses) on defined benefit plan		112	112
<b>Items that reclassified and may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations		(1,215)	(1,135)
Net change in fair value of financial assets, available for sale		1,662	1,662
Reclassification of currency translation reserve on disposal of subsidiary		-	
<b>Other comprehensive (loss)/income net of tax</b>		<u>559</u>	<u>639</u>
<b>Total comprehensive (loss)/income for the year</b>		<u>(72,831)</u>	<u>(75,396)</u>

To be read in conjunction with the accounting policies set out in Appendix 3

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**CONDENSED**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

(cont'd)

	Note	Unaudited Actual 31.12.2013 S\$'000	Unaudited Notional 31.12.2013 S\$'000
<b>(Loss)/Profit for the year attributable to:</b>			
Owners of the Company		(72,837)	(75,482)
Non-controlling interests		(553)	(553)
		<u>(73,390)</u>	<u>(76,035)</u>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company		(71,902)	(74,467)
Non-controlling interests		(929)	(929)
		<u>(72,831)</u>	<u>(75,396)</u>
<b>(Losses)/Earnings per share attributable to owners of the Company (expressed in cents)</b>			
- Basic	11	(3.88)	(3.16)
- Diluted	11	<u>(3.88)</u>	<u>(3.16)</u>
<b>Allocation of Notional Comprehensive (loss)/income</b>			
- Blumont			(72,831)
- Genesis			<u>(2,565)</u>
			<u>(75,396)</u>

To be read in conjunction with the accounting policies set out in Appendix 3

**BLUMONT GROUP LTD**  
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**CONDENSED**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2013**

	Note	Unaudited Actual 31.12.2013 S\$'000	Unaudited Pro-forma 31.12.2013 S\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	2,534	6,227
Financial assets, at fair value through profit or loss	13	18,389	17,119
Trade and other receivables	14	1,645	1,720
Other current assets	15	226	227
Development properties	16	5,630	5,630
Assets held for sale	17	2,003	2,003
		<u>30,427</u>	<u>32,926</u>
<b>Non-current assets</b>			
Exploration & Evaluation Expenditure	18	-	38,170
Derivative assets	23	533	533
Goodwill arising on consolidation	20	8,047	8,047
Investment properties	21	1,658	1,658
Financial assets, available-for-sale	22	44,392	52,441
Property and equipment	24	2,613	2,873
Other non-current assets		2	3
Deferred tax assets	29	87	87
		<u>57,332</u>	<u>103,812</u>
<b>Total Assets</b>		<u>87,759</u>	<u>136,738</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	25	6,389	6,274
Borrowings	26	5,762	20,494
Current income tax liabilities		93	93
		<u>12,244</u>	<u>26,861</u>
<b>Non-current liabilities</b>			
Employee compensation	28	391	391
Borrowings	26	208	208
Deferred tax liabilities	29	28	28
		<u>627</u>	<u>627</u>
<b>Total liabilities</b>		<u>12,871</u>	<u>27,488</u>
<b>Net Assets</b>		<u>74,888</u>	<u>109,250</u>

To be read in conjunction with the accounting policies set out in Appendix 3

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**AND ITS SUBSIDIARIES**

**CONDENSED**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2013**

(cont'd)

	Note	Unaudited Actual as at <u>31.12.2013</u> S\$'000	Unaudited Pro-forma as at <u>31.12.2013</u> S\$'000
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	30	99,042	135,680
Reserves	31	(832)	(832)
Accumulated losses		<u>(25,944)</u>	<u>(28,220)</u>
		72,266	106,628
<b>Non-controlling interests</b>		<u>2,622</u>	<u>2,622</u>
<b>Total Equity</b>		<u><u>74,888</u></u>	<u><u>109,250</u></u>

To be read in conjunction with the accounting policies set out in Appendix 3

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

**31 DECEMBER 2013**

**1 Significant Accounting Policies**

(a) Basis of Preparation

The unaudited actual and unaudited notional and pro-forma condensed consolidated financial information of Blumont and its controlled entities (the “Group”) for the year ended 31 December 2013 has been prepared on a condensed basis in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the “Act”) and Singapore Financial Reporting Standards (“FRS”), including related Interpretations of FRS (“INT FRS”), which are consistent with Australian Equivalents to International Financial Reporting Standards – “AIFRS”.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial information of the Group is presented in Singapore dollars, which is the functional currency of the Company and all values presented are rounded to the nearest thousand (“S\$’000”) unless otherwise stated.

The condensed consolidated financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group’s audited annual report for the year ended 31 December 2013 (when available) the Group’s audited annual report for the year ended 31 December 2012 and the Group’s quarterly results announcements made during the last 12 months, which are available on the Company’s and SGX’s websites.

The financial information has been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Accounting policies and methods of computation used in the condensed consolidated financial information are consistent with those applied in the Group’s audit reviewed consolidated management accounts for the year ended 31 December 2013.

(b) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

*Adoption of New/Revised FRS which are effective*

On 1 January 2013, the Group and the Company adopted the following revised/amended FRS which are effective and are relevant to the Group and the Company and mandatory for application:

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

**31 DECEMBER 2013**

**1 Significant Accounting Policies (cont'd)**

(b) Changes in Accounting Policies (cont'd)

		Effective for annual periods beginning <u>on or after</u>
Amendments to FRS 1	<i>Presentation of items of Other Comprehensive Income</i>	1 July 2012
Improvements to FRS 2012:		1 January 2013
- Amendments to FRS 1	<i>Presentation of Financial Statements</i>	
- Amendment to FRS 16	<i>Property, Plant and Equipment</i>	
- Amendment to FRS 32	<i>Financial Instruments: Presentation</i>	
Amendments to FRS 107	<i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
FRS 19	<i>Employee Benefits</i>	1 January 2013
FRS 113	<i>Fair Value Measurement</i>	1 January 2013

The adoption of these new or revised FRSs did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current and prior financial years, except for the Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*, FRS 19 *Employee Benefits* and FRS 113 *Fair Value Measurement*. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*, FRS 19 *Employee Benefits* and FRS 113 *Fair Value Measurement* are described below:-

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*.

On 1 January 2013, the Group adopted the amendments to FRS 1 which are effective for annual periods beginning on or after 1 July 2012.

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**31 DECEMBER 2013**

**1 Significant Accounting Policies (cont'd)**

(b) Changes in Accounting Policies (cont'd)

The amendments to FRS 1 changes the grouping of items presented in other comprehensive income. Items that will be reclassified subsequently to profit or loss when specific conditions are met would be presented separately from items that will not be reclassified subsequently to profit or loss. As the amendments only affect the presentation of items that are already recognised in other comprehensive income, there is no impact on the financial position or performance of the Group upon adoption of these amendments.

*Revised FRS 19 Employee Benefits*

On 1 January 2013, the Group adopted the Revised FRS 19 *Employee Benefits*, which is effective for annual periods beginning on or after 1 January 2013.

For defined benefit plans, the Revised FRS 19 requires all actuarial gains and losses to be recognised in other comprehensive income and unvested past service costs previously recognised over the average vesting period to be recognised immediately in profit or loss when incurred.

Prior to adoption of the Revised FRS 19, the Group recognised actuarial gains and losses as income or expense when the net cumulative unrecognised gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognised unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon adoption of the revised FRS 19, the Group changed its accounting policy to recognised all actuarial gains and losses in other comprehensive income and all past service costs in profit or loss in the period they occur.

The Revised FRS 19 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset which is calculated by multiplying the net balance sheet defined benefit liability or asset by the discount rate used to measure the employee benefit obligation, each as at the beginning of the annual period.

The Revised FRS 19 also amended the definition of short-term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits. In addition, the Revised FRS 19 modifies the timing of recognition for termination benefits. The modification requires the termination benefits to be recognised at the earlier of when the offer cannot be withdrawn or when the related restricting costs are recognised.

There is a new term "remeasurements". This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

"Employee compensation" as previously reported has been restated at the reporting dates to reflect the effect of the above. Amounts have been restated as at 1 January 2012 as

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**31 DECEMBER 2013**

**1 Significant Accounting Policies (cont'd)**

(b) Changes in Accounting Policies (cont'd)

S\$517,858 (previously S\$492,665) and 31 December 2012 as S\$609,568 (previously S\$455,961).

The effect of the change in accounting policy on the statement of cash flows and on earnings per share was immaterial.

*FRS 113 Fair Value Measurement*

FRS 113 establishes a single source of guidance under FRS for all fair value measurements of both financial and non-financial items.

FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

The application of FRS 113 has not materially impacted the fair value measurements carried out by the Group. The Group provides these disclosures in Note 30(d).

(c) Group Accounting

(i) *Subsidiaries*

*Consolidation*

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

**31 DECEMBER 2013**

**1 Significant Accounting Policies (cont'd)**

(c) Group Accounting (cont'd)

(i) *Subsidiaries* (cont'd)

Consolidation (cont'd)

Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity in the consolidated statement of financial position, it is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill on the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standards.

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**31 DECEMBER 2013**

**1 Significant Accounting Policies (cont'd)**

(c) Group Accounting (cont'd)

(i) *Subsidiaries* (cont'd)

*Disposals of subsidiaries or businesses*

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(ii) *Transactions with non-controlling interest*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

(d) Goodwill

Goodwill on acquisitions of subsidiaries on or after 1 January 2011 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2011 and on acquisition of joint ventures and associates represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained earnings in the year of acquisition and not recognised in the income statement on disposal.

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**1 Significant Accounting Policies (cont'd)**

(d) Goodwill (cont'd)

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 1(t) Foreign currencies.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in S\$ at the rates prevailing at the date of acquisition.

(e) Revenue Recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and/or rendering of services in the ordinary course of business, net of goods and services/value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognise revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(i) *Rendering of services*

Revenue from sterilisation contracts are recognised when sterilisation services have been rendered.

(ii) *Sale of development properties*

Revenue from the sale of development properties is recognised using the percentage-of-completion method based on the stages of completion. Under the percentage-of-completion method, profit is recognised only in respect of sales procured and to the extent that such profit relate to the progress of construction work. The stage of completion is measured by reference to the sales contract per certification by architects.

In all other instances, revenue from sale of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

(iii) *Property and project management fees*

Property and project management fees are recognised when services are rendered under the terms of the contract.

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**1 Significant Accounting Policies (cont'd)**

(e) Revenue Recognition (cont'd)

(iv) *Rental income*

Rental income from operating lease (net of any incentives given to the lessees) is recognised on a straight-line method over the lease term as set out in specific rental agreements.

(v) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(vi) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

(f) Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes and land that is held for long-term capital appreciation or for a current indeterminate use), are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value, determined annually by independent professional valuers on the highest-and-best use basis.

Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property and equipment set out in the accounting policies for "Property and Equipment" up to the date of change in use.

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**1 Significant Accounting Policies (cont'd)**

(g) Property and Equipment

(i) *Measurement*

All property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(ii) *Depreciation*

Freehold land has an unlimited useful life and is therefore not depreciated.

Depreciation of other property and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Freehold building	20 years
Renovations	5 years
Furniture and fittings	5 years
Office, computer and other equipment	3, 5 and 8 years
Cobalt isotope	10 years
Motor vehicles	7 and 8 years

The residual values, estimated useful lives and depreciation method of property and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(iii) *Subsequent expenditure*

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) *Disposal*

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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**1 Significant Accounting Policies (cont'd)**

(h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings are capitalised in the cost of the property under development.

Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to development expenditures that are financed by general borrowings.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period using the effective interest method in which they are incurred.

(i) Impairment of Non-Financial Assets

(i) *Property and equipment*  
*Investments in subsidiaries*

Property and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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**1 Significant Accounting Policies (cont'd)**

(i) Impairment of Non-Financial Assets (cont'd)

(i) *Property and equipment*  
*Investments in subsidiaries (cont'd)*

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised estimate of its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in profit or loss.

(ii) *Goodwill*

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated, from the acquisition date, to each of the Group's CGU or groups of CGU, that are expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(j) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

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**1 Significant Accounting Policies (cont'd)**

(k) Financial Assets

(i) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

*Financial assets, at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling it in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within twelve months after the end of the reporting period.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are presented as current assets, except for those expected to be realised later than twelve months after the end of the reporting period which are presented as non-current assets.

Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

*Financial assets, available-for-sale*

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. These are presented as non-current assets unless management intends to dispose of the assets within twelve months after the end of the reporting period.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on a trade date - the date on which the Group commits to purchase or sell the asset.

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**1 Significant Accounting Policies (cont'd)**

(k) Financial Assets (cont'd)

(ii) *Recognition and derecognition (cont'd)*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(iii) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as an expense in profit or loss.

(iv) *Subsequent measurement*

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets, at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(v) *Impairment*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

*Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and

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**1 Significant Accounting Policies (cont'd)**

(k) Financial Assets (cont'd)

(v) *Impairment* (cont'd)

Loans and receivables (cont'd)

the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Financial assets, available-for-sale

In addition to the objective evidence of impairment described above, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense.

The impairment losses recognised as an expense on equity securities are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(l) Development Properties

Development properties are those properties, which are held with the intention of development and sale in the ordinary course of business. These are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

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**1 Significant Accounting Policies (cont'd)**

(m) Assets Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less cost to sell.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense in profit or loss. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

(n) Employee Compensation

(i) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee benefits expense when they are due, unless they can be capitalised as an asset.

(ii) *Provision for employee benefits*

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Payments to defined contribution retirement benefit plans are recognised as an expense when the employees have rendered service entitling them to the contributions.

A subsidiary in the Group has an unfunded defined benefit plan covering substantially all of their eligible permanent employees in accordance with the Labour Law No. 13 Year 2004 ("Law No. 13/2004") of Indonesia. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actual gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of plan amendment. Net interest is calculated by

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**1 Significant Accounting Policies (cont'd)**

(n) Employee Compensation (cont'd)

(ii) *Provision for employee benefits (cont'd)*

applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. Net interest expense or income; and
- c. Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'employee benefits'. Curtailment gains and losses are accounted for as past service costs.

(iii) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Market vesting conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date.

At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

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**1 Significant Accounting Policies (cont'd)**

(n) Employee Compensation (cont'd)

(iii) *Share-based compensation (cont'd)*

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

(o) Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

(p) Trade and Other Payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(q) Leases

(i) *When the Group is the lessee:*

*Lessee - Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the statement of financial position as property and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

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**1 Significant Accounting Policies (cont'd)**

(q) Leases (cont'd)

(i) *When the Group is the lessee:* (cont'd)

Lessee - Finance leases (cont'd)

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on the basis that reflects a constant periodic rate of interest on the finance lease liability.

Lessee - Operating leases

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the leases.

When a lease is terminated before the lease period expires, any payment made (or received) by the Group as penalty is recognised as an expense (or income) when termination takes place.

(ii) *When the Group is the lessor:*

Lessor - Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

(r) Inventories

Inventories are carried at the lower of cost, using the weighted average method, and net realisable value. Inventories comprise materials and supplies to be consumed in the rendering of sterilisation services.

Net realisable value is the estimated selling price of sterilisation services less applicable costs of conversion to complete their services and applicable variable selling expenses. Allowance is made for damaged, obsolete and slow-moving inventories.

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**1 Significant Accounting Policies (cont'd)**

(s) Income Tax

Income tax expense represents the sum of the income tax currently payable and deferred tax.

(i) *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) *Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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**1 Significant Accounting Policies (cont'd)**

(s) Income Tax (cont'd)

(ii) *Deferred tax* (cont'd)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfy the criteria for separate recognition when a business combination is initially accounted for but is subsequently realised, the acquirer shall recognise the resulting deferred tax income in profit or loss or a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale. The directors of the Company reviewed Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the Amendments to FRS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

(iii) *Current income and deferred tax for the period*

Current and deferred tax are recognised as income or an expense in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

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**1 Significant Accounting Policies (cont'd)**

(t) Foreign Currencies

(i) *Functional and presentation currency*

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Singapore Dollars ("SGD\$ or S\$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) *Transactions and balances*

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

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**1 Significant Accounting Policies (cont'd)**

(t) Foreign Currencies (cont'd)

(iii) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at an average exchange rate (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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**1 Significant Accounting Policies (cont'd)**

(u) Provisions (cont'd)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive directors who are responsible for allocating resources and assessing performance of the operating segments.

(w) Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(x) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure, including the cost of acquisition in relation to separate areas of interest for which rights of tenure are current, are brought to account in the year in which they are incurred and are carried at cost.

The exploration expenditure is carried forward as an asset where:

- (i) It is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest or by its sale; or
- (ii) Exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Where there has been a decision to proceed with the development, accumulated expenditure is amortised over the life of the associated resource once mining operations commence.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

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**1 Significant Accounting Policies (cont'd)**

(x) Exploration, evaluation and development expenditure (cont'd)

The key points that are considered in this review include:

- Planned drilling programs;
- Environmental issues that may impact the underlying tenements;
- The estimated market value of the assets at the review date; and
- The results of pre-feasibility studies.

Information used in the review process is rigorously tested to externally available information as appropriate.

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**2 Critical Accounting Estimates, Assumptions and Judgements**

In the process of applying the Group's accounting policies, management has made judgements that are expected to have a significant effect on the amounts recognised in the financial statements and other key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

Employee Compensation

The present value of employee compensation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, rate of future salary increase and rate of resignation. Any changes in these assumptions will impact the carrying amount of employee compensation.

In determining the appropriate discount rate, management considers the interest rates of high quality corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. These bonds have a AA rating with low risk of default. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle employee compensation. Management does not expect any variable change in the assumptions used to determine the present value of employee compensation on an actuarial basis will result in the amount determined to be materially different.

The carrying amount of the Group's employee compensation as at 31 December 2013 is disclosed in Note 28.

Impairment of Trade and Other Receivables

Management reviews its loans and receivables for objective evidence of impairment at the end of each reporting date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effects in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

The carrying amount of the Group's trade and other receivables as at 31 December 2013 are disclosed in Note 14.

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**2 Critical Accounting Estimates, Assumptions and Judgements**

Income Taxes

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and taxability of certain income in each relevant tax jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Group's income tax liabilities as at 31 December 2013 is SGD\$93,520. The Group's deferred tax liabilities are disclosed in Note 29.

Impairment of exploration and mining interests

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to explore and exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of measured, indicated and inferred mineral resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations and changes to commodity prices). To the extent that capitalised expenditure is determined not to be recoverable in the future, this will reduce profit and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which the determination is made. The carrying amount of the Group's capitalised exploration and evaluation expenditure as at 31 December 2013 was SGD\$Nil (pro-forma SGD\$38,170,000).

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**3 The Preparation of the Unaudited Condensed Consolidated Pro-Forma Statement of Financial Position**

The 31 December 2013 unaudited condensed consolidated Statement of Financial Position of the Group has been adjusted to reflect the impact of the following transactions which have or are expected to take place subsequent to 31 December 2013:

- The acquisition by Blumont of all the issued and outstanding shares in Genesis satisfied by the issue of 509,549,791 Blumont shares at SGD\$0.0719 per share. On this basis the consideration is valued at SGD\$36.637 million.
- The issue of shares by Genesis, subsequent to 1 January 2014, relating to a share placement with investors, placing 11,764,706 fully paid ordinary shares at a price of AUD\$0.085 each for total cash consideration of SGD\$1,127,600.
- Options in Genesis converted to shares, subsequent to 1 January 2014, resulting in the issue of 26,535,276 fully paid ordinary shares at a price of AUD\$0.10 each for total cash consideration of SGD\$2,992,118.
- The subscription by Blumont for 26,000,000 fully paid ordinary shares in the capital of Merlin Diamonds Limited at a subscription price of AUD\$0.075 per share for a total subscription price of AUD\$1.95 million (approximately S\$2,198,000).
- The accrual of an estimated SGD\$564,000 in costs to be incurred by the Company in relation to the acquisition of Genesis and an estimated SGD\$282,000 in associated stamp duty costs, and the subsequent expensing of these costs in the Statement of Profit or Loss and other Comprehensive Income.
- Approximately SGD\$11,349,000 (net) has been drawn down on the Wintercrest financing facility. This was utilised for acquiring financial assets - available for sale (funds advanced to Azarga, Celsius and Cokal) of SGD\$4,490,000, for repayment of trade and other payables of SGD\$4,430,000, for working capital of SGD\$1,000,000 and for various expenses of SGD\$1,429,000. In addition an amount of approximately SGD\$1,270,000 of financial assets – at fair value through profit or loss has been disposed of with the funds utilised for acquiring financial assets – available for sale (funds advanced to Azarga).
- The statement of financial position for Genesis for the year ended 31 December 2013 has been translated from Australian Dollars (AU\$) to Singapore Dollars (SGD\$) at an exchange rate of AUD\$1 to SGD\$1.1276 which is the exchange rate quoted in the proposed takeover bid announcement on 24 January 2014.

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**4 The Preparation of the Unaudited Condensed Consolidated Pro-Forma Statement of Financial Position**

Details of the acquisition of Genesis transaction, provisionally measured are:

	<b>S\$'000</b>
Purchase consideration	<u>36,637</u>
Assets and liabilities held at acquisition date, at estimated fair values:	
Cash	4,892
Other current assets	2
Trade & other receivables	75
Property, plant and equipment	260
Mining interests – exploration & evaluation	38,170
Other financial assets	89
Other non-current assets	1
Trade & other payables	(3,456)
Provisions	(13)
Borrowings	(3,383)
	<u><b>36,637</b></u>

**5 Revenue**

	<b>Actual</b>	<b>Pro-forma</b>
	<b>31.12.2013</b>	<b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Revenue from sterilisation contracts	2,550	2,550
Revenue from sale of development properties	1,010	1,010
Revenue from property management fees	20	20
Rental income	24	24
	<u><b>3,604</b></u>	<u><b>3,604</b></u>

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**6. Other (Losses)/Gains - Net**

	<b>Actual</b> <b>31.12.2013</b>	<b>Pro-forma</b> <b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Revenue arising from investment holding:		
Management fee income	555	555
Fair value (losses)/gains - net (Note 13)		
- financial assets held for trading	-	-
- financial assets, at fair value through profit or loss	(64,090)	(64,090)
(Losses)/Gains on the disposal of financial assets, at fair value through profit or loss - net	(700)	(700)
	<u>(64,235)</u>	<u>(64,235)</u>
Interest income		
- bank balances	26	26
- loan facility and convertible notes	542	542
- others	83	184
Currency exchange gains/(losses) - net	33	33
(Loss)/Gain on disposal of property and equipment	(9)	(9)
Losses on disposal of investment properties and assets held for sale	(27)	(27)
Property and equipment written off	-	-
Write-back/(Allowance) for foreseeable losses	144	144
Impairment losses of financial assets, available for sale	(10,023)	(10,023)
Miscellaneous income	49	49
	<u>(73,417)</u>	<u>(73,316)</u>

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**7 Employee Benefits**

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Short term employee benefits	1,873	3,187
Post employment benefits	53	53
Other long term employee benefits	68	68
Termination costs	125	125
	<b>2,119</b>	<b>3,433</b>

**8 Other Expenses**

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Allowance for impairment on other receivables – third party	2,837	2,837
Audit fees:		
- auditors of the Company	140	140
- underprovision in prior year	7	94
- other auditors	13	13
Travelling expenses	250	615
Transaction costs	1,049	1,049
Upkeep expenses	255	255
Marketing and advertising	90	90
Depreciation of property and equipment (Note 24)	379	379
Directors' fees - current year	102	102
Legal professional and consultancy fees	1,514	2,129
Management service fee	505	505
Drawdown of financing loan and legal fees	2,022	2,022
Rental expense - operating leases	122	122
Others	580	856
	<b>9,865</b>	<b>11,208</b>

Transaction costs arose from various acquisitions and disposals of financial assets at fair value through profit or loss.

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**9. Finance Expense**

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
<b>Interest expense</b>		
- share margin financing facility	24	24
- finance lease liabilities	17	17
- financing facility	157	246
	<u>198</u>	<u>287</u>

**10. Income Tax Benefit**

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Income tax benefit comprised:		
Current income tax	222	222
Deferred tax (Note 29)	<u>(10,029)</u>	<u>(10,029)</u>
	(9,807)	(9,807)
(Over)/Under provision in prior years		
- current income tax	<u>(32)</u>	<u>(32)</u>
Total income tax expense/(benefit)	<u>(9,839)</u>	<u>(9,839)</u>

The income tax expense on the (loss)/profit before income tax differs from the amount that would arise using the Singapore statutory rate of income tax as explained below:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
(Loss)/Profit before income tax	<u>(83,229)</u>	<u>(85,874)</u>
Tax calculated at a tax rate of 17%	(14,149)	(14,599)
Effect of different tax rates in other countries	60	60
Tax exempt revenues	(24)	(24)
Income not subject to tax	(325)	(325)
Expenses not deductible for tax purposes	4,564	4,564
Deferred tax assets not recognised	67	517
(Over)/Under provision of income tax in prior years	<u>(32)</u>	<u>(32)</u>
	<u>(9,839)</u>	<u>(9,839)</u>

The tax rate used for the 2013 year reconciliations above is the corporate tax rate of 17% payable by corporate entities in Singapore (which are the major operating entities of the Group) on taxable profits under tax laws in that jurisdiction.

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**11. (Losses)/Earnings per Share**

(a) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing the net loss attributable to equity holders of the Company of SGD\$72,837,441 (pro-forma SGD\$75,482,000) by the weighted average number of ordinary shares outstanding of 1,877,852,984 (pro-forma 2,387,402,775).

(b) Diluted (losses)/earnings per share

For the purpose of calculating diluted (losses)/earnings per share, it was based on net loss attributable to equity holders of the Company of SGD\$72,837,441 (pro-forma SGD\$75,482,000) divided by the weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares, of 1,877,852,984 (pro-forma 2,387,402,775). As at 31 December 2013, the diluted (losses)/earnings per share is the same as the basic (losses)/earnings per share as there were no dilutive potential ordinary shares.

**12. Cash and Cash Equivalents**

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Cash at bank and on hand	1,273	4,966
Short-term bank deposits	1,261	1,261
	<u>2,534</u>	<u>6,227</u>

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised the following:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
<b>Cash and bank balances (as above)</b>	2,534	6,227
<b>Less: Bank deposits pledged</b>	<u>(3)</u>	<u>(3)</u>
Cash and cash equivalents per consolidated statement of cash flows	<u>2,531</u>	<u>6,224</u>

Bank deposits of the Group were pledged to a bank to secure a bank guarantee facility for the Group.

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**13. Financial Assets, at Fair Value through Profit or Loss**

	<b>Actual</b> <b>31.12.2013</b>	<b>Pro-forma</b> <b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Balance at beginning of the year	100,386	100,386
Additions	151,133	151,133
Disposals	(169,040)	(170,310)
Fair value (losses)/gains - net (Note 6)	(64,090)	(64,090)
Balance at end of the year	<u>18,389</u>	<u>17,119</u>
<i>At fair value on initial recognition</i>		
Listed securities:		
Equity securities - Singapore	18,366	17,096
Equity securities - Malaysia	23	23
	<u>18,389</u>	<u>17,119</u>
<i>Held for trading</i>		
Listed securities:		
Equity securities - Singapore	-	-
	<u>18,389</u>	<u>17,119</u>

Certain financial assets, at fair value through profit or loss, of the Group amounting to SGD\$774,320 have been pledged as security for share margin financing facilities provided to the Group [Note 26(a)].

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**14. Trade and Other Receivables**

	<b>Actual</b> <b>31.12.2013</b>	<b>Pro-forma</b> <b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Trade receivables		
- third parties (a)	307	307
Other receivables – third parties (b), (c)	4,175	4,250
Less: Allowance for impairment (c)	<u>(2,837)</u>	<u>(2,837)</u>
Other receivables – net	1,338	1,413
Total trade and other receivables	<u>1,645</u>	<u>1,720</u>

- (a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days.
- (b) In 2012, other receivables included a deposit with a third party which amounted to SGD\$4,200,000 for future purchase of investment securities. The purchase was completed on 25 February 2013 for a consideration of SGD\$3,530,038 with a refundable of SGD\$669,962 which was received in March 2013.
- (c) In 2013, other receivables included an advance payment made to a third party to secure a potential investment in subscription for new shares in Resource Generation Limited ("RES"), estimated to be between AUD\$20,970,000 to AUD\$22,110,000. On 18 December 2013, the Group entered into a deed of settlement with RES to amend the terms of a Share Subscription Agreement ("SSA") which was entered into on 16 September 2013. The completion date under the SSA was extended to 26 February 2014. As stipulated in the deed of settlement, the Group had paid AUD\$2,500,000 (equivalent to SGD\$2,837,500) as an advance payment towards payment for the subscription price for the placement shares. If the Group failed to pay to RES the balance payment by 26 February 2014 (which it subsequently did fail to do), the amount of AUD\$2,500,000 will be forfeited. On 26 February 2014 the Company notified RES that it had elected not to proceed with the subscription and the share subscription agreement was deemed terminated as of that date. As at 31 December 2013, the advance payment of SGD\$2,837,500 was fully impaired.

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**15. Other Assets**

	<b>Actual 31.12.2013 S\$'000</b>	<b>Pro-forma 31.12.2013 S\$'000</b>
<b>Current</b>		
Deposits	85	85
Prepayments	138	138
Inventories	1	1
	<u>224</u>	<u>224</u>
<b>Non-current</b>		
Prepayments	2	3
	<u>2</u>	<u>3</u>
Total other assets	<u><u>226</u></u>	<u><u>227</u></u>

The cost of inventories recognised as an expense and included in "Raw materials and consumables used" amounted to SGD\$1,234,214.

**16. Development Properties**

	<b>Actual 31.12.2013 S\$'000</b>	<b>Pro-forma 31.12.2013 S\$'000</b>
Properties for development representing mainly land, at cost	5,536	5,536
Less: Allowance for foreseeable losses	-	-
	<u>5,536</u>	<u>5,536</u>
Completed units, at cost	94	94
	<u><u>5,630</u></u>	<u><u>5,630</u></u>

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**16. Development Properties (cont'd)**

- (a) On 7 October 2010, the Group, through Phelago Holdings Pte. Ltd., a wholly-owned subsidiary, entered into a conditional sale and purchase agreement with Capri Investments L.L.C. ("Capri Investments") to acquire thirty-seven (37) units of lots of land for development of residential lots and commercial centre in the United States of America for a total purchase consideration of SGD\$2,956,219. The proposed acquisition was approved during an extraordinary general meeting of the Company held on 25 April 2011. On 28 September 2011, the Group had completed the above proposed acquisition. The purchase consideration was satisfied by the issuance of 197,081,240 new ordinary shares of the Company on the basis of SGD\$0.015 each, amounting to SGD\$2,956,219.

Following the completion of the proposed acquisition in 2011, the Group disposed of 13 units of the properties for a cash consideration of SGD\$1,009,993 during the current financial year, which was included in revenue in profit or loss and included in the property segment.

In 2013, the Company wrote back an allowance for foreseeable losses of SGD\$143,512 on the basis of all units sold during the financial year, which was included in "Other (losses)/gains - net" in profit or loss and included in the property segment.

- (b) Details of the Group's development properties are as follows:

<u>Description and Location</u>	<u>Usage</u>	<u>Tenure, (unexpired terms) and Land Area (square metre)</u>	<u>Stage of Completion and (Expected Year of Completion)</u>	<u>Effective Interest in Property</u>	<u>Net Book Value</u>	
					<u>2013</u>	<u>2012</u>
				%	S\$'000	S\$'000
Vacant land for development of apartments Malaysia  H.S. (D) 181352, P.T. No. 948, Section 13, Town of Shah Alam, District of Petaling, Selangor	Commercial	Leasehold, (88 years) 7,863 sq. metre	- *	65	5,536	5,643
In 201213 lots of land for development of residential lots and commercial centre United States of America Plat of Falling Water, Division 3, Phase 1, A P.D.D., Washington Auditor's No. : 200610185004, Pierce County, Washington	Commercial	Freehold, 7,766 sq. metre	- (2014)	100	-	977

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**16. Development Properties (cont'd)**

(b) Details of the Group's development properties are as follows: (cont'd)

<u>Description and Location</u>	<u>Usage</u>	Tenure, (unexpired terms) and Land Area ( <u>square metre</u> )	Stage of Completion and (Expected Year of Completion)	Effective Interest in Property  %	Net Book Value	
					<u>2013</u> S\$	<u>2012</u> S\$
1 unit shop lot Malaysia • Kota Kinabalu Country • Lease No. 015400987, Town of Menggatal, District of Kota Kinabalu, Sabah	Commercial	Leasehold, (902 years) 100 sq. metre	100% (2010)	100	94	91
					5,630	6,712

- The development of vacant land for development of apartments is yet to commence and is subject to the revised proposal of development to be submitted to authority for approval.

**17. Assets Held for Sale**

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Balance at beginning of the year	460	460
Transferred from investment property (Note 21)	2,003	2,003
Currency translation differences	-	-
Disposals	(460)	(460)
Balance at end of the year	2,003	2,003

In 2013, the non-current asset held for sale comprises the investment properties at Parcel No. 5-9 (Type C), 5-11 (Type B1), 12-10 (Type E1) and 13a-6 (Type B), Clear Water Residence, Malaysia reclassified for sale after the year end, of which sale and purchase agreement dated 13 January 2014 had been entered with an external party for the disposal of No. 5-9 (Type C). The Group had entered into a sale and purchase agreement on 26 December 2013 with an external party for the disposal of 12-10 (Type E1).

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**18. Exploration and Evaluation Expenditure**

	<b>Actual 31.12.2013 S\$'000</b>	<b>Pro-forma 31.12.2013 S\$'000</b>
Exploration & Evaluation		
Book value of expenditure incurred	-	14,445
Measurement to estimated fair value	-	23,725
Net Book Value	<u>-</u>	<u>38,170</u>

Exploration and evaluation expenditure carried forward relate to the costs of acquisition, exploration and evaluation in relation to separate areas of interest within Genesis's mineral projects, of which rights of interest are current and it is expected that the expenditure will either be recovered through successful development and exploitation or the exploration activities are continuing and activities have not yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project has been abandoned the expenditure incurred thereon is written off in the year in which the decision is made.

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**19. Investments in Subsidiaries/Loans to Subsidiaries**

(a) The subsidiaries held by the Company and the sub-subsidiaries as at 31 December 2013 are as follows:

<u>Name of companies</u> <u>Country of business/incorporation</u>	<u>Principal activities</u>	<u>Effective equity held by the Group</u>	
		<u>2013</u> %	<u>2012</u> %
<b><u>Held by the Company</u></b>			
Adroit Innovations Investment Pte Ltd <sup>(a)</sup> Singapore	Investment holding	100	100
G1 Investments Pte. Ltd. <sup>(a)</sup> Singapore	Investment holding	100	100
Tria Holdings Pte. Ltd. <sup>(a)</sup> Singapore	Investment holding	100	100
Asphere Holdings Pte. Ltd. <sup>(a)</sup> Singapore	Investment holding	100	100
Tyzen Holdings Pte. Ltd. <sup>(a)</sup> Singapore	Investment holding	100	100
Phelago Holdings Pte. Ltd. <sup>(a)</sup> Singapore	Investment holding	100	100
Raintree Rock Sdn. Bhd. <sup>(b)</sup> Malaysia	Investment holding	100	100
Venturistic Holdings Pte. Ltd. <sup>(d)</sup> Singapore	Investment holding	-	100
Powerlite Ventures Limited <sup>(a)</sup> Singapore/British Virgin Islands	Investment holding	100	-
Blumont Copper Pte. Ltd. <sup>(a)</sup> Singapore	Investment holding and copper mining	85	-
<b><u>Held by Adroit Innovations Investment Pte Ltd</u></b>			
PT Rel-ion Sterilization Services <sup>(c)</sup> Indonesia	Sterilisation and polymerisation services	55.43	55.43
<b><u>Held by Tria Holdings Pte. Ltd.</u></b>			
Trackplus Sdn Bhd <sup>(b)</sup> Malaysia	Property development	65	65

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**19. Investments in Subsidiaries/Loans to Subsidiaries (cont'd)**

- (a) The subsidiaries held by the Company and the sub-subsidiaries as at 31 December 2013 are as follows: (cont'd)

Name of companies <u>Country of business/incorporation</u>	<u>Principal activities</u>	Effective equity held by the Group	
		<u>2013</u>	<u>2012</u>
		%	%
<b><u>Held by Asphere Holdings Pte. Ltd.</u></b>			
Gemisuria Corporation Sdn Bhd <sup>(e)</sup> Malaysia	Property development	100	100
<b><u>Held by G1 Investments Pte. Ltd.</u></b>			
Waddells International Limited <sup>(f)</sup> Singapore/British Virgin Islands	Investment holding	100	100

- (a) Audited by Moore Stephens LLP, Singapore.
- (b) Audited by Moore Stephens Associates PLT, Malaysia, a member firm of Moore Stephens International Limited of which Moore Stephens LLP is also a member.
- (c) Audited by Paul Hadiwinata, Hidajat, Arsono, Ade Fatma & Rekan, Indonesia.
- (d) This subsidiary was struck off from the Register under Section 344 of the Singapore Companies Act, Cap. 50 on 6 May 2013.
- (e) Audited by KBCF Tan, Malaysia.
- (f) No audit requirement in the country of incorporation.

(b) Acquisition of subsidiaries

In July 2013, the Group acquired 100% equity interest in Powerlite Ventures Limited ("PVL") for a consideration of SGD\$10,001,250 (including an assignment of shareholder's loans, of SGD\$5,715,000). The consideration was settled by transferring of certain financial assets, at fair value through profit or loss of the Group's subsidiary.

The principal activity of PVL is that of an investment holding company denominated in US\$.

The business combination was accounted for using the acquisition method. The fair values of the identifiable assets and liabilities of PVL as at the date of acquisition were:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
<b>Assets</b>		
Financial assets, available-for-sale	1,915	1,915
<b>Liabilities</b>		
Other payables	-	-
Total identifiable net assets at fair value	<b>1,915</b>	<b>1,915</b>

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**19. Investments in Subsidiaries/Loans to Subsidiaries (cont'd)**

(b) Acquisition of subsidiaries (cont'd)

	<b>Actual</b> <b>31.12.2013</b>	<b>Pro-forma</b> <b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Consideration transferred	10,001	10,001
Less: Fair value of identifiable net assets acquired	<u>(1,915)</u>	<u>(1,915)</u>
Goodwill arising on acquisition [Note 20]	<u>8,086</u>	<u>8,086</u>

The initial accounting for the acquisition of PVL has only been provisionally determined at the end of the reporting period. At the date of finalisation of these financial statements, the necessary market valuations and other calculations have not been finalised and they have therefore only been provisionally determined based on the directors' best estimate of the likely fair valuation of the identifiable assets and liabilities which approximate to the carrying amounts at the date of acquisition. The recorded amounts of goodwill are provisional and subject to change (within one year) to reflect changes in estimates.

Goodwill arose on the acquisition of PVL because the cost of the combination included a valuation premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and development of PVL. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

In September 2013, the Company incorporated a subsidiary, Blumont Copper Pte. Ltd., for a cash consideration of US\$100 or SGD\$127 with other 5 investors. The principal activity of Blumont Copper Pte. Ltd. are those of investment holding and copper mining.

In October 2012, the Company's wholly-owned subsidiary, G1 Investments Pte. Ltd. acquired a shell company, Waddells International Limited, incorporated in the British Virgin Islands for a cash consideration of US\$2 or SGD\$2. The principal activities of Waddells International Limited are those of investment holding.

(c) Acquisition of additional equity interest

In August 2012, the Company acquired the 43% equity interest in Venturistic Holdings Pte. Ltd. from the other shareholders for a cash consideration of S\$3, hence increasing the Company's equity interest from 57% to 100%. The carrying amount of the net liabilities of Venturistic Holdings Pte. Ltd. on the date of the acquisition was SGD\$568,730. Accordingly, the Group recognised an increase in non-controlling interests of SGD\$174,173 and a decrease in the Group's retained earnings of SGD\$174,176.

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**19. Investments in Subsidiaries/Loans to Subsidiaries (cont'd)**

(d) Strike-off of a subsidiary

In June 2012, the Company's wholly-owned subsidiary, Adroit Innovations Sdn Bhd, was struck off the Register. Accordingly, the Group has recognised a loss on disposal of the subsidiary amounted to SGD\$7,080. There is no material effect of the disposal on the cash flows of the Group.

**20. Goodwill Arising on Consolidation**

	<b>Actual</b> <b>31.12.2013</b>	<b>Pro-forma</b> <b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<u>Cost</u>		
Balance at the beginning of the year	-	-
Amounts recognised from business combinations occurring during the year (Note 19)	8,086	8,086
Currency translation differences	(39)	(39)
Balance at the end of the year	8,047	8,047

At 31 December 2013, the aggregate carrying amounts of goodwill recorded arose from acquiring the mineral and energy resources business segment in July 2013, giving the Group exposure to uranium projects. The consideration for the acquisition was based on the carrying amounts at the date of acquisition purchased. At the date of the financial statements, the necessary market valuations and other calculations have not been finalised and goodwill has therefore only been provisionally determined based on the directors' best estimate of the likely identifiable assets and liabilities. Hence, the recorded amounts of goodwill are provisional and subject to change (within one year) to reflect changes in estimates.

**21. Investment Properties**

	<b>Actual</b> <b>31.12.2013</b>	<b>Pro-forma</b> <b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Balance at beginning of the year	4,377	4,377
Currency translation differences	(134)	(134)
Additions	-	-
Disposals	(582)	(582)
Transfer to assets held for sale (Note 17)	(2,003)	(2,003)
Fair value gains recognised in profit or loss	-	-
Balance at end of the year	1,658	1,658

- (a) Investment properties are carried at fair value at the end of each reporting period as determined by reference to market evident of transaction prices of similar properties in the vicinity and independent professional valuers, which uses Direct Market Comparison Method.

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**21. Investment Properties (cont'd)**

(b) In 2013, an investment property at Parcel No. 13A-7 (Type A) Clear Water Residence, Malaysia was disposed, for which the Group had entered into a sale and purchase agreement on 6 June 2013 with an external party. The sale was completed in August 2013 after all conditions precedent, pursuant to terms of the sales and purchase agreement, have been met by the parties concerned.

(c) Details of the Group's investment properties are as follows:

<u>Description and Location</u>	<u>Usage</u>	<u>Tenure, (unexpired terms)</u>	<u>Net Book Value</u>	
			<u>2013</u> S\$'000	<u>2012</u> S\$'000
1 condominium unit Malaysia B-37-01, 37 <sup>th</sup> Floor, Block B Suasana Sentral Condominium, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur	Residential	Freehold	1,658	1,717
Nil (2012: 5) units of properties Malaysia 5-9, 5-11, 12-10, 13a-06 and 13a-07 Clear Water Residence, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur	Residential	Freehold	-	2,660
			1,658	4,377

(d) Investment properties are leased to non-related parties under operating leases.

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
The following amounts are recognised in profit or loss:		
Rental income from investment properties (Note 5)	24	24
Direct operating expenses (including repairs and maintenance) arising from rental generating properties	36	36

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**22. Financial Assets, Available-for-Sale**

	<b>Actual</b> <b>31.12.2013</b>	<b>Pro-forma</b> <b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Unquoted equity investment, at cost</b>		
Balance at the beginning of the year	406	406
Acquisition through business combinations	1,915	1,915
Additions	20,614	26,465
Balance at the end of the year	<u>22,935</u>	<u>28,786</u>
<u>Accumulated impairment</u>		
Balance at the beginning and end of the year	<u>(406)</u>	<u>(406)</u>
Net carrying amount	<u>22,529</u>	<u>28,380</u>
<b>Quoted equity investment, at cost</b>		
Balance at the beginning of the year	-	-
Additions	30,224	32,422
Fair value losses recognised in other comprehensive income	1,662	1,662
Balance at the end of the year	<u>31,886</u>	<u>34,084</u>
<u>Accumulated impairment</u>		
Balance at beginning of the year	-	-
Impairment loss	(10,023)	(10,023)
Balance at end of the year	<u>(10,023)</u>	<u>(10,023)</u>
Net carrying amount	<u>21,863</u>	<u>24,061</u>
Total financial assets, available-for-sale	<u><u>44,392</u></u>	<u><u>52,441</u></u>

In 2009, the Group recognised full impairment loss of SGD\$405,715 against the unquoted equity investment.

At the end of the reporting period, financial assets, available-for-sale with net carrying amount of SGD\$21,863,564 were pledged as security for borrowings [Note 26(c)] of the Group.

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**22. Financial Assets, Available-for-Sale (cont'd)**

On 6 February 2013, the Group has entered into a Convertible Note Agreement with Celsius Coal Limited ("Celsius"), to advance Celsius an amount of AUD\$5,000,000 at an interest of 12.5% per annum. The Group has the right to convert in part or in full into ordinary shares at the conversion price of the average of the volume weighted average share prices of Ordinary Shares trade on ASX over the period of 20 Trading Days, subject to a floor price of AUD\$0.025 per Ordinary Share and a cap of A\$0.03 per Ordinary Share; and respect of any Accrued Interest, AUD\$0.0275 per ordinary shares within 10 years after the first drawdown date. In 2013, AUD\$2,500,000 was drawn down.

On 28 August 2013, the Group has entered into an Amendment to Convertible Note Deed dated 22 May 2013 with Azarga Resources Limited ("Azarga"), to advance Azarga from US\$15,000,000 to US\$21,000,000 at an interest of 10% per annum. The Group has the right to convert in part or in full into ordinary shares at the conversion price of US\$0.50 per ordinary share in respect of both principal and interest within 10 years after the first drawdown date. In 2013, US\$12,000,000 was drawndown.

On 7 October 2013, the Group entered into a loan facility agreement with Cokal Limited ("Facility"), under which the Group shall make available a loan facility of up to US\$8,000,000 at an interest of 5%pa. The facility is secured for every US\$1,600,000 drawn, the Group will have a first ranking, fixed charge over Cokal Limited's shares in Cokal Holdings Pte. Ltd. equivalent to 1% of the total number of issued ordinary shares of Cokal Holdings Pte. Ltd.. As at 31 December 2013, the drawn down amount was SGD\$3,160,000 (US\$2,500,000).

In 2013 the equity instruments of the convertible notes of the Group of SGD\$532,570 are classified under derivative assets.

**23. Derivative Assets**

Derivative assets pertains to equity instrument of convertible notes classified in financial assets, available for sale.

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**24. Property and Equipment**

(a) <b>Actual 2013</b>	Freehold land S\$'000	Freehold building S\$'000	Furniture and fittings S\$'000	Office, computer and other equipment S\$'000	Cobalt isotope S\$'000	Motor vehicles S\$'000	Total S\$'000
At 1 January 2013	1,084	786	14	1,163	1,750	876	5,673
Currency translation differences	(196)	(125)	-	(196)	(317)	(79)	(913)
Additions	-	9	-	93	-	128	230
Disposals/Write off	-	-	-	-	-	(102)	(102)
At 31 December 2013	888	670	14	1,060	1,433	824	4,888
<u>Accumulated depreciation</u>							
At 1 January 2013	-	309	13	828	965	231	2,346
Currency translation differences	-	(54)	-	(132)	(196)	(28)	(410)
Depreciation during the year	-	41	-	56	165	117	379
Disposals/Write off	-	-	-	-	-	(40)	(40)
At 31 December 2013	-	296	13	751	934	280	2,275
<u>Net carrying amount</u>							
At 31 December 2013	888	374	1	309	499	544	2,613

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**24. Property and Equipment**

(b) **Pro-forma**

**2013**

Cost

At 1 January 2013	300	1,084	786	14	1,163	1,750	876	5,973
Currency translation differences	-	(196)	(125)	-	(196)	(317)	(79)	(913)
Additions	-	-	9	-	93	-	128	230
Disposals/Write off	-	-	-	-	-	-	(102)	(102)
At 31 December 2013	300	888	670	14	1,060	1,433	824	5,188

Accumulated depreciation

At 1 January 2013	40	-	309	13	828	965	231	2,386
Currency translation differences	-	-	(54)	-	(132)	(196)	(28)	(410)
Depreciation during the year	-	-	41	-	56	165	117	379
Disposals/Write off	-	-	-	-	-	-	(40)	(40)
At 31 December 2013	40	-	296	13	751	934	280	2,315

Net carrying amount

At 31 December 2013	260	888	374	1	309	499	544	2,873
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**24. Property and Equipment (cont'd)**

- (c) Included in the Group's additions of property and equipment during the current financial year were motor vehicles acquired under finance leases amounted to SGD\$59,114.

The carrying amount of the Group's motor vehicles held under finance leases as at 31 December 2013 amounted to SGD\$439,066.

**25. Trade and Other Payables**

	<b>Actual</b>	<b>Pro-forma</b>
	<b>31.12.2013</b>	<b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<u>Current</u>		
Trade payables		
- third parties (a)	-	3,470
Other payables	99	944
Accrued operating expenses	855	855
Amounts due to directors (b)	278	278
Advances from customers	-	-
Non-trade payable – third party (b)	5,000	570
Interest payables	157	157
	6,389	6,274

- (a) Trade payables from third parties are non-interest bearing and are settled on 30 to 60 days terms.
- (b) Amounts due to directors and non-trade payable – third party assignment are advances which are unsecured, interest-free and repayable on demand.

**26. Borrowings**

	<b>Actual</b>	<b>Pro-forma</b>
	<b>31.12.2013</b>	<b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Current</b>		
Share margin financing facility (a)	-	-
Finance lease liabilities (b), (Note 27)	74	74
Financing facility (c)	5,688	17,037
Genesis loan facility (d)	-	3,383
	5,762	20,494
<b>Non-current</b>		
Finance lease liabilities (b), (Note 27)	208	208
Total borrowings	5,970	20,702

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**26. Borrowings (cont'd)**

- (a) The share margin financing facility is secured by certain of the Group's financial assets, at fair value through profit or loss with a total carrying amount of SGD\$774,320 (Note 13). Interest is charged on a floating rate basis of 1% above prime lending rate.
- (b) Finance lease liabilities of the Group are effectively secured over the leased motor vehicles [Note 24(c)], as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities. The weighted average effective interest rates of finance lease liabilities ranges from 2013: 3.66% - 7.76%.
- (c) The financing facility of the Group is secured by financial assets, available-for-sale with a net carrying amount of SGD\$21,863,564 (Note 22). On 24 December 2013, the Group has entered into a facility agreement with Wintercrest Advisors LLC ("Wintercrest"), under which Wintercrest shall make available a financing facility of up to US\$30,000,000 at an interest of 10% per annum. The loan facility shall repaid in full by June 2014. At 31 December 2013, US\$4,500,000 was drawn down with a net proceeds of US\$2,900,000 after deduction of drawn down and legal fees of US\$1,600,000 (SGD\$2,022,400).
- (d) Genesis has obtained AUD\$3 million (SGD\$3,383 million) in loan facilities from unrelated third party lenders. The loan facilities are unsecured and any amount drawn down will bear interest at rates ranging from 8% - 10% per annum.

The loans are repayable in cash one year after the date of each loan provided that the Company has cash in excess of its working capital requirements. In the event that the Company does not have cash in excess of its working capital requirements to repay the loans, then there are only 2 options:

- (i) the date the loans are repayable will be extended; or  
(ii) the loans will be repaid by the issue of shares.
- (e) Fair Value of Non-current Borrowings

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
<b>Finance lease Liabilities</b>	201	201

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**26. Borrowings (cont'd)**

(e) Fair Value of Non-current Borrowings (cont'd)

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the date of the statement of financial position which management expects to be available to the Group as follows:

	<u>2013</u> %
<b>Finance lease liabilities</b>	<u>5.00 - 9.00</u>

**27. Finance Lease Liabilities (Secured)**

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Not later than one year	86	86
Later than one year but not later than five years	206	206
Later than five years	17	17
	<u>309</u>	<u>309</u>
Less: Future finance charges	(27)	(27)
Present value of finance lease Liabilities	<u>282</u>	<u>282</u>

Included in the financial statements (see Note 26) as:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Current borrowings	74	74
Non-current borrowings	208	208
	<u>282</u>	<u>282</u>

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**28. Employee Compensation**

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Present value of unfunded obligations	391	391

Movements in the present value of the defined benefit obligations during the financial year are as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Defined benefit obligations at beginning of the year	610	610
Benefits paid by the plan	(37)	(37)
Current service costs	37	37
Interest on obligations	31	31
Actuarial (gains)/losses recognised in other comprehensive income	(150)	(150)
Currency translation differences	(100)	(100)
Defined benefit obligations at end of the year	391	391

The amounts recognised in profit or loss during the financial year are as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Current service costs	37	37
Interest on obligations	31	31
Total, included in "Employee Benefits" (Note 7)	68	68

Actuarial gains and losses recognised in other comprehensive income during the financial year are as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Amount accumulated in retained earnings at beginning of the year	159	159
Recognised during the period	(150)	(150)
Currency translation differences	(9)	(9)
Amount accumulated in retained earnings at end of the year	-	-

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**28. Employee Compensation (cont'd)**

Principal actuarial assumptions at the end of the reporting period:

	<b>Actual &amp; Pro-forma 2013</b>
Discount rate	9% (2012: 5.5%)
Future salary increases	10%
Disability rate	10%
Resignation rate	3% per annum up to age 25 years old, reducing linearly to 1% per annum at age 45 years old and thereafter
Normal retirement age	55 years old
Retirement rate	100% at normal retirement age

**29. Deferred Income Taxes**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position as follows:

	<b>Actual 31.12.2013 S\$'000</b>	<b>Pro-forma 31.12.2013 S\$'000</b>
To be settled after one year		
- Deferred tax assets	87	87
- Deferred tax liabilities	(28)	(28)
Net balance at the end of the year	59	59

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**29. Deferred Income Taxes (cont'd)**

The movements in the deferred tax assets and liabilities (on an aggregated basis) during the financial year are as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Balance at beginning of the year, as previously reported	(9,953)	(9,953)
Effect of FRS 19	38	38
Balance at beginning of the year, as restated	<u>(9,915)</u>	<u>(9,915)</u>
Tax credited/(charged) to:		
- profit or loss (Note 10)	10,029	10,029
- other comprehensive income	(37)	(37)
	<u>9,992</u>	<u>9,992</u>
Currency translation differences	<u>(18)</u>	<u>(18)</u>
Balance at end of the year (net)	<u><u>59</u></u>	<u><u>59</u></u>

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of related tax benefits through future taxable profits is probable. The Group had the following unrecognised tax losses and capital allowances which can be carried forward and used to offset against future taxable income subject to meeting certain statutory tax requirements by those group entities with unrecognised tax losses and capital allowances in their respective countries of incorporation:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Capital allowances	58	58
Tax losses	31,523	35,422
	<u><u>31,581</u></u>	<u><u>35,480</u></u>

Included in the pro-forma column above are unused tax losses of AUD\$3,458,000 (potential tax benefit of AUD\$1,037,400) attributable to Genesis which have not been recognised in the pro-forma statement of financial position. The availability of these tax losses are however subject to applicable tax legislation in Australia which could result in the potential benefit not being realised.

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**29. Deferred Income Taxes (cont'd)**

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

Deferred Tax Assets:

	<u>Provisions</u> <u>S\$'000</u>
<b>Group 2013</b>	
Balance at beginning of the year, as restated	102
Currency translation differences	24
Tax (credited)/charged to:	
- profit or loss	7
- other comprehensive income	(46)
	(39)
Balance at end of the year	87

Deferred Tax Liabilities:

	<u>Accelerated tax depreciation</u> <u>S\$'000</u>	<u>Fair value gains of financial assets, at fair value through profit or loss</u> <u>S\$'000</u>	<u>Fair value gains of investment properties</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
<b>Group 2013</b>				
Balance at beginning of the year	50	9,988	29	10,067
Currency translation differences	(5)	-	(1)	(6)
Credited to profit or loss	(34)	(9,988)	-	(10,022)
Balance at end of the year	11	-	28	39

**30. Share Capital**

	<u>Number of ordinary shares</u>		<u>Amount</u>	
	<u>Actual</u> <u>31.12.2013</u> <u>S\$'000</u>	<u>Pro-forma</u> <u>31.12.2013</u> <u>S\$'000</u>	<u>Actual</u> <u>31.12.2013</u> <u>S\$'000</u>	<u>Pro-forma</u> <u>31.12.2013</u> <u>S\$'000</u>
Ordinary shares issued and fully paid:				
Balance at beginning of the year	1,692,505	1,692,505	55,509	55,509
Share issues	861,002	861,002	43,050	43,050
Issue of shares relating to acquisition of Genesis	-	509,550	-	36,637
Share issue expense	-	-	(222)	(222)
Share options exercised	29,500	29,500	706	706
Balance at end of the year	2,583,007	3,092,557	99,043	135,680

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**30. Share Capital (cont'd)**

- (a) In October 2013, the Company allotted and issued 861,002,293 new ordinary shares (the "Rights Shares") at an issue price of SGD\$0.05 for each Rights Share for cash SGD\$42.67 million deriving net proceeds from the Rights Issue amounted to SGD\$43,050,115. The newly issued ordinary shares rank pari passu in all respects with the previously issued shares
- (b) In July 2012, the Company allotted and issued 250,000,000 new ordinary shares at an issue price of SGD\$0.0265 each in a private placement exercise for an aggregate consideration of SGD\$6,625,000. The placement proceeds are to be used for the Group's working capital and fund future growth and business expansion. The newly issued ordinary shares rank pari passu in all respects with the previously issued shares.

Further in September 2012, the Group completed the acquisition of certain investment properties for a total purchase consideration of SGD\$3,154,000, in which the Company allotted and issued 180,000,000 new ordinary shares amounted to SGD\$2,700,000, being approximately 85.61% in part of the total purchase consideration of the said acquisition. The newly issued ordinary shares rank pari passu in all respects with the previously issued shares.

Share Options

The share options scheme adopted on 16 May 2000 ("ESOS II") expired on 15 May 2010. On 22 April 2013, the Company adopted a new share options scheme ("Blumont ESOS 2013").

Blumont Group Ltd. Share Option Scheme II (the "ESOS II")

At an Extraordinary General Meeting held on 16 May 2000, the members of the Company approved the ESOS II. ESOS II continued in operation for a maximum duration of ten years with no further options to be granted under the ESOS II after 15 May 2010.

Under the ESOS II, the Committee may grant to executives of the Group and non-executive directors of the Company options to subscribe for unissued ordinary shares in the Company. Executive of the Group and non-executive directors of the Company who are controlling shareholders and associates of such controlling shareholders are not eligible to participate in the ESOS II.

The Committee may grant options at a price equivalent to the then prevailing market price of the shares or at a discount of up to twenty per cent of the market price. Where the options are granted at the then prevailing market price, the options may be exercised not earlier than the first anniversary of the date on which the option is offered. Where the options are granted at a discount to the then prevailing market price, the options may be exercised not earlier than the second anniversary of the date on which the option is offered.

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**30. Share Capital (cont'd)**

Blumont Group Ltd. Share Option Scheme II (the "ESOS II") (cont'd)

Particulars of the ESOS II and the options granted in 2001 under the ESOS II (hereinafter called the "ESOS II Options 2001") were set out in the Directors' Report for the financial year ended 30 June 2001.

Particulars of the ESOS II and the options granted in 2002 under the ESOS II (hereinafter called the "ESOS II Options 2002") were set out in the Directors' Report for the financial year ended 30 June 2002.

The share options granted by the Committee pursuant to the ESOS II Options 2001 and 2002 to executives of the Group had been forfeited as the participants had left the Group before the options were vested.

Particulars of the ESOS II and the options granted in 2010 under the ESOS II (hereinafter called the "ESOS II Options 2010") were set out in the Directors' Report for the financial year ended 31 December 2010.

Under the ESOS II Options 2010, the options granted carry no rights to dividends and no voting rights. Options may be exercised of any time from the date of vesting to the date of their expiry. No amount is paid or payable by the participants on the receipt of the option.

Movements in the number of unissued ordinary shares under ESOS II Options 2010 and their exercise prices are as follows:

	← No. of ordinary shares under option →					Exercise price	Exercise period
	Beginning of the year	Granted during financial year	Forfeited during financial year	Exercised during financial year	End of the year		
<b>Group and Company</b>							
Employees	24,500,000	-	-	(24,500,000)	-	S\$0.02	14 May 2011 to 13 May 2020
Non-executive directors	5,000,000	-	-	(5,000,000)	-	S\$0.02	14 May 2011 to 13 May 2015

29,500,000 options granted in 2010 under the ESOS II Option 2010 had been exercised in the financial year ended 31 December 2013. The new ordinary shares allotted and issued rank *pari passu* in all respects with the then existing ordinary shares.

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**30. Share Capital (cont'd)**

Blumont Group Ltd. Share Option Scheme II (the "ESOS II") (cont'd)

The fair value of options granted was measured based on the Black Scholes Pricing model. The inputs used in the measurement of the fair values at grant date of the ESOS II Options 2010 were as follows:

Date of grant	14 May 2010
Share price at grant date	S\$0.02
Expected volatility	10%
Option life	5 to 10 years
Dividend yield	-
Risk-free interest rate	1.27% to 2.59%

The expected volatility is based on the movement of the underlying share price around its average share price over the expected term of the option.

*Reconciliation of outstanding share options*

The number and weighted average exercise prices of share options under ESOS II Options are as follows:

	Weighted average exercise price <u>2013</u>	Number of options <u>2013</u>	Weighted average exercise price <u>2012</u>	Number of options <u>2012</u>
Outstanding at beginning of the year	S\$0.02	29,500,000	S\$0.02	32,500,000
Forfeited during the year	-	-	S\$0.02	(3,000,000)
Exercised during the year	S\$0.02	<u>(29,500,000)</u>	-	<u>-</u>
Outstanding at end of the year		<u>-</u>	S\$0.02	<u>29,500,000</u>
Exercisable at 31 December	-	<u>-</u>	S\$0.02	<u>29,500,000</u>

At 31 December 2013, the exercise price of the options outstanding was S\$0.02 and a weighted average contractual life of 5.50 years.

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**30. Share Capital (cont'd)**

Blumont Employee Share Option Scheme 2013 (the "Blumont ESOS 2013")

At an Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont ESOS 2013, for granting of non-transferable options to employees (including executive directors) and non-executive directors of the Company.

The Blumont ESOS 2013 is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Mr Calvin Lim Huan Kim (Chairman) and Mr Goh Boon Kok.

The Blumont ESOS 2013 shall continue to be in force at the discretion of the Compensation Committee for a period of 10 years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

Under the Blumont ESOS 2013, options may be exercised after 1<sup>st</sup> anniversary of the date of grant and before the 5<sup>th</sup> anniversary of such date of grant for non-executive directors and the 10<sup>th</sup> anniversary of such date of grant for group employees.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

- (a) fixed at the Market Price ("Market Price Option") equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three (3) consecutive trading days immediately preceding the date of grant of that option; or
- (b) set at a discount to a Market Price ("Discount Option"), provided that the maximum discount shall not exceed twenty per cent. (20%) of the Market Price.

During the financial year, no options to take up unissued shares of the Company or its subsidiaries were granted.

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

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**30. Share Capital (cont'd)**

**Performance Share Plan**

The Blumont Performance Share Plan (“Blumont PSP”) was approved by the members of the Company at an Extraordinary General Meeting held on 22 April 2013, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

The Blumont PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Mr Calvin Lim Huan Kim (Chairman) and Mr Goh Boon Kok.

The Blumont PSP shall continue to be in force at the discretion of the Compensation Committee for a period of 10 years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

A participants’ award under the Blumont PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant’s performance and/or contribution to the Company.

Awards granted under the Blumont PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the Blumont PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

Since the commencement of the Blumont PSP up to the end of the financial year, there were no share awards have been granted.

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**30. Share Capital (cont'd)**

Capital Management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising share capital, reserves, retained earnings/(accumulated losses) and net debts, which includes borrowings net of cash and cash equivalents.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

Consistently, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt ÷ adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less deferred tax liabilities and cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital reserves, and retained earnings/accumulated losses) and non-controlling interests other than amounts recognised in equity relating to cash flow hedges, and includes some forms of subordinated debt, if any.

There were no changes in the Group's approach to capital management during the current and previous financial years.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group's net debt-to-adjusted capital ratio at the end of the reporting date is as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Net debt	10,309	21,233
Total equity	74,888	109,250
	<u>85,197</u>	<u>130,483</u>
Debt-to-adjusted capital ratio	<u>12%</u>	<u>16%</u>

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**31. Reserves**

	<b>Actual</b>	<b>Pro-forma</b>
	<b>31.12.2013</b>	<b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
(a) Composition:		
Share-based payment reserve	-	-
Currency translation reserve	(2,494)	(2,494)
Fair value reserve	1,662	1,662
	(832)	(832)
(b) Movements during the financial year are as follows:		
	<b>Actual</b>	<b>Pro-forma</b>
	<b>31.12.2013</b>	<b>31.12.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
(i) Share-based payment reserve		
Balance at beginning of the year	116	116
ESOS II Options 2010		
- Share options forfeited	-	-
- Share options exercised	(116)	(116)
Balance at end of the year	-	-
(ii) Currency translation reserve		
Balance at beginning of the year	(1,705)	(1,705)
Reclassification on disposal of a subsidiary	-	-
Net currency translation differences of financial statements of foreign subsidiaries	(1,215)	(1,215)
	(1,215)	(1,215)
Less: Non-controlling interests	426	426
Balance at end of the year	(2,494)	(2,494)
(iii) Fair value reserve		
Balance at beginning of the year	-	-
Net change in fair value of available-for-sale of financial assets	1,662	1,662
Balance at end of the year	1,662	1,662

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**32. Commitments**

(a) Operating Lease Commitments - where the Group is a lessee

The Group leases an office and certain office equipment from non-related parties under non-cancellable operating leases. The operating lease expenses charged to profit or loss during the financial year is disclosed in Note 8.

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the end of the reporting date but not recognised as liabilities in the financial statements, are analysed as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Not later than one year	97	97
Later than one year but not later than five years	-	-
	<u>97</u>	<u>97</u>

The leases entered into by the Group do not include any contingent rentals, renewal purchase option or any escalation clauses.

(b) Undrawn Advance and Loan Commitments

Commitments not recognised at the end of the reporting date in the financial statements are as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Commitment - undrawn advances/loans (Note 22)	<u>27,467</u>	<u>27,467</u>

(c) Others

The Company has given an undertaking to continue to provide financial support to certain subsidiaries for the next twelve months from the date of authorisation of their financial statements.

(d) Exploration Permits – Exploration Requirements

In order to maintain current rights of tenure to exploration permits, Genesis is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations may vary over time, depending on the Company's exploration program and priorities.

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**32. Commitments (cont'd)**

(d) Exploration Permits – Exploration Requirements (cont'd)

These obligations, which include a portion relating to rent, are not provided for in the financial report and are payable as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Due within one year	-	552
Due later than one year and not later than five years	-	64
Due later than five years	-	-
	<u>-</u>	<u>616</u>

The Laura River renewal application has been submitted. Genesis is awaiting confirmation from the mining registrar from Queensland. Consequently, no commitments relating to the tenement are captured above but the Company plans to meet the minimum expenditure requirements once known.

Commitments – Plavica Project

Genesis plans to meet the conditions of the joint venture agreement with its joint venture partner, Sileks; namely by paying for all work expenditures up to the completion of the final feasibility study to earn a 62% interest in the Plavica project in Macedonia. Expenditure for the 2014 financial year is estimated to be \$8,500,000, of which \$4,500,000 represents committed expenditures.

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**33. Financial Risk Management**

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk arising in the normal course of the Group's business. The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Risk management is carried out by the Group's executive management.

(a) **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rate and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) *Currency risk*

The Group operates internationally and is subject to various currency exposures, primarily with respect to the Malaysian Ringgit (RM), United States Dollars (USD), Indonesian Rupiah (IDR) and Australian Dollars (AUD). Currency risk arises from recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's foreign operations in Malaysia and Indonesia are kept at a minimal level. The Group does not presently hedge this foreign exchange exposure.

Generally, recognised assets and liabilities are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily Singapore Dollar, but also IDR, RM, USD and AUD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The Group monitors exposure of foreign currency risk on an ongoing basis by reviewing the liquid assets and liabilities held in currencies other than the Singapore Dollar to ensure that the net exposure are within acceptable parameters.

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**33. Financial Risk Management (cont'd)**

(a) Market Risk (cont'd)

(i) *Currency risk* (cont'd)

The Group's currency exposure based on the information provided to key management is as follows:

	Indonesian <u>Rupiah</u> \$'000	Malaysian <u>Ringgit</u> \$'000	United States <u>Dollars</u> \$'000	Australian <u>Dollars</u> \$'000
<b>Actual</b>				
Trade and other receivables	239	20	462	319
Cash and cash equivalents	1,684	208	54	-
Other financial assets	-	23	18,328	24,682
Trade and other payables	(37)	(249)	(65)	(144)
Other financial liabilities	(471)	(27)	(5,688)	-
	<u>1,415</u>	<u>(25)</u>	<u>13,091</u>	<u>24,857</u>
<b>Pro-forma</b>				
Trade and other receivables	239	20	462	394
Cash and cash equivalents	1,684	208	54	4,892
Other financial assets	-	23	22,828	26,881
Trade and other payables	(37)	(249)	(65)	(3,613)
Other financial liabilities	(471)	(27)	(15,546)	(3,000)
	<u>1,415</u>	<u>(25)</u>	<u>7,733</u>	<u>25,554</u>

A 1% strengthening of the Singapore Dollars against the following currencies at the end of the reporting date would increase/(decrease) (loss)/profit before income tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest and tax rates, remain constant and ignores any impact of forecasted sales and purchase.

	<b>Actual &amp; Pro-forma</b>	
	Profit <u>or loss</u> S\$'000	Equity <u>S\$'000</u>
<u>31 December 2013</u>		
Indonesian Rupiah	(14)	-
Malaysian Ringgit	-	-
United States Dollars	(131)	-
Australian Dollars	(40)	(219)
	<u>(185)</u>	<u>(219)</u>

A 1% weakening of the Singapore Dollars against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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**33. Financial Risk Management** (cont'd)

(a) Market Risk (cont'd)

(ii) *Price risk*

The 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 listed in Singapore, Malaysia, and Australia. The market value of these investments are affected, amongst others, by changes in market prices as a result of changes in global economic conditions, macro and micro economic factors affecting the relevant countries, where the investments are quoted, and factors specific to investee corporations. The fluctuations in market prices due to the above factors are unforeseen and the Group monitors these changes to respond to them as and when appropriate and necessary.

A 1% increase in the underlying equity prices at the end of the reporting date with all other variables including the tax rate being held constant would increase profit or loss before income tax or equity in both years by the following amount:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Equity	211	211
Profit or loss	<u>184</u>	<u>184</u>

A 1% decrease in the underlying equity prices would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(iii) *Cash flow and fair value interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risk arises primarily from non-current variable-rate borrowings, which had been fully repaid during the current financial year. As such interest rate sensitivity analysis is not being disclosed.

(b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group, and arises principally from the Group's receivables from customers, bank deposits and investment securities.

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**33. Financial Risk Management (cont'd)**

(b) Credit Risk (cont'd)

The carrying amount of financial assets in the statement of financial position represents the Group and Company's respective maximum exposure to credit risk, before taking into account any collateral held.

For trade receivables, the Group has a credit policy in place and monitors credit evaluation and exposure to credit risk on an ongoing basis. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level.

(i) *Trade and other receivables*

The Group does not require any collateral in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables at the end of the reporting date by geographic region is as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Singapore	605	605
Malaysia	20	20
Indonesia	239	239
United States of America	462	462
Australia	319	394
	<u>1,645</u>	<u>1,720</u>

The trade and other receivables of the Group comprised 5 debtors that individually represent 59% of trade and other receivables. There is no concentration of customer risk at the Company level.

The aging of trade and other receivables that were past due but not impaired at the end of the reporting date is as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
Past due less than 2 months	174	174
Past due more than 2 months	-	-
	<u>174</u>	<u>174</u>

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**33. Financial Risk Management** (cont'd)

(b) Credit Risk (cont'd)

(i) *Trade and other receivables* (cont'd)

Management believed that the unimpaired amounts that are past due are still collectible, based on historical payment behaviour and analysis of customer credit risk, including underlying customers' credit rating, where applicable.

The Group establishes an allowance for impairment that represents of incurred losses in respect of trade and other receivables based on expected collectivity of all receivables. The movements in the allowance for impairment in respect of trade and other receivables based on individual impairments during the financial year are as follows:

	<b>Actual</b> <b>31.12.2013</b> <b>S\$'000</b>	<b>Pro-forma</b> <b>31.12.2013</b> <b>S\$'000</b>
At 1 January and 31 December 2012	3	3
Impairment loss recognised	2,837	2,837
Amounts written off	<u>(3)</u>	<u>(3)</u>
As 31 December 2013	<u>2,837</u>	<u>2,837</u>

Based on management's monitoring of customer credit risk, management believed that, apart from the above, no impairment allowance is necessary in respect of trade and other receivables.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible, at that point, the amounts are considered irrecoverable and are written off against the financial assets directly.

(ii) *Investments*

The Group limits its exposure to credit risk on investments held by investing only in liquid marketable securities and with counterparties that have a good credit ratings. Management does not expect any counterparty to fail to meet its obligations, except for the impaired available-for-sale investments, which had been fully impaired (Note 22) in prior financial years.

The allowance account in respect of available-for-sale investments is used to record impairment losses unless the Group is satisfied that no recovery of the investment held is possible, at that point, the investments are considered irrecoverable and are written off against the financial assets directly.

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**33. Financial Risk Management (cont'd)**

(b) Credit Risk (cont'd)

(iii) *Cash and cash equivalents*

The Group held cash and cash equivalents of SGD\$2,534,408 (pro-forma SGD\$6,227,000) as at 31 December 2013, which represents their maximum credit exposure on these assets. The cash and cash equivalents are held with banks with good credit rating.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk by maintaining sufficient cash and marketable securities and the ability to close out market positions at a short notice. Where necessary, fund raising exercise will be considered through right issues and private placements.

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting date based on contractual undiscounted payments.

	<u>Carrying amounts</u> S\$'000	<u>Contractual amounts</u> S\$'000	<u>&lt; 1 year</u> S\$'000	<u>1 - 5 years</u> S\$'000	<u>&gt; 5 years</u> S\$'000	<u>Total</u> S\$'000
<b>Actual</b>						
<b>2013</b>						
Trade and other payables	6,389	6,389	6,389	-	-	6,389
Borrowings	5,970	6,285	6,062	206	17	6,285
	<u>12,359</u>	<u>12,674</u>	<u>12,451</u>	<u>206</u>	<u>17</u>	<u>12,674</u>
<b>Pro-forma</b>						
<b>2013</b>						
Trade and other payables	6,274	6,274	6,274	-	-	6,274
Borrowings	20,702	21,017	20,794	206	17	21,017
	<u>26,976</u>	<u>27,291</u>	<u>27,068</u>	<u>206</u>	<u>17</u>	<u>27,291</u>

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**33. Financial Risk Management (cont'd)**

(d) Fair Value Measurements

The Group categories fair value measurement using a fair values hierarchy that is dependent on the valuation inputs used as follows:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the financial assets and financial liabilities measured at fair value at the end of the reporting period by level of the fair value measurement hierarchy.

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<b>Actual</b>				
<b>2013</b>				
Financial assets at fair value through profit or loss				
- Trading securities	18,389	-	-	18,389
Financial assets, available-for-sale				
- Unquoted equities	-	-	22,529	22,529
- Quoted equities	21,863	-	-	21,863
	<hr/>			
<b>Pro-forma</b>				
<b>2013</b>				
Financial assets at fair value through profit or loss				
- Trading securities	17,119	-	-	17,119
Financial assets, available-for-sale				
- Unquoted equities	-	-	28,380	28,380
- Quoted equities	24,061	-	-	24,061
	<hr/>			

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. This instrument is included in Level 1.

Included in Level 3 is unquoted equity investments that are carried at fair value which approximates to the net book value of the investment. The movements of the Level 3 financial instruments are disclosed in Note 22.

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**34. Operating Segments**

Management has determined four reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Company's Executive Directors review internal management reports on at least a quarterly basis. The Group's reportable segments are as follows:

- Investment holding - investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.
- Sterilisation - providing contract sterilisation and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products.
- Property - development of properties for sale, long-term holding of properties for rental and related income.
- Mineral and energy resources – exploration, exploitation, development and production of mineral and energy resources, and investments in mineral and energy resources projects, entities and companies..

Information regarding the results of each reportable segment is included below. Performance is measured based on segment (loss)/profit before income tax, as included in the internal reports that are reviewed by the Company's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

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**34. Operating Segments (cont'd)**

Information about reportable segments

<b>ACTUAL</b>	<u>Investment holding</u> S\$'000	<u>Sterilisation</u> S\$'000	<u>Property</u> S\$'000	<u>Mineral &amp; Energy Resources</u> S\$'000	<u>Total</u> S\$'000
<b>Year ended 31 December 2013</b>					
<b>External revenues</b>	-	2,550	1,054	-	3,604
Other losses	(64,235)	-	-	-	(64,235)
Interest income	83	26	-	542	651
Finance expense*	-	-	-	(157)	(157)
Depreciation	(56)	(291)	(32)	-	(379)
<b>Reportable segment (loss)/profit before income tax</b>	<b>(68,144)</b>	<b>967</b>	<b>(319)</b>	<b>(15,733)</b>	<b>(83,229)</b>
<b>Other material non-cash items</b>					
- write-back of allowance for foreseeable losses	-	-	144	-	144
- allowance for impairment on other receivables – third parties	-	-	-	(2,837)	(2,837)
- impairment losses on financial assets available-for-sale	-	-	-	(10,023)	(10,023)
- fair value losses on financial assets, at fair value through profit or loss	(64,090)	-	-	-	(64,090)
<b>Other material items</b>					
Capital expenditure					
- property and equipment	5	225	-	-	230
- investment properties	-	-	-	-	-
- goodwill arising on consolidation	-	-	-	8,086	8,086
<b>Segment assets</b>	<b>16,712</b>	<b>4,346</b>	<b>9,680</b>	<b>56,934</b>	<b>87,672</b>
Unallocated assets - deferred tax assets					87
<b>Consolidated total assets</b>					<b>87,759</b>
<b>Segment liabilities</b>	<b>2,982</b>	<b>428</b>	<b>2,676</b>	<b>6,382</b>	<b>12,468</b>
Unallocated liabilities:					
- borrowings*					282
- current income tax liabilities					93
- deferred tax liabilities					28
					403
<b>Consolidated total liabilities</b>					<b>12,871</b>

\* The borrowings have not been disclosed by segment as this item is managed on a Group basis and are not provided to the Company's Executive Directors at the operating segment level.

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**34. Operating Segments (cont'd)**

Information about reportable segments (cont'd)

<b>PRO-FORMA</b>	Investment holding S\$'000	Sterilisation S\$'000	Property S\$'000	Mineral & Energy Resources S\$'000	Total S\$'000
<b>Year ended 31 December 2013</b>					
<b>External revenues</b>	-	2,550	1,054	-	3,604
Other losses	(64,235)	-	-	-	(64,235)
Interest income	83	26	-	542	651
Finance expense*	-	-	-	(157)	(157)
Depreciation	(56)	(291)	(32)	-	(379)
<b>Reportable segment (loss)/profit before income tax</b>	<b>(68,144)</b>	<b>967</b>	<b>(319)</b>	<b>(18,378)</b>	<b>(85,874)</b>
<b>Other material non-cash items</b>					
- write-back of allowance for foreseeable losses	-	-	144	-	144
- allowance for impairment on other receivables – third parties	-	-	-	(2,837)	(2,837)
- impairment losses on financial assets available-for-sale	-	-	-	(10,023)	(10,023)
- fair value losses on financial assets, at fair value through profit or loss	(64,090)	-	-	-	(64,090)
<b>Other material items</b>					
Capital expenditure					
- property and equipment	5	225	-	-	230
- investment properties	-	-	-	-	-
- goodwill arising on consolidation	-	-	-	8,086	8,086
<b>Segment assets</b>	<b>15,442</b>	<b>4,346</b>	<b>9,680</b>	<b>107,183</b>	<b>136,651</b>
Unallocated assets - deferred tax assets					87
<b>Consolidated total assets</b>					<b>136,738</b>
<b>Segment liabilities</b>	<b>2,982</b>	<b>428</b>	<b>2,676</b>	<b>20,999</b>	<b>27,085</b>
Unallocated liabilities:					
- borrowings*					282
- current income tax liabilities					93
- deferred tax liabilities					28
					403
<b>Consolidated total liabilities</b>					<b>27,488</b>

\* The borrowings have not been disclosed by segment as this item is managed on a Group basis and are not provided to the Company's Executive Directors at the operating segment level.

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**34. Operating Segments (cont'd)**

Geographical segments

The Group's four business segments operate in four main geographical areas - Singapore (country of domicile), Malaysia, Indonesia and other areas. The other areas include countries of domicile in Canada, Australia, the United States of America and British Virgin Islands, where the actual assets are located in various countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	<b>Actual &amp; Pro-forma</b>	<b>Actual</b>	<b>Pro-forma</b>
	<b><u>External revenues</u> S\$'000</b>	<b><u>Non-current assets</u> * S\$'000</b>	<b><u>Non-current assets</u> * S\$'000</b>
<b>2013</b>			
Singapore	-	28,124	28,124
Malaysia	44	1,763	1,763
Indonesia	2,551	2,229	2,229
Others	1,010	17,082	63,562
	<u>3,605</u>	<u>49,198</u>	<u>95,678</u>

\* Non-current assets exclude deferred tax assets and goodwill arising on consolidation.

Information about major customers

Included in revenue arising from sterilisation services of S\$2.55 million are revenues of approximately S\$0.54 million which arose from sales to the Group's two largest customers.

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**35. New or Revised Accounting Standards and Interpretations**

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2014 or later periods and which the Group has not early adopted.

Description	Effective for annual periods beginning on or after
FRS 27 (Revised) <i>Separate Financial Statements</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2014
Amendments to FRS 36 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27 <i>Investments Entities</i>	1 January 2014
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014

The management expect that the adoption of the new standards above will have no material impact on the financial statements in the period of initial application.

**36. Non-Cash Transactions**

- (a) In 2013, the Group had acquired 100% equity interest in Powerlite Ventures Limited for US\$7,875,000 (including the assignment of loans provided by the vendor to Powerlite Ventures Limited of US\$4,500,000). The purchase consideration was satisfied by the disposal of the certain Singapore quoted equities which amounted to SGD\$10,001,250.

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**37. Proposed Acquisition**

On 16 September 2013, the Company entered into a conditional share subscription agreement with Resource Generation Limited ("RES"), a company incorporation in Australia with a dual-listing on the Australian Securities Exchange and the Johannesburg Stock Exchange, to subscribe for new shares up to 15% of the enlarged share capital of Resource Generation Limited at a subscription price of AUD\$0.22 per share. On 18 December 2013, the Company has entered into a deed of settlement to amend the terms of the Share Subscription Agreement, under which the completion date has been extended to 26 February 2014. On 25 February 2014 the Company notified RES that it had elected not to proceed with the subscription and the share subscription agreement will be deemed terminated on 26 February 2014.

**38. Contingent liability**

Prospect Resources Limited ("PSC")

On 11 July 2013, the Company together with Alexander Molyneux and Pacific Advisers Pte Ltd (collectively, the "Consortium"), through a company to be incorporated, entered into a conditional subscription agreement with Prospect Resources Limited ("PSC").

On 31 October 2013 the Consortium issued a notice to PSC to terminate the subscription agreement with immediate effect as certain conditions had not been satisfied or waived by the Consortium.

As announced by Blumont to SGX-ST on 13 December 2013, Blumont is a defendant to proceedings brought by PSC in the Supreme Court of New South Wales against the Consortium relating to the termination of the Subscription Agreement. Also as announced on 1 November 2013 the Company maintains that the Termination Notice issued by the Consortium in relation to the Subscription Agreement remains valid and intends to vigorously defend its position in the Proceedings.

**39. Subsequent Events**

- (a) On 21 December 2012, the Company entered into a conditional sale and purchase agreement to acquire the entire issued share capital of 2,500,000 ordinary shares of Hudson Minerals Holdings Pte. Ltd., a company incorporated in Singapore, for an aggregate purchase consideration of up to SGD\$48,000,000 (including an assignment of debt of such amount of the Hudson shareholders' loans by its shareholders to Hudson on completion). The purchase consideration comprises cash consideration of SGD\$8,000,000 and the balance of SGD\$40,000,000 shall be satisfied by the allotment and issue of an aggregate up to 194,836,000 new ordinary shares of the Company, subject the production of Iron Ore Products.

On 8 January 2014, the Company entered into a termination agreement with the vendors to terminate the sales and purchase agreement.

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**39. Subsequent Events (cont'd)**

(b) On 24 January 2014, the Company entered into a bid implementation deed (the "Implementation Deed") with GES, pursuant to the Company had agreed to make an off-market takeover bid (the "Takeover Bid") to acquire all the fully paid ordinary shares in the capital of GES ("GES Shares"). The consideration to be offered under the Takeover Bid is to be satisfied by way of an allotment of 5.3 new fully paid ordinary shares in the capital of the Company's shares (the "Shares") for every two GES Shares, up to a maximum of approximately 509,549,791 new Shares (the "Consideration Shares"), subject to any fractional entitlements being rounding up to the nearest whole Consideration Shares. The Company have yet to lodge and issue a bidder's statement to the shareholders of GES, to acquire all the GES Shares.

(c) On 16 February 2014, the Company entered into a subscription application letter with Merlin Diamonds Limited ("MED"), pursuant to which the Company has agreed to subscribe for 26,000,000 fully paid ordinary shares in the capital of MED at the subscription price of AUD\$0.075 per MED share for a total subscription price of AUD\$1,950,000 (SGD\$2,198,000). The subscription consideration will be fully satisfied in cash, funded from the internal resources of the Group, and paid to MED upon completion of the subscription. The subscription is intended to be applied towards the further development of MED's flagship Merlin Diamond mine project.

On 28 February 2014, MED has allotted 13,333,333 shares to the Company and with an outstanding 12,666,667 shares to be allotted to the Company on completion.

(d) As set out in Note 22 the Group has entered into a Convertible Note Deed whereby it has made available to Azarga a facility for the sum of up to US\$21.0 million (approximately SGD\$27.7 million). PVL (a wholly owned subsidiary of the Company) and Azarga have entered into an amendment to the Deed dated 27 February 2014 to increase the Azarga Facility by US\$5.0 million (the "Additional US\$5.0 million") to US\$26.0 million (approximately SGD\$33.0 million). Each draw down by Azarga under the Azarga Facility shall be for an amount to be mutually agreed between PVL and Azarga. Azarga may draw down on the Additional US\$5.0 million under the Azarga Facility in 2015 subject to PVL and Azarga mutually agreeing on a draw-down schedule before the end of 2014. The Azarga Facility Loans will also be correspondingly increased to US\$26.0 million (Approximately SGD\$33.0 million). All other provisions of the Deed remain unchanged and in force.

As at the date of this announcement, Azarga has drawn down US\$15.0 million of the Azarga Facility and the Company has provided US\$15.0 million of the Azarga Facility Loans.

(e) Proposed Acquisition of 100% of Merlin Diamonds Limited ("Merlin")

On 28 February 2014 Blumont announced that it had on 28 February 2014 entered into an Implementation Deed Agreement to make an off-market takeover bid for all the issued shares of Merlin that are not owned by Blumont.

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**39. Subsequent Events (cont'd)**

(e) Proposed Acquisition of 100% of Merlin Diamonds Limited (“Merlin”) (cont'd)

The proposed acquisition by Blumont of all the issued shares in Merlin is to be satisfied by the issue of up to 1,021,597,879 Blumont shares at approximately SGD\$0.0602 per share (based on Blumont’s volume weighted average share price on 27 February 2014). On this basis the consideration is valued at approximately SGD\$61.5 million. When combined with Blumont’s existing investment of SGD\$2.199 million the total purchase consideration is SGD\$63.699 million).

Details of the proposed acquisition of Merlin (based on Merlin’s 31 December 2013 consolidated statement of financial position, adjusted for post 31 December 2013 share placements), provisionally measured, for illustrative purposes are;

	<b>S\$'000</b>
Purchase consideration	<u>63,699</u>
Assets and liabilities held at acquisition date, at book values;	
Cash	17,084
Other current assets	5,114
Inventories	35
Property, plant and equipment	5,921
Mining interests – development expenditure	11,734
Other financial assets	1,860
Trade & other payables	(9,705)
Employee & rehabilitation provisions	(1,426)
Financial liabilities	<u>(72)</u>
	30,545
Premium on acquisition (not yet allocated)	33,154
	<u><u>63,699</u></u>

NB. Merlin does not adopt the same accounting policy as Blumont in relation to exploration, evaluation and development expenditure. Unlike Blumont, exploration and evaluation expenditure is expended to the statement of profit or loss and other comprehensive income, except for acquisition costs and expenditure incurred after a decision to proceed to development is made, in which case the expenditure is capitalised as an asset.

The proposed acquisition of Merlin is not reflected in the pro-forma statement of financial position of Blumont as at 31 December 2013 as the takeover bid is subject to a number of conditions.

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**39. Subsequent Events (Cont'd)**

(f) Movements in Values of Financial Assets

Financial Assets, at fair value through profit or loss (Note 13) and Financial Assets, available for sale (Note 22) can fluctuate in value, either up or down, over relatively short periods of time. Between 31 December 2013 and the date of this report the values of these assets has changed as follows;

- Financial Assets, at fair value through profit or loss – decreased by approximately SGD\$3.5 million.
- Financial Assets, available for sale – decreased by approximately SGD\$2 million

BLUMONT  
—— 博诺有限公司 ——

[www.blumontgroup.com](http://www.blumontgroup.com)

# BLUMONT GROUP LTD

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

## Return your Form:

✉ **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 2115 Melbourne  
Victoria 3001 Australia

## For all enquiries:

☎ **Phone:**  
(within Australia) 1300 459 512  
(outside Australia) +61 3 9415 4290

┌ 000001 000  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Acceptance Form

## ISSUER

### Your form must be received by the end of the Offer Period

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Blumont Group Ltd ("Blumont") to acquire all of your shares in Genesis Resources Limited ("Genesis") (ACN 114 787 469) the terms of which are set out in the Bidder's Statement from Blumont dated 21 March 2014 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued in respect of the name(s) as they appear on the latest copy of the Genesis register of shareholders, as provided to Blumont. The current address recorded by Blumont is printed above and overleaf. If you have recently bought or sold Genesis Shares your holding may differ from that shown. If you have already sold all your Genesis Shares, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Genesis Shares. As detailed in the Bidder's Statement, provided you are not an Ineligible Foreign Shareholder, you have two choices as to how you can elect to receive the Blumont Shares (being Option 1 or Option 2 as detailed on the back of this Acceptance Form.) Please mark only one of Option 1 or Option 2. If you do not make an election or your election is invalid or indistinct, you will be deemed to have elected Option 1 (i.e. to receive Blumont Shares in certified form, by way of a physical share certificate). Please refer to the Bidder's Statement for more information.

### Step 2: Accept the Offer continued...

If you are an Ineligible Foreign Shareholder any election under Step 2 will be invalid. Instead you will receive the net cash sale proceeds of Blumont Shares sold through a nominee (further details of this process are included in the Bidder's Statement).

#### Option 1 - Receive Blumont Shares in certificated form

If you wish to receive a physical share certificate, please choose this option.

#### Option 2 - Deposit the Blumont Shares in a CDP Securities Account

If you wish to receive the Blumont Shares in a CDP Securities Account (either your account or that of your nominee), please choose this Option. You will be required to provide further information as specified in the back of this Acceptance Form.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach a certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Company Secretary.

**Overseas Companies:** Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form →**



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# Acceptance Form

For your security keep your SRN/  
HIN confidential.

## STEP 1 Registration Name & Offer Details

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

**Offer Details:** Securityholding as at 7.00pm (Sydney time) 21 March 2014:

**2000**

By accepting the Offer for ALL of your Genesis Shares, you are accepting the Offer for ALL the Genesis Shares as recorded by Blumont as being held by you at the date your acceptance is processed (even if different to the number stated above).

## STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Genesis Shares. The consideration applicable is set out in the terms of Blumont's Offer. As detailed in the Bidder's Statement for the Offer, there are two ways you can elect to receive the Offer Consideration. Please mark **ONE** of the boxes below to choose the method in which you wish to receive the Offer Consideration. If you do not make an election or your election is invalid or indistinct, you will be deemed to have elected Option 1 (i.e. to receive the Blumont Shares in certificated form by way of a physical share certificate).

**Option 1**  Have the Blumont Shares issued to you in certificated form (by way of a physical share certificate).

**Option 2**  Have the Blumont Shares issued in uncertificated form to your CDP Securities Account or your nominee's CDP Securities Account. Please complete the details below.

Name CDP Securities Account  
(as appears with CDP)

CDP Securities Account Number  
(starting with 1681-)

State nationality or place of incorporation/registration of nominee  
(as appears with CDP)

National Registration Identity Card or Passport  
Number (if an individual) (as appears with CDP)

Company/Business Registration Number (if not  
an individual) (as appears with CDP)

Address (as appears with CDP)

If the Blumont Shares to be issued as the Offer Consideration are being issued to a nominee's CDP Securities Account, please also provide the following information

Ultimate beneficial owners's name:

If you have not returned a copy of this Acceptance Form to CIS to accept the Offer, please email a scanned copy to blumont@computershare.com.au.

## STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Blumont for all of my/our Genesis Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Genesis Shares as per the above instruction. By selecting Option 2 above I/we unconditionally and irrevocably direct, authorise and instruct Blumont to issue the Blumont Shares which I/we are entitled to receive from my/our acceptance of the Offer to the CDP Securities Account stated above in lieu of a share certificate being issued. I/we acknowledge and agree that all information provided must exactly match those details of CDP and, if it does not, agree to the Blumont Shares being issued in certificated form and that Blumont (and its agents) will not be responsible for checking the sufficiency, accuracy or completeness of any information provided.

**Individual or Securityholder 1**

Individual/Director

**Securityholder 2**

Director/Secretary

**Securityholder 3**

Sole Director and Sole Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

Date / /

### Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Blumont Group Ltd in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail to [privacy@computershare.com.au](mailto:privacy@computershare.com.au).

# BLUMONT GROUP LTD

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

## Return your Form:



**To Your Controlling Participant:**  
Return this form directly to your stockbroker



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 2115 Melbourne  
Victoria 3001 Australia

┌ 000002 000  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## For all enquiries:

**Phone:**  
(within Australia) 1300 459 512  
(outside Australia) +61 3 9415 4290

## Acceptance Form

## CHESS

### **Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Blumont Group Ltd ("Blumont") to acquire all of your shares in Genesis Resources Limited ("Genesis") (ACN 114 787 469) the terms of which are set out in the Bidder's Statement from Blumont dated 21 March 2014 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined. If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### **Step 1: Registration Name & Offer Details**

Your consideration will be issued to the name(s) as they appear on the latest copy of the Genesis register, as provided to Blumont. The current address recorded by Blumont is printed above and overleaf. If you have recently bought or sold Genesis Shares your holding may differ from that shown. If you have already sold all your Genesis Shares, do not complete or return this form.

### **Step 2: Accept the Offer**

Only sign and return this form if you wish to accept the Offer for ALL of your Genesis Shares. As detailed in the Bidder's Statement, provided you are not an Ineligible Foreign Shareholder, you have two choices as to how you can elect to receive the Blumont Shares (being Option 1 or Option 2 as detailed on the back of this Acceptance Form). Please mark only one of Option 1 or Option 2. If you do not make an election or your election is invalid or indistinct, you will be deemed to have elected Option 1 (i.e. to receive Blumont Shares in certificated form, by way of a physical share certificate). Please see the Bidder's Statement for more information.

If you are an Ineligible Foreign Shareholder any election under Step 2 will be invalid. Instead you will receive the net cash sale proceeds of Blumont Shares sold through a nominee (further details of this process are included in the Bidder's Statement).

#### **Option 1 - Receive Blumont Shares in certificated form**

If you wish to receive a physical share certificate, please choose this option.

#### **Option 2 - Deposit the Blumont Shares in a CDP Securities Account**

If you wish to receive the Blumont Shares in a CDP Securities Account (either your account or that of your nominee), please choose this Option. You will be required to provide further information as specified in the back of this Acceptance Form.

### **Step 2: Accept the Offer continued...**

As your Genesis Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you have submitted your acceptance through your broker and you have not returned the Acceptance Form to Computershare Investor Services Pty Limited ("CIS") you must email a scanned copy of the Acceptance Form to blumont@computershare.com.au.

If you want Blumont to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Blumont and CIS to request your Controlling Participant to initiate acceptance of the Offer on your behalf. You should allow sufficient time for your Controlling Participant or Blumont to initiate the acceptance of Blumont's Offer on your behalf. Neither Blumont or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

### **Step 3: Signing Instructions**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach a certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Company Secretary.

**Overseas Companies:** Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** →



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# Acceptance Form

For your security keep your SRN/  
HIN confidential.

## STEP 1 Registration Name & Offer Details

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

**Offer Details:** Securityholding as at 7.00pm (Sydney time) 21 March 2014:

**2000**

By accepting the Offer for ALL of your Genesis Shares, you are accepting the Offer for ALL the Genesis Shares as recorded by Blumont as being held by you at the date your acceptance is processed (even if different to the number stated above).

## STEP 2 Accept the Offer

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**Option 1**  Have the Blumont Shares issued to you in certificated form (by way of a physical share certificate).

**Option 2**  Have the Blumont Shares issued in uncertificated form to your CDP Securities Account or your nominee's CDP Securities Account. Please complete the details below.

Name CDP Securities Account (as appears with CDP)	CDP Securities Account Number (starting with 1681-)	State nationality or place of incorporation/registration of nominee (as appears with CDP)
<input type="text"/>	<input type="text"/>	<input type="text"/>

National Registration Identity Card or Passport Number (if an individual) (as appears with CDP)	Company/Business Registration Number (if not an individual) (as appears with CDP)	Address (as appears with CDP)
<input type="text"/>	<input type="text"/>	<input type="text"/>

If the Blumont Shares to be issued as the Offer Consideration are being issued to a nominee's CDP Securities Account, please also provide the following information

Ultimate beneficial owners's name:

If you have not returned a copy of this Acceptance Form to CIS to accept the Offer, please email a scanned copy to blumont@computershare.com.au.

## STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Blumont for all of my/our Genesis Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Genesis Shares as per the above instruction. By selecting Option 2 above I/we unconditionally and irrevocably direct, authorise and instruct Blumont to issue the Blumont Shares which I/we are entitled to receive from my/our acceptance of the Offer to the CDP Securities Account stated above in lieu of a share certificate being issued. I/we acknowledge and agree that all information provided must exactly match those details of CDP and, if it does not, agree to the Blumont Shares being issued in certificated form and that Blumont (and its agents) will not be responsible for checking the sufficiency, accuracy or completeness of any information provided.

**Individual or Securityholder 1**

Individual/Director

**Securityholder 2**

Director/Secretary

**Securityholder 3**

Sole Director and Sole Company Secretary

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

### Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Blumont Group Ltd in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail to [privacy@computershare.com.au](mailto:privacy@computershare.com.au).