

BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF UP TO 35,937,000 NEW SHARES IN THE CAPITAL OF THE COMPANY AT A PLACEMENT PRICE OF S\$0.09 PER SHARE

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that, on 24 March 2017, the Company entered into a placement agreement (the “**Placement Agreement**”) with SAC Capital Private Limited as placement agent (“**Placement Agent**”).

Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed to procure subscriptions on a best endeavours basis, for an aggregate of up to 35,937,000 new ordinary (the “**Placement Shares**”) in the capital of the Company, at an issue price of S\$0.09 per Placement Share (the “**Placement Price**”), amounting to an aggregate consideration of up to S\$3.23 million (the “**Proposed Placement**”).

The Company will apply to the Singapore Securities Trading Limited (“**SGX-ST**”) through its sponsor, SAC Advisors Private Limited, for the dealing in, listing of and quotation for the Placement Shares on the Catalist of the SGX-ST. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

The Proposed Placement is not underwritten. The Proposed Placement will be undertaken by way of private placement to accredited investors in accordance with Section 272B and 275 of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

The placees have represented and warranted to the Company that they do not fall within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812(1) under the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

The Company confirms that the Proposed Placement will not result in any transfer of controlling interest in the Company.

2. THE PROPOSED PLACEMENT

2.1 Placement Price

The Placement Price of S\$0.09 per Placement Shares represents a discount of approximately 6.83% to the volume weighted average price (“**VWAP**”) of S\$0.0966 per ordinary share in the capital of the Company (“**Share**”) for trades done on the SGX-ST on 21 March 2017, being the last full market day on which the Shares were traded prior to the date of the Share Placement Agreement, and was agreed between the Company and the Placement Agent after arm’s length negotiations. The discount of 6.83% is within the 10% discount limit as stated in Rule 811 of the Catalist Rules.

A placement commission of 2.5% of the gross proceeds raised pursuant to the Proposed Placement is payable by the Company to the Placement Agent.

2.2 Placement Shares

The Placement Shares will be allotted and issued pursuant to the authority granted by shareholders of the Company (“**Shareholders**”) by way of an ordinary resolution (“**General Mandate**”) at the annual general meeting of the Company held on 29 August 2016 (“**2016 AGM**”). As at the date of the 2016 AGM, the Company has 788,708,783 Shares in issue and does not have any treasury shares.

As at the date of this announcement, the Company has not issued and allotted any new Shares under the General Mandate. Therefore, the maximum number of new Shares which may be issued other than on a pro-rata basis to existing Shareholders pursuant to the General Mandate is 394,354,391 new Shares.

The Group had on 10 March 2017 announced that it has signed a separate placement agreement for the proposed placement of 39,511,564 new shares in the capital of the Company (the “**Preceding Proposed Placement**”). Taking the aforementioned into account, the balance of shares that can be issued under the General Mandate is 354,842,827.

Accordingly, in both cases, the proposed allotment and issue of the Placement Shares falls within the limit of the General Mandate.

The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares save that the Placement Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the Completion Date.

2.3 Conditions Precedent

2.3.1 Completion of the Proposed Placement shall be conditional upon the satisfaction or waiver of the following conditions (“**Conditions**”) on or before the Completion Date:

- a. in-principle approval for the Additional Listing Application for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before Completion Date, they are so fulfilled;
- b. the exemption under Section 274 and 275 of the SFA being applicable to the Proposed Placement under the Placement Agreement;
- c. the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or the Placement Agent;
- d. the delivery to the Placement Agent on Completion Date, of a certificate, substantially in the form set out in the Placement Agreement, signed on behalf of the Company by its duly authorised officers;
- e. there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market; and
- f. the representations, warranties and undertakings set out in the Placement Agreement remaining true and correct in all material respects as at Completion and the Company having performed all of its obligations hereunder to be performed on or before the Completion.

2.3.2 If any of the conditions set forth in paragraph 2.3.1 above has not been satisfied on or before 21 April 2017 (or such later date as the parties may agree), the Placement Agreement shall terminate and shall be of no further effect and no party hereto shall be under any liability to the other in respect of the Placement Agreement save that the Company shall remain liable for indemnities against the Placement Agent and for the reimbursement of costs and expenses reasonably incurred by the Placement Agent in respect of the placement of the Placement Shares up to the date of such termination.

2.4 Completion

The Completion Date shall be the date falling three (3) business days after the date on which the SGX-ST issues the listing and quotation notice for the listing and quotation of the Placement Shares on the Catalist of the SGX-ST (or other such date as the Company or the Placement Agent may agree).

3. **RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS**

Based on the Placement Price and assuming the Placement Shares are taken up in full, the Proposed Placement will allow the Company to raise net cash proceeds (after deducting estimates expenses of approximately S\$86,330) of approximately S\$3.15 million ("**Net Proceeds**"), which will be utilised as follows:

- a. 15% of the Net Proceeds to support preliminary and ancillary expenses in relation to the development of a 2 x 300 megawatt mine-mouth power plant (the "**Riau 1 Project**")*, and
- b. 85% of the Net Proceeds to further strengthen the working capital position of the Group

* The Riau 1 Project refers to a joint cooperation project with China Huadian Engineering Co., Ltd. for the development, construction, operation and maintenance of a 2 x 300 MW coal-fired power plant in Riau province, Indonesia, as announced previously by the Group on 28 December 2015.

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in its annual report(s).

4. **DIRECTORS' CONFIRMATION**

The Directors are of the opinion that, (i) after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the Group's present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors are of the opinion that the Net Proceeds will further strengthen and supplement the Group's financial position and capital base.

5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

5.1 The financial effects of the Proposed Placement are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the completion of the Proposed Placement.

The financial effects of the Proposed Placement have been computed based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2016. The financial effects are based on the following assumptions:

- (i) the financial effect on the consolidated net tangible asset ("**NTA**") per Share is computed based on the assumption that the Proposed Placement was completed, on 31 December 2016;
- (ii) the financial effect on the loss per Share ("**LPS**") is computed based on the assumption that the Proposed Placement was completed on 1 January 2016;
- (iii) the Net Proceeds are converted at an exchange rate of US\$1 to S\$1.4019; and
- (iv) the expenses incurred in connection with the Proposed Placement amount to approximately S\$86,330.

As of the date of this announcement, the Additional Listing Application in relation to the Preceding Proposed Placement has been submitted and is pending approval by the SGX-ST. If approved and completed, the issued and paid-up share capital of the Company will be US\$ 162,490,411 (the "**New Share Capital**") and the total number of issued shares will be 828,220,437 (the "**New number of issued shares**").

The financial impacts of the Preceding Proposed Placement and the Proposed Placement are presented as follow:

Scenario A: Following the completion of the Preceding Proposed Placement, the financial impact of the Proposed Placement using the New Share Capital and New number of issued shares.

Scenario B: Financial impact on the existing issued and paid-up share capital of US\$ 159,951,597 and number of issued shares of 788,708,783.

5.2 Share Capital

Scenario A

	Before the Proposed Placement	After the Proposed Placement
Issued and paid-up share capital (US\$)	162,490,411	164,797,515
Total number of issued Shares	828,220,437	864,157,437

The Placement Shares represent approximately 4.34% of the New Share Capital (excluding treasury shares) of the Company as at the date of this announcement. Assuming the successful issuance and allotment of the Placement Shares, the Placement Shares will represent approximately 4.16% of the enlarged New Share Capital (excluding treasury shares) of the Company following the completion of the Proposed Placement.

Scenario B

	Before the Proposed Placement	After the Proposed Placement
Issued and paid-up share capital (US\$)	159,951,597	162,258,702
Total number of issued Shares	788,708,783	824,645,783

The Placement Shares represent approximately 4.56% of the issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement. Assuming the successful issuance and allotment of the Placement Shares, the Placement Shares will represent approximately 4.36% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company following the completion of the Proposed Placement.

5.3 NTA per Share

Scenario A

	Before the Proposed Placement	After the Proposed Placement
NTA (US\$)	12,432,581	14,739,685
NTA per Share (US\$ cents)	1.5	1.7

Scenario B

	Before the Proposed Placement	After the Proposed Placement
NTA (US\$)	9,893,170	12,200,275
NTA per Share (US\$ cents)	1.3	1.5

5.4 LPS**Scenario A**

	Before the Proposed Placement	After the Proposed Placement
Loss attributable to the Shareholders (US\$)	3,620,790	3,620,790
Weighted average number of Shares	828,220,437	864,157,437
Loss per Share (US\$ cents)	0.44	0.42

Scenario B

	Before the Proposed Placement	After the Proposed Placement
Loss attributable to the Shareholders (US\$)	3,620,790	3,620,790
Weighted average number of Shares	788,708,783	824,645,783
Loss per Share (US\$ cents)	0.46	0.44

7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placement, other than in their capacity as a Director or shareholder of the Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Share Placement Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 7 Temasek Boulevard #06-02A Suntec City Tower 1 Singapore 038987 for three (3) months from the date of this announcement.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Philip Cecil Rickard
Executive Director and Chief Executive Officer
27 March 2017

*This announcement has been prepared by BlackGold Natural Resources Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Advisors Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the 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. Sebastian Jones, Director, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone: (65) 6532 3829.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.
