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

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2016

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2016

The board of directors (the "**Board**") of the Company is pleased to announce the unaudited consolidated financial results of the Group for the second quarter ("**2Q2016**") and six months ("**6M2016**") ended 30 June 2016. The corresponding unaudited consolidated financial results for the second quarter ("**2Q2015**") and six months ("**6M2015**") ended 30 June 2015 are presented for comparison.

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 2Q2016 US$	**Unaudited 2Q2015 US$**	**Change +/- %**	**Unaudited 6M2016 US$**	**Unaudited 6M2015 US$**	**Change +/- %**
Sales	158,137	-	n.m.	158,137	-	n.m.
Cost of Sales	(219,341)	-	n.m.	(219,341)	-	n.m.
Gross Loss	(61,204)	-	n.m.	(61,204)	-	n.m.
Other income	9,091	4,848	88	12,330	7,345	68
Currency translation gains / (losses)	19,747	(685,765)	n.m.	137,758	(706,400)	n.m.
Expenses						
- Administrative	(943,382)	(725,716)	30	(1,697,426)	(997,350)	70
- Finance	(89)	(125)	(29)	(184)	(1,765)	(90)
- Others *	(3,866)	-	n.m.	(3,866)	(25,665,530)	(100)
Loss before tax	(979,703)	(1,406,758)	(30)	(1,612,592)	(27,363,700)	(94)
Income tax expense	-	-		-	-	
Loss net of tax	(979,703)	(1,406,758)	(30)	(1,612,592)	(27,363,700)	(94)

n.m. denotes not meaningful

Note:
** Other expenses in 6M2015 comprised mainly professional fees, reverse takeover ("**RTO**") cost and arranger fees. Please refer to paragraph 1(a)(ii) below for a breakdown of these expenses.*

	GROUP					
	Unaudited 2Q2016 US$	**Unaudited 2Q2015 US$**	**Change +/- %**	**Unaudited 6M2016 US$**	**Unaudited 6M2015 US$**	**Change +/- %**
<u>Other Comprehensive Income/Loss:</u> *Items that may be reclassified subsequently to profit or loss*						
Currency translation differences arising from consolidation	124,323	375,800	(67)	680,778	259,307	163
Other comprehensive gain, net of tax	124,323	375,800	(67)	680,778	259,307	163
Total comprehensive loss, net of tax	(855,380)	(1,030,958)	(17)	(931,814)	(27,104,393)	(97)
Net loss attributable to:						
- Equity holders of the Company	(975,822)	(1,401,408)	(30)	(1,606,651)	(27,357,395)	(94)
- Non-controlling interests	(3,881)	(5,350)	(27)	(5,941)	(6,305)	(6)
	(979,703)	(1,406,758)	(30)	(1,612,592)	(27,363,700)	(94)
Total comprehensive (loss) attributable to:						
- Equity holders of the Company	(852,647)	(1,021,228)	(17)	(926,970)	(27,096,083)	(97)
- Non-controlling interests	(2,733)	(9,730)	(72)	(4,844)	(8,310)	(42)
	(855,380)	(1,030,958)	(17)	(931,814)	(27,104,393)	(97)

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 2Q2016 US$	**Unaudited 2Q2015 US$**	**Change +/- %**	**Unaudited 6M2016 US$**	**Unaudited 6M2015 US$**	**Change +/- %**
Interest income	2,423	2,468	(2)	4,988	4,965	-
Employee compensation & directors' fees	(379,228)	(332,413)	14	(684,304)	(455,512)	50
Professional fees, travelling and corporate social responsibility expenses	(290,820)	(282,912)	3	(482,468)	(339,318)	42
Legal and licensing expenses	(82,560)	(38,226)	116	(132,442)	(44,758)	196
Mining, geology and survey expenses	-	-	n.m.	(40,283)	-	n.m.
Professional fees (for RTO)	-	-	n.m.	-	(1,719,162)	n.m.
RTO cost	-	-	n.m.	-	(12,959,101)	n.m.
Arranger fees	-	-	n.m.	-	(10,731,215)	n.m.

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 As at 30/6/2016 US$	Audited As at 31/12/2015 US$	Unaudited As at 30/6/2016 US$	Audited As at 31/12/2015 US$
ASSETS				
Current assets				
Cash and cash equivalents	466,004	2,522,778	342,761	1,777,886
Inventories	16,810	-	-	-
Other receivables	277,218	85,866	14,886,823	13,667,035
Deposits and prepayments	8,462,223	8,925,632	37,827	39,009
	9,222,255	11,534,276	15,267,411	15,483,930
Non-current assets				
Property, plant and equipment	1,120,339	251,548	7,208	8,442
Mining properties	5,078,372	-	-	-
Deferred exploration expenditure	2,038,224	6,123,360	-	-
Investment in subsidiaries	-	-	123,409,681	123,409,681
Restricted cash	195,320	185,932	-	-
	8,432,255	6,560,840	123,416,889	123,418,123
Total assets	**17,654,510**	**18,095,116**	**138,684,300**	**138,902,053**
LIABILITIES				
Current liabilities				
Trade and other payables	487,075	260,138	35,544	-
Current tax liability	53,294	53,333	-	-
Accrued operating expenses	1,423,067	1,158,669	162,441	148,696
Finance lease liabilities	2,552	2,365	-	-
Loans from shareholders	-	3,511,376	-	-
	1,965,988	4,985,881	197,985	148,696
Non-current liabilities				
Finance lease liabilities	3,170	4,261	-	-
Provision for employee benefit	16,973	16,157	-	-
Loans from shareholders	3,511,376	-	-	-
	3,531,519	20,418	-	-
Total liabilities	**5,497,507**	**5,006,299**	**197,985**	**148,696**
NET ASSETS	12,157,003	13,088,817	138,486,315	138,753,357
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	44,854,402	44,854,402	159,951,597	159,951,597
Currency translation reserve	(904,467)	(1,584,148)	253,185	(461,056)
Accumulated losses	(31,808,071)	(30,201,420)	(21,718,467)	(20,737,184)
	12,141,864	13,068,834	138,486,315	138,753,357
Non-controlling interests	15,139	19,983	-	-
Total equity	12,157,003	13,088,817	138,486,315	138,753,357

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;

	As at 30/6/2016		As at 31/12/2015	
	Secured	Unsecured	Secured	Unsecured
	US$	US$	US$	US$
Shareholders' loans	-	-	-	3,511,376

(b) the amount repayable after one year;

	As at 30/6/2016		As at 31/12/2015	
	Secured	Unsecured	Secured	Unsecured
	US$	US$	US$	US$
Shareholders' loans	-	3,511,376	-	-

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

On 31 March 2016, certain subsidiaries of the Group entered into second supplemental deeds with TGV and Novel Creation to extend the non-repayment period for a further 18 months until 9 March 2018.

Accordingly, these loans were reclassified from "current liabilities" to "non-current liabilities" in 1Q2016.

(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 2Q2016 US$	Unaudited 2Q2015 US$
Cash flows from operating activities		
Loss before tax	(979,703)	(1,406,758)
Adjustments for:		
- Depreciation of property, plant and equipment	6,257	4,204
- Interest income from fixed deposits and current account	(2,423)	(2,468)
- Interest expense	89	-
- Unrealised currency translation (gains) / losses	(21,909)	98,857
	(997,689)	(1,306,165)
Change in working capital:		
Inventories	(11,250)	-
Deposit and prepayments	(88,589)	-
Other receivables	(60,948)	84,554
Other payables	256,020	(1,196,686)
Restricted cash	-	4,627
Cash used in operating activities	(902,456)	(2,413,670)
Tax paid	(1,033)	-
Net cash used in operating activities	(903,489)	(2,413,670)
Cash flows from investing activities		
Purchase of plant and equipment	(18,152)	(4,247)
Interest received	2,423	2,468
Net cash used in investing activities	(15,729)	(1,779)
Cash flows from financing activities		
Payment to shareholders in capital reduction exercise	-	(7,602,702)
Repayment of finance lease	(615)	(431)
Interest paid	(89)	-
Net cash used in financing activities	(704)	(7,603,133)
Net decrease in cash and cash equivalents	(919,922)	(10,018,582)
Cash and cash equivalents at the beginning of the period	1,382,460	19,894,865
Effects of currency translation on cash and cash equivalents	3,466	4,374
Cash and cash equivalents at the end of the period	466,004	9,880,657

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$	Accumulated losses US$	Currency Translation reserve US$	Non-controlling interests US$	Total equity US$
Balance at 31 March 2016	44,854,402	(30,832,249)	(1,027,642)	17,872	13,012,383
Total comprehensive loss for the period	-	(975,822)	123,175	(2,733)	(855,380)
Balance at 30 June 2016	44,854,402	(31,808,071)	(904,467)	15,139	12,157,003

GROUP - Prior period

	(Restated) Share Capital US$	Accumulated losses US$	Currency Translation reserve US$	Non-controllin g interests US$	Total equity US$
Balance at 31 March 2015 (a)	44,817,134	(26,987,929)	(850,760)	46,832	17,025,277
Total comprehensive loss for the period	-	(1,401,408)	380,180	(9,730)	(1,030,958)
Balance at 30 June 2015	44,817,134	(28,389,337)	(470,580)	37,102	15,994,319

COMPANY - Current period

	Share Capital US$	Accumulated losses US$	Currency Translation reserve US$	Total equity US$
Balance at 31 March 2016	159,951,597	(21,189,003)	227,629	138,990,223
Total comprehensive loss for the period	-	(529,464)	25,556	(503,908)
Balance at 30 June 2016	159,951,597	(21,718,467)	253,185	138,486,315

Note (a) Under the Hong Kong Companies Ordinance Cap 622, the concepts of par value and authorised share capital were abolished and the amount in the capital reserves account as of 31 December 2014 is required to become part of the share capital of BlackGold Energy Limited, a subsidiary of the Group, incorporated in Hong Kong.

COMPANY - Prior period

	Share Capital	Accumulated losses	Currency Translation reserve	Total equity
	US$	US$	US$	US$
Balance at 31 March 2015	159,914,329	(19,464,819)	-	140,449,510
Total comprehensive loss for the period	-	(382,056)	299,849	(82,207)
Balance at 30 June 2015	159,914,329	(19,846,875)	299,849	140,367,303

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Changes in the Company's share capital

	No. of Shares	Share capital (US$)
As at 30 June 2016	788,708,783	159,951,597
As at 31 March 2016	788,708,783	159,951,597

There were no changes in the issued and paid-up share capital of the Company from 31 March 2016 to 30 June 2016.

There were no outstanding convertibles or share options granted as at 30 June 2016 and 30 June 2015.

There were no treasury shares held or issued as at 30 June 2016 and 30 June 2015.

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 30 June 2016	As at 31 December 2015
Number of issued shares excluding treasury shares	788,708,783	788,708,783

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.

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 quarter ended 30 June 2016 are consistent with those applied in the financial statements for the year ended 31 December 2015, except for the adoption of accounting standards (including its consequently amendments) and interpretations applicable for the financial period beginning 1 January 2016.

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 FRS that are effective for annual periods beginning on or after 1 January 2016. 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:

- Improvements to Financial Reporting Standards (November 2014)
- Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 110 Consolidated Financial Statements
- Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

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.

	6M2016 US$	6M2015 US$
Basic loss per share (cents)	(0.12)	(0.20)
Weighted average number of shares for the purpose of computing basic loss per share	788,708,783	712,081,792
Fully diluted loss per share (cents)	(0.12)	(0.20)
Weighted average number of shares for the purpose of computing fully diluted loss per share	788,708,783	712,081,792

The basic loss per ordinary share and the fully diluted loss per ordinary share for 6M2016 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.

	30 Jun 2016 US$	31 Dec 2015 US$
Net asset value of the Group per ordinary share (cents)	1.5	1.7
No. of ordinary shares in issue	788,708,783	788,708,783
Net asset value of the Company per ordinary share (cents)	17.6	17.6
No. of ordinary shares in issue	788,708,783	788,708,783

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.

Review of Profit & Loss

Revenue

Revenue, amounted to US$158K in both 2Q2016 and 6M2016. PT Samantaka Batubara has commenced production of coal in March 2016 and, on 21 April 2016, entered into a coal sales contract with a Riau State-owned enterprise for the delivery of an initial 26,000 tonnes of coal.

Cost of Goods Sold

Cost of goods sold mainly relate to mining contractor, coal processing, royalties to government, depreciation and amortization of mining properties and coal inventory.

Cost of goods sold amounted to US$219K in 2Q2016 and 6M2016.

Gross Profit

In both 2Q2016 and 6M2016 the Group recorded gross losses of US$61K. This was due to higher waste mining costs arising at the commencement of production, which were taken to profit and loss, instead of being capitalised as a deferred stripping cost. The higher initial waste mining costs are expected to be one-off and non-recurring.

Other Income

Other income amounted to US$9K in 2Q2016 and US$12K in 6M2016, as compared to US$5K in 2Q2015 and US$7K in 6M2015. The increase was mainly due to receipts from a government grant scheme during 2Q2016.

Currency translation loss

The Group recorded currency translation gain of US$20K in 2Q2016, as compared to currency translation loss of US$686K in 2Q2015, and currency translation gain of US$138K in 6M2016, as compared to currency translation loss of US$706K in 6M2015.

The currency translation gain in 2Q2016 and 6M2016 was mainly due to translation differences on shareholders loans and tax payable for land at its Indonesian subsidiaries. The weakening of the United States Dollar (being the reporting currency) against the Indonesian Rupiah (being the recording currency for these liabilities), accounts for the currency translation gain in 6M2016.

Administrative Expenses

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

Administrative expenses increased by US$218K or 30%, from US$726K in 2Q2015 to approximately US$943K in 2Q2016. The increase was mainly attributable to:-

- an increase in employee compensation of US$47K, mainly due to the increase in headcount as the Group commences its mining operations.

- an increase in legal and licensing expenses of US$44K in respect of the Group's road utilisation and concession licences as the Group commences its production activities.

- an increase of US$325K in other administrative expenses mainly relating to recurring professional fees to fulfil the Group's regulatory obligations following its listing on the Singapore Exchange and;

- a decrease of US$198K for corporate social responsibility activities as there were none of such expenses incurred in 2Q2016.

Administrative expenses increased by US$700K or 70%, from US$1.0M in 6M2015 to approximately US$1.7M in 6M2016. The increase was mainly attributable to:-

- an increase in employee compensation and directors' fees of US$229K, mainly due to the increase in headcount preparing for expansion and commencement of the Group's mining operations and directors' fees were recorded for a full 3 months in 1Q2016, as opposed to 1Q2015 wherein certain employee compensation and directors' fees started accruing only upon completion of the RTO on 10 March 2015;

- an increase in legal and licensing expenses of US$88K in respect of the Group's jetty and road utilisation licences as the concessions progress in their exploratory and development activities and the licence fee for Indonesian power sector.

- an increase in mining, geologist and survey expenses of US$40K for development works at its mining concessions;

- an increase of US$541K in other administrative expenses mainly relating to recurring professional fees to fulfil the Group's regulatory obligations following its listing on the Singapore Exchange, and;

- a decrease of US$198K for corporate social responsibility activities as there were none of such expenses incurred in 2Q2016.

<u>Other expenses</u>

Other expenses decreased by US$25.7M or 100% from US$25.7M in 6M2015 to US$4K in 6M2016. This decrease was due to one-time RTO related expenses incurred during 6M2015.

These one-time RTO related expenses comprised mainly of (a) non-recurring professional fees in relation to the RTO of US$2.0M; (b) RTO cost of US$13.0M; and (c) arranger fees of US$10.6M. RTO cost relates to acquisition costs arising from the RTO on 10 March 2015. Arranger fees relate to one-off issuance of shares to UOB Kay Hian Private Limited as the arranger in the RTO transaction.

<u>Loss after tax</u>

As a result of the above factors, the Group recorded net losses of US$980K in 2Q2016 and US$1.6M in 6M2016.

Review of Statement of Financial Position

<u>Non-current assets</u>

Non-current assets of the Group comprised property, plant and equipment, mining properties, deferred exploration expenditure and restricted cash equivalents.

Non-current assets increased by US$1.8M, from US$6.6M as at 31 December 2015 to US$8.4M as at 30 June 2016, mainly due to (i) capitalisation of mining properties of US$1.0M; and (ii) increase in property, plant, equipment of US$0.9M transferred from "deposits and prepayment" to property, plant and equipment as capitalised costs of jetty construction.

Current assets

Current assets comprised cash and cash equivalents, inventories, other receivables, as well as deposits and prepayments.

Current assets decreased by US$2.3M, from US$11.5M as at 31 December 2015 to US$9.2M as at 30 June 2016.

This was partly due to a US$2.0M decrease in cash and cash equivalents, mainly due to the utilisation of proceeds from the issue of new shares in the capital of the Company in March 2015 for exploration and working capital purposes.

Deposits and prepayments decreased by US$463K due to capitalisation of the costs of jetty construction, reclassified as property, plant and equipment amounting to US$800K. This was partially offset by increase in prepayments for acquisition of land for jetty amounting to approximately US$337K.

Current liabilities

Current liabilities comprised trade and other payables, current tax liability, loans from shareholders, accrued operating expenses and finance lease liabilities (current portion).

Current liabilities decreased by US$3.0M, from US$5.0M as at 31 December 2015 to US$1.9M as at 30 June 2016. The decrease was mainly due to a reclassification of US$3.5M of loans from shareholders, partially offset by an increase in accrued operating expenses of US$264K for recurring professional fees and an increase in trade and other payables of US$227K for mining cost. Loans from shareholders have been reclassified from "current liabilities" to "non-current liabilities" as second supplemental deeds have been entered into between certain subsidiaries of the Group with TGV and Novel Creation to extend the non-repayment period on the shareholders loans owing to them for a further 18 months until 9 March 2018, being the last date of 36 months from the completion of the RTO.

Non-current liabilities

Non-current liabilities comprised non-current finance lease liabilities, loans from shareholders and provision for employee benefits.

Non-current liabilities increased by US$3.5M, from US$20K as at 31 December 2015 to US$3.5M as at 30 June 2016. The increase was mainly due to the reclassification of loans from shareholders of US$3.5M from "current liabilities" to "non-current liabilities" as explained in the preceding paragraph on current liabilities and in Paragraph 1(b)(ii).

Working capital

The Group recorded working capital of US$7.3M as at 30 June 2016.

Review of Statement of Cash Flows

2Q2016
The Group recorded net cash used in operating activities of US$903K for 2Q2016 which was a result of operating losses before changes in working capital of approximately US$998K, adjusted for net working capital inflows of approximately US$95K.

Net cash used in investing activities of US$16K in 2Q2016 was mainly due to cash used for the purchase of fixed assets of US$18K, 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 the repayment of finance lease liabilities.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of US$920K in 2Q2016.

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.

PT Santosa Makmur Sejahtera Energy ("**SMS**"), an independent power producer, has informed the Group that it expects a delay in the completion of its power plant. Consequently, barring unforeseen circumstances, the Group's delivery of coal to SMS will be postponed and is expected to commence in 4Q2016. No penalties will be imposed on the Group as the delay was not the fault of the Group.

An article in Berita Satu (www.beritasatu.com) written on 13th of June, 2016, highlighted that, for the first trimester of 2016 alone, the domestic coal absorption for Indonesia has already shown an increase from 18.24 million tonnes 1Q2015, to 24.54 million tonnes, an increase of 34.54%.

The increased coal absorption is attributed to the 35,000 megawatts electricity project, in which coal is still the dominant fuel source, according to the Director-General of Mineral and Coal in the Ministry of Energy and Mineral Resources, Bambang Gatot.

In another article published on the Metro TV news website, The Director-General was also quoted to indicate that, in 2019, another 35,000 megawatts electricity project will be embarked upon, so that by 2025 Indonesia will have total electricity generating capacity of 115,000 megawatts, thereby confirming coal as the backbone of Indonesia's energy needs.

Barring any unforeseen circumstances, Indonesia's planned expansion of its electricity-generating capacity, with coal being the dominant fuel, puts the Group's concessions in good stead to benefit from a growth in the region's growth in the power industry.

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 2Q2016.

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$100,000) S$	
	2Q2016	6M2016	2Q2016	6M2016
N.A	-	-	-	-

There were no interested person transactions that were individually more than S$100,000 during 2Q2016 or 6M2016.

14. Use of IPO Proceeds

Pursuant to Rule 1204(5)(f) of the Catalist Rules, the Board wishes to provide an update on the use of the proceeds arising from the allotment and issue of 86,000,000 new ordinary shares at an issue price of S$0.295 per share in the capital of the Company through the placement exercise, which was completed on 10 March 2015. As of the date of this announcement, the net proceeds of approximately S$25 million (after deducting expenses of approximately S$1 million) have been fully utilised. The breakdown of the use of proceeds is set out below:

Intended use of Net Proceeds	Allocation of Net Proceeds as disclosed in the Offer Information Statement (S$)	Net Proceeds utilised as at date of this announcement (S$)	Balance of the Net Proceeds as at the date of this announcement (S$)
Capital expenditure for the development of PT SB Mine Concession	11,140,000	11,140,000	-
Exploration works within the Concession Blocks	3,000,000	3,000,000	-
General working capital purposes	10,470,000	10,470,000	-
Total	**24,610,000**	24,610,000	-

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 2Q2016, funds were mainly used for the following activities:-

Purpose	**Forecasted usage of funds (US$)**	**Actual usage of funds (US$)**
Pre-production activities*	125,000	42,000
General working capital	417,000	430,000
Total	542,000	472,000

**Pre-production activities includes capital expenditures and expenditure on exploration works.*

Actual cash used for pre-production activities in 2Q2016 was lower than forecasted figures by US$83K as the payment for works on the Group's jetty are expected to be made at a later date since contractors are not expected to complete the works in advance of original schedule.
Actual cash used in 2Q2016 for general working capital slightly exceeded forecasted figures by US$13K. As the Group entered into the production phase at its concessions, payments for licences were required to be made in 2Q2016.

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 July 2016 to 30 September 2016 ("**3Q2016**")), the Group's use of funds for production activities are expected to be as follows:-

Purpose	**Amount (US$)**
Pre-production activities	2,000
Production activities	147,000
General working capital	174,000
Total	**323,000**

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.

As of 30 June 2016, the Group drilled a total of 19 drill holes with a total depth of 198 metres at the PT Samantaka Batubara concession. An insignificant amount of cash was used in its exploration activities.

In relation to production activities, a total of 25,205 metric tonnes of coal were produced during 2Q2016. Total cash used for production activities amounted to US$89K in 2Q2016.

Development of the Group's mine site, jetty and port facilities remain underway.

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.

On 8 August 2016, the Group announced and published an independent qualified person's report ("**IQPR**") prepared by the Company's independent consultant, PT GMT Indonesia ("**PT GMT**"), which included an estimate of Coal Resources and Coal Reserves for the 15,000 ha mining concession area of the PT Samantaka Batubara concession ("**PT SB**") as at 30 April 2016.

The Coal Resources and Coal Reserves for PT SB as disclosed in the IQPR are shown in Table 1 below, in the format specified in Appendix 7D of the Catalist Rules. For full and complete disclosure in accordance with the JORC Code (2012) the information contained in the table must be read in conjunction with the entire IQPR including its appendices which are available on the Company's website at www.blackgold-group.com.

Table 1: Reserves and Resources Estimates for PT SB as at 30 April 2016

		Gross Attributable To Licence[1]		Net Attributable to Issuer		
Category	**Mineral Type**	**Tonnes[3] (millions)**	**Grade**	**Tonnes[3] (millions)**	**Grade**	**Change From Previous Update (%)**
RESERVES[4]						
Proved	Coal	-	Lignite	-	Lignite	-
Probable	Coal	45	Lignite	45	Lignite	+38%
Total Reserves	**Coal**	**45**	**Lignite**	**45**	**Lignite**	**+38%**
RESOURCES[2&4]						
Measured	Coal	33	Lignite	33	Lignite	+65%
Indicated	Coal	120	Lignite	120	Lignite	+28%
Inferred	Coal	55	Lignite	55	Lignite	-38%
Total Resources	**Coal**	**210**	**Lignite**	**210**	**Lignite**	**+4%**

Notes:
1) Licence refers to the PT SB concession's Production Operations (IUP) licence.
2) Resources are inclusive of Reserves.
3) The results presented are rounded to reflect the accuracy of the estimates. Minor discrepancies are due to rounding and are not considered material by PT GMT.
4) Resources and Reserves are reported in accordance with the JORC Code (2012).

Name of Qualified Person for Resources: Krisjna I. Alimoeddin
Professional Society Affiliation/Membership: S1 Teknik Geology, MAusIMM

Name of Qualified Person for Reserves: Roger H. Pooley
Professional Society Affiliation/Membership: BSc (Eng), FAusIMM(CP)

As at the date of this announcement, there has been no significant change in the Coal Resources and Coal Reserves from the estimates presented in Table 1.

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 the Company for the 2Q2016 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

Phil Cecil Rickard
CEO/Executive Director

James Rijanto
CIO/Executive Director

13 August 2016

*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 (formerly known as Canaccord Genuity Singapore Pte. Ltd.), 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, SAC Advisors Private Limited. at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone: (65) 6532 3829.