

Press Release – For Immediate Release

BlackGold Broadens Revenue Model and Accelerate Growth in the Resource Industry

- *Signed a binding MOU with Sany Intelligent Mining, as the primary mining services provider using its latest autonomous mining technology in the Group’s existing and future mining operations in Asia, Papua New Guinea and Australia*
- *Establishing a new offtake agreement with Chinese state-owned enterprise to supply thermal coal for a 1-year duration*
- *Further expansion into the thermal coal industry with new exclusive agreement to manage and operate 4 thermal coal concessions in West Kalimantan, Indonesia*
- *New fundraising exercise to raise up to S\$25 million via interest-free convertible bonds to support the Group’s business ambitions in the resource industry*

SINGAPORE, 5 February 2020 – **BlackGold Natural Resources Limited (“BlackGold” or the “Company”, and together with its subsidiaries, the “Group”)** is pleased to announce that it is making progress in its growth plans within the resource industry in Asia, Papua New Guinea and Australia with new corporate developments and a proposed fundraising exercise.

4-Prong Strategy to Broaden Revenue Model and Accelerate Growth

Capitalising on new opportunities within the resource industry in Asia, Papua New Guinea and Australia, the Group has developed a 4-prong strategy to build strategic partnerships, establish offtake agreements, harness growth opportunities and strengthen financial foundation.

i. Building strategic partnerships

BlackGold has signed a binding memorandum of understanding (“MOU”) with Sany Intelligent Mining Technology Co. Ltd (“Sany Intelligent Mining” or “三一智矿科技有限公司”), a wholly-owned subsidiary of Sany Heavy Equipment International Holdings Co., Ltd. (“Sany Heavy Equipment”), which is a Hong Kong listed company with a market capitalisation of approximately HKD 12.7 billion as at 5 February 2020.

Sany Heavy Equipment is a heavy machinery manufacturer specialising in research and development, manufacturing and sale of coal mining and excavation equipment, whole set of roadheaders and coal mining and transportation vehicles and mining equipment as well as port machinery and marine heavy machinery. Sany Heavy Equipment is part of the Sany Group, a global manufacturer of industry-leading construction and mining equipment, port and oil drilling machinery, and renewable wind-energy systems.

Under the MOU, Sany Intelligent Mining will be the primary mining services provider by utilising their resources, technology and equipment to undertake the mining and production operations of the existing mining concessions under the Group as well as future mining

concessions in Asia, Papua New Guinea and Australia that the Group may potentially secure, manage and/or operate under exclusive agreements.

Utilising Sany Intelligent Mining's latest autonomous mining technology and equipment, the Group is targeting to improve the safety levels and increase productivity of its mining and production operations, while lowering the environmental impact.

Leveraging on this collaboration, BlackGold will focus on expanding its business presence in resource-rich countries such as Indonesia, Philippines, Papua New Guinea and Australia.

ii. Establishing a new offtake agreement

BlackGold has entered into an offtake agreement to supply Xiamen Runpu Import and Export Co., Ltd ("Xiamen Runpu" or "厦门市润璞进出口有限公司") with thermal coal procured from the Group's mining operations under its own concessions; other mining concessions managed and operated by the Group under exclusive agreements; and global trading operations led by Mr. Andrew Guan.

Xiamen Runpu is majority owned by Beijing-based Hua Kong Group ("华控集团"), a state-owned Chinese enterprise with a focus on infrastructure development and investments. Xiamen Runpu is a qualified supplier of thermal coal to several Chinese state-owned energy enterprises with power generation facilities in China.

Under the offtake agreement, BlackGold will supply at least 4.8 million tonnes of thermal coal (based on the pricing of Indonesian Coal Index) for a 1-year duration with an option for Xiamen Runpu

iii. Harnessing growth opportunities

BlackGold has entered into an exclusive agreement to manage and operate four thermal coal concessions, with a land size of approximately 10,000 hectares, in West Kalimantan, that is in close proximity to other mines with proven thermal coal deposits.

The Group is aiming to obtain the relevant mining business licences (known as Izin Usaha Pertambangan, or "IUPs") in Indonesia to commence mining and production operations of the four thermal coal concessions by 30 September 2020 and Sany Intelligent Mining will be appointed as the primary mining services provider.

The exclusive agreement is for a 10-year duration and the Group will also be responsible for sourcing and providing the funding of the entire mining, production and sales operations. In return, the Group will receive the revenue from the sales of thermal coal that are extracted and the concession owner will then obtain a collaboration fee.

Building on this momentum to scale up its business presence in the resource industry, BlackGold will proactively explore, evaluate and pursue new opportunities in other resource-rich countries.

Commenting on the Group’s new business strategy, Mr. Philip Soh, Chairman of BlackGold, said, “Many developing economies in Asia require coal to sustain economic activities because of its abundance and low-cost nature. In addition, the long-term trends of increased energy demand in Asia is supported by population and economic growth.

Over the past few months, we have been taken decisive actions to reshape our strategy within the resource industry, fundamentally positioning the Group towards new growth areas in the thermal coal industry, which will diversify our revenue base and strengthen our business foundation.

Working closely with strategic partners and concession owners, we believe that our combined strengths in innovative technology, operations expertise and market access can create opportunities for sustainable, profitable growth, while lowering the environmental impact of our operations.”

iv. Strengthening our financial foundation

To support its business ambitions in the resource industry underpinned by its 4-prong business strategy, the Group is looking to raise up to S\$25 million from the issuance of interest-free convertible bonds to 3 investors, Atrium Asia Capital Partners Pte Ltd, Kingpin Investment Pte Ltd and Jinzhou Business Investment Logistics Co., Ltd (“锦州商投物流有限公司”).

Mr. Philip Soh added, “To capitalise on the range of opportunities identified in the thermal coal industry and accelerate the growth of our business platform, we are pleased to attract new investors who are aligned with our business vision and business strategy for the resource industry.”

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This document is to be read in conjunction with BlackGold’s exchange filings on 5 February 2020, which can be downloaded via www.sgx.com.

Issued on behalf of BlackGold Natural Resources Limited by 8PR Asia Pte Ltd.

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About BlackGold Natural Resources Limited

(Bloomberg Code: BHR:Singapore / Reuters Code: BLAC.SI / SGX Code: BHR)

BlackGold Natural Resources Limited is a resource company with a strategic focus on capitalising on the growth trends in the resource industry in Asia, Papua New Guinea and Australia.

For additional information, please visit <http://www.blackgold-group.com>.

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.

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