

BLACKGOLD NATURAL RESOURCES LIMITED
(Company Registration Number: 199704544C)
(Incorporated in the Republic of Singapore)

**RESPONSE TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES
TRADING LIMITED**

The board of directors (the “**Board**”) of BlackGold Natural Resources Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 20 May 2021 in relation to the Company’s announcement dated 14 May 2021 on the unaudited consolidated financial results of the Group for the first quarter ended 31 March 2021 (the “**Announcement**”) and wishes to provide the Company’s responses to the queries raised as follows:

Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to it in the Announcement.

SGX Query

The Group recorded US\$4.05 million of trade and other receivables as at 31 March 2021, accounting for almost 80% of the Group’s current assets.

Please disclose:

1. the nature and breakdown of the Group’s trade and other receivables;
2. aging of the Group’s trade receivables;
3. details of the Group’s underlying transactions of its other receivables and the payment terms of the transactions;
4. the Company’s actions taken and plans to recover the trade and other receivables;
5. whether they are major customer(s) and whether the Company continues to transact with these customer(s);
6. How long are the debts outstanding and in which period the sales were reported;
7. Any impairment made on the trade and other receivables; and
8. The Board’s assessment of the recoverability of the remaining trade and other receivables.

Company’s Response to Query 1

Trade and other receivables of US\$4.05M comprises:

- | | | |
|-----|------------------------------------|------------|
| i. | Trade receivables: | US\$ 1.68M |
| ii. | Other receivables ⁽¹⁾ : | US\$ 2.37M |

⁽¹⁾ Further breakdown of the other receivables is provided in the Company’s response to SGX Query 3.

Company’s Response to Query 2

All of the trade receivables balances are within their allowed credit terms and are aged as current. As at 31 March 2021, there were no trade receivables balances owing that were aged beyond the allowed credit terms.

Company's Response to Query 3

Other receivables comprises mainly:

- i. Other receivables from a cooperation partner: US\$ 2.3M
- ii. VAT/GST tax receivables: US\$ 32K

Other receivables from a cooperation partner relates to a profit-sharing arrangement between the Company and the cooperation partner whereby the Group remits the receipts of sales to the cooperation partner. These receipts are utilised by the cooperation partner to repay outstanding debts to creditors for production activities. Upon repayment to the creditors, the balances are offset against the other receivables.

VAT/GST tax receivables are input taxes receivable from the tax authorities in the Group's country of operations.

Other receivables have no fixed terms of repayment. All other receivables balances have an ageing of less than 1 year.

Company's Response to Query 4

As all the trade receivables are current, the Company shall exercise due efforts to expedite the repayment of debts within the credit period allowed to its customers.

With regards to other receivables, the Group shall continue working with the cooperation partner to expedite the repayments to creditors and further offset the other receivables balances.

Company's Response to Query 5

The trade receivables consists of a number of major customers and the Company intends to continue transacting with these customers.

Company's Response to Query 6

For trade receivables, the sales occurred from January 2021 to March 2021 and were reported in 1Q2021. The trade receivables are aged as current and are not overdue.

Company's Response to Query 7

As of 31 March 2021, there were no impairments made to trade and other receivables.

Company's Response to Query 8

Management has assessed the collectability of the trade receivables and other receivables and concludes that there are no existing factors which cast doubt on the ability of the debtors to repay their debts. Moreover, the Group's trade and other receivables are outstanding for less than a year. The aforementioned balances are assessed to be recoverable. The Board concurs with management on the outcome of its assessment.

By Order of the Board

Soh Sai Kiang
Independent Non-Executive Chairman
24 May 2021

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

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