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Blumont secures US\$200 million funding from New York-based global investment fund, Platinum Partners

Highlights:

- *Platinum Partners will subscribe to redeemable convertible bonds for up to an aggregate principal amount of US\$200 million*
- *Proceeds to be used to fund the announced investment in Discovery Metals Limited*
- *Further funds to be used to reaffirm Blumont's commitment to its strategy of becoming Asia's major diversified natural resources house*

SINGAPORE – 18 October 2013 – Singapore Exchange Mainboard-listed Blumont Group Ltd. (博诺有限公司) (“**Blumont**” or the “**Group**”) has secured backing from well-established New York-based investment firm, Platinum Partners, which has agreed to purchase redeemable convertible bonds for an aggregate principal amount of up to US\$200 million.

The bonds will be issued in four equal tranches of US\$50 million each at a coupon rate of 8% per annum. Conversion price for the bonds into Blumont shares will be the lower of S\$0.40 per share, or 90% of the lowest volume-weighted average price per share during the pricing period¹, subject to a minimum conversion price of S\$0.20. Payment of interest is by way of the issue of new shares in Blumont at a price of S\$0.40 per share.

Blumont's Chairman-designate, Mr Alex Molyneux, said:

“I am pleased Blumont has received the funding to progress with its strategy. Most important is that we can complete the Discovery Metals financing, delivering to the Group a consolidated interest in a producing copper mine that others bid for at a valuation of more than S\$1 billion a year ago.”

“The funding size and source show that Blumont's strategy is valuable and supported by a key investor with a successful track record in the resource sector.”

The primary use of proceeds from the bond will be to fund a convertible bond facility of US\$100 million to be issued by Discovery Metals Limited (“**DML**”), a copper producer listed on the Australian Securities Exchange and Botswana Stock Exchange that Blumont had announced on 19 September 2013. The investment in DML is via its joint venture firm, Blumont Copper Pte. Ltd., headed by industry expert, Ms Inés Scotland.

DML is a key investment in Blumont's current asset suite. Under the terms of its previously announced agreement with DML, Blumont Copper and/or its nominees had subscribed for 73,047,967 placement shares at a

¹ Any three non-consecutive market days during the 10 market days immediately preceding the relevant conversion date of the bonds.

price of A\$0.12 per share for a total investment consideration of A\$8,767,463, in addition to extending the convertible bond facility. If fully converted, Blumont Copper will hold 62% of DML.

DML is focused on the highly prospective Kalahari Copperbelt in north-west Botswana, where the company owns 100% of the Boseto Copper Project – a long life mine with an initial evaluated mine life of 15 years. Annual production at the Boseto Copper mine, which commenced operation in 2012, is approximately 36,000 tonnes of copper and more than 1 million ounces of silver per annum.

In addition, DML also holds a further 18 prospecting licences covering 10,513 square kilometres in the Kalahari Copperbelt. The prospecting licences extend from 60 kilometres south-west of Maun through to the Namibian border, a distance of over 280 kilometres. The licences contain approximately 1,400 square kilometres of favourable geology with the potential to host copper-silver mineralisation. At 30 June 2013, approximately 43% of this prospective horizon's strike has been explored (soil sampled) by DML, and approximately 32% has been drill-tested to date. Other projects include the Dikoloti Nickel Project in North-East Botswana, which is a Joint Venture with The Japan Oil Gas Metals & Energy Corporation; and 17 new prospecting licences covering more than 15,000 square kilometres in southern Botswana that could possibly host an extension of the world-class Kalahari Manganese Field.

The potential of DML and the assets it holds had attracted other potential investors. In April 2013, it became the target of a takeover by Cathay Fortune Corp., a Chinese private equity group controlled by billionaire Yu Yong, whose offer amounted to A\$830 million at A\$1.70 per share. The bid was rejected, giving Blumont the opportunity to move in with its own offer.

Mr Molyneux said:

“We were able to secure an agreement with DML at a very attractive price. We believe that in this particularly case, Inés Scotland and her well-established reputation in the industry was a key reason why they had selected us and this was also why Blumont had sought to build a strong management team to lead the Group.”

Blumont will use the remaining proceeds from Platinum Partners' investment to undertake further investments in the mineral and energy resources sector and for working capital. Since December 2012, Blumont has been actively pursuing opportunities in the mineral and energy resources sector as part of its strategy to become a company with multiple and diversified assets in this segment (*see Annex A for a list of recent transactions*). On 21 August 2013, the Group announced a proposed name change, subject to shareholders' approval, to **Blumont Phoenix Corporation Ltd.**, to reflect its new business direction. Fairfax Securities DBA Jett Capital Advisors LLC acted as sole global manager to the financing.

About Blumont Group Ltd. - Bloomberg: BLUM SP, Reuters: BLUM.SI , SGX: A33

Blumont Group Ltd. is adopting a new strategy to focus on diversified mineral and energy resources assets across geographies and has been actively pursuing and acquiring new investment opportunities in this sector. Since the start of the year, it has taken stakes or is in the process of taking stakes in various projects involved in thermal and coking coal, copper, gold, uranium and iron ore.

Its legacy businesses include an investment division which makes investments in transferable securities including, 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 engaged in the development, sale and long-term holding of properties for rental and related income.

About Platinum Partners

Platinum Partners Value Arbitrage Fund L.P. (“PPVA”) is a multi-strategy hedge fund established and registered in the Cayman Islands with assets under management in excess of US\$700 million and is managed by Platinum Partners (the “Firm”).

The Firm is a New York based investment management group with more than US\$1 billion in assets under management. The Firm was founded in 2003 by Mr. Mark Nordlicht, an investor with over twenty years of experience in asset management. The Firm manages a number of funds, including PPVA. The other principal of PPVA is Mr. Uri Landesman, who is Managing General Partner and President of PPVA.

Issued for and on behalf of Blumont Group Ltd.

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Recent investments of the Group in the mineral and energy resources sector include investments in the following. Please refer to the relevant announcements released by Blumont on SGX-NET for more information.

- **Copper (September 2013):** Blumont entered into a concurrent convertible bond and equity placement agreement (the “**Placement**”) with Discovery Metals Limited (“**DML**”), a copper exploration and production company listed on the Australian Securities Exchange (“**ASX**”) and Botswana Stock Exchange, for a total investment consideration of approximately A\$116 million. Pursuant to the Placement, Blumont acquired approximately 11.56% of the total issued share capital of DML;
- **Thermal Coal (September 2013):** Blumont entered into a conditional share subscription agreement to acquire up to 15% of the potential enlarged issued share capital of ASX and Johannesburg Stock Exchange-listed coal mining company, Resource Generation Limited, for a total investment consideration of between A\$20.97 million and A\$22.11 million;
- **Copper (August 2013):** Blumont acquired approximately 10.7% of the total issued share capital of ASX-listed Kidman Resources Limited, a company focused on the exploration and development of precious and base metals deposits within Australia;
- **Uranium (July 2013):** Blumont entered into a conditional sale and purchase agreement to acquire the entire issued and paid up share capital of investment holding company Powerlite Ventures Limited (“**Powerlite**”) for US\$7.88 million (including the assignment of shareholders’ loans of an aggregate of US\$4.5 million), giving the Group exposure to uranium projects in Kyrgyzstan and the United States of America through Powerlite’s interests in Azarga Resources Limited (“**Azarga**”), a major Asia-based uranium development and investment company. On 28 August 2013, the Group announced it was expanding its commitment to the uranium sector by increasing the size of its existing convertible loan facility to Azarga by US\$6 million to US\$21 million;
- **Coking Coal (July 2013):** Blumont entered into a conditional agreement to acquire approximately 12.75% of the enlarged capital of ASX-listed Cokal Limited (“**Cokal**”), which focuses on coal exploration and metallurgical coal production, and has interests in coal exploration tenements in Central Kalimantan, Indonesia and Tanzania. On 7 October 2013, Blumont entered into a binding term sheet to extend a loan facility of up to US\$8 million in principal amount to Cokal to fund the continuation of development work at Cokal’s projects;
- **Gold (July 2013):** Blumont led a consortium of three partners to enter into a conditional agreement to acquire approximately 43.47% of the enlarged issued share capital of ASX-listed minerals explorer Prospect Resources Limited;
- **Thermal and Coking Coal (March 2013):** Blumont acquired approximately 11.5% of the total issued share capital of ASX-listed Celsius Coal Ltd., a coking coal explorer focused on developing coking and thermal coal deposits in the Kyrgyz Republic; and
- **Iron Ore (December 2012):** Blumont entered into a conditional sale and purchase agreement to subscribe for 2.5 million ordinary shares, representing the entire issued share capital of Hudson Minerals Holdings Pte Ltd., for a purchase consideration of up to S\$48.0 million (including the assignment of shareholders’ loans of not less than S\$5.5 million).