BlackGold Natural Resources Limited
(Company Registration No. 199704544C)

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

The board of directors (the "**Board**") of the Company is pleased to announce the unaudited consolidated financial results of the Group for the first quarter ended 31 March 2018 ("**1Q2018**") and the corresponding first quarter ended 31 March 2017 ("**1Q2017**").

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year

Consolidated Statement of Comprehensive Income

	GROUP		
	Unaudited 1Q2018 US$	**Unaudited 1Q2017 US$**	**Change +/- %**
Sales	1,369,721	468,170	193
Cost of Sales	(1,362,162)	(398,055)	242
Gross Profit	7,559	70,115	(89)
Other income	2,385	2,557	(7)
Currency translation gains	11,265	95,428	(88)
Expenses			
- Administrative	(1,046,449)	(1,106,749)	(5)
- Finance	(24)	(59)	(59)
- Others	-	(695)	n.m.
Loss before tax	(1,025,264)	(939,403)	9
Income tax expense	-	-	
Loss net of tax	(1,025,264)	(939,403)	9

n.m. denotes not meaningful

	GROUP		
	Unaudited 1Q2018 US$	Unaudited 1Q2017 US$	Change +/- %
<u>Other Comprehensive Income/Loss:</u>			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation	(227,090)	102,822	n.m.
Other comprehensive (loss)/gain, net of tax	(227,090)	102,822	n.m.
Total comprehensive loss, net of tax	(1,252,354)	(836,581)	50
Net loss attributable to:			
- Equity holders of the Company	(1,018,970)	(934,183)	9
- Non-controlling interests	(6,294)	(5,220)	21
	(1,025,264)	(939,403)	9
Total comprehensive loss attributable to:			
- Equity holders of the Company	(1,239,869)	(828,676)	50
- Non-controlling interests	(12,485)	(7,905)	58
	(1,252,354)	(836,581)	50

n.m. denotes not meaningful

1(a)(ii) The total comprehensive income/(loss) attributable to equity holders of the Company include the following credits/(charges):-

	GROUP		
	Unaudited 1Q2018 US$	Unaudited 1Q2017 US$	Change +/- %
Interest income	2,384	2,364	1
Employee compensation & directors' fees	(351,808)	(348,623)	1
Professional fees, travelling and corporate social responsibility expenses	(213,845)	(204,710)	4
Legal and licensing expenses	(130,493)	(179,127)	(27)
Rental expenses	(94,094)	(49,265)	91
Mining, geology and survey expenses	(10,737)	(132,414)	(92)
Depreciation of property, plant and equipment	(75,624)	(3,286)	n.m.
Amortisation of mining properties	(9,088)	(5,689)	60

n.m. denotes not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at
	31/3/2018	31/12/2017	31/3/2018	31/12/2017
	US$	US$	US$	US$
ASSETS				
Current assets				
Cash and cash equivalents	687,104	1,203,825	608,697	1,086,089
Trade and other receivables	1,142,174	1,066,133	23,573,301	23,091,975
Inventories	3,112,883	2,436,891	-	-
Deposits and prepayments	345,836	456,221	62,046	31,636
	5,287,997	5,163,070	24,244,044	24,209,700
Non-current assets				
Property, plant and equipment	5,427,656	5,587,009	6,289	6,466
Mining properties	7,703,720	7,835,048	-	-
Exploration and evaluation expenditure	1,387,572	1,406,942	-	-
Deposits and prepayments	858,328	870,309	-	-
Investment in subsidiaries	-	-	92,752,976	92,752,976
Restricted cash	186,753	189,360	-	-
	15,564,029	15,888,668	92,759,265	92,759,442
Total assets	**20,852,026**	**21,051,738**	**117,003,309**	**116,969,142**
LIABILITIES				
Current liabilities				
Trade and other payables	1,843,654	720,234	714,297	714,557
Accrued operating expenses	2,338,536	2,448,456	253,748	249,650
Finance lease liabilities	1,191	1,856	-	-
Current tax liability	70,021	76,313	268	413
	4,253,402	3,246,859	968,313	964,620
Non-current liabilities				
Provision for employee benefit	90,457	82,266	-	-
Loans from shareholders	4,184,847	4,184,847	-	-
Other provisions	139,138	101,230	-	-
	4,414,442	4,368,343	-	-
Total liabilities	**8,667,844**	**7,615,202**	**968,313**	**964,620**
NET ASSETS	**12,184,182**	**13,436,536**	**116,034,996**	**116,004,522**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	55,619,594	55,619,594	170,716,789	170,716,789
Currency translation reserve	(1,525,459)	(1,304,560)	1,652,519	1,213,380
Accumulated losses	(41,825,273)	(40,806,303)	(56,334,312)	(55,925,647)
	12,268,862	13,508,731	116,034,996	116,004,522
Non-controlling interests	(84,680)	(72,195)	-	-
Total equity	**12,184,182**	**13,436,536**	**116,034,996**	**116,004,522**

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(a) the amount repayable in one year or less, or on demand;

The Group does not have any borrowings and debt securities repayable in one year or less, or on demand as at 31 March 2018 and 31 December 2017.

(b) the amount repayable after one year;

	As at 31/3/2018		**As at 31/12/2017**	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	US$	**US$**	**US$**	**US$**
Shareholders' loans	-	4,184,847	-	4,184,847

The above relates to shareholders' loans from Twin Gold Ventures S.A. ("**TGV**") and Novel Creation Holdings Limited ("**Novel Creation**") (together, the "**Lenders**"). These loans are non-interest bearing, unsecured and repayable upon demand.

On 29 March 2018, the Group entered into a fourth supplemental deed with the Lenders to extend until 31 March 2020 the period during which the Lenders have agreed not to demand repayment. There has been no request for repayment to date.

The Group currently has a remaining undrawn facility amounting to US$35,815,153 on the abovementioned shareholders' loan facilities.

(c) Details of any collateral

Not Applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Unaudited 1Q2018 US$	Unaudited 1Q2017 US$
Cash flows from operating activities		
Loss before tax	(1,025,264)	(939,403)
Adjustments for:		
- Depreciation of property, plant and equipment	75,624	3,286
- Amortisation of mining properties	9,088	5,689
- Loss on disposal of property, plant and equipment	-	695
- Interest income from fixed deposits and current account	(2,384)	(2,364)
- Interest expense	24	59
- Unrealised currency translation differences	(13,486)	(89,011)
	(956,398)	(1,021,049)
Change in working capital:		
Inventories	(673,595)	(315,079)
Deposit and prepayments	106,209	(138,431)
Trade and other receivables	(90,256)	(474,319)
Trade and other payables	1,071,583	351,674
Provision for employee benefits	9,323	2,086
Other provisions	39,301	1,094
Cash used in operating activities	(493,833)	(1,594,024)
Tax paid	(30,328)	(4,790)
Net cash used in operating activities	(524,161)	(1,598,814)
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,732)	(9,692)
Interest received	2,384	2,364
Net cash used in investing activities	(11,348)	(7,328)
Cash flows from financing activities		
Proceeds from shareholders' loan	-	200,000
Advances received	-	2,539,221
Repayment of finance lease	(700)	(620)
Interest paid	(24)	(59)
Net cash (used in) / provided by financing activities	(724)	2,738,542
Net (decrease) / increase in cash and cash equivalents	(536,233)	1,132,400
Cash and cash equivalents at the beginning of the period	1,203,825	123,541
Effects of currency translation on cash and cash equivalents	19,512	3,849
Cash and cash equivalents at the end of the period	687,104	1,259,790

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP - Current period

	Share Capital US$	Currency Translation reserve US$	Accumulated losses US$	Non-controlling interests US$	Total equity US$
Balance at 31 December 2017	55,619,594	(1,304,560)	(40,806,303)	(72,195)	13,436,536
Total comprehensive loss for the period	-	(220,899)	(1,018,970)	(12,485)	(1,252,354)
Balance at 31 March 2018	55,619,594	(1,525,459)	(41,825,273)	(84,680)	12,184,182

GROUP - Prior period

	Share Capital US$	Currency Translation reserve US$	Accumulated losses US$	Non-controlling interests US$	Total equity US$
Balance at 31 December 2016	44,854,402	(1,151,948)	(33,822,210)	12,926	9,893,170
Total comprehensive loss for the period	-	105,507	(934,183)	(7,905)	(836,581)
Balance at 31 March 2017	44,854,402	(1,046,441)	(34,756,393)	5,021	9,056,589

COMPANY - Current period

	Share Capital US$	Currency Translation reserve US$	Accumulated losses US$	Total equity US$
Balance at 31 December 2017	170,716,789	1,213,380	(55,925,647)	116,004,522
Total comprehensive loss for the period	-	439,139	(408,665)	30,474
Balance at 31 March 2018	170,716,789	1,652,519	(56,334,312)	116,034,996

COMPANY - Prior period

	Share Capital US$	Currency Translation reserve US$	Accumulated losses US$	Total equity US$
Balance at 31 December 2016	159,951,597	(706,456)	(22,776,277)	136,468,864
Total comprehensive loss for the period	-	454,917	(426,854)	28,063
Balance at 31 March 2017	159,951,597	(251,539)	(23,203,131)	136,496,927

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

	No. of Shares	Share capital (US$)
As at 31 March 2018	930,860,437	170,716,789
As at 31 December 2017	930,860,437	170,716,789

There were no changes in the issued and paid-up share capital of the Company from 31 December 2017 to 31 March 2018.

There were no outstanding convertibles or share options granted as at 31 March 2018 and 31 March 2017.

There were no treasury shares or subsidiary holdings held or issued as at 31 March 2018 and 31 March 2017.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 March 2018	**As at 31 December 2017**
Number of issued shares excluding treasury shares	930,860,437	930,860,437

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company does not have any subsidiary holdings.

2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

The figures have not been audited or reviewed by the Company's auditors.

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.

Accounting policies and methods of computations used in the consolidated financial statements for the year ended 31 March 2018 are consistent with those applied in the financial statements for the year ended 31 December 2017, except for the adoption of accounting standards (including its consequently amendments) and interpretations applicable for the financial period beginning 1 January 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new/revised Financial Reporting Standards ("**FRS**") that are effective for annual periods beginning on or after 1 January 2018. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The following are the new or amended FRS that are relevant to the Group:

- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers
- FRS 116 Leases
- Adoption of Singapore Financial Reporting Standards (International)

The adoption of these new or revised accounting standards and interpretations do not have any material effect on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	1Q2018 **US$**	**1Q2017** **US$**
Basic loss per share (cents)	(0.11)	(0.12)
Weighted average number of shares for the purpose of computing basic loss per share	930,860,437	788,708,783
Fully diluted loss per share (cents)	(0.11)	(0.12)
Weighted average number of shares for the purpose of computing fully diluted loss per share	930,860,437	788,708,783

The basic loss per ordinary share and the fully diluted loss per ordinary share for 1Q2018 were the same as there were no potentially dilutive ordinary shares existing during the period.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) Current financial period reported on; and
(b) Immediately preceding financial year.

	31 Mar 2018 US$	31 Dec 2017 US$
Net asset value of the Group per ordinary share (cents)	1.3	1.4
No. of ordinary shares in issue	930,860,437	930,860,437
Net asset value of the Company per ordinary share (cents)	12.5	12.5
No. of ordinary shares in issue	930,860,437	930,860,437

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

<u>Revenue</u>

Revenue is generated through the sale of coal from its coal mining activities to its customers.

Revenue amounted to US$1.4M in 1Q2018, as compared to US$468K in 1Q2017. This is due to an increase in sales volumes of 167% during 1Q2018.

<u>Cost of Sales</u>

Cost of Sales ("**COS**") comprises mainly of costs incurred in relation to mining contractors, coal processing, royalties payable to the government, depreciation and amortisation of mining properties and coal inventory.

COS amounted to US$1.4M in 1Q2018, as compared to US$398K in 1Q2017. The increase in COS is in line with the increased sales volume, which is higher than that recorded in 1Q2017.

<u>Gross Profit</u>

The Group recorded a positive gross profit of US$8K in 1Q2018. During 1Q2017, owing to the relatively smaller quantity of coal produced, a lower stripping ratio was attained. During 1Q2018, with ramped-up production, the average stripping ratio was higher, resulting in higher COS and a lower gross profit.

Currency translation gain

The Group recorded a currency translation gain of US$11K in 1Q2018, as compared to currency translation gain of US$95K in 1Q2017.

The currency translation gain in 1Q2018 was mainly due to translation differences in shareholders' loans at its Singapore subsidiary. The United States Dollar (being the currency in which these loans are denominated) had weakened against Singapore Dollar (being the recording currency for these liabilities), thereby accounting for the currency translation gain.

Administrative Expenses

Administrative expenses mainly relate to employees' remuneration, directors' fees and expenses relating to licensing and compliance, geologist and survey, rental and recurring professional fees.

Administrative expenses decreased by US$60K or 5% from US$1.1M in 1Q2017 to approximately US$1.0M in 1Q2018. The decrease was mainly attributable to a decrease in mining, geologist and survey expenses of US$122K as there was no mobilisation of heavy equipment by contractors in 1Q2018, which was partially offset by an increase in depreciation expenses of US$59K in respect of the commencement of usage of the jetty in November 2017.

Loss after tax

As a result of the abovementioned factors, the Group recorded net losses of US$1.0M in 1Q2018.

Review of Statement of Financial Position

Current assets

Current assets comprise of cash and cash equivalents, inventories, trade and other receivables, as well as deposits and prepayments.

Current assets increased by US$125K from US$5.2M as at 31 December 2017 to US$5.3M as at 31 March 2018.

This was partly due to a US$517K decrease in cash and cash equivalents, mainly arising from payments for production activities and working capital purposes. Please refer to Note 1(c) Cash Flow Statement for more details.

Inventories increased by US$676K as the Group continues to expand its production capacities and builds up its coal inventory for sale to its customers.

Trade and other receivables increased by US$76K due to increased sales amounting to US$1.4M, partially offset by collections received from the Group's customers.

Deposits and prepayments decreased by US$110K mainly due to utilisation of the prepayments for payment to the contractors amounting to US$161K, partially offset by the increase in prepayments for professional fees and land use rights amounting to US$51K.

Non-current assets

Non-current assets of the Group comprise of property, plant and equipment, mining properties, exploration and evaluation expenditure, restricted cash, as well as deposits and prepayments.

Non-current assets decreased by US$325K from US$15.9M as at 31 December 2017 to US$15.6M as at 31 March 2018, mainly due to (i) depreciation of property, plant and equipment of US$97K[1], (ii) amortisation of mining properties of US$23K[1], (iii) foreign exchange differences of US$206K and (iv) partially offset by additions to property, plant and equipment of US$13K.

Note 1: Depreciation and amortisation expenses are recorded initially under "inventory" and subsequently transferred to profit and loss when the coal inventory is sold. As at end of the period, a portion of depreciation and amortisation expenses remain recorded as inventories.

Current liabilities

Current liabilities comprise of trade and other payables, current tax liability, accrued operating expenses and finance lease liabilities (current portion).

Current liabilities increased by US$1.1M from US$3.2M as at 31 December 2017 to US$4.3M as at 31 March 2018. The increase was mainly due to (i) an increase in trade and other payables of US$1.1M from the Group's production activities, which were partially offset by a decrease in accrued operating expenses of US$110K paid to mining contractors.

Non-current liabilities

Non-current liabilities comprise of loans from shareholders, provision for employee benefits and other provisions.

Non-current liabilities increased by US$46K from US$4.4M as at 31 December 2017 to US$4.4M as at 31 March 2018. The increase was mainly due to an increase in provision for employee benefits and other provisions.

Working Capital

The Group recorded a working capital of US$1.0M as at 31 March 2018.

Review of Statement of Cash Flows

1Q2018

The Group recorded net cash used in operating activities of US$524K for 1Q2018 which was a result of operating losses before changes in working capital of approximately US$956K, adjusted for net working capital inflows of approximately US$432K.

Net cash used in investing activities of US$11K in 1Q2018 was mainly due to cash used for the purchase of property, plant and equipment of US$13K, partially offset by interest income of US$2K from current account and time deposits.

Net cash used in financing activities of US$1K was mainly due to repayment of finance lease liabilities.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of US$536K in 1Q2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as the Company has not disclosed any forecast or prospect statement to its shareholders previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

On 23 January 2018, the consortium consisting of the Company and its partners formally received a Letter of Intent ("**LOI**") from PT Perusahaan Listrik Negara ("**PLN**") for the award of a Power Purchase Agreement ("**PPA**"). Negotiations between the relevant parties towards finalization of the PPA is currently ongoing.

PT Santosa Makmur Sejahtera ("**SMS**") and PT Soma Daya Utama ("**SDU**") both independent power plants, have informed the Group that they expect a delay in taking delivery of coal. Barring unforeseen circumstances, the delivery of coal to SMS and SDU are expected to occur in 2H2018. No penalties will be imposed on the Group as the delays were not the fault of the Group.

The Group had performed better during 1Q2018, recording a gross profit of US$7,559, as compared to a gross loss recorded in 4Q2017, notwithstanding that the cost of sales for 1Q2018 partially consisted of inventories mined during 4Q2017, which included the higher initial costs of overburden removal.

In an article published on 20 March 2018 by NusantaraNews, an Indonesian news agency, Mr Agung Pribadi, Chief of the Bureau of Communications, Services, Public Information and Cooperations of Indonesia's Ministry of Energy and Mineral Resources, stated that despite the increasing proportion of renewable energy (currently at approximately 23%) in Indonesia's projected energy mix for the year 2025, coal will still hold the largest proportion in the country's projected energy mix at 54%, close to double that of renewable energy. In relation to Indonesia's 35,000 MW programme, the Minister of Energy and Mineral Resources, Mr Ignasius Jonan, expressed his confidence about being able to achieve 20,000 MW of electricity by the year 2019.

During an interview with CNN Indonesia on 26 January 2018, Mr Ignasius Jonan also stated that coal currently dominates approximately 60% of Indonesia's energy mix. Mr Jonan predicts that, until year 2025, the usage of coal as a proportion of the nation's energy mix will remain at approximately 60%. He further highlighted that coal will remain as the primary source of energy for power plants in Indonesia until year 2025.

In another article published on 29 March 2018 by Bisnis Indonesia, an Indonesian news agency, Mr Sofyan Basir, the President Director of PLN, Indonesia's state-owned electricity distribution company, predicts that Indonesia's annual coal demand may reach 145 million tonnes per annum by the year 2026, largely due to the progress made in the 35,000 MW programme, and that the short-term demand for electricity from year 2020 to year 2021 may reach 120 million tonnes per annum.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended during 1Q2018.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions ("**IPTs**") pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**").

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transaction conducted under the shareholders' mandate pursuant to Rule 920) S$	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transaction less than S$100,000) S$
	1Q2018	**1Q2018**
N.A.	-	-

There were no interested person transactions that were individually more than S$100,000 entered into by the Group during 1Q2018.

14. Use of IPO Proceeds

Pursuant to Rule 1204(5)(f) of the Catalist Rules, the net proceeds from the Share Placement Agreement dated 24 March 2017 and 22 June 2017 of approximately S$3.15 million and S$8.0 million respectively (after deducting expenses of approximately S$86K and S$232K respectively) were fully utilised as at date of this announcement. The utilisation of the net proceeds from these placements are consistent with the intended use as disclosed in the announcement dated 27 March 2017 and 23 June 2017 respectively.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

15 (a). Rule 705(6)(a) of the Catalist Rules

i. Use of funds/cash for the quarter:-

In 1Q2018, funds were mainly used for the following activities:-

Purpose	**Forecasted usage of funds (US$)**	**Actual usage of funds (US$)**
Development activities *	7,000	2,000
Production activities	577,000	647,000
General working capital	112,000	91,000
Total	696,000	740,000

* Development activities includes capital expenditures.

Actual cash used for production activities was higher than forecast by US$70K mainly due to higher prepayments to mining contractors in anticipation of higher production volumes in 2Q2018.

Actual cash used for general working capital in 1Q2018 was lower than forecasted by US$21K because payment to supplier will be made in the subsequent quarters as part of the Group's measures to manage its cash flow.

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (financial period from 1 April 2018 to 30 June 2018 ("**2Q2018**")), the Group's use of funds for production activities are expected to be as follows:-

Purpose	**Amount (US$)**
Development activities	-
Production activities	775,000
General working capital	114,000
Total	**889,000**

Principal Assumptions

Projected use of funds for certain items including, but not limited to, expenses incurred for the Group's mine development activities, will vary according to the Group's rate of coal mining and production. Accordingly, if the Group's rate of coal mining and production changes, the Group's use of funds for mine development activities will change as well.

15 (b). Rule 705(6)(b) of the Catalist Rules

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspect.

15 (c). Rule 705(7)(a) of the Catalist Rules

Details of exploration (including geophysical surveys), development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

During 1Q2018, no exploration activities were conducted. In relation to production activities, a total of approximately 42,160 metric tonnes of coal was produced during 1Q2018.

During 1Q2018, cash expenditure paid for production activities amounted to US$647K.

15 (d). Rule 705(7)(b) of the Catalist Rules

Update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

An Independent Qualified Person's Report ("**IQPR**") on the Coal Resources and Ore Reserves estimates as at 31 December 2017 was announced on 3 April 2018. A soft copy of the IQPR is available for download on the SGXNET and the Group's website at www.blackgold-group.com.

As at 31 March 2018, the Group has no material updates to the Coal Resources and Ore Reserve estimates as set out in the IQPR.

16. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules

To the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results of Group and Company for 1Q2018 to be false or misleading in any aspect.

17. Confirmation by the Company to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Philip Cecil Rickard Executive Chairman and CEO	James Rijanto Executive Director and CIO

15 May 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**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.

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