

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE
THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022**

This announcement has been prepared by BlackGold Natural Resources Limited (the "**Company**") and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

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 Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

In view of the disclaimer of opinion issued by the Company's independent auditor, PKF-CAP LLP, on the audited financial statements of the Group for the financial year ended 31 December 2020 ("**FY2020**"), the Company is required by the SGX-ST to announce its quarterly financial statements pursuant to Catalist Rule 705(2) of the Catalist Rules. The Company had on 13 April 2022 sought an extension of time of two (2) months to hold its annual general meeting ("**AGM**") for the financial year ended 31 December 2021 ("**FY2021**") and received the no objection from the SGX-ST on 21 April 2022. Subsequent to the above, the Company had on 14 June 2022 sought a further extension of time of two (2) months to hold its AGM for FY2021 and to lodge its annual returns for FY2021 (the "**Second Extension Applications**") and received the no objection from the SGX-ST on 23 June 2022 and rejection from the Accounting and Corporate Regulatory Authority ("**ACRA**") on 26 July 2022 for the Second Extension Applications, respectively.

On 11 August 2022, the Company announced that it is unlikely to meet its obligations under Rules 707(1) and 707(2) of the Catalist Rules, and is not able to hold the FY2021 AGM by 31 August 2022. Notwithstanding this, the Company will work towards holding its FY2021 AGM as soon as practicable.

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1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP					
		3Q2022 US\$	3Q2021 US\$	Change +/- %	9M2022 US\$	9M2021 US\$	Change +/- %
Revenue		3,403,729	4,742,115	(28)	7,881,920	10,006,227	(21)
Cost of Sales		(4,078,736)	(3,258,779)	25	(8,589,724)	(6,873,657)	25
Gross (Loss)/Profit		(675,007)	1,483,336		(707,804)	3,132,570	(123)
Other income	2.11	1,149,499	1,719	n.m.	2,005,404	8,096	n.m.
Other (losses)/gains - Currency translation differences	2.11	(100,620)	1,544	n.m.	(238,737)	(102,101)	134
Fair value gains, financial liabilities FVPL		170,844	347,970	(51)	550,444	517,620	6
Expenses							
- Administrative		(554,297)	(942,266)	(41)	(1,610,063)	(2,246,836)	(28)
- Finance		(200,770)	(2,012,843)	(90)	(604,090)	(3,525,486)	(83)
Loss before tax	2.12	(210,351)	(1,120,540)	(81)	(604,846)	(2,216,137)	(73)
Income tax expense		-	(910)	n.m.	-	(2,756)	n.m.
Loss for the financial period		(210,351)	(1,121,450)	(81)	(604,846)	(2,218,893)	(73)

n.m. denotes not meaningful

Note	GROUP					
	3Q2022 US\$	3Q2021 US\$	Change +/- %	9M2022 US\$	9M2021 US\$	Change +/- %
Other Comprehensive Income/Loss:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Currency translation differences arising from consolidation	271,048	(19,132)	n.m.	665,901	241,976	175
<i>Items that may not be reclassified subsequently to profit or loss</i>						
Currency translation differences arising from consolidation	7,454	1,601	n.m.	17,107	7,655	123
Other comprehensive gains/(losses), net of tax	278,502	(17,531)	n.m.	683,008	249,631	174
Total comprehensive gains/(losses), net of tax	<u>68,151</u>	<u>(1,138,981)</u>	(106)	<u>78,162</u>	<u>(1,969,262)</u>	(104)
Net gains/(losses) attributable to:						
- Equity holders of the Company	(211,712)	(1,114,402)	(81)	(606,528)	(2,207,287)	(73)
- Non-controlling interests	1,361	(7,048)	(119)	1,682	(11,606)	(114)
	<u>(210,351)</u>	<u>(1,121,450)</u>	(81)	<u>(604,846)</u>	<u>(2,218,893)</u>	(73)
Total comprehensive gains/(losses) attributable to:						
- Equity holders of the Company	59,336	(1,133,534)	n.m.	59,373	(1,965,311)	n.m.
- Non-controlling interests	8,815	(5,447)	n.m.	18,789	(3,951)	n.m.
	<u>68,151</u>	<u>(1,138,981)</u>	n.m.	<u>78,162</u>	<u>(1,969,262)</u>	n.m.
Losses per share for loss attributable to equity holders of the Company (US cents per share)						
Basic losses per share	(0.02)	(0.11)		(0.06)	(0.22)	
Diluted losses per share	(0.02)	(0.10)		(0.05)	(0.19)	

n.m. denotes not meaningful

1(b) 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

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		As at	As at	As at	As at
		30/09/2022 US\$	31/12/2021 US\$	30/09/2022 US\$	31/12/2021 US\$
ASSETS					
Current assets					
Cash and cash equivalents		280,207	205,405	115,629	9,567
Restricted cash	2.7	576	7,244	-	-
Trade and other receivables	2.7	19,512,094	11,342,561	327,525	290,843
Inventories		515,978	1,140,856	-	-
Deposits and prepayments	2.7	106,350	116,836	29,163	16,745
		20,415,205	12,812,902	472,317	317,155
Non-current assets					
Property, plant and equipment		46,912	90,461	44,362	78,619
Investment in subsidiaries		-	-	1,415	1,415
Restricted cash	2.7	60,822	65,160	-	-
		107,734	155,621	45,777	80,034
Total assets		20,522,939	12,968,523	518,094	397,189
LIABILITIES					
Current liabilities					
Trade and other payables	2.8	3,239,662	3,098,999	1,562,849	1,428,174
Accrued operating expenses	2.8	22,613,377	15,374,087	1,225,065	910,916
Borrowings	2.8	250,128	44,450	244,269	36,843
Financial liabilities, at amortised cost	2.8	1,257,279	1,138,053	1,257,279	1,138,053
Financial liabilities, at FVPL	2.8	113,784	685,123	113,784	685,123
Current income tax liabilities		3,533	3,714	3,429	3,644
Loans from shareholder	2.10	3,514,178	-	-	-
		30,991,941	20,344,426	4,406,675	4,202,753
Non-current liabilities					
Borrowings	2.9	7,333	46,766	7,333	35,840
Loans from shareholder	2.10	394,911	3,577,489	-	-
Provisions		620,268	584,902	-	-
Other non-current liabilities		111,881	127,045	-	-
		1,134,393	4,336,202	7,333	35,840
Total liabilities		32,126,334	24,680,628	4,414,008	4,238,593
NET ASSETS		(11,603,395)	(11,712,105)	(3,895,914)	(3,841,404)

Note	GROUP		COMPANY	
	As at	As at	As at	As at
	30/09/2022	31/12/2021	30/09/2022	31/12/2021
	US\$	US\$	US\$	US\$
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	56,453,281	56,453,281	171,550,476	171,550,476
Currency translation reserve	(1,864,500)	(2,530,401)	703,313	461,405
Other reserve	2,565,072	3,116,482	-	581,652
Accumulated losses	(68,501,162)	(68,476,286)	(176,149,703)	(176,434,937)
	(11,347,309)	(11,436,924)	(3,895,914)	(3,841,404)
Non-controlling interests	(256,086)	(275,181)	-	-
Total equity	(11,603,395)	(11,712,105)	(3,895,914)	(3,841,404)

1(c) 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.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

GROUP - Current period	Share Capital	Currency Translation reserve	Other Reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2022	56,453,281	(2,530,401)	3,116,482	(68,476,286)	(275,181)	(11,712,105)
Fair value of interest-free loans	-	-	30,242	-	306	30,548
Reclassification of reserve balances	-	-	(581,652)	581,652	-	-
Loss for the period	-	-	-	(606,528)	1,682	(604,846)
Other comprehensive income for the period	-	665,901	-	-	17,107	683,008
Balance at 30 September 2022	56,453,281	(1,864,500)	2,565,072	(68,501,162)	(256,086)	(11,603,395)

GROUP - Prior period

	Share Capital	Currency Translation reserve	Other Reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2021	56,453,281	(2,709,427)	2,410,416	(65,739,333)	(269,182)	(9,854,245)
Employee share awards - Value of employee services	-	-	285,483	-	-	285,483
Fair value of interest-free loans	-	-	420,583	-	910	421,493
Loss for the period	-	-	-	(2,207,287)	(11,606)	(2,218,893)
Other comprehensive income for the period	-	241,976	-	-	7,655	249,631
Balance at 30 September 2021	56,453,281	(2,467,451)	3,116,482	(67,946,620)	(272,223)	(11,116,531)

COMPANY - Current period

	Share Capital	Currency Translation reserve	Other Reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2022	171,550,476	461,405	581,652	(176,434,937)	(3,841,404)
Reclassification of reserve balances	-	-	(581,652)	581,652	-
Loss for the period	-	-	-	(296,418)	(296,418)
Other comprehensive income for the period	-	241,908	-	-	241,908
Balance at 30 September 2022	171,550,476	703,313	-	(176,149,703)	(3,895,914)

COMPANY - Prior period

	Share Capital	Currency Translation reserve	Other Reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2021	171,550,476	381,478	296,169	(175,792,258)	(3,564,135)
Employee share awards - Value of employee services	-	-	285,483	-	285,483
Loss for the period	-	-	-	(438,882)	(438,882)
Other comprehensive income for the period	-	108,676	-	-	108,676
Balance at 30 September 2021	171,550,476	490,154	581,652	(176,231,120)	(3,608,838)

1(d) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 9M2022 US\$	Unaudited 9M2021 US\$
Cash flows from operating activities		
Loss for the financial period	(604,846)	(2,218,893)
Adjustments for:		
- Depreciation of property, plant and equipment	42,164	46,324
- Share-based compensation expense	-	285,483
- Fair value gains, financial liabilities at FVPL	(550,444)	(517,620)
- Other income	(3,712)	(5,692)
- Income from cooperation agreement	(2,001,692)	-
- Interest expense	604,090	3,525,486
- Income tax expense	-	2,756
- Provision for mine reclamation and rehabilitation	76,147	66,462
- Unrealised currency translation differences	215,270	105,156
	<u>(2,223,023)</u>	<u>1,289,462</u>
Change in working capital:		
Inventories	527,798	333,537
Deposit and prepayments	3,916	246,625
Trade and other receivables	(7,161,749)	(7,739,728)
Trade and other payables	8,796,153	6,033,660
Provision for employee benefits	(7,505)	22,667
Other provisions	-	-
Cash generated from operations	<u>(64,410)</u>	<u>186,223</u>
Income tax paid	-	-
Net cash (used in)/provided by operating activities	<u>(64,410)</u>	<u>186,223</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,792)	-
Interest received	3,712	5,692
Net cash provided by investing activities	<u>1,920</u>	<u>5,692</u>
Cash flows from financing activities		
Proceeds from borrowings	209,161	-
Repayment of borrowings	-	(325,942)
Principal repayment of lease liabilities	(63,938)	(55,063)
Interest paid	(2,107)	(4,706)
Withdrawal of restricted cash	6,582	11,496
Net cash provided by/(used in) financing activities	<u>149,698</u>	<u>(374,215)</u>
Net increase/(decrease) in cash and cash equivalents	87,208	(182,300)
Cash and cash equivalents at the beginning of the period	205,405	440,015
Effects of currency translation on cash and cash equivalents	<u>(12,406)</u>	<u>(8,338)</u>
Cash and cash equivalents at the end of the period	<u>280,207</u>	<u>249,377</u>

2. Condensed interim notes to the financial statements

2.1 Corporate Information

The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore. The condensed interim consolidated financial statements for the nine months ended 30 September 2022 and condensed interim statement of comprehensive income for the three months ended 30 September 2022, comprise the Company and its subsidiaries (collectively, the “**Group**”).

The address of its registered office is 7 Temasek Boulevard, Suntec Tower One, #08-07, Singapore 038987.

The principal activity of the Company is that of investment holding and the principal activity of its subsidiaries is that of coal mining.

2.2 Basis of preparation

The condensed interim financial statements for the nine months ended 30 September 2022 and the condensed interim statement of comprehensive income for the three months ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the year ended 31 December 2021.

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2020 and the unaudited financial statements for the year ended 31 December 2021, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.3.

The condensed interim financial statements are presented in United States Dollar as the comparable companies in the industry in which the Group operates in also present its financial statements in United States Dollar. The functional currency of the Company is Singapore Dollar.

Going concern basis

The Group reported a loss after tax of US\$604,846 (30 September 2021: US\$2,218,893) for the nine months ended 30 September 2022. In addition, as at 30 September 2022, the Group’s current liabilities exceeded the current assets by US\$10,570,876 (31 December 2021: US\$7,531,524), and the Company’s current liabilities exceeded its current assets by US\$3,934,358 (31 December 2021: US\$3,885,598). These indicate the existence of material uncertainties that cast significant doubt about the ability of the Group and of the Company to operate as going concerns.

Management has assessed that it is appropriate to use the going concern assumption for the preparation of the accompanying financial statements based on:

- (i) On 30 January 2020, the Group entered into three (3) convertible bond agreements to raise an aggregate of S\$5.0M from the Series A Convertible Bonds and up to S\$20.0M from a subsequent tranche of Series B Convertible Bonds. Please refer to the Company’s announcement dated 5 February 2020 for details^{1,2};

(ii) On 5 February 2020, the Company had announced that it has signed an offtake agreement with a new customer dated 29 January 2020 to supply coal at a minimum quantity of not less than 4.8 million tonnes of coal per year. On 12 May 2022, the Company announced that it has signed a second supplemental offtake agreement to extend the expiry date from 29 January 2022 to 31 May 2023. If successful, the profits from the sales under the offtake agreement are expected to improve the Group's cash flow position;

(iii) The Group has an available loan facility from its shareholders amounting to US\$35,815,153 from which it can draw upon when required. In addition, management was successful in negotiating with Novel Creation Holdings Limited ("**Novel Creation**"), for an extension of up to 31 March 2024, on or before which Novel Creation has agreed not to demand repayment of the shareholders' loans. Another shareholder, Twin Gold Ventures S.A. ("**TGV**") has agreed not to demand for repayment of the shareholders' loan on or before 31 March 2023; and

(iv) On 31 July 2022, the Company announced that it had entered into placement agreements with three (3) investors (the "**Placement Agreements**") to raise up to S\$5,608,800 through the issuance of new shares in the capital of the Company. On 30 September 2022, Company had extended the cut-off date for completion of the placement to 30 November 2022. The Company will be convening an extraordinary general meeting ("**EGM**") on 25 November 2022 to seek the approval of shareholders for the issuance and allotment of the placement shares. The Company had, on 10 November 2022, received the in-principle approval from the SGX-ST for the issuance of the placement shares under the Placement Agreements.

The Board and the management are of the view that the Group is able to continue operations and meet its liabilities as and when they fall due within the next 12 months from the reporting date.

Accordingly, the accompanying financial statements do not include any adjustment relating to the realisation and classification of assets and liabilities that may be necessary if the Group and Company were unable to continue as a going concern. Should the going concern assumptions be inappropriate, adjustments may have to be made to (i) reflect the situation that assets may need to be realised other than in the normal course of the business and at amounts which may differ significantly from the amounts at which they are currently recorded in the balance sheets; (ii) provide for further liabilities that might arise; and (iii) reclassify non-current assets and non-current liabilities as current. No such adjustments have been made in the accompanying financial statements.

Note 1: In an announcement by the Company on 30 September 2020, the Convertible Bonds Subscription Agreement with Jinzhou Business Investment Logistics Co., Ltd had lapsed on 30 September 2020. As such, the total amount of subscription under Series A Bonds is S\$2M.

Note 2: On 16 November 2020, the Company has obtained the approval of shareholders for the issuance of another S\$8M of convertible bonds under the Series B Convertible Bonds. These bonds may be subscribed at the option of the subscribers. As at the date of this announcement, the subscribers have not subscribed to the Series B Convertible Bonds.

2.3 New and amended standards adopted by the Group

A number of amendments to SFRS(I) and Interpretations of SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make any retrospective adjustments as a result of adopting those standards.

2.4. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial period ended 31 December 2020 and the unaudited consolidated financial statements as at end of the financial period ended 31 December 2021. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the view that there are no critical judgements involved which the management has made in the process of applying the Group's accounting policies that may have a significant effect on the amounts recognised in the condensed interim financial statements.

2.5. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

2.6. Segment and revenue information

The Group's operations constitute a single segment which is the exploration and mining of coal in Indonesia. Accordingly, no segmental information is presented.

2.7. Financial assets

	<u>Group</u>		<u>Company</u>	
	<u>As at</u> <u>30/09/22</u> <u>US\$</u>	<u>As at</u> <u>31/12/21</u> <u>US\$</u>	<u>As at</u> <u>30/09/22</u> <u>US\$</u>	<u>As at</u> <u>31/12/21</u> <u>US\$</u>
Trade receivables				
- Non-related parties	7,950,247	3,932,442	-	-
Other receivables				
- Non-related parties	11,553,982	7,401,693	23,892	29,578
- Subsidiaries	-	-	21,138,675	22,563,270
- Non-controlling shareholder of a subsidiary	7,865	8,426	-	-
	<u>11,561,847</u>	<u>7,410,119</u>	<u>21,162,567</u>	<u>22,592,848</u>
Less: Loss allowance	-	-	(20,835,042)	(22,302,005)
	<u>19,512,094</u>	<u>11,342,561</u>	<u>327,525</u>	<u>290,843</u>
Deposits	5,996	6,373	5,996	6,373
Restricted cash	61,398	72,404	-	-
Cash and cash equivalents	280,207	205,405	115,629	9,567
Total financial assets at amortised cost	<u>19,859,695</u>	<u>11,626,743</u>	<u>449,150</u>	<u>306,783</u>

2.8. Financial liabilities

	<u>Group</u>		<u>Company</u>	
	As at	As at	As at	As at
	30/09/22	31/12/21	30/09/22	31/12/21
	US\$	US\$	US\$	US\$
Trade and other payables	3,239,662	3,098,999	1,562,849	1,428,174
Accrued operating expenses	22,613,377	15,374,087	1,225,065	910,916
Financial liabilities, at amortised cost	1,257,279	1,138,053	1,257,279	1,138,053
Financial liabilities, at FVPL	113,784	685,123	113,784	685,123
Borrowings	257,461	91,216	251,602	72,683
Loans from shareholders	3,909,089	3,577,489	-	-
Total financial liabilities at amortised cost	<u>31,390,652</u>	<u>23,964,967</u>	<u>4,410,579</u>	<u>4,234,949</u>

2.9. Loans and borrowings

	<u>Group</u>		<u>Company</u>	
	As at	As at	As at	As at
	30/09/22	31/12/21	30/09/22	31/12/21
	US\$	US\$	US\$	US\$
<i>Current</i>				
Loan	209,161	-	209,161	-
Lease liabilities	40,967	44,450	35,108	36,843
	<u>250,128</u>	<u>44,450</u>	<u>244,269</u>	
<i>Non-current</i>				
Lease liabilities	7,333	46,766	7,333	35,840
Total borrowings	<u>257,461</u>	<u>91,216</u>	<u>251,602</u>	<u>72,683</u>

The loan and lease liabilities (current and non-current) as at 30 September 2022 and 31 December 2021 are unsecured.

2.10. Loans from shareholders

The loans relate to shareholders' loans from TGV and Novel Creation. The loans are non-interest bearing, unsecured and repayable upon demand.

On 31 March 2022, the Group entered into an eighth supplemental deed with Novel Creation for an extension of up to 31 March 2024, on or before which Novel Creation has agreed not to demand repayment of the shareholders' loans. The date on or before which TGV has agreed not to demand repayment of the shareholders' loans remains on 31 March 2023. There has been no request for repayment to date by Novel Creation and TGV.

The Group has drawn down US\$4,184,847 of the shareholders' loan to date and the remaining undrawn facility amounts to US\$35,815,153. The Group has not drawn on its shareholders' loan facilities for 9M2022. Any movements arising are due to the fair valuation of the shareholders loans.

A summary of the Group's loans and borrowings and loans from shareholders is as follows:

	As at 30/09/22		As at 31/12/21	
	Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
Amount repayable in one year or less, or on demand				
Loan	-	209,161	-	-
Lease liabilities	-	40,967	-	44,450
Loans from shareholder	-	3,514,178	-	-
Amount repayable after one year				
Lease liabilities	-	7,333	-	46,766
Loans from shareholder	-	394,911	-	3,577,489

2.11. Other income and other gains/(losses)

	3Q2022 US\$	3Q2021 US\$	9M2022 US\$	9M2021 US\$
Interest income	1,169	1,719	3,712	5,692
Other income	-	-	-	2,404
Income from co-operation agreement	1,148,330	-	2,001,692	8,096
	<u>1,149,499</u>	<u>1,719</u>	<u>2,005,404</u>	<u>8,096</u>
Currency translation differences	(100,620)	1,544	(238,737)	(102,101)
	<u>1,048,879</u>	<u>3,263</u>	<u>1,766,667</u>	<u>(94,005)</u>

2.12. Loss before tax

The following significant items have been included in arriving at loss before tax:

	3Q2022 US\$	3Q2021 US\$	9M2022 US\$	9M2021 US\$
Cost of goods sold	4,078,736	3,258,779	8,589,724	6,873,657
Staff costs	167,281	465,920	510,197	846,041
Depreciation	11,968	15,269	42,164	46,324
Licensing and legal expenses	76,339	79,693	226,976	248,070
Professional fees	100,765	117,700	314,571	333,274
Rental expenses	13,653	11,786	34,452	36,366
Finance costs	200,770	2,012,843	604,090	3,525,486

2.13. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

	3Q2022 US\$	3Q2021 US\$	9M2022 US\$	9M2021 US\$
Current income tax	-	910	-	2,756

3. Other information required by the listing rules

3.1 Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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\$)
2022		
As at 30 June 2022	1,049,427,103	171,550,476
As at 30 September 2022	1,049,427,103	171,550,476
2021		
As at 30 June 2021	1,017,077,103	171,550,476
Share based compensation	32,350,000	-
As at 30 September 2021	1,049,427,103	171,550,476

There were no changes in the issued and paid-up share capital of the Company from 30 June 2022 to 30 September 2022.

The Company had, on 26 March 2020, partially completed the issue of its Series A Convertible Bonds. An aggregate of S\$2,000,000 of convertible bonds were issued.

As of the date of this announcement, there have not been any conversion of the Series A Convertible Bonds to new shares. A total of 133,333,333 new shares may be issued at conversion at a conversion price of 1.5 Singapore Cents if the Series A Convertible Bonds were fully converted. The allotment and issuance of 533,333,332 new shares of Series B Convertible Bonds which will raise an amount of S\$8 million has been approved at an extraordinary general meeting held by the Company on 16 November 2020. As at the date of this announcement, the subscribers have not subscribed to the Series B Convertible Bonds.

As of 30 September 2022, there were 133,333,333 outstanding convertible shares granted under the Series A Convertible Bonds (being 12.7% of the total number of issued shares) (30 September 2021: 12.7%), and no outstanding share options were granted as at 30 September 2022 and 30 September 2021.

The Company had, on 31 July 2022, announced a proposed placement of an aggregate of 467,400,001 new shares in the capital of the Company (the “**Proposed Placement**”). Upon completion of the Proposed Placement, pursuant to the terms of the convertible bond agreements for the issue of Series A Convertible Bonds and certain adjustments, an additional 68,686,869 new shares in the capital of the Company (“**Additional Shares**”) may be issued. On 30 September 2022, Company had extended the cut-off date for completion of the placement to 30 November 2022. The Company had, on 10 November 2022, received the in-principle approval from the SGX-ST for the issuance of the shares pursuant to the Proposed Placement and the Additional Shares. The Company will hold an EGM on 25 November 2022 to seek shareholders’ approval for the Proposed Placement and issuance of Additional Shares.

There were no treasury shares or subsidiary holdings held or issued as at 30 September 2022 and 30 September 2021.

3.2 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 September 2022	As at 31 December 2021
Number of issued shares excluding treasury shares	1,049,427,103	1,049,427,103

3.3 A statement showing all sales, transfers, 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.

3.4 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. The Company does not have any subsidiary holdings.

4. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed consolidated statements of financial position of the Group and Company as at 30 September 2022, the related condensed interim consolidated statement of comprehensive income for the nine months then ended, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the nine months then ended, and certain explanatory notes have not been audited or reviewed by the Group’s auditors.

5. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter).

Not applicable.

5A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

a) Updates on the efforts taken on resolve each outstanding audit issue.

This is not required for any audit issue that is a material uncertainty relating to going concern.

In respect of the audited financial statements for FY2021, as announced on 14 June 2022, 23 June 2022, 27 July 2022 and 11 August 2022, the Company had sought for a further extension of time to release it by 15 August 2022. The Company had received the no objection from the SGX-ST but rejection from ACRA. As such, the Company will announce the audited financial statements and hold the AGM for FY2021 as soon as practicable.

Notwithstanding the foregoing, in the Company's latest audited financial statements for FY2020, PKF-CAP LLP, the Group's auditors, had issued a disclaimer of opinion in respect of the Company as a going concern ("**Going Concern Assumption**").

Details relating to the Group's comments on the Going Concern Assumption and its efforts taken to resolve the matter may be found in paragraph 10 of this announcement.

b) Confirmation from the Board that the impact of all outstanding audit issues on the consolidated financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues on the financial statements in relation to FY2020 have been adequately disclosed.

6. Whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been applied.

Accounting policies and methods of computations used in the consolidated financial statements for the quarter and nine months ended 30 September 2022 are consistent with those applied in the audited financial statements for the year ended 31 December 2020 and the unaudited financial statements for the year ended 31 December 2021, except for the adoption of accounting standards (including its subsequent amendments) and interpretations applicable for the financial period beginning 1 January 2022.

7. 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 has adopted all new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") that are effective for annual periods beginning on or after 1 January 2022.

The adoption of the new or revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

8. 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.

	9M2022 US\$	9M2021 US\$
Loss attributable to equity holders of the Company for the financial period	(606,528)	(2,207,287)
Weighted average number of shares for the purpose of computing basic loss per share	1,049,427,103	1,021,580,033
Basic loss per share (cents)	(0.06)	(0.22)
Weighted average number of shares for the purpose of computing fully diluted loss per share**	1,182,760,435	1,154,913,365
Fully diluted loss per share (cents)	(0.05)	(0.19)

**Weighted average number of shares for the purpose of computing fully diluted loss per share was adjusted for the effect of 133,333,333 new shares that will be issued upon full conversion of the Series A Convertible Bonds.

9. 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 Sep 2022 US\$	31 Dec 2021 US\$
Net liabilities of the Group	11,603,395	11,712,105
No. of ordinary shares in issue	1,049,427,103	1,049,427,103
Net liability value of the Group per ordinary share (cents)	1.11	1.12
Net liabilities of the Company	3,895,914	3,841,404
No. of ordinary shares in issue	1,049,427,103	1,049,427,103
Net liability value of the Company per ordinary share (cents)	0.37	0.37

10. 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 is generated through the sale of coal from the coal mining activities to the customers.

Revenue amounted to US\$3.4M for the third quarter ended 30 September 2022 (“**3Q2022**”) and US\$7.9M for the nine-month period ended 30 September 2022 (“**9M2022**”), as compared to US\$4.7M for the third quarter ended 30 September 2021 (“**3Q2021**”) and US\$10.0M for the nine-month period ended 30 September 2021 (“**9M2021**”).

During 3Q2022, revenue decreased by US\$1.34M or 28% due to higher proportion of sales to customers with a lower average selling price.

During 9M2022, revenue decreased by US\$2.1M or 21% due to higher proportion of sales to customers with a lower average selling price.

Cost of sales

Cost of sales (“**COS**”) comprised mainly cost incurred in relation to mining contractors, coal processing and royalties to the Indonesian government pertaining to coal mining.

COS amounted to US\$4.1M in 3Q2022 and US\$8.6M in 9M2022, as compared to US\$3.3M in 3Q2021 and US\$6.9M in 9M2021.

During 3Q2022, COS increased by US\$820K or 25% due to higher fuel and transportation costs.

During 9M2022, COS increased by US\$1.7M or 25% due to higher fuel and transportation costs.

Gross Losses

The Group recorded gross losses of US\$675K in 3Q2022 and US\$708K in 9M2022 as compared to gross profits of US\$1.5M in 3Q2021 and US\$3.1M in 9M2021.

The gross loss margins of 20% in 3Q2022 and 9% in 9M2022, against gross profit margins of 31% in 3Q2021 and 31% in 9M2021 were mainly due to lower selling price and higher fuel and transportation costs.

Other income

The Group recorded other income of US\$1.1M in 3Q2022 and US\$2.0M in 9M2022 as compared to US\$2K in 3Q2021 and US\$7K in 9M2022.

During 3Q2022 and 9M2022, the increase of US\$1.1M and US\$2.0M respectively were due to the co-operation arrangement with a co-operation partner. Due to losses from the sale of coal, these incomes constitute the partner’s share of losses to be paid to the Group.

Currency translation differences

The Group recorded a currency translation loss of US\$101K in 3Q2022 and a currency translation loss of US\$239K in 9M2022, as compared to a currency translation gain of US\$2K in 3Q2021 and currency translation loss of US\$102K in 9M2021.

During 3Q2022 and 9M2022, the currency translation losses were mainly due to translation differences on shareholders' loans at its Singapore and Indonesia subsidiaries. The United States Dollar (being the currency in which these liabilities are denominated) had strengthened against the Singapore Dollar and the Indonesia Rupiah (being the recording currencies for these liabilities), thereby accounting for the currency translation loss.

Fair value gains, financial liabilities at FVPL

The Group recorded other gains of US\$171K in 3Q2022 and US\$550K in 9M2022 mainly from fair value movements in financial liabilities, fair value through profit or loss ("FVPL") in relation to the conversion options from the Series A convertible bonds.

Administrative expenses

Administrative expenses mainly comprised staff remuneration and expenses relating to licensing and legal, rental and recurring professional fees.

Administrative expenses amounted to US\$554K in 3Q2022 and US\$1.6M in 9M2022, as compared to US\$943K in 3Q2021 and US\$2.2M in 9M2021.

During 3Q2022, administrative expenses decreased by US\$388K or 41% due to:

- reduced staff costs as there were share awards issued during 3Q2021; but these share awards were not issued during 3Q2022; and
- reduced professional fees.

During 9M2022 administrative expenses decreased by US\$637K or 28% due to:

- reduced staff costs as there were share awards issued during 9M2021; but these share awards were not issued during 9M2022; and
- reduced licensing fees as there were fewer licences required for renewal during 9M2022;

Finance expenses

Finance expenses amounted to US\$201K in 3Q2022 and US\$604K in 9M2022, against US\$2.0M in 3Q2021 and US\$3.5M in 9M2021.

During 3Q2022, finance expenses decreased by US\$1.8M or 90% as there were no finance expenses payable under the profit-sharing agreement with the cooperation partner (see paragraph titled "Other income" on page 18 for details).

During 9M2022, finance expenses decreased by US\$2.9M or 83% due to a reduction in finance expenses from the profit-sharing arrangement with a co-operation partner (see paragraph titled "Other income" on page 18 for details).

Loss for the financial period

As a result of the abovementioned factors, the Group recorded net losses of US\$210K in 3Q2022 and US\$605K in 9M2022, against net losses of US\$1.1M in 3Q2021 and US\$2.2M in 9M2021.

Review of Statement of Financial Position

Current assets

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

Current assets increased by US\$7.6M from US\$12.8M as at 31 December 2021 to US\$20.4M as at 30 September 2022.

The increase in current assets was due to the following:

- Trade receivables increased by US\$4.0M due to slower collection from debtors;
- Other receivables increased by US\$4.2M due to 9M2022 sales and higher amounts of sales receipts held by the Group's co-operation partner for the purpose of paying vendors. Upon payment to the vendors, the receivables shall be offset accordingly. Due to slower payments to the vendors, the receivables have increased accordingly; and
- Cash and cash equivalents increased by US\$75K, mainly arising from proceeds from borrowings, and partially offset by payments to suppliers. Please refer to section titled "Review of Statement of Cash Flows" for more details

The increase in current assets was partially offset by the following:

- Deposits and prepayments decreased by US\$10K due to utilisation of deposits paid to vendors, and
- Inventories decreased by US\$625K due to lower production in anticipation of slower sales in the next quarter.

Non-current assets

Non-current assets of the Group comprise property, plant and equipment (including right-of-use assets) and restricted cash.

Non-current assets decreased by US\$48K from US\$156K as at 31 December 2021 to US\$108K as at 30 September 2022, mainly due to depreciation of property, plant and equipment of approximately US\$42K.

Current liabilities

Current liabilities comprise trade and other payables, current income tax liability, accrued operating expenses, financial liabilities at amortised cost, financial liabilities at FVPL and borrowings (including lease liabilities, current portion).

Current liabilities increased by US\$10.6M from US\$20.3M as at 31 December 2021 to US\$31.0M as at 30 September 2022. The increase was mainly due to the following:

- Accrued operating expenses increased by US\$7.2M partly due to production activities in the current period and slower invoicing by vendors; and

- Reclassification of shareholders loan owing to TGV from non-current liabilities to current liabilities as TGV has agreed not to demand repayment of the shareholders' loans on or before 31 March 2023 only.

The increase in current liabilities was partially offset by:

- Financial liabilities, at FVPL decreased by US\$571K mainly being fair value movements on the convertible option of Series A convertible bonds.

Consequent to the increase in current assets and current liabilities as set out above, the Group recorded a negative working capital of US\$10.6M as at 30 September 2022.

Non-current liabilities

Non-current liabilities comprise borrowings (including lease liabilities, non-current portion), loans from shareholders, other non-current liabilities and provision for reclamation and rehabilitation of land.

Non-current liabilities decreased by US\$3.2M from US\$4.3M as at 31 December 2021 to US\$1.1M as at 30 September 2022. The decrease was mainly due to:

- Shareholders' loans decreased by US\$3.2M, which was re-classified to current liabilities (see paragraph titled "Current liabilities" for details; and
- Lease liabilities decreased by US\$39K due to repayment of the liabilities.

The decrease in non-current liabilities was partially offset by:

- Provision for rehabilitation of mines increased by US\$35K due to ongoing mining activities at the Group's mining concession.

Going Concern and Working Capital

Notwithstanding the above, the Board is of the view that the Group is able to continue improving its working capital position and operating as a going concern for the following reasons:

As stated in the going-concern assumptions provided in the annual report for FY2020, please see paragraph (i) below, as well as further updates and efforts undertaken by the Group in paragraphs (ii) to (iv) below:

(i) On 30 January 2020, the Group has entered into three (3) convertible bond agreements to raise an aggregate of S\$5.0M from the Series A Convertible Bonds and up to S\$20.0M from a subsequent tranche of Series B Convertible Bonds. Please refer to the Company's announcement dated 5 February 2020 for details;

(ii) On 5 February 2020, the Company had announced that it has signed an offtake agreement with a new customer dated 29 January 2020 to supply coal at a minimum quantity of not less than 4.8 million tonnes of coal per year. On 12 May 2022, the Company announced that it has signed a second supplemental offtake agreement to extend the expiry date from 29 January 2022 to 31 May 2023. If successful, the profits from the sales under the offtake agreement are expected to improve the Group's cash flow position;

(iii) The Group has an available loan facility from its shareholders amounting to US\$35,815,153 from which it can draw upon when required. In addition, management was successful in negotiating with Novel Creation, for an extension of up to 31 March 2024, on or before which Novel Creation has agreed not to demand repayment of the shareholders' loans. Another shareholder, TGV has agreed not to demand for repayment of the shareholders' loan on or before 31 March 2023; and

(iv) On 31 July 2022, the Company announced that it had entered into Placement Agreements with three (3) investors to raise up to S\$5,608,800 through the issuance of new shares in the capital of the Company. On 30 September 2022, Company had extended the cut-off date for completion of the Proposed Placement to 30 November 2022. The Company had, on 10 November 2022, received the in-principle approval from the SGX-ST for the issuance of the shares pursuant to the Proposed Placement and the Additional Shares and will be convening an EGM on 25 November 2022 to seek the approval of shareholders for the Proposed Placement and issuance of Additional Shares.

Review of Statement of Cash Flows

9M2022

The Group recorded net cash used in operating activities of US\$64K for 9M2022 which was a result of operating losses before changes in working capital of approximately US\$2.2M, which was partially offset by changes in net working capital of US\$2.1M.

Net cash provided by investing activities of US\$2K in 9M2022 was due to interest income from current account and time deposits of US\$4K, partially offset by purchase of property, plant and equipment of US\$2K.

Net cash provided by financing activities of US\$150K was mainly due to proceeds from borrowings of US\$209K offset against principal repayment of lease liabilities of US\$64K.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of US\$87K in 9M2022.

11. 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.

12. 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.

As reported by Mining Technology¹ on 13 September 2022, Indonesia's coal production is expected to see growth in 2022, with the government aiming at increasing coal output to 663 million metric tonnes.

Indonesia is the world's third largest coal producer after China and India. After registering strong growth of 8.9% in 2021, Indonesia's coal mine production is expected to register a 2.6% year-on-year growth to reach 629.9 million metric tonnes in 2022.

The government intends to raise coal output to 663 million metric tonnes in 2022, notwithstanding the potential for more exports to satisfy the demands of European nations. According to the Ministry of Energy and Mineral Resources, until June 28, 2022, Indonesia's coal production had reached 294.4 million metric tonnes or 44.4% of the target.

News Articles:

Note 1: <https://www.mining-technology.com/comment/indonesia-coal-growth/>

13. 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.

14. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for 3Q2022 as the Group is loss-making and requires the existing cash to fund its operating activities.

15. 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 pursuant to Rule 920(1)(a)(ii) of the Catalist Rules.

There were no interested person transactions entered into by the Group during 3Q2022.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

16. Rule 705(6)(a) of the Catalist Rules

i. Use of funds/cash for the quarter:-

In 3Q2022, funds were mainly used for the following activities:-

Purpose	Forecasted usage of funds (US\$)	Actual usage of funds (US\$)
Production activities	28,000	27,000
General working capital	237,000	131,000
Total	265,000	158,000

Actual cash used for production activities and general working capital was less than forecasted by US\$107,000 as the Group did not make certain payments in 3Q2022 as initially expected, and intends to make the relevant payments in subsequent quarters.

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the fourth quarter ending 31 December 2022, the Group's uses of funds for production activities are expected to be as follows:-

Purpose	Amount
	(US\$)
Production activities	23,000
General working capital	200,000
Total	223,000

Principal Assumptions

Projected uses of funds for certain items include, but are not limited to, expenses to be incurred for the Group's mine development activities, which will vary according to the Group's actual 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.

17. 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.

18. Rule 705(7) 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 3Q2022, no exploration activities were conducted. In relation to production activities, a total of approximately 174,000 metric tonnes of coal were produced during 3Q2022.

The Group has not made any previous projection in relation to exploration, development and/or production activities.

During 3Q2022, the cash expenditure paid for production activities amounted to US\$158,000.

Explanation for the variances from previous projections on the uses of funds/cash for 3Q2022 may be found in the paragraph titled “Rule 705(6)(a) of the Catalist Rules” above.

19. Confirmation by the Company pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings from all its directors and executive officers of the Company as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

20. Negative Confirmation by the board pursuant to Rule 705(5) of the Catalist Rules

On behalf of the Board, we, the undersigned, hereby confirm that to the best of the Board’s knowledge, nothing has come to the attention of the Board which may render the unaudited condensed interim financial statements for 3Q2022 of the Group and the Company to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim Thien Su Gerald
Independent Non-Executive Chairman

Andreas Rinaldi
Executive Director and CEO

14 November 2022