



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

16 October 2012



ANNOUNCEMENT

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DISCLOSEABLE TRANSACTION: ACQUISITION OF AVION GOLD CORPORATION BY ENDEAVOUR MINING CORPORATION

SUMMARY

This announcement is made by the Company in compliance with the disclosure requirements under Chapter 14 of the HK Listing Rules.

On 7 August 2012, each of Avion and Endeavour announced that it entered into the Arrangement Agreement with each other in relation to the Arrangement, pursuant to which: (i) each Avion shareholder (including the Company) will receive 0.365 new Endeavour Share (or 0.365 new Endeavour Exchangeable Preferred Share) for each Avion Share held (as detailed in this announcement); and (ii) the Avion Options will be varied to become exercisable to subscribe for 0.365 new Endeavour Share for each Avion Option held.



The Arrangement Agreement is subject to, among other things, the approval of two-thirds of the Avion shareholders votes cast, the approval of a simple majority (50 per cent.) of the Endeavour shareholder votes cast, and other customary conditions including court approvals.

On 12 October 2012, Avion and Endeavour further announced that the Arrangement has been duly approved by their shareholders at each of their special general meetings held on 12 October 2012.

It is expected that the Arrangement will be closed in October 2012.

Endeavour will be the surviving entity post the Arrangement and retain its dual listing on TSX and ASX following regulatory compliance in Canada and Australia.

Under the terms of the Arrangement Agreement, upon completion of the Arrangement, the Avion shareholders will represent approximately 39.8 per cent. of the enlarged share capital of Endeavour.

It is anticipated that the Company will receive 4,106,797 new Endeavour Shares upon disposal of 11,251,500 Avion Shares pursuant to the Arrangement, at the ratio of 0.365 new Endeavour Shares for one Avion Share held, representing approximately 1.01 per cent. of the enlarged issued share capital of Endeavour. Having taken into account of the Company's current holding in Endeavour, it is expected that the Company will hold 4,112,197 Endeavour Shares upon completion of the Arrangement, representing approximately 1.01 per cent. of the enlarged issued share capital of Endeavour.

The Arrangement values Avion on a basic share outstanding basis at approximately C\$380.25 million (or approximately of C\$0.86 per Avion Share) on the basis of the number of new Endeavour Shares to be issued as consideration valued at the closing price of C\$2.35 (or approximately US\$2.40 or HK\$18.72) per Endeavour Share on TSX on 15 October 2012, and thus the Company's shareholding in Avion at approximately C\$9.65 million (or approximately US\$9.86 million or HK\$76.91 million), which is approximately 30.17 per cent. below the Company's original investment cost in Avion. Accordingly, the Transaction has generated a total net realized loss of approximately C\$4.17 million (or approximately US\$ 4.26 million or HK\$33.23 million), calculated by deducting the acquisition costs of the 11,251,500 Avion Shares from the total value of the 4,106,797 new Endeavour Shares to be received by the Company.



The Transaction, both the disposal of the Company's Avion Shares and the acquisition of Endeavour Shares, constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

As completion of the Arrangement and the Transaction is subject to the fulfilment of a number of conditions, the Arrangement and the Transaction may or may not proceed to completion. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

This announcement is made by the Company in compliance with the disclosure requirements under Chapter 14 of the HK Listing Rules.

Acquisition of Avion by Endeavour

On 7 August 2012, each of Avion and Endeavour announced that it entered into the Arrangement Agreement with each other in relation to the Arrangement, pursuant to which: (i) each Avion shareholder (including the Company) will receive 0.365 new Endeavour Share for each Avion Share held, or each Avion shareholder who is a Canadian resident may elect, for tax purposes, to receive 0.365 new Endeavour Exchangeable Preferred Share for each Avion Share held (in order to obtain a deferral of taxable capital gains for Canadian income tax purposes); and (ii) the Avion Options will be varied to become exercisable to subscribe for 0.365 new Endeavour Share for each Avion Option held, which was briefly referred to in the Company's interim report for the six months ended 30 June 2012 published in the end of August 2012.

The Arrangement Agreement is subject to, among other things, the approval of two-thirds of the Avion shareholders votes cast, the approval of a simple majority (50 per cent.) of the Endeavour shareholder votes cast, and other customary conditions including court approvals.

The Arrangement Agreement also includes:

- customary representations and warranties of each party;
- non-solicitation covenants by Avion;
- "right-to-match" provisions in favour of Endeavour in the event of a superior proposal; and
- the payment by Avion to Endeavour of a termination fee in the amount of C\$11,500,000 should the Arrangement Agreement be terminated in certain circumstances.



On 12 October 2012, Avion and Endeavour further announced that the Arrangement has been duly approved by their respective shareholders at each of their special general meetings held on 12 October 2012.

It is expected that the Arrangement will be closed in October 2012.

Endeavour will be the surviving entity post the Arrangement and retain its dual listing on TSX and ASX following regulatory compliance in Canada and Australia.

As announced on 15 August 2011, the Company acquired an aggregate of 10,651,500 Avion Shares by way of a series of on-market trades (during the period from August 2010 to August 2011) and the subscription of Avion's placing (in August 2012), representing approximately 2.43 per cent. of the post-placing enlarged issued share capital of Avion. Subsequently, the Company further acquired 600,000 Avion Shares in November 2011 by way of on-market trades. Accordingly, the Company currently holds 11,251,500 Avion Shares, representing 2.54 per cent. of the existing issued share capital of Avion.

The 11,251,500 Avion Shares were acquired by the Company at the average price of approximately C\$1.23 (or approximately US\$1.26 or HK\$9.83) per Avion Share, for an aggregate cash consideration of approximately C\$13.82 million (or approximately US\$14.12 million or HK\$110.14 million).

Under the terms of the Arrangement Agreement, upon completion of the Arrangement, the Avion shareholders will represent approximately 39.8 per cent. of the enlarged share capital of Endeavour. The new Endeavour Shares to be issued as consideration pursuant to the Arrangement shall be credited as fully paid up and shall rank pari passu with the existing Endeavour Shares in issue.

It is anticipated that the Company will receive 4,106,797 new Endeavour Shares upon disposal of 11,251,500 Avion Shares pursuant to the Arrangement, at the ratio of 0.365 new Endeavour Shares for one Avion Share held, representing approximately 1.01 per cent. of the enlarged issued share capital of Endeavour (before taking into account of the Company's current holding in Endeavour (as detailed in the paragraph titled "The Company's projected interests in Endeavour" below)).

The Transaction will not provide the Company with any cash proceeds, with the consideration of the disposal of the 11,251,500 Avion Shares by the Company being settled by way of the issue and allotment to the Company 4,106,797 new Endeavour Shares.



However, the Arrangement values Avion on a basic share outstanding basis at approximately of C\$380.25 million (or approximately of C\$0.86 per Avion Share) on the basis of the number of new Endeavour Shares to be issued as consideration valued at the closing price of C\$2.35 (or approximately US\$2.40 or HK\$18.72) per Endeavour Share on TSX on 15 October 2012, and thus the Company's shareholding in Avion at approximately C\$9.65 million (or approximately US\$9.86 million or HK\$76.91 million), which is approximately 30.17 per cent. below the Company's original investment cost in Avion. Accordingly, the Transaction has generated a total net realized loss of approximately C\$4.17 million (or approximately US\$4.26 million or HK\$33.23 million), calculated by deducting the acquisition costs of the 11,251,500 Avion Shares from the total value of the 4,106,797 new Endeavour Shares to be received by the Company.

The Company expects to recognize in its income statement a result different from that disclosed above, predominantly as a result of that a total unrealized profit of US\$3.76 million have been recognized in the income statement during the years ended 31 December 2011 and 2010. Thus, the Company will recognize a realized loss of approximately US\$8.02 million during the year ended 31 December 2012.

The Transaction, both the disposal of the Company's Avion Shares and the acquisition of Endeavour Shares, constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

Basis of consideration

The consideration (in terms of the value of the Avion Shares to be disposed of by the existing shareholders of Avion, which is equivalent to the value of the new Endeavour Shares to be received by the existing shareholders of Avion) has been determined on normal commercial terms and negotiated on an arm's length basis between Avion and Endeavour by reference to the closing price of C\$0.84 of the Avion Shares on TSX on 15 October 2012.

It is noted from the announcements issued by Avion and Endeavour on 7 August 2012 that:

- based on the closing price of the Endeavour Shares on TSX of C\$2.40 on 7 August 2012, the implied transaction value of C\$0.88 per Avion Share yields a premium of 56 per cent.;
- using the 20-day volume weighted average price ("VWAP") on TSX for the period ending 7 August 2012 for both Endeavour and Avion, the exchange ratio yields a premium of 70 per cent. on Avion; and
- applying the 85-day VWAPs on TSX for the period ending 7 August 2012 for both Endeavour and Avion, the exchange ratio yields a premium of 29 per cent. to Avion.



The Directors consider the Transaction to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In respect of the Company's interests in Avion, the Company's attributable share (being 2.54 per cent.) of Avion's: (i) net profit for the financial year ended 31 December 2011 from continued operations is US\$1,094,042 (or approximately HK\$8,533,528); and (ii) net profit for the financial year ended 31 December 2010 from continued operations is US\$911,566 (or approximately HK\$7,110,215), both before and after taxation and extraordinary items.

The net asset value of Avion was US\$297,221,034 (or approximately HK\$2,318,324,065) as at 30 June 2012, as reported in Avion's latest publicly disclosed interim report for the period ended 30 June 2012.

The Company's projected interests in Endeavour

Endeavour will be the surviving entity post the Arrangement and retain its dual listing on TSX and ASX following regulatory compliance in Canada and Australia.

On 9 October 2012, the Company acquired, by way of on-market trades, 5,400 Endeavour Shares at C\$2.37 (or approximately US\$2.42 or HK\$18.88) per Endeavour Share, for an aggregate cash consideration of approximately C\$12,798 (or approximately US\$13,077 or HK\$102,001), representing approximately 0 per cent. of the existing issued share capital of Endeavour. It is anticipated that the Company will receive 4,106,797 new Endeavour Shares upon disposal of 11,251,500 Avion Shares pursuant to the Arrangement, representing approximately 1.01 per cent. of the enlarged issued share capital of Endeavour. Accordingly, it is expected that the Company will hold 4,112,197 Endeavour Shares upon completion of the Arrangement, representing approximately 1.01 per cent. of the enlarged issued share capital of Endeavour.

In respect of the Company's projected interests in Endeavour, the Company's attributable share (being 1.01 per cent. post the Arrangement) of Endeavour's: (i) net profit for the financial year ended 31 December 2011 from continued operations is US\$163,474 (or approximately HK\$1,275,097); and (ii) net loss for the financial year ended 31 December 2010 from continued operations is US\$176,665 (or approximately HK\$1,377,987), both before taxation and extraordinary items.

In respect of the Company's projected interests in Endeavour, the Company's attributable share (being 1.01 per cent. post the Arrangement) of Endeavour's: (i) net profit for the financial year ended 31 December 2011 from continued operations is US\$269,079 (or approximately HK\$2,098,816); and (ii) net profit for the financial year ended 31 December 2010 from



continued operations is US\$475,391 (or approximately HK\$3,708,050), both after taxation and extraordinary items.

The net asset value of Endeavour will be US\$978,728,034 (or approximately HK\$7,634,078,665) as at 30 June 2012, as projected from the combination of Avion and Endeavour.

Background on Avion

Avion is a Canadian-based gold mining company focused in West Africa. The company holds 80 per cent. of the Tabakoto and Ségala gold projects in Mali. Avion has developed an underground mine at the Tabakoto deposit, and is developing another underground mine at the Ségala deposit. The Tabakoto project also has two other producing open pit mines. The Tabakoto project produced 32,137 ounces of gold in the three month period ending 30 September 2012 and is forecast to produce in excess of 100,000 ounces of gold for the 2012 calendar year. Avion are also in the process of expanding the Tabakoto project's plant capacity from 2,000 to 4,000 tonnes per day which will significantly increase gold production.

Production sustainability will continue to be supported by exploration programs on an approximately 600 km² exploration package that both surrounds and is near to Avion's existing mine infrastructure, and contains mineral resources on the Kofi property. Additionally, mineral resources have grown considerably at Avion's 1,600 km² Houndé exploration property in Burkina Faso.

Avion is a public company dually listed on the TSX (TSX: AVR) and on the OTCQX (OTCQX: AVGCF).

Further information on Avion can also be found on its website www.aviongoldcorp.com.

Background on Endeavour

Endeavour is a Canadian-based gold mining company focused in West Africa. Endeavour owns two gold mines producing approximately 200,000 ounces per year in Ghana and Burkina Faso that are generating significant operating cash flows to fund exploration and development growth. In addition to upside potential at its current operations, Endeavour's third gold mine, Agbaou in Côte d'Ivoire, has entered the construction phase and is forecast to commence production in Q1 2014 and ramp up to 100,000 ounces per year. Endeavour has a strong financial base from which to invest in long-term operational growth, exploration to replace and increase reserves, and funding for acquisitions.



Endeavour Mining Corporation is listed on the TSX (TSX: EDV) and ASX (ASX: EVR) and also trades on the OTCQX (OTCQX: EDVMF).

Further information on Endeavour can also be found on its website www.endeavourmining.com.

Reasons for entering into the Transaction

The Company is supportive of the Arrangement for the following reasons, which:

- provides Avion shareholders with an immediate and attractive premium to the pre-bid price of the Avion Shares;
- creates a well positioned multi-mine, mid tier gold producer focused on West Africa with a diversified production base from three producing mines and a strong development profile;
- will have the pro forma company well funded with available liquidity and strong operating cash flow sufficient to meet the company's foreseeable capital needs;
- allows Avion shareholders to retain a meaningful ownership stake in the new company providing leverage to the exploration and development successes at Hounde and the resolution of political issues within Mali, in addition to Endeavour's development prospects including the building of the Agbaou gold mine located in Cote d'Ivoire;
- will have the combined company's 2012 production guidance of 282,000 – 304,000 ounces gold with diversified production and cash flow from mines located in major gold producing regions solidifying the company's status as one of the growth leaders in West Africa;
- provides strengthened management and operations teams with presence focused in geologically attractive regions of West Africa and track record of successfully building and operating mines; and
- provides for compelling revaluation opportunity based on an attractive market valuation, strong combined asset portfolio, better near-term liquidity and an enhanced capital markets profile .

The Directors consider the Transaction to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Source of funds

The Company is not required to pay any cash consideration for the Endeavour Shares to be received under the Transaction, and it is expected that no transaction costs will be borne on the part of the Company.



Financial effects of the Transaction on the Group

As a whole, the Group will recognize a total net realized loss of approximately C\$4.17 million (or approximately US\$4.26 million or HK\$33.23 million), calculated by deducting the acquisition costs of the 11,251,500 Avion Shares from the total value of the 4,106,797 new Endeavour Shares to be received by the Company. However, a total unrealized profit of US\$3.76 million was recognized in the income statement during the years ended 31 December 2011 and 2010. Thus, the Company will recognize a realized loss of approximately US\$8.02 million during the year ended 31 December 2012. On completion of the Arrangement, the Endeavour Shares issued to the Company will be classified to the account of financial assets at fair value through profit or loss.

Discloseable transaction

In view of the fact that the aggregate amount of consideration (in terms of the value of the Avion Shares to be disposed of by the Company, which is equivalent to the value of the Endeavour Shares to be received by the Company) involved in the Transaction (being C\$9.65 million or approximately US\$9.86 million or HK\$76.91 million) exceeds 5 per cent. but is less than 25 per cent. of the Company's market capitalization, the Transaction, both the disposal of the Company's Avion Shares and the acquisition of Endeavour Shares, constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

The purpose of this announcement is to provide the Shareholders with information on the details of the Transaction in accordance with the HK Listing Rules.

Not a connected transaction

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each counterparty to the Transaction and their respective beneficial owner(s) and associate(s) is a third party independent of the Company and is not a connected person of the Group.

Principal business activities of the Company

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is a diversified mining group focused, primarily, on the Asian region. Its principal assets and investments are located in Yunnan Province, China as well as the Pilbara region of Western Australia where the Company



has strategic interests in BC Iron Limited (23.11%) and Venturex Resources Limited (31.87%). The Company also has passive interests in a number of other mining companies.

General

As completion of the Arrangement and the Transaction is subject to the fulfilment of a number of conditions, the Arrangement and the Transaction may or may not proceed to completion. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

Definitions

In this announcement, the following expressions have the following meanings unless the context require otherwise:

“Arrangement”	the statutory and court-approved plan of arrangement to be undertaken by Endeavour under the Business Corporations Act (Ontario) for the acquisition of Avion in an all share transaction, pursuant to which: (i) each Avion shareholder (including the Company) will receive 0.365 new Endeavour Share for each Avion Share held, or each Avion shareholder who is a Canadian resident may elect, for tax purposes, to receive 0.365 new Endeavour Exchangeable Preferred Share for each Avion Share held; and (ii) the Avion Options will be varied to become exercisable to subscribe for 0.365 new Endeavour Share for each Avion Option held, as announced by Avion and Endeavour on 7 August 2012
“Arrangement Agreement”	the definitive arrangement agreement entered into between Avion and Endeavour on 7 August 2012, pursuant to which Endeavour has agreed to acquire all of the issued and outstanding Avion Shares by way of the Arrangement
“associate(s)”	shall have the meaning defined in the HK Listing Rules
“ASX”	the Australian Securities Exchange
“Avion”	Avion Gold Corporation, a Canadian-based public company, whose shares are dually listed on TSX (TSX: AVR) and the OTCQX (OTCQX: AVGCF)



“Avion Option(s)”	the stock options currently outstanding under the stock option scheme of Avion
“Avion Share(s)”	the common shares, without par value, in the capital of Avion
“Board”	the board of directors of the Company
“C\$”	Canadian dollars, the lawful currency of Canada
“China”	Peoples’ Republic of China
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
“connected person(s)”	shall have the meaning defined in Chapter 14A of the HK Listing Rules
“Director(s)”	the directors of the Company
“Endeavour”	Endeavour Mining Corporation, a Canadian-based public company, whose shares are dually listed on TSX (TSX: EDV) and ASX (ASX: EVR) and are also traded on the OTCQX (OTCQX: EDVMF)
“Endeavour Exchangeable Preferred Share(s)”	the exchangeable preferred shares to be issued by Endeavour, each of which will be exchangeable for one new Endeavour Share at the option of the holder
“Endeavour Share(s)”	the listed common shares of C\$0.01 each in the capital of Endeavour
“Group”	the Company and its subsidiaries
“HK Listing Rules”	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong



"OTCQX"	the Over the Counter Qualified Exchange of the United States
"Shareholder(s)"	the holders of the Shares
"Share(s)"	the ordinary shares, with voting rights, of US\$0.01 each in the capital of the Company, which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
"Transaction"	the disposal by the Company of 11,251,500 Avion Shares, representing the entire holding of the Company in Avion, to Endeavour pursuant to the Arrangement for the consideration of 4,106,797 new Endeavour Shares, being at the ratio of 0.365 new Endeavour Share for each Avion Share held
"TSX"	the Toronto Stock Exchange
"US\$"	United States dollars, the lawful currency of the United States

Note: Unless otherwise specified herein, (i) amounts dominated in C\$ have been translated, for the purpose of illustration only, into US\$ using the exchange rate of C\$1.00 = US\$1.0218; and (ii) amounts dominated in US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.80.

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director

Directors of the Company:

James Mellon (*Co-Chairman*)*

Stephen Dattels (*Co-Chairman*)*

Jamie Gibson (*Chief Executive Officer*)

David Comba[#]

Julie Oates[#]

Mark Searle[#]

Jayne Sutcliffe*

* *Non-Executive Directors*

Independent Non-Executive Directors

Hong Kong, 16 October 2012