

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

---

**RESPONSE TO SGX QUERIES IN RELATION TO TERMINATION OF COOPERATION  
PARTNER**

---

*All capitalised terms used in this announcement shall unless otherwise defined have the same meanings as given to them in the Previous Announcement (as defined below).*

The Board of Directors (the “**Board**”) of BlackGold Natural Resources Limited (the “**Company**”) refers to its announcement on 1 March 2023 in relation to the termination of the cooperation partner of PT Samantaka Batubara (“**PT SB**”), a wholly-owned subsidiary of the Company (the “**Previous Announcement**”), and wishes to address the following queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 2 March 2023.

The Termination was served on the grounds of non-fulfilment of obligations in production and delivery of coal from PT SB’s coal mine to the Company’s customers.

**QUERY 1**

Please clarify the role of PT GEL in the Company’s business, including whether if it is the Company’s sole cooperation partner.

**COMPANY’S RESPONSE TO QUERY 1**

PT Global Energi Lestari (“**PT GEL**”) was the sole cooperation partner of PT SB. Pursuant to the cooperation agreement (the “**Cooperation Agreement**”) signed between PT GEL and PT SB, PT GEL was responsible for, *inter alia*:-

- a. the coal production activities of PT SB which include coal topsoil removal and coal getting (“**Production Activities**”);
- b. the delivery of coal from PT SB’s stockpile to the customer(s) of PT SB (“**Logistic Activities**”); and
- c. the financing required for Production Activities and Logistic Activities (“**Operational Costs**”).

**QUERY 2**

Please provide detailed reason(s) for the Termination, such as why was PT GEL unable to fulfill its contractual obligations? Does the Company / PT SB need to pay any penalties to PT GEL?

Does the Group have recourse to seek compensation from PT GEL for loss of revenue or other losses?

**COMPANY’S RESPONSE TO QUERY 2**

PT GEL had informed PT SB that it is unable to fulfil its contractual obligations due to increased production costs, in particular an increase in fuel costs as well as an increase in the stripping ratio of the mine.

Pursuant to the Cooperation Agreement, PT SB will not be liable to PT GEL in relation to the Termination which arose as a result of PT GEL’s breach of the Cooperation Agreement.

Under the terms of the Cooperation Agreement, PT GEL is responsible for a target production of between 50,000 and 100,000 metric tonnes of coal every month. Accordingly, PT SB shall be seeking legal advice in relation to any possible recourse against PT GEL for loss of revenue or other losses in accordance with the terms of the Cooperation Agreement.

### **QUERY 3**

The Termination was served on 28 November 2022, and took effect from 30 November 2022. What is the reason for the delay in announcement?

### **COMPANY'S RESPONSE TO QUERY 3**

The Board was informed of the Termination only on 23 February 2023 as (a) the director of PT SB who served the termination letter did not notify the management of the Company (the "**Management**") until January 2023, (b) the Management had intended to notify the Board during the board meeting that was originally scheduled to be held on 17 February 2023, which was subsequently postponed as the announcement on the financial results for the full year ended 31 December 2022 was not ready. This resulted in an oversight of the Management in notifying the Board until 23 February 2023. Upon being notified of the Termination, the Board decided that the Company should announce the Termination. However, due to shortage of manpower and as a result of an employee of the Company being hospitalised for surgery on 24 February 2023, the announcement on the Termination was only prepared by the aforementioned employee after 24 February 2023 and released by the Company on 1 March 2023.

### **QUERY 4**

Without PT GEL to produce and deliver the coal from the Group's coal mine, what would be implication? Does it mean that the Group is unable to sell any coal to its customers?

### **COMPANY'S RESPONSE TO QUERY 4**

Subsequent to the Termination, PT SB has been in discussions with a third-party potential cooperation partner ("**PT SA**"). Due to the time required by PT SA to conduct a comprehensive technical, legal, and financial due diligence on PT SB, the parties are currently still in the midst of negotiating the terms of the definitive agreement. Pending signing of a definitive agreement with a new cooperation partner, PT SB is currently not able to produce and/or deliver any coal to its customer(s).

The definitive agreement between PT SB and PT SA is expected to be signed within the next 4 weeks. Subject to successful conclusion of such agreement, PT SA shall be responsible for the Production Activities, Logistic Activities as well as Operational Costs.

### **QUERY 5**

The Directors are of the view that the Termination will have a material impact on the financial performance and position of the Group for FY2022.

- a. Please provide the Board of Directors' assessment of the Group's ability to continue operating as a going concern and the bases for the said assessment.
- b. Please provide the Board of Directors' opinion as to whether trading of the Company's shares should be suspended pursuant to Listing Rule 1303(3) (Going Concern) and the basis for such opinion.

- c. Please provide the Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner and the bases for its views.
- d. Please provide the Sponsor's assessment on the Group's ability to operate as a going concern, with supporting justifications.

#### **COMPANY'S RESPONSE TO QUERY 5**

- a. The management is confident that the Group will have sufficient resources to continue its operations for the foreseeable future after taking into consideration the following:-
  - i. The Group has secured a long-term offtake agreement (until 12 February 2027) with Indonesia's state-owned Company to supply up to 960,000 metric tonnes of coal per annum and continues to source for new customer(s);  
  
Notwithstanding that PT SB's operation production license had expired on 25 February 2023, the Group had submitted the license renewal application and, barring any unforeseen circumstances, the Board expects the licence to be issued by May 2023 and PT SB would accordingly commence its operational activities;
  - ii. The definitive agreement between PT SB and PT SA is expected to be signed within the next 4 weeks, immediately thereafter and upon obtaining the renewed operation production license, PT SB shall resume its production and sales activities. It is envisaged that the Group shall increase its production capacities and expand its sales to existing and new customer(s). This as well as a higher profit margin to be agreed with PT SA will seek to increase the Group's revenues and profitability;
  - iii. 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 8 March 2023, Company had extended the cut-off date for completion of the placement with Mr Heliyanto up to 21 March 2023;
  - iv. The Group has also concurrently been engaging in ongoing discussions with potential investors on proposed funding exercises for the Group;
  - v. Pending completion of the fundraising exercise with Mr Heliyanto and/or potential investors, the Group has submitted an application to withdraw its fixed deposit in the amount of approximately S\$250,000 to be utilised in the interim for working capital;
  - vi. The Group has plans in place to diversify its current business, including the expansion of its business activities to include the trading of coal, mineral ore and other commodities in geographical locations beyond Indonesia. This shall serve to diversify and expand its revenue streams; and
  - vii. 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, 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. has agreed not to demand for repayment of the shareholders' loan on or before 31 March 2023. The Company is in the midst of discussion with Twin Gold Ventures S.A. on the repayment terms of the shareholders' loan.

Taking into consideration the above information provided by the management, the Board of Directors is of the opinion that the Group and the Company are able to continue operating as a going concern.

- b. Subject to the reasons set out above, in particular, the receipt of additional funds and the resumption of operational activities, the Board is of the view that the Group and the Company will be able to generate sufficient positive cash flows to meet the operating requirements of the Group's operations and to pay their debts as and when they fall due. In addition, sufficient information has been and will continue to be disclosed for the trading of the Company's shares to continue in an orderly manner. Accordingly, the Board is of the view that suspension of trading of the Company's shares pursuant to Listing Rule 1303(3) (Going Concern) is not required.
- c. To the best of the knowledge of the Board, all material disclosures have been made and will continue to be made to shareholders in a timely manner. In view of the foregoing, the Board confirms that sufficient information has been disclosed for the trading of the Company's shares to continue in an orderly manner.
- d. The Sponsor notes that in the most recent audit for the financial year ended 31 December 2020 ("FY2020"), the auditors of the Company (the "Auditors") had issued a disclaimer of opinion as, among others, the Company reported a loss after tax and had recorded a negative working capital position, which indicated the existence of material uncertainties that cast significant doubt about the ability of the Group and of the Company to operate as going concerns. It is further noted that the audit for the financial year ended 31 December 2021 ("FY2021") is ongoing, and that the Company has sought a 2-month extension of time to announce the unaudited financial statements results for the financial year ended 31 December 2022 ("FY2022"), which is expected to be announced no later than 1 May 2023.

The Sponsor has considered the Auditors' disclaimer of opinion for FY2020, that the audit for FY2021 is still ongoing and accordingly, completion of the audit for FY2022 will likely be delayed, and the assessment of the Board on the Company's ability to continue as a going concern as set out in paragraphs 5a and 5b above which includes, amongst others, (a) the Company is in discussions with Mr Heliyanto on the transfer of funds which are the subject of the placement agreement entered into between the Company and Mr Heliyanto on 31 July 2022, (b) the Company's ongoing discussions with potential investors on possible fundraising activities for the Group, (c) the agreement targeted to be entered into with PT SA within the next 4 weeks, (d) the withdrawal of fixed deposits to be utilised by the Group in the interim, (e) the available loan facilities from the shareholders, and (f) that the renewal of PT SB's operation production license in respect of the coal concession in Riau Province is pending approval by the Ministry of Energy and Mineral Resources.

The Sponsor is of the view that (a) the completion of the audit procedures by the Auditors and the opinions to be provided by the Auditors for the FY2021 and FY2022 consolidated financial statements, (b) the ability of the Group to access or raise additional working capital through alternative sources of funding, (c) the ability of the Group to obtain Twin Gold Ventures S.A.'s agreement not to demand for repayment of the shareholders' loan after the current agreement expires on 31 March 2023, (d) the successful conclusion of an agreement with PT SA, as well as (e) the ability of the Group in renewing the operation production licence of PT SB to resume its operational activities at the coal mine pursuant to the coal mine concession, will be critical to the Group's ability to continue as a going concern.

As the aforementioned matters are still ongoing and in view of the existence of material uncertainties as stated above, the Sponsor is currently unable to reasonably assess the Group's ability to operate as a going concern as at the date of this announcement.

#### **By Order of the Board**

Andreas Rinaldi  
Executive Director and Chief Executive Officer  
9 March 2023

---

This announcement has been prepared by 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 Catalyst.

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.

---