

## BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

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### MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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The Board of Directors (the “**Board**” or “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**” or “**BlackGold**” and together with its subsidiaries, the “**Group**”) refers to the Company’s unaudited financial results announcement for the financial year ended 31 December 2019 (“**FY2019**”) released via the SGXNet on 29 February 2020 (the “**Unaudited Financial Statements**”). Unless otherwise defined or the context otherwise requires, all terms herein shall have the same meaning as defined in the Unaudited Financial Statements.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Company wishes to highlight that there are certain adjustments made to the Unaudited Financial Statements following the finalisation of the audit by the Company’s external auditors, PricewaterhouseCoopers LLP (the “**Independent Auditors’ Report**”, and the related audited financial statement is referred to herein as the “**Audited Financial Statements**”). The details and explanations of the material variances are set out in **Appendix A** as annexed hereto.

The Board confirms that to the best of their knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosure misleading.

**Shareholders are advised to exercise caution when dealing in shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

#### By Order of the Board

Soh Sai Kiang  
Independent Non-Executive Chairman  
29 June 2020

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This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr David Yeong (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

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## APPENDIX A

### A. Consolidated Statement of Comprehensive Income as at 31 December 2019

	The Group			Note
	FY2019 (Audited)	FY2019 (Unaudited)	Variance	
	US\$	US\$	US\$	
Cost of Sales	8,838,406	9,162,233	(323,827)	1
Gross Profit	2,195,585	1,871,758	(323,827)	1
Other income - net	14,587	26,516	(11,929)	2
Other gains / (losses)	122,231	238,194	(115,963)	3
Expenses				
- Administrative	3,008,579	3,333,573	(324,994)	4
- Others	145,035	3,831,666	(3,686,631)	5
<b>Loss for the financial year</b>	<b>(1,541,866)</b>	<b>(5,757,059)</b>	<b>4,215,193</b>	
Other comprehensive loss, net of tax	(169,813)	309,370	(479,183)	6
<b>Total comprehensive loss, net of tax</b>	<b>(1,711,679)</b>	<b>(5,447,689)</b>	<b>3,736,010</b>	

#### Note

- 1 The differences were mainly due to the exclusion of depreciation and amortisation expenses included in cost of sales. There were prior year adjustments ("PYA") recorded to impair the carrying values of property, plant and equipment and mining properties amounting to US\$ 5,611,681 and US\$7,307,069, respectively. Following the impairment, there are no depreciation and amortisation in FY2019. More details on the PYA can be found in Note 34 of Audited Financial Statements in the 2019 Annual Report released separately on SGXNet.
- 2 The decrease in gains on disposal was due to a late adjustment from the completion of a disposal of assets.
- 3 The difference mainly arose from foreign currency translation differences on changes highlighted in Notes 7-14.
- 4 The decrease in administrative expenses is mainly due to late adjustments on over-provision of depreciation expenses, directors' fees, rental expenses, legal expense and other administrative expenses.
- 5 The decrease in other expenses is mainly due to the adjustments from the PYA which is explained in Note 1 above. The impairment losses amounting to US\$3,831,666 are now recorded in FY2018 instead of FY2019.
- 6 Mainly arising from the foreign currency translation effect of consolidation of changes highlighted in Notes 7 – 14.

## B. Consolidated Statement of Financial Position for FY2019

	The Group			
	FY2019 (Audited)	FY2019 (Unaudited)	Variance	Note
	US\$	US\$	US\$	
<b>ASSETS</b>				
<b>Current assets</b>				
Trade and other receivables	4,865,841	5,153,080	(287,239)	7
Inventories	405,659	423,731	(18,072)	8
<b>Non-current assets</b>				
Property, plant and equipment	106,716	1,622,510	(1,515,794)	9
Right-of-use assets	-	75,513	(75,513)	10
Mining properties	-	7,554,053	(7,554,053)	11
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Lease liabilities	-	37,005	(37,005)	12
Borrowings	2,909,188	3,012,526	(103,338)	13
<b>Non-Current Liabilities</b>				
Lease liabilities	-	38,642	(38,642)	14
Borrowings	38,592	-	38,592	14
<b>EQUITY</b>				
Currency translation reserve	(2,531,727)	(1,767,226)	(764,501)	15
Accumulated losses	(61,718,287)	(53,274,998)	(8,443,289)	15
Non-controlling interests	(248,464)	(156,286)	(92,178)	15

### Note

- 7 Decrease in trade receivables amounting to US\$168,844 as amounts financed using accounts receivable factoring facilities were over-stated. Remaining decrease of US\$118,395 due to late adjustments to reduce other receivables.
- 8 Mainly due to the reversal of depreciation and amortisation included in cost of inventories. Following the impairments to property, plant and equipment and mining properties adjusted through the PYA, there were no depreciation and amortisation charges arising from these assets in FY2019.
- 9 Difference is mainly due to PYA to impair property plant and equipment in FY2018. These were partially offset by the re-classification of right-of-use assets in Note 10 to property, plant and equipment.
- 10 Balances previously recorded under right-of-use assets have been re-classified under property, plant and equipment in Note 9 above.
- 11 Mining properties were fully impaired in FY2018 through the PYA.
- 12 Lease liabilities on leasehold properties were re-classified to borrowings.
- 13 A decrease in borrowings amounting to US\$168,844 on financing facilities for accounts receivable factoring which were over-stated (See Note 7). This was offset by increases from a late adjustment for omission on current portion of lease liabilities amounting to US\$ 28,501 and the re-classification of lease liabilities (non-current) of US\$37,005 to borrowings.
- 14 Non-current portion of lease liabilities were re-classified to borrowings with a minor late adjustment of US\$50.
- 15 Mainly due to differences arising from Notes 1-14 above.

	The Company			
	FY2019 (Audited)	FY2019 (Unaudited)	Variance	Note
	US\$	US\$	US\$	
<b>ASSETS</b>				
<b>Current assets</b>				
Other receivables	31,938	810,018	(778,080)	16
<b>Non-current assets</b>				
Property, plant and equipment	76,852	1,456	75,396	17
Investment in subsidiaries	707	13,316,575	(13,315,868)	18
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Other payables	1,465,217	1,332,404	132,813	19
Accrued operating expenses	487,699	501,947	(14,248)	20
Lease liabilities	36,941	-	36,941	21
<b>Non-Current Liabilities</b>				
Lease liabilities	35,936	-	35,936	21
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Currency translation reserve	481,364	662,355	(180,991)	22
Accumulated losses	(174,089,408)	(160,067,179)	(14,022,229)	23

#### Note

- 16 The decrease is mainly due to impairment of longstanding balances in intercompany receivables.
- 17 The increase is due to late adjustments to cost of leasehold properties. (See corresponding liabilities in Note 21).
- 18 Difference due to PYA to impair the value of investment in subsidiaries. Due to an impairment through a PYA to impair the value of the mining concession held by the Group's subsidiary, PT Samantaka Batubara, the Group's investment in the subsidiary were correspondingly impaired.
- 19 The increase is due to late adjustments to correct under-provision of other payables.
- 20 The decrease arises from late adjustments on over-provision of accrued operating expenses.
- 21 The increase is mainly due to late adjustments to record under-provision of lease liabilities on leasehold properties (See Note 17).
- 22 Mainly due to differences highlighted in Notes 16-21.
- 23 This was mainly due to a PYA on investment in subsidiaries amounting to US\$ 13,315,868 (See Note 18). Other differences arising from items highlighted in Notes 16 to 17, 19 to 21.

**C. Consolidated Statement of Cash Flows for FY2019**

	FY2019 (Audited)	FY2019 (Unaudited)	Variance	Note
	US\$	US\$	US\$	
<b>Net cash used in operating activities</b>	(2,414,014)	(2,427,335)	13,321	24
<b>Net cash (used in)/ provided by investing activities</b>	(133,245)	2,900	(136,145)	24
<b>Net cash provided by financing activities</b>	2,066,200	1,962,365	103,835	24
<b>Effects of currency translation on cash and cash equivalents</b>	22,375	3,386	18,989	24

**Note**

- 24 Differences due to items highlighted in Notes 1-15 of the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position of the Group.