

23 July 2014

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

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Our Ref SCU:14670004

Dear Sir / Madam

**Blumont Group Ltd. takeover bid for Merlin Diamonds Limited
Third Supplementary Bidder's Statement**

We act for Blumont Group Ltd. (**Blumont**) and refer to Blumont's bidder's statement dated 24 April 2014 in relation to its off-market takeover bid for the ordinary shares in Merlin Diamonds Limited.

In accordance with section 647 of the *Corporations Act 2001* (Cth), we enclose a copy of the third supplementary bidder's statement dated 23 July 2014. The document has today been lodged with the Australian Securities and Investments Commission.

Yours sincerely



Holding Redlich

Enclosures: 1

Sydney . Melbourne . Brisbane

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Third Supplementary Bidder's Statement

1. Introduction

This document is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) to the bidder's statement dated 24 April 2014 (**Bidder's Statement**) issued by Blumont Group Ltd. (**Blumont**) in relation to its off-market takeover bid for all the ordinary shares in Merlin Diamonds Limited (**Merlin**) (**Takeover Bid**). This Third Supplementary Bidder's Statement is dated 23 July 2014.

This Third Supplementary Bidder's Statement supplements and should be read together with the Bidder's Statement, as well as the first supplementary bidder's statement by Blumont dated 2 May 2014 (**First Supplementary Bidder's Statement**) and the second supplementary bidder's statement dated 6 June 2014.

A copy of this Third Supplementary Bidder's Statement has been lodged with ASIC and the ASX on 23 July 2014. Neither ASIC, the ASX nor any of their officers, take any responsibility for the contents of this Third Supplementary Bidder's Statement. A copy of this Third Supplementary Bidder's Statement will also be released by Blumont on SGXNET in Singapore. The SGX assumes no responsibility for the correctness of any of the statements, reports contained/referred to or opinions expressed in this Third Supplementary Bidder's Statement.

Capitalised terms in this Third Supplementary Bidder's Statement have the same meaning as that in the Bidder's Statement unless the context requires otherwise.

2. Extension of the Offer Period until 30 September 2014

2.1 Extension of the Offer Period

As announced by Blumont on 18 July 2014, Blumont has extended the Offer Period under its Takeover Bid. The Offer is now scheduled to close at 7:00pm (Sydney time) on 30 September 2014 (unless further extended or withdrawn).

A formal notice of variation of the Takeover Bid, as required by the Corporations Act and which implements the extension of the Offer Period, was lodged with ASIC and the ASX on 18 July 2014 and has also been despatched to all Merlin Shareholders (**Extension Notice**). A copy of the Extension Notice is included in Annexure A of this Third Supplementary Bidder's Statement.

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

Blumont notes that, as a result of the extension of the Offer Period, the new date for giving notice on the status of the Conditions is 22 September 2014, subject to variation of accordance with section 630(2) of the Corporations Act.

As at the date of this Third Supplementary Bidder's Statement, so far as Blumont is aware, none of the Conditions in Section 11.5 of the Bidder's Statement have been fulfilled (other than the Condition in Section 11.5(o)(i) which has been waived by Blumont as detailed in Section 4 of the First Supplementary Bidder's Statement).

2.3 Withdrawal rights

As detailed in the Extension Notice, in accordance with section 650E of the Corporations Act, given that the extension of the Offer Period postpones for more than one month the time when Blumont has to meet its obligations under the Offer, Merlin Shareholders that have accepted into the Takeover Bid on or before the date of the Extension Notice may withdraw their acceptance within one month beginning on the day after they receive the Extension Notice. Please see the Extension Notice for further details as to how a Merlin Shareholder that has accepted the Offer may exercise these withdrawal rights.

3. Increase in shareholding in Blumont Copper Pte. Ltd.

Blumont has acquired the remaining ordinary shares in Blumont Copper Pte. Ltd. (**Blumont Copper**) that it did not already own. Therefore, Blumont now holds 100% of the total issued share capital of Blumont Copper. The consideration for the acquisition was nominal as the book value and net tangible liabilities value of the shares acquired by Blumont were each US\$1 million.

Given that Blumont Copper is now 100% owned by Blumont, Blumont and the former shareholders in Blumont Copper have formally terminated the Blumont Copper Joint Venture Agreement detailed in Section 12.12(f) of the Bidder's Statement (and each party has released each other party from all past, present and future claims). Further, Ms Ines Scotland has ceased in her role as Chief Executive Officer of Blumont Copper. Blumont Copper will now be solely controlled and managed by the management of the wider Blumont Group. The purpose and activities of Blumont Copper remain the same being the evaluation and potential investments in mineral and energy resources projects, specifically in the copper sector.

4. Changes in Blumont Directors and committees

4.1 Appointment of independent non-executive director

Blumont is pleased to announce that Mr Farhash Wafa Salvador was appointed as an independent non-executive director of Blumont with effect from 18 July 2014. Mr Salvador has also been appointed as a member of Blumont's Nominating Committee, Audit Committee and Remuneration Committee.

Mr Salvador is currently a director and co-owner of TTDI Cars Sdn. Bhd. (which is in the automotive industry) and co-founder and executive director of Swag Technologies Sdn. Bhd. (which is an information technology and communications company). Prior to those roles, Mr Salvador was Vice-President and co-owner of Pacific College of Nursing & Health Sciences and a director and co-owner of the City College of Business Management Kuala Lumpur, both of which operate in the private higher education industry. Mr Salvador has a Master of Science in Finance and a Degree in Business Administration each from the University of Portsmouth (in the United Kingdom). Mr Salvador does not have an interest in any Blumont Shares.

4.2 Redesignation of Mr Ng Kim Huatt as an executive director

Blumont advises that Mr Ng Kim Huatt has been redesignated as an executive director with effect from 19 July 2014. Mr Ng was originally appointed to the Blumont Board as an independent non-executive director on 23 April 2014 and was redesignated as an executive director on 19 July 2014. Mr Ng will be responsible for the overall direction, strategic planning and day-to-day management of Blumont's affairs in his new role as an executive director of Blumont.

4.3 Resignation of Mr James Hong Gee Ho as an executive director

Blumont advises that Mr James Hong Gee Ho has resigned as an executive director of Blumont, for personal reasons, with effect from 20 July 2014.

4.4 Reconstitution of board and committees

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

- (a) Mr Ng Kim Huatt (Executive Director);
- (b) Mr Calvin Lim Huan Kim (Lead Independent Director);
- (c) Mr Tan Gim Kang, Arran (Independent Non-Executive Director); and
- (d) Mr Farhash Wafa Salvador (Independent Non-Executive Director).

Mr Calvin Lim Huan Kim, Mr Tan Gim Kang, Arran and Mr Farhash Wafa Salvador are all members of the Nominating Committee, Audit Committee and Remuneration Committee.

5. Enquiries

Please contact the Blumont Offer Information Line on 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside of Australia) if you have any questions in relation to our Offer or this Third Supplementary Bidder's Statement.

APPROVAL OF THIRD SUPPLEMENTARY BIDDER'S STATEMENT

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

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



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Mr Ng Kim Huatt
Director

Dated: 23 July 2014

Annexure A – Extension Notice

Blumont Group Ltd.

Takeover bid for Merlin Diamonds Limited

Notice of variation – Extension of offer period

To:

- the Australian Securities and Investments Commission (**ASIC**);
- the Australian Securities Exchange (**ASX**);
- Merlin Diamonds Limited (**Merlin**); and
- each person to whom an offer was made under the bidder's statement dated 24 April 2014 (**Bidder's Statement**) issued by Blumont Group Ltd. (**Blumont**), in respect of Blumont's takeover offer (**Offer**) for all the ordinary shares in Merlin.

Terms defined in the Bidder's Statement have the same meaning in this notice.

A copy of this notice was lodged with ASIC on 18 July 2014, which is the date of this notice. ASIC takes no responsibility for the contents of this notice.

Extension of the Offer Period

Blumont gives notice under section 650D(1) of the *Corporations Act 2001* (Cth) that:

- it varies the Offer by extending the Offer Period so that the Offer will remain open for acceptance until 7:00 pm (Sydney time) on 30 September 2014; and
- accordingly, the Offer is varied by:
 - replacing "31 July 2014" with "30 September 2014" in Section 11.3 of the Bidder's Statement (and in every other place that it appears in the Bidder's Statement other than in Section 4.6(e));
 - replacing "23 July 2014" with "22 September 2014" in Section 11.8 of the Bidder's Statement; and
 - replacing "31 July 2014" with "30 September 2014" in each place in which it appears on the Acceptance Forms.

New date for giving notice under section 630(2)

Blumont hereby gives notice under section 630(2)(b) of the Corporations Act that as a result of the extension of the Offer Period, the new date for giving notice on the status of the Conditions is 22 September 2014, subject to variation in accordance with section 630(2) of the Corporations Act.

As at the date of this notice:

- (a) so far as Blumont is aware, none of the Conditions in Section 11.5 of the Bidder's Statement have been fulfilled (other than the Condition in Section 11.5(o)(i) which has been waived by Blumont as detailed in Section 4 of Blumont's First Supplementary Bidder's Statement dated 2 May 2014); and
- (b) the Offer has not been freed from and remains subject to the Conditions.

Withdrawal rights

In this section, words defined in the ASX Settlement Operating Rules have the same meaning unless the context requires otherwise.

In accordance with section 650E of the Corporations Act, as the extension of the Offer Period postpones for more than one month the time when Blumont has to meet its obligations under the Offer, those Merlin Shareholders who have accepted the Offer on or before the date of this notice may withdraw their acceptance by giving written notice to Blumont (**Withdrawal Notice**) within one month beginning on the day after they receive this notice (**Withdrawal Period**).

A Withdrawal Notice by a Merlin Shareholder withdrawing their acceptance under section 650E of the Corporations Act must:

- if the Merlin Shareholder's shares are in a CHESS Holding:
 - be in the form of a Valid Originating Message Transmitted to ASX Settlement by the Controlling Participant for that CHESS Holding in accordance with Rule 14.16.1 of the ASX Settlement Operating Rules and specifies the number of Merlin Shares to be released from the Subposition; or
 - be in the form of a notice in writing to Blumont setting out the information that Blumont requires to enable it to transmit a Valid Message to ASX Settlement on behalf of the Merlin Shareholder in accordance with Rule 14.6.5 of the ASX Settlement Operating Rules; and
- in any other case, be in writing to Blumont.

A Withdrawal Notice that is in writing to Blumont must be sent to:

*Link Market Services Limited
Merlin Diamonds Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235*

In order to assist with the processing of withdrawals, the Withdrawal Notice should identify the full name of the withdrawing Merlin Shareholder, provide the Merlin Shareholder's SRN or HIN (as applicable) as well as the other information specified above.

If a Merlin Shareholder is legally entitled to give, and does give, a Withdrawal Notice within the Withdrawal Period, then within 14 days after the day on which the Merlin Shareholder gives the Withdrawal Notice, Blumont will:

- return to the Merlin Shareholder any documents that were sent by the Merlin Shareholder to Blumont with the acceptance of the Offer; and
- if the Merlin Shareholder's shares are in a CHESS Holding, transmit a Valid Message that authorises the release of the relevant shares from the Offer Accepted Subpositions in which the shares have been reserved in accordance with Rule 14.16.3 or 14.16.5 of the ASX Settlement Operating Rules (as appropriate).

If you would like to exercise your right to withdraw your acceptance and you would like further information, please contact your legal, financial or other professional adviser or telephone the Blumont Offer Information Line on 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside Australia).