

23 December 2014

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

Contact Michael MacMahon
Direct Line (02) 8083 0451
Email Michael.macmahon@holdingredlich.com
Partner Darren Pereira
Our Ref MBM:14670004

Dear Sir / Madam

**Blumont Group Ltd. takeover bid for Merlin Diamonds Limited
Sixth 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 sixth supplementary bidder's statement dated 23 December 2014. The document has today been lodged with the Australian Securities and Investments Commission.

Yours sincerely



Holding Redlich

Enclosures: 1

Sydney . Melbourne . Brisbane

Level 65 MLC Centre 19 Martin Place Sydney NSW 2000 DX 529 Sydney
GPO Box 4118 Sydney NSW 2001 T +61 2 8083 0388 www.holdingredlich.com

ABN 15 364 527 724

Sixth Supplementary Bidder's Statement

1. Introduction

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

This Sixth 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, the second supplementary bidder's statement by Blumont dated 6 June 2014 (**Second Supplementary Bidder's Statement**), the third supplementary bidder's statement by Blumont dated 23 July 2014, fourth supplementary bidder's statement by Blumont dated 18 August 2014 and the fifth supplementary bidder's statement dated 29 October 2014 (**Fifth Supplementary Bidder's Statement**).

A copy of this Sixth Supplementary Bidder's Statement has been lodged with ASIC and the ASX on 23 December 2014. Neither ASIC, the ASX nor any of their officers, take any responsibility for the contents of this Sixth Supplementary Bidder's Statement. A copy of this Sixth 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 Sixth Supplementary Bidder's Statement.

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

2. Termination of Bid Implementation Deed and breach of Offer Condition by Merlin

Blumont notes that, on 27 November 2014, Merlin announced to the ASX that it terminated the Bid Implementation Deed dated 28 February 2014, which was the agreement that Merlin and Blumont entered into prior to the announcement of the Takeover Bid.

Blumont notes that the Merlin Directors have not withdrawn their recommendation of the Takeover Bid which is currently scheduled to close on 13 February 2015.

As at the date of this Sixth Supplementary Bidder's Statement, Blumont has a relevant interest in 11.35% of the total issued share capital of Merlin, comprising 16,000,000 Merlin Shares held by Blumont and 18,646,790 Merlin Shares held by various persons that have accepted the Offer.

Further to resolutions passed at Merlin's Annual General Meeting on 27 November 2014, Merlin has announced to ASX that it has issued approximately 44 million new ordinary shares and 22 million new options (**Additional Merlin Securities**). As indicated in Section 7.2 of the Fifth Supplementary Bidder's Statement, Merlin also has received shareholder approval to issue a total of up to 300 million new shares (including the Additional Merlin Securities). The Takeover Bid does not extend to the Additional Merlin Securities and it will not do so unless and until Blumont applies to ASIC for ASIC's approval for the Takeover Bid to extend to the Additional Merlin Securities and ASIC grants that approval. As at the date of this Sixth Supplementary Bidder's Statement, Blumont does not intend to make any such application to ASIC.

Blumont notes that the issue of the Additional Merlin Securities triggers a defeating condition of the Takeover Bid set out in Section 11.5(c) of the Bidder's Statement. As at the date of this Sixth Supplementary Bidder's Statement, Blumont does not waive the breaches of that defeating condition and reserves its right to rely on the trigger of this defeating condition to allow the Takeover Bid to lapse. Specifically, if the Takeover Bid does lapse, no Blumont Shares will be issued to any Merlin Shareholder under the Offer and, accordingly, all Merlin Shareholders will

retain their Merlin Shares. Blumont will update Merlin Shareholders by way of supplementary disclosure if and when it decides to rely on this defeating condition to allow the Takeover Bid to lapse.

3. Update on Blumont VWAP Condition

As set out in Section 11(m) of the Bidder's Statement, one of the Conditions of the Offer is that prior to the end of the Offer Period, the rolling 5 day VWAP of Blumont Shares as quoted on the SGX ending on any trading day on the SGX-ST (**Blumont VWAP**) does not fall to a level that is 20% or more below the price of Blumont Shares as at the close of trading on the Business Day before the Announcement Date. Under the Second Supplementary Bidder's Statement Blumont stated that it will not seek to rely on the non-satisfaction of this Condition unless the Blumont VWAP falls below S\$0.0272.

Blumont notes that, at various times since the date of the Fifth Supplementary Bidder's Statement and the date of this Sixth Supplementary Bidder's Statement, the Blumont VWAP was below S\$0.0272 and, therefore, the Condition was not satisfied. Blumont does not waive the non-satisfaction of this Condition during any period since the date of the Fifth Supplementary Bidder's Statement and before the date of this Sixth Supplementary Bidder's Statement.

4. Completion of the Powertech Transaction

Blumont is also pleased to announce that, further to our announcements in the Fifth Supplementary Bidder's Statement, the Powertech Transaction has now completed and Powertech Uranium Corp has now changed its name to Azarga Uranium Corp. (**Azarga Uranium**). Following completion of the Powertech Transaction, which is described in Section 4.6(e) of the Bidder's Statement, Blumont (through its wholly owned subsidiary, Powerlite Ventures Limited) owns 18,053,810 Azarga Uranium shares, representing 30.39% of all Azarga Uranium shares.

Azarga Uranium's principal assets are comprised of mineral properties in Colorado, South Dakota and Wyoming in the United States of America.

Its Dewey-Burdock Project, which is Azarga Uranium's primary focus of development, is located in Edgemont Uranium District and is comprised of approximately 50 mining leases and approximately 370 mining claims covering approximately 14,500 surface acres and 17,800 net mineral acres. 10,580 acres of the project are currently licensed by the Nuclear Regulatory Commission and Azarga Uranium requires regulatory approvals from two additional major agencies prior to initiation of construction and operation of the project. Azarga Uranium also has an interest in the Centennial Project (located in the western part of Weld County in northeastern Colorado which is comprised of approximately 3,600 acres of surface rights and approximately 7,100 acres of mineral rights). Further, as Azarga Uranium now owns Azarga Resources Limited (**Azarga**), Azarga Uranium now indirectly has an interest in Azarga's assets set out in section 4.6(e) of the Bidder's Statement, noting that:

- the interest in Anatolia Energy Limited (**Anatolia**) has been reduced from 15.14% to 11.33%; and
- the interest in Black Range Minerals Limited (**Black Range**) has been reduced from 22.62% to 18.56%,

due to subsequent shares issued by both Anatolia and Black Range which had a dilutionary impact on Azarga's interest in both Anatolia and Black Range.

Of the 18,053,810 Powertech shares issued to Powerlite, 25% are subject to escrow restrictions for 12 months and the remaining 75% are subject to escrow restrictions for two years.

5. Update on Genesis Takeover Bid

On 12 December 2014, Blumont entered into a 'Placement Agreement' with Genesis under which Blumont will subscribe for 15 million Genesis Shares (**Genesis Placement Shares**). In consideration for the issue of the Genesis Placement Shares, Blumont will issue 75 million Blumont Shares to Genesis (**Blumont Placement Shares**).

The purpose of the placement under the Placement Agreement is to provide Genesis with Blumont Shares which Genesis will, at its discretion, be able to sell on the SGX and receive funds to fund operational expenditure in relation to its ongoing interests in the Plavica Project.

Completion of the issue of the Genesis Placement Shares is conditional on, firstly, Blumont receiving the approval in-principle from the SGX for the listing and quotation on the official list of the SGX for the Blumont Shares to be

issued to Genesis and, secondly, Blumont not, following completion of the placement under the Placement Agreement having a relevant interest or voting power in more than 19.99% of Genesis Shares. The Blumont Placement Shares will be issued following satisfaction of these conditions.

As at the date of this Sixth Supplementary Bidder's Statement, Blumont has received acceptances under its Takeover Bid for 11,212,125 Genesis Shares (or 5.88% of all Genesis Shares on issue as at the date of this Eighth Supplementary Bidder's Statement). Assuming that all Genesis Placement Shares are issued to Blumont, and no further acceptances are received under the Takeover Bid, Blumont will, on completion of the issue of the Genesis Placement Shares, have a relevant interest in 26,212,125 Genesis Shares or 12.75% of all Genesis Shares then on issue.

6. 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 Sixth Supplementary Bidder's Statement.

APPROVAL OF SIXTH SUPPLEMENTARY BIDDER'S STATEMENT

This Sixth 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.



.....

Mr Ng Kim Huatt
Director

Dated: 23 December 2014