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

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

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 2017

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 2017 ("**1Q2017**") and the corresponding first quarter ended 31 March 2016 ("**1Q2016**").

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 1Q2017 US$	**Unaudited 1Q2016 US$**	**Change +/- %**
Sales	468,170	-	n.m.
Cost of Sales	(398,055)	-	n.m.
Gross Profit	70,115	-	n.m.
Other income	2,557	3,239	(21)
Currency translation gains	95,428	118,011	(19)
Expenses			
- Administrative	(1,106,749)	(754,044)	47
- Finance	(59)	(95)	(38)
- Others	(695)	-	n.m.
Loss before tax	(939,403)	(632,889)	48
Income tax expense	-	-	
Loss net of tax	(939,403)	(632,889)	48

n.m. denotes not meaningful

	GROUP		
	Unaudited 1Q2017 US$	Unaudited 1Q2016 US$	Change +/- %
Other Comprehensive Income/Loss: *Items that may be reclassified subsequently to profit or loss*			
Currency translation differences arising from consolidation	102,822	556,455	(82)
Other comprehensive loss, net of tax	102,822	556,455	(82)
Total comprehensive loss, net of tax	(836,581)	(76,434)	n.m.
Net loss attributable to:			
- Equity holders of the Company	(934,183)	(630,829)	48
- Non-controlling interests	(5,220)	(2,060)	153
	(939,403)	(632,889)	48
Total comprehensive loss attributable to:			
- Equity holders of the Company	(828,676)	(74,323)	n.m.
- Non-controlling interests	(7,905)	(2,111)	274
	(836,581)	(76,434)	n.m.

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 1Q2017 US$	Unaudited 1Q2016 US$	Change +/- %
Interest income	2,364	2,565	(8)
Employee compensation & directors' fees	(348,623)	(305,076)	14
Professional fees, travelling and corporate social responsibility expenses	(204,710)	(191,648)	7
Legal and licensing expenses	(179,127)	(49,882)	259
Rental expenses	(49,265)	(36,823)	34
Geology and survey expenses	(132,414)	(40,283)	229

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 31/3/2017 US$	**Unaudited As at 31/12/2016 US$**	**Unaudited As at 31/3/2017 US$**	**Unaudited As at 31/12/2016 US$**
ASSETS				
Current assets				
Cash and cash equivalents	1,259,790	123,541	456,922	81,472
Trade and other receivables	646,180	169,232	16,595,875	14,193,433
Inventories	358,926	34,270	-	-
Deposits and prepayments	5,428,656	7,651,019	5,585	7,149
	7,693,552	7,978,062	17,058,382	14,282,054
Non-current assets				
Property, plant and equipment	3,915,144	1,582,599	4,588	5,196
Mining properties	5,168,549	4,940,778	-	-
Exploration and evaluation expenditure	2,026,881	1,989,136	-	-
Investment in subsidiaries	-	-	123,409,681	123,409,681
Restricted cash	192,878	190,052	-	-
	11,303,452	8,702,565	123,414,269	123,414,877
Total assets	**18,997,004**	**16,680,627**	**140,472,651**	**137,696,931**
LIABILITIES				
Current liabilities				
Trade and other payables	3,795,514	961,893	3,712,312	951,665
Accrued operating expenses	1,823,824	1,718,178	263,336	276,329
Finance lease liabilities	2,574	2,451	-	-
Loans from shareholders*	4,184,847	-	-	-
Current tax liability	47,741	37,952	76	73
	9,854,500	2,720,474	3,975,724	1,228,067
Non-current liabilities				
Finance lease liabilities	1,118	1,715	-	-
Provision for employee benefit	50,010	47,222	-	-
Loans from shareholders*	-	3,984,847	-	-
Other provisions	34,787	33,199	-	-
	85,915	4,066,983	-	-
Total liabilities	**9,940,415**	**6,787,457**	**3,975,724**	**1,228,067**
NET ASSETS	**9,056,589**	**9,893,170**	**136,496,927**	**136,468,864**
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	(1,046,441)	(1,151,948)	(251,539)	(706,456)
Accumulated losses	(34,756,393)	(33,822,210)	(23,203,131)	(22,776,277)
	9,051,568	9,880,244	136,496,927	136,468,864
Non-controlling interests	5,021	12,926	-	-
Total equity	**9,056,589**	**9,893,170**	**136,496,927**	**136,468,864**

* On 12 May 2017, the period wherein the lenders have agreed not to demand for payment has been extended to 31 March 2019.

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 31/3/2017		As at 31/12/2016	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	US$	**US$**	**US$**	**US$**
Shareholders' loans	-	4,184,847	-	-

(b) the amount repayable after one year;

	As at 31/3/2017		As at 31/12/2016	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	US$	**US$**	**US$**	**US$**
Shareholders' loans	-	-	-	3,984,847

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.

These loans have been reclassified from "non-current liabilities" to "current liabilities" as the agreement wherein the Lenders agreed not to demand payment for these amounts shall expire on 9 March 2018.

On 12 May 2017, the Group entered into a third supplemental deed with the Lenders to extend until 31 March 2019 the period during which the Lenders have agreed not to demand repayment. There has been no request for repayment to date.

During 1Q 2017, a subsidiary in the Group had drawn-down on a further amount of US$200,000 under these 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 1Q2017 US$	Unaudited 1Q2016 US$
Cash flows from operating activities		
Loss before tax	(939,403)	(632,889)
Adjustments for:		
- Depreciation of property, plant and equipment	3,286	5,081
- Amortisation	5,689	-
- Loss on disposal of property, plant and equipment	695	-
- Interest income from fixed deposits and current account	(2,364)	(2,565)
- Interest expense	59	95
- Unrealised currency translation gains	(89,011)	(128,858)
	(1,021,049)	(759,136)
Change in working capital:		
Inventories	(315,079)	(1,511)
Deposit and prepayments	(138,431)	(154,399)
Trade and other receivables	(474,319)	(87,880)
Trade and other payables	351,674	(28,229)
Provision for employee benefits	2,086	-
Other provisions	1,094	-
Cash used in operating activities	(1,594,024)	(1,031,155)
Tax paid	(4,790)	(1,683)
Net cash used in operating activities	(1,598,814)	(1,032,838)
Cash flows from investing activities		
Payment for exploration expenditure	-	(71,503)
Advances for exploration expenditure	-	(135,534)
Purchase of property, plant and equipment	(9,692)	(14,401)
Interest received	2,364	2,565
Net cash used in investing activities	(7,328)	(218,873)
Cash flows from financing activities		
Proceeds from shareholders' loan	200,000	-
Advances received	2,539,221	-
Repayment of finance lease	(620)	(604)
Interest paid	(59)	(95)
Net cash provided by / (used in) financing activities	2,738,542	(699)
Net increase / (decrease) in cash and cash equivalents	1,132,400	(1,252,410)
Cash and cash equivalents at the beginning of the period	123,541	2,522,778
Effects of currency translation on cash and cash equivalents	3,849	112,092
Cash and cash equivalents at the end of the period	1,259,790	1,382,460

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 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

GROUP - Prior period

	Share Capital US$	Currency Translation reserve US$	Accumulated losses US$	Non-controlling interests US$	Total equity US$
Balance at 31 December 2015	44,854,402	(1,584,148)	(30,201,420)	19,983	13,088,817
Total comprehensive loss for the period	-	556,506	(630,829)	(2,111)	(76,434)
Balance at 31 March 2016	44,854,402	(1,027,642)	(30,832,249)	17,872	13,012,383

COMPANY - Current 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

COMPANY - Prior period

	Share Capital US$	Currency Translation reserve US$	Accumulated losses US$	Total equity US$
Balance at 31 December 2015	159,951,597	(461,056)	(20,737,184)	138,753,357
Total comprehensive loss for the period	-	688,685	(451,819)	236,866
Balance at 31 March 2016	159,951,597	227,629	(21,189,003)	138,990,223

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 2017	788,708,783	159,951,597
As at 31 December 2016	788,708,783	159,951,597

There were no changes in the issued and paid-up share capital of the Company from 31 December 2016 to 31 March 2017.

There were no outstanding convertibles or share options granted as at 31 March 2017 and 31 March 2016.

There were no treasury shares or subsidiary holdings held or issued as at 31 March 2017 and 31 March 2016.

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 2017	As at 31 December 2016
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.

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 2017 are consistent with those applied in the financial statements for the year ended 31 December 2016, except for the adoption of accounting standards (including its consequently amendments) and interpretations applicable for the financial period beginning 1 January 2017.

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 2017. 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:

- Amendments to FRS 7 Statement of Cash Flows
- Amendments to FRS 12 Income Taxes

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.

	1Q2017 US$	**1Q2016 US$**
Basic loss per share (cents)	(0.12)	(0.08)
Weighted average number of shares for the purpose of computing basic loss per share	788,708,783	788,708,783
Fully diluted loss per share (cents)	(0.12)	(0.08)
Weighted average number of shares for the purpose of computing fully diluted loss per share	788,708,783	788,708,783

The basic loss per ordinary share and the fully diluted loss per ordinary share for 3M2017 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 2017 US$	31 Dec 2016 US$
Net asset value of the Group per ordinary share (cents)	1.1	1.3
No. of ordinary shares in issue	788,708,783	788,708,783
Net asset value of the Company per ordinary share (cents)	17.3	17.3
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$468K in 1Q2017. During 1Q2017, the Group recorded revenues on coal sales to its customers. The Group had only commenced its coal sales in 2Q2016, as such, no coal sales were made during 1Q2016.

Cost of Goods Sold

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

Cost of goods sold amounted to US$398K in 1Q2017.

Gross Profit

The Group recorded a positive gross profit of US$70K in 1Q2017. During 1Q2017, the Group commenced delivery of coal to its customers, PT Perusahaan Listrik Negara ("PT PLN Persero") and PT Semen Padang ("Cement Padang"), at an average gross profit margin of 15%.

Currency translation gain

The Group recorded a currency translation gain of US$95K in 1Q2017, as compared to currency translation gains of US$118K in 1Q2016.

The currency translation gains in 1Q2017 were mainly due to translation differences on shareholders loans at its Indonesian subsidiaries. The United States Dollar (being the reporting currency) had weakened against the Indonesian Rupiah (being the recording currency for these liabilities), thereby accounting for the currency translation gain in 1Q2017.

Administrative Expenses

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

Administrative expenses increased by US$353K or 47%, from US$754K in 1Q2016 to US$1.1M in 1Q2017. The increase was mainly attributable to:-

- an increase in employees' compensation and directors' fees of US$44K. During 1Q2016, certain portions of employees' compensation associated with exploratory and development activities were capitalized under "exploration and evaluation expenditure". During 1Q2017, these expenses were recorded in the profit and loss as the PT SB mining concession is already in production.

- an increase in legal and licensing expenses of US$121K in respect of the Group's jetty and road utilisation licences as the concessions progressed in their exploratory and development activities as well as the licence fee for the Indonesian power sector.

- a increase in geologist and survey expenses of US$92K in respect of one-time mobilisation of heavy equipment by the new contractors.

- an increase in rental expenses of US$12K due to incremental office space leased for use at the Group's mine site to support its production activities.

Loss after tax

As a result of the above factors, the Group recorded net losses of US$939K during 1Q2017.

Review of Statement of Financial Position

Non-current assets

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

Non-current assets increased by US$2.6M, from US$8.7M as at 31 December 2016 to US$11.3M as at 31 March 2017, mainly due to (i) capitalisation of mining properties of US$169K transferred from "deposits and prepayment" to "mining properties", (ii) increase in property, plant and equipment of US$2.3M, mainly transferred from "deposits and prepayment" to "property, plant and equipment" as capitalised costs of jetty construction and infrastructures in the mine pit area.

Current assets

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

Current assets decreased by US$285K from US$8.0M as at 31 December 2016 to US$7.7M as at 31 March 2017.

This was partly due to a US$1.1M increase in cash and cash equivalents, mainly arising from advances in lieu of a share placement agreement signed on 9 March 2017, partially offset by use of funds in the Group's operations. Please refer to note 1(c) Cash Flow Statement for more details.

Deposits and prepayments decreased by US$2.2M due to capitalisation of the costs of jetty construction and infrastructures at the Group's PT SB concession, which were reclassified as property, plant and equipment.

Inventories as well as trade and other receivables increased by US$802K due to the Group's commencement of its production and sale to its major customers during 1Q2017.

Current liabilities

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

Current liabilities increased by US$7.1M, from US$2.7M as at 31 December 2016 to US$9.9M as at 31 March 2017. The increase was mainly (i) due to a reclassification of US$4.0M of loans from shareholders, (ii) an increase of US$200K from an additional drawdown on shareholder's loan, (iii) an increase in accrued operating expenses of US$106K due to mining licences and (iv) an increase in trade and other payables of US$2.8M from the Group's production activities and advances received in lieu of a share placement agreement signed on 9 March 2017.

Loans from shareholders have been reclassified from "non-current liabilities" to "current liabilities" as the second supplemental deeds wherein TGV and Novel Creation ("the Lenders") have agreed not to demand payment for these amounts shall expire on 9 March 2018.

Non-current liabilities

Non-current liabilities comprise non-current finance lease liabilities, provision for employee benefits and other provisions.

Non-current liabilities decreased by approximately US$4.0M, from US$4.1M as at 31 December 2016 to US$86K as at 31 March 2017. The decrease was mainly due to the reclassification of loans from shareholders of US$4.0M from "non-current liabilities" to "current liabilities" as explained above in the preceding paragraph on current liabilities.

Working capital

The Group recorded negative working capital of US$2.2M as at 31 March 2017.

On 18 April 2017, the Group announced the completion of a placement from a share placement agreement dated 27 March 2017 pursuant to which the Group raised proceeds of US$2.3M (Singapore Dollars $3,234,330). Additionally, the Group has been making deliveries of coal to its major customers with effect from 1Q2017, and expects continued steady expansion of its sales volumes.

On 12 May 2017, the Lenders entered into third supplemental deeds with certain subsidiaries of the Group to extend the period whereby the Lenders agree not to demand payment for the shareholders loans, to 31 March 2019. Consequently, the loans shall be classified as a non-current liability.

These actions are expected to bring the Group into a positive working capital position in 2Q2017, barring unforeseen circumstances.

Review of Statement of Cash Flows

<u>1Q2017</u>

The Group recorded net cash used in operating activities of US$1.6M for 1Q2017 which was a result of operating losses before changes in working capital of approximately US$1.0M, adjusted for net working capital outflows of approximately US$573K.

Net cash used in investing activities of US$7K in 1Q2017 was mainly due to cash used for the purchase of fixed assets of US$9K, partially offset by interest income of US$2K from current account and time deposits.

Net cash provided by financing activities of US$2.7M was mainly due to a draw-down on shareholder's loan of US$200K, advances in lieu of a share placement agreement signed on 9 March 2017 of $2.5M, partially offset by repayment of finance lease liabilities of US$1K.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of US$1.1M in 1Q2017.

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 27 March 2017, the Group announced that it had completed its first coal delivery to Cement Padang in relation to the US$12.6M Purchase Order received from Cement Padang in February 2017. Further, the Group announced on 19 April 2017 that its subsidiary, PT Samantaka Batubara ("**PT SB**"), had delivered the fourth shipment of coal by barge to the Tenayan port. The shipment was made in relation to the coal sales and purchase contract signed between PT SB with the Indonesian state-owned electricity company, PT PLN Persero, for an annual delivery of 500,000 tonnes of coal. These steady deliveries will continue to generate consistent revenue for the Group.

An article in jitunews.com on 11 April 2017 reported that Mr Ignasius Jonan, the Energy and Mineral Resources Minister, affirmed Indonesia's stance to prioritise coal as the fuel source for power plants, ensuring that coal makes up at least 50.4% of the national energy mix. The minister remarked that this stance is part of the Government's effort to keep electricity production costs low.

Barring unforeseen circumstances, with the stable deliveries to its customers and the continued dominance of coal in the development of local Indonesian power generation, the Group is well-positioned for further growth.

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 1Q2017.

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$100,000) S$
	1Q2017	**1Q2017**
Twin Gold Ventures S.A.	Note 1	-

Note 1: During 1Q2017, a subsidiary in the Group had drawn-down on a further amount of US$200,000 under these shareholders' loan facilities.

As at 31 March 2017, the total outstanding amount of the shareholder loans is US$4,184,847. The shareholder loans are non-interest bearing, unsecured, have no fixed terms of repayment but shall be repayable upon demand from the lenders.

14. Use of Placement 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 following placement exercises:

Description	**Number of new ordinary shares alloted and issued**	**Issue price per ordinary share (S$)**	**Placement Proceeds (S$)**
Share Placement Agreement dated 24 March 2017	35,937,000	0.0900	3,234,330

The net proceeds of approximately S$3.15M (after deducting expenses of approximately S$86K) ("**Net Proceeds**") have been utilised as follows:-

Intended use of Net Proceeds	**Allocation of Net Proceeds as disclosed in the announcement dated 27 March 2017 (S$)**	**Net Proceeds utilised as at date of this announcement (S$)**	**Balance of the Net Proceeds as at the date of this announcement (S$)**
Development of a 2 x 300 megawatt mine-mouth power plant ("Riau 1 Project")	472,000	76,000	396,000
General working capital purposes	2,676,000	2,119,000	557,000
Total	**3,148,000**	**2,195,000**	**953,000**

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 1Q2017, funds were mainly used for the following activities:-

Purpose	**Forecasted usage of funds (US$)**	**Actual usage of funds (US$)**
Development activities *	15,000	41,000
Production activities	271,000	93,000
General working capital	51,000	104,000
Total	337,000	238,000

* Development activities includes capital expenditures and expenditure on exploration works.

Actual cash used for development activities in 1Q2017 was higher than forecasted by US$26K as a result of the purchase of equipment for use at the mine site in accordance with the Group's efforts in preparation for further ramp-up in its production activities.

Actual cash used for production activities in 1Q2017 was lower than forecasted by US$178K as deliveries to its major customers, which were originally expected to commence in January 2017, had only commenced in February 2017. As a result the production volumes and, consequently, payments to contractors were lower than forecasted.

Actual cash used for general working capital in 1Q2017 was higher than forecasted by US$53K due to payment for licences relating to land at the Group's jetty. Construction on the jetty has been accelerated, resulting in earlier payments for the aforesaid licences.

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 2017 to 30 June 2017 ("**2Q2017**")), the Group's use of funds for production activities are expected to be as follows:-

Purpose	**Amount (US$)**
Development activities	393,000
Production activities	670,000
General working capital	815,000
Total	**1,878,000**

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 1Q2017, no exploration activities were conducted. In relation to production activities, a total of approximately 28,424 metric tonnes of coal was produced during 1Q2017. Total expenditure incurred for production activities in 1Q2017 amounted to US$93K. Development of the Group's port facilities and jetty remains 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.

The Independent Qualified Person's Report ("**IQPR**") on the Coal Resources and Ore Reserves estimates as at 8 July 2016 was announced on 8 August 2016. 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 2016, the Group has no material updates on 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 the Company for 1Q2017 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

15 May 2017

*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, 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, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone: (65) 6532 3829.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.