

BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF 63,333,333 NEW SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.015 FOR EACH NEW SHARE

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**”, and together with its subsidiaries, collectively, the “**Group**”) wishes to announce that, on 26 June 2019, the Company has entered into a share placement agreement (the “**Share Placement Agreement**”) with Mr Luhendri (the “**Placee**”).

Pursuant to the Share Placement Agreement, the Company has agreed to offer, by way of placement (the “**Proposed Placement**”), and the Placee has agreed to subscribe for, an aggregate of 63,333,333 new ordinary shares in the capital of the Company (the “**Placement Shares**”), at an issue price of S\$0.015 per Placement Share (the “**Placement Price**”), amounting to aggregate gross proceeds of S\$950,000.

1.1 Additional Listing Application

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

1.2 Exemption from Prospectus Requirement

The Proposed Placement is not underwritten and no placement agent was appointed for the purpose of the Proposed Placement. The Proposed Placement will be done by way of private placement to a single investor in accordance with Section 272B 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.

2. THE PROPOSED PLACEMENT

2.1 Placement Price

The Placement Price of S\$0.015 per Placement Share represents a premium of approximately 15.38% to the volume weighted average price (“**VWAP**”) of S\$0.013 per ordinary share in the capital of the Company (“**Share**”) for trades done on the SGX-ST on 25 June 2019, being the last full market day on which the Shares were traded prior to the date of the Share Placement Agreement.

The Placement Price was agreed upon after arm’s length negotiations between the Placee and the Company, taking into consideration, amongst others, the historical trading performance of the Company as well as the Group’s net asset value for the most recent financial period ended 31 March 2019.

2.2 Placement Shares

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 they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before Completion Date (defined below).

The Placement Shares represent approximately 6.73% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement and approximately 6.31% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Placement, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the Completion Date.

The Proposed Placement will not result in a transfer of controlling interest in the Company.

2.3 General Mandate

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 25 April 2018 (“**2017 AGM**”).

The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2017 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a *pro-rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). As at the date of the 2017 AGM, the Company had 930,860,437 Shares in issue.

Since the 2017 AGM, the Company had issued the following:

- (i) 5,750,000 Shares pursuant to the BlackGold Employee Share Award Scheme on 21 June 2018; and
- (ii) 3,800,000 Shares pursuant to the BlackGold Employee Share Award Scheme on 21 June 2019.

(collectively, “**ESAS Shares**”)

As at the date of this announcement, the Company has 940,410,437 Shares in issue and does not have any treasury shares or subsidiary holdings.

As at the date of this announcement, as disclosed above, the Company has issued and allotted 9,550,000 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 455,880,219 new Shares. Accordingly, the proposed allotment and issue of the Placement Shares falls within the limit of the General Mandate.

2.4 Conditions Precedent

2.4.1 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) the relevant listing and quotation notice (“**Listing and Quotation Notice**”) being obtained from the SGX-ST for the listing of and quotation for the Placement Shares on Catalist and not being revoked or amended;

- (b) any conditions attached to the Listing and Quotation Notice which is required to be fulfilled on or before the Completion Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (c) all material approvals, consents, licences, permits, waivers and exemptions (collectively, “**Approvals**”) for the Proposed Placement having been granted by all third parties including all governmental bodies, whether in Singapore or elsewhere, to the Company and/or the Placee (as the case may be) and where any such Approval is subject to conditions, such conditions being reasonably acceptable to the Company and/or the Placee, as the case may be, and if such conditions are required to be fulfilled on or before the Completion Date, such conditions having been fulfilled on or before the Completion Date, and such Approvals remaining in full force and effect; and
- (d) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Share Placement Agreement if they were repeated on and as of the Completion Date.

2.4.2 If any of the conditions set forth in paragraph 2.4.1 above is not satisfied on or before 26 August 2019 (or such later date as the parties may agree), the Company or the Placee shall, subject as mentioned below, thereupon be entitled to terminate the Share Placement Agreement and (except for the liability of the Company for the payment of expenses as provided in the Share Placement Agreement) the parties shall be released and discharged from their respective obligations under the Share Placement Agreement.

2.5 Completion Date

The Completion Date shall be the date falling five (5) business days from the satisfaction of all Conditions set out in paragraph 2.4.1 above (or, if that day is not a business day, on the next business day) or such other date as the parties may agree in writing.

3. **INFORMATION ON THE PLACEE**

The Placee is a private investor with experience in the Indonesian mining industry and does not fall into the categories of restricted persons as specified under Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST. No commission or any other additional payment was made or will be made in relation to the Proposed Placement. As at the date of this announcement, the Placee does not hold any Shares in the Company and the Placee does not have any connections (including business relationships) with any Director or substantial shareholder of the Company.

The Placee is also a director and controlling shareholder in a company which has certain co-operative mining arrangements with PT Samantaka Batubara, a subsidiary of the Group. During the course of this co-operation, the Placee has decided to invest in the Group by way of acquiring equity interests in the Company.

4. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

Based on the latest unaudited consolidated financial results of the Group for the financial period ended 31 March 2019, the Group is in a net current liability position of US\$2,532,727. The Proposed Placement will allow the Company to strengthen its financial position by raising an estimated amount of net proceeds of approximately S\$950,000 (“**Net Proceeds**”), which will be utilised as follows:

- (a) S\$260,000 of the Net Proceeds for repayment of external borrowings, and
- (b) S\$690,000 of the Net Proceeds to strengthen the working capital position of the Group.

The Company will make periodic announcement 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 the annual report(s).

5. 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.

6. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

- 6.1 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 2018. The financial effects are based on the following assumptions:

- (i) The financial effect on the consolidated net tangible asset (“**NTA**”) per Share of the Group is computed based on the assumption that the Proposed Placement was completed, on 31 December 2018;
- (ii) The financial effect on the loss per Share (“**LPS**”) of the Group is computed based on the assumption that the Proposed Placement was completed on 1 January 2018;
- (iii) The estimated expenses in connection with the Proposed Placement is omitted as they are not significant; and
- (iv) The Net Proceeds are converted at an exchange rate of US\$1 to S\$1.3772.

6.2 Share Capital

	Before the Proposed Placement	After the Proposed Placement
Issued and paid-up share capital of the Company	US\$170,894,376	US\$171,584,181
Total number of issued Shares	936,610,437*	999,943,770

6.3 NTA Per Share

	Before the Proposed Placement	After the Proposed Placement
NTA	US\$8,247,670	US\$8,937,475
NTA per Share	0.88 US\$ cents	0.89 US\$ cents

6.4 LPS

	Before the Proposed Placement	After the Proposed Placement
Loss attributable to the Shareholders	US\$4,662,514	US\$4,662,514
Weighted average number of Shares	933,916,601*	997,249,934
Basic LPS	0.50 US\$ cents	0.47 US\$ cents

**As at 31 December 2018, the Company has 3,800,000 unvested ordinary share awards which were previously granted under the BlackGold Employee Share Award Scheme. Pursuant to the Company's announcement on 21 June 2019, these shares have since vested and 3,800,000 ordinary shares have since been issued and allotted.*

7. **INTERESTS 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, 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 Chairman and Chief Executive Officer
27 June 2019

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 Ms. Tay Sim Yee (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.
