

BLUMONT

博诺有限公司

BLUMONT GROUP LTD.

(Company Registration No. 199302554G)

(Incorporated in the Republic of Singapore)

CONVERTIBLE NOTE DEED BETWEEN POWERLITE VENTURES LIMITED AND AZARGA RESOURCES LIMITED (“Azarga”)

- ACQUISITION OF SHARES IN AZARGA ON CONVERSION

The board of directors (the “**Board**”) of Blumont Group Ltd. (博诺有限公司) (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 17 July 2013, 28 August 2013 and 28 February 2014 (the “**Previous Announcements**”) in relation to, amongst others, the convertible note deed (the “**Deed**”) between Powerlite Ventures Limited (“**PVL**”), a wholly-owned subsidiary of the Company, and Azarga dated 22 May 2013 and amended and supplemented on 27 February 2014. Unless otherwise defined herein, all terms used in this announcement shall bear the same meanings ascribed to them in the Previous Announcements.

Pursuant to a conversion notice from Azarga, convertible notes issued by Azarga to the Company under the Deed with aggregate value of US\$19.1 million (the “**Aggregate Consideration**”) have been converted to ordinary shares in Azarga (“**Azarga Shares**”) at the agreed conversion price (the “**Conversion Price**”) of US\$0.50 per Azarga Share (the “**Conversion**”). As a result of the Conversion, the Company has been issued 38,212,493 Azarga Shares, representing approximately 43.08% of the total issued share capital in Azarga and Azarga has accordingly become an associated company of the Company.

The Aggregate Consideration comprised US\$18.0 million in principal amount drawdown under the Azarga Facility and accrued interest thereon of US\$1.1 million. The Conversion Price was agreed upon following arm’s length negotiations between the Company and Azarga and took into account, amongst others, the terms and conditions of the Deed, the net tangible assets of Azarga and the future prospects of Azarga . The Aggregate Consideration was funded from the internal resources of the Group by way of the Azarga Facility Loans provided by the Company to PVL.

The book value and net tangible asset value of the Azarga Shares acquired pursuant to the Conversion are both US\$17.0 million. As the Azarga Shares are unlisted, there is no open market value available.

As at the date of this announcement, US\$18.0 million of the Azarga Facility has been drawdown and the Company has provided US\$18.0 million of the Azarga Facility Loans. Any future drawdowns under the Deed (as amended) may only be undertaken subject to mutual agreement between Powerlite Ventures Limited and Azarga.

BY ORDER OF THE BOARD BLUMONT GROUP LTD.

Ng Kim Huatt
Executive Director
11 September 2014