

BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The board of directors (the “**Board**”) of BlackGold Natural Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 13 February 2020 in relation to the Company’s announcement on 5 February 2020 (the “**Announcement**”) and wishes to provide the Company’s responses to the queries raised as follows:

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

No.	Ref	In Announcement	Queries	Response
1.	Pg 2, para 2.2	Cooperation MOU between the Company and Sany Intelligent Mining Technology Co., Ltd, (“ Sany ”)	What are the respective roles of the Company and Sany in this cooperation?	<p>The Cooperation MOU provides a general framework for cooperation and collaboration between the Company and Sany and does not set out any specific roles. The reason for this is that the role of the Company and Sany will depend on (i) the type of mining concession involved and the location of the mining concession; (ii) the scope of work and activities involved in respect of the mining concession; and (iii) whether the parties have experience and expertise in respect of the scope of work involved.</p> <p>As disclosed in the Announcement, in respect of any specific activity which the Company and Sany will cooperate on, the parties will enter into specific agreements including, <i>inter alia</i>, transaction agreements, cost-sharing agreements which details the scope of work of the individual parties as well as how the revenue, profit, costs and expenses will be shared and/or borne by the Company and Sany.</p> <p>It is anticipated that, with Sany’s expertise in mining technology, as well as its parent company, Sany Heavy Equipment’s speciality in mining and excavation equipments, the Company will rely on Sany to provide the funding, manpower, equipment and technology</p>

No.	Ref	In Announcement	Queries	Response
				<p>to develop and excavate the mine. Where the mining concessions are situated in jurisdictions where the Company is familiar with (such as Indonesia), the Company will likely take on the responsibility of liaising with local authorities and ensuring relevant licences and permits are obtained. The Company may also provide funding requirements if it has the resources to do so.</p> <p>Further as disclosed in the Announcement, the Company will update Shareholders on details of any specific agreements in accordance with the Catalist Rules.</p>
2.	Pg 2, para 2.2	<p>“Pursuant to the terms of the Cooperation MOU, in respect of any <u>specific activity</u>, the parties will enter into specific transaction agreements and cost-sharing agreements to detail the scope of work, costs or expenses, sales revenue or profits, and the manner in which they will be shared or borne by the parties”</p>	<p>Please clarify what are the specific activities?</p>	<p>As disclosed in the Announcement, under the Cooperation MOU, the Company and Sany have agreed to cooperate primarily in the following areas of activity:</p> <p>(a) the expansion of, and utilisation of Sany’s smart mining technology in, markets comprising the ASEAN countries, Papua New Guinea and Australia; and</p> <p>(b) development of coal mining and other resource mining related engineering, procurement and commissioning projects in the ASEAN countries, Papua New Guinea and Australia.</p> <p>The Cooperation MOU further provides that parties will collaborate on:</p> <p>(i) overseas sales and financing of heavy equipment;</p> <p>(ii) overseas leasing and financing of heavy equipment; and</p> <p>(iii) other areas of cooperation.</p> <p>The specific activity refers to any of the abovementioned areas of cooperation which the parties agree to undertake.</p>

No.	Ref	In Announcement	Queries	Response
3.	Pg 3, para 3.2	"Pursuant to the Offtake Agreement, the Company has agreed to supply Xiamen Runpu a minimum quantity of not less than 4.8 million tonnes of coal per year at an average of 400,000 tonnes per month."	What is Blackgold's current production level?	For the nine (9) months ended 30 September 2019, a total of approximately 223,056 metric tonnes of coal was produced.
			What happens in the event that Blackgold is unable to produce the minimum quantity required under the Offtake Agreement?	<p>Pursuant to the Offtake Agreement, the Company is required to source for coal mining rights in Indonesia with thermal coal deposits of a net calorific value of 3,800-4,600 kcal/kg and above 4,800 kcal/kg.</p> <p>The required quantity of coal to be supplied under the Offtake Agreement will be effective only if the parties are successful in securing appropriate coal mining rights. The present mining concessions of the Company only possess brown coal deposits, the calorific value of which is below the quality stipulated in the Offtake Agreement.</p> <p>Under the Offtake Agreement, the Company does not covenant or guarantee that such coal mining rights can be secured. Accordingly, the Offtake Agreement does not provide for any penalties or recourse to Xiamen Runpu if the Company fails to secure the appropriate mining rights and/or the supply of coal.</p> <p>The Company intends to secure such mining rights and supply of thermal coal through mining collaboration arrangements such as the Mining Collaboration Agreement with Kho Industries.</p>

No.	Ref	In Announcement	Queries	Response
4.	Pg 3, para 3.3	<p>“Pursuant to an agreement dated 29 January 2020 between the Company and the Offtake Consultant (“Offtake Referral Agreement”), if the aggregate sales generated by the Company from the Offtake Agreement during</p> <p>i) the term of the Offtake Agreement; or</p> <p>ii) the first <u>twenty-four (24) months</u> commencing from the commencement date of the Offtake Agreement, whichever is shorter,</p> <p>shall be equal to or more than <u>USD40,000,000</u> (“Sales Target”), the Offtake Consultant is entitled to a fixed fee of S\$2,000,000 (“Offtake Referral Fee”).”</p>	<p>It is stated under para 3.2 that the Offtake Agreement is only for a year (29 January 2020 and ends on 29 January 2021).</p> <p>Why is the Sales Target based on 24 months?</p>	<p>As stated in the Announcement, the terms of the Offtake Referral Agreement provides that the sales target is based on sales generated during:</p> <p>(i) the term of the Offtake Agreement; <u>or</u></p> <p>(ii) the first twenty-four (24) months commencing from the commencement date of the Offtake Agreement, <u>whichever is shorter</u>.</p> <p>The 24 months period was included as a cap to the sales performance period in the event the Offtake Consultant assists the Company in securing an offtake arrangement exceeding 24 months.</p>
			<p>What is the current coal price?</p>	<p>Based on the Argus/Coalindo Indonesian Coal Index (“ICI”) Report as of 31 January 2020, the monthly Indonesian Coal Index (ICI) averages for January are as follow :-</p> <ul style="list-style-type: none"> • ICI 1 (Indonesian 6,500 GAR) 69.04 \$/t • ICI 2 (Indonesian, 5,800 GAR) 59.69 \$/t • ICI 3 (Indonesian, 5,000 GAR) 49.68 \$/t • ICI 4 (Indonesian, 4,200 GAR) 34.81 \$/t • ICI 5 (Indonesian, 3,400 GAR) 21.61 \$/t <p>“GAR” refers to Gross As Received “ICI” refers to Indonesian Coal Index</p>
			<p>What happens if the Company is unable to meet the Sales Target?</p> <p>Does the Company still need to pay the S\$2 million referral fees or will it be a different amount?</p>	<p>The Company does not need to pay any fee to the Offtake Consultant if the Company does not meet the Sales Target.</p>

No.	Ref	In Announcement	Queries	Response
			How are the referral fees determined? Is it an industry norm?	The Offtake Referral Fee was determined based on negotiations between the Company and the Offtake Consultant. The referral fee represents approximately 3.5% of the Sales Target. The Company believes that is within industry norm.
5.	Pg 3, para 3.3	<p>Offtake Referral Fees of S\$2.0 million to Mr Subhas s/o V Nathan (“Offtake Consultant”)</p> <ul style="list-style-type: none"> - payable by way of issuance of 133,333,333 new Shares (“Offtake Referral Shares”) at an issue price of S\$0.015 per Offtake Referral Share to the Offtake Consultant - The issuance of the Offtake Referral Shares shall be subject to specific Shareholders’ approval at a general meeting - In the event that the issuance of Offtake Referral Shares are not approved by the Shareholders and SGX, the Company shall pay the Offtake Consultant cash. 	Please provide background of Mr Subhas s/o V Nathan.	<p>Mr Subhas graduated from National University of Singapore in 1997 with a Bachelor of Science degree in Physics. He is currently a Financial Services Director with Prudential Assurance Company. He is a Certified Financial Planner as well as Chartered Financial Consultant.</p> <p>Xiamen Runpu have been canvassing the market to identify reliable coal supply from reputable listed company and was introduced to Mr Subhas by a business contact. Being a shareholder, Mr Subhas referred Xiamen Runpu to the Company.</p>
			What is the role of Mr Subhas, other than being the introducer between the Company and Xiamen Runpu Import and Export Co., Ltd?	Mr Subhas’s role under the Offtake Referral Agreement was to refer potential buyers, and to assist the Company in negotiation of any offtake agreement. Aside from the foregoing, Mr Subhas has no other role or relationship with the Company.
			In the event that shareholders’ approval are not obtained for issuance of Offtake Referral Shares and Proposed Bonds Subscription, does the Company have the financial resources to pay this referral fees in cash, considering the Company’s current financial position. Please provide basis.	As disclosed in the Announcement, the Company is relying on its existing general share issue mandate for the issuance of the Offtake Referral Shares. Nonetheless, should the Company be required to pay the Offtake Referral Fee in cash, taking into consideration the Sales Target of USD40,000,000, the Company is of the view that barring any unforeseen financial needs of the Company that may arise hereafter, the Company would have adequate funds generated from such sales to pay the Offtake Referral Fee in cash.
			How is this in the best interest of the	The Group believes the Proposed Sany Cooperation, the Offtake Agreement and

No.	Ref	In Announcement	Queries	Response
			<p>minority shareholders?</p>	<p>the Proposed Mining Collaboration are synergistic and beneficial to shareholders.</p> <p>As stated in the Announcement, the proposed transactions provide the Group headway into new growth areas, such as the thermal coal resource industry, and potentially generating a stable and recurring source of revenue for the Group.</p> <p>In order to put these transactions together, the Company had relied on external parties, such as Mr Subhas, who had the relevant networks and connections to introduce and refer potential parties to work and collaborate with the Group.</p> <p>The Offtake Referral Agreement was necessary for the Group to secure an offtake arrangement for coal mining concessions sought by the Group (such as the Mining Collaboration Agreement with Kho Industries). The Offtake Agreement, which ensures that there is a ready buyer for the coal extracted from the coal mining concessions, was also instrumental in helping the Group secure the Proposed Sany Cooperation which would allow the Company to tap on the expertise of Sany and utilise Sany's smart mining technology to develop and extract coal from the Kho Concessions. Such cooperation with Sany may apply to any future concessions that the Group may secure, manage and/or operate.</p> <p>Based on the above, the Company believes that the Offtake Agreement and the Offtake Referral Fee (whether settled by shares or cash) is in the interest of the Group and minority shareholders.</p>
6.	Pg 3, para 3.3	<p>"The Offtake Referral Shares represent approximately 13.28% of issued share capital of the Company as at the date of this announcement (i.e., 1,003,743,770 Shares) ("Existing Share Capital") and approximately 11.73% of</p>	<p>Will Mr Subhas become the single largest shareholder of the Company?</p>	<p>As at the date hereof, Mr Subhas directly holds 2,400,458 Shares.</p> <p>Based on the Existing Share Capital and assuming there are no further issuance of Shares, Mr Subhas would hold 135,733,791 Shares representing approximately 11.94% of the enlarged</p>

No.	Ref	In Announcement	Queries	Response
		the issued share capital of the Company immediately upon allotment and issuance of the Offtake Referral Shares.”	<p>Will he be involved in the Company's plans and operations?</p>	<p>issued share capital of the Company immediately upon allotment and issuance of the Offtake Referral Shares. As at the date hereof, such shareholding will result in Mr Subhas become the single largest shareholder of the Company.</p> <p>As disclosed above, the contractual arrangement entered between the Company and Mr Subhas is limited to the referral of buyers for coal. Mr Subhas has not indicated to the Company any intention to be involved in the Company's plans and operations. The Company, however, does note that as a shareholder of the Company, Mr Subhas has full discretion to vote the shares held by him in such manner as he deems fit, and as a substantial shareholder, he may exercise a certain degree of influence over any corporate actions presented to shareholders for approval.</p>
7.	Pg 4, para 4	<p>Proposed Bonds Subscribers:</p> <ul style="list-style-type: none"> (i) Jinzhou Business Investment Logistics Co., Ltd (锦州商投物流有限公司) (“JBIL”); (ii) Atrium Asia Capital Partners Pte Ltd (“Atrium Asia”); and (iii) Kingpin Investment (Pte. Ltd.) (“Kingpin”) 	Please provide background on JBIL, Atrium Asia and Kingpin.	<p><i>Information relating to the Subscribers was provided by the respective parties. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.</i></p> <p>JBIL is a company established in the People's Republic of China in 2017 with a registered capital of RMB100.0 million. Its primary business include storing, logistics transportation and trading of coal, iron, tin, molybdenum and steel, storage and transportation of containers and international containers, railway transportation, shipping agency, leasing and repairing of harbour facilities and marine pollution control. JBIL's shareholders comprise Mr Hu Dong (45%), Mr Lin Qi (30% and Mr Hu Shi Bao (25%). Mr Hu Dong is also the executive director of JBIL</p> <p>Atrium Asia is a boutique investment firm with interest in financial services and a variety of growing investments in Asia. Its shareholders comprise Mr Mintarja Oei (4.68%), Mr Cho Yu Chung (18.672%) and Marinespike Capital Limited (76.648%). Mr Oei is the ultimate beneficial owner of Marinespike Capital</p>

No.	Ref	In Announcement	Queries	Response
				<p>Limited. The directors of Atrium Asia comprise Mr Oei and Mr Cho.</p> <p>Kingpin is an investment holding company that is wholly owned by Mr Yang Tse Pin, a Singapore national, who has more than 30 years of experience in the building construction and property development industries.</p> <p>As mentioned in paragraph 4.5 of the Announcement, the above subscribers for the Proposed Bond Subscription, was introduced by Mr Alvin Chang Jit Huat.</p>
8.	Pg 4, para 4.1	<p>The Proposed Bond Subscription will be split into 2 tranches:</p> <ol style="list-style-type: none"> 1. Series A – S\$5m, to be issued under Company’s existing general mandate; 2. Series B – S\$20m, to be issued under a specific shareholders’ mandate. <p>Bondholders have an option to subscribe the Series B Bonds may be exercised in full or in part.</p>	<p>Please provide Company’s rationale on splitting the S\$25m into 2 series.</p> <p>Are the 2 tranches inter-conditional?</p> <p>Did the Company consider to seek shareholders’ approval for the entire 2 tranches?</p>	<p>The structure of the Bonds was based on negotiations between the Company and the Subscribers.</p> <p>To the best of the Company’s knowledge, the Subscribers having considered, <i>inter alia</i>, the Group’s present financial performance and position, had requested to split the Bonds into 2 tranches to allow them to diversify their risks of investments while giving them the opportunity to participate in the Group’s future growth plans.</p> <p>Separately, in light of the Group’s negative working capital position of US\$2.7 million as at 30 September 2019, the Board of Directors of the Company considered the separation of the Bonds into two tranches acceptable as it would allow the immediate funding requirements of the Group to be met.</p> <p>Series A Bonds and Series B Bonds are not inter-conditional.</p> <p>Given that the Series A Bonds, if converted, would be within the limits of the existing general share issue mandate obtained by the Company in the FY2019 AGM, and that there would be no transfer of controlling interest as none of the Subscribers would hold more than 15% interest in the shares of the Company.</p> <p>The Company has considered the above and is of the view that the existing general mandate for FY2019 would suffice, therefore it would not be seeking</p>

No.	Ref	In Announcement	Queries	Response
				a specific share issue mandate for the Series A Bonds.
			Will the Series A Bonds be subscribed in full?	Series A Bonds will be subscribed in full, subject to the satisfaction of the General Conditions Precedent,
			Is the option of Series B Bonds at the discretion of the Company or the Bondholders?	The option to subscribe the Series B Bonds are exercisable at the discretion of the Subscribers.
9.	Pg 10, para 4.3.1	General conditions for payment by Bondholders: “the Company not having experienced or suffered any event or series of events on or after the date of this Agreement that, individually or in the aggregate, would reasonably be expected to have a <u>material adverse effect</u> ”	Please clarify this statement. What kind of events would be considered to have a material adverse effect?	Material adverse effect would generally refer to any unforeseen events that materially and negatively impacts the Group’s financial position or performance. Examples of such events that may cause material adverse effects include, amongst others, changes in laws and regulations that restrict or prohibit the Company from operating its business, adverse changes in macro and micro economic conditions and significant legal actions against the Company.
10.	Pg 11, para 4.4	The Directors are of the opinion that, barring any unforeseen circumstances, after taking into consideration the present bank facilities, the working capital available to the Group is <u>not sufficient</u> to meet its present requirements.	Please provide the Board’s and Sponsor’s opinion of whether the Company is able to operate as a going concern. Please provide basis and justifications.	<u>Board’s opinion</u> The Board is of the view that the Group is able to continue as going concern, taking into account the following: <ul style="list-style-type: none"> On 30 January 2020 the Group has entered into 3 (three) Convertible Bonds Agreement raising an aggregate of S\$5 million for Series A Bonds and up to S\$20 million from a subsequent tranche of Series B Bonds. The management has prepared a cash flow forecast and is of the view that the Group will have sufficient cash resources, including funds from Series A Bond and estimated earnings for the next 18 months starting from 1 January 2020, to satisfy its working capital requirements and to meet its obligations as and when they fall due. The Group has recorded a higher gross profit of US\$868,532 in 9M2019 as compared to

No.	Ref	In Announcement	Queries	Response
				<p>US\$688,529 in 9M2018 and the management is confident that as the trend continues, the Group is able to generate sufficient cash flows from its operating activities to support its operating expenditure for the next 18 months.</p> <ul style="list-style-type: none"> The Group has an available loan facility from its shareholders amounting to US\$35,815,153 from which it can draw upon when required. <p><u>Sponsor's opinion</u></p> <p>The Sponsor, having reviewed the cash flow forecast of the Group for the next 18 months starting from 1 January 2020, and taking into account the representations made by the Board in their response to question 10 of the SGX Query, is of the view that the Company will be able to operate as a going concern.</p>
11.	Pg 12, para 4.5	Shareholders of Subscribers	<p>Please provide the shareholdings of each Subscriber, Referral and Introducer and in a table:</p> <p>1) Assuming full conversion of Series A Bonds; and</p> <p>2) Assuming full conversion of Series A&B Bonds</p>	Please see Appendix A
12.	Pg 12, para 4.5	JBIL will hold approximately 15% in the Company assuming full conversion of Series A Bonds; and 35.25% shareholding in the Company assuming full conversion of Series A&B Bonds.	Will JBIL be part of the Nominating Board or taking up any key management positions in the Company?	JBIL has not indicated to the Company any intention to take up any positions in the Company (including directorship).
			Will there be a Whitewash waiver?	Pursuant to the terms of the Bonds subscription agreement with JBIL, JBIL has undertaken to the Company that JBIL shall not exercise the Conversion Right if the total number of Shares directly or deemed to be held by JBIL immediately before the exercise of the Conversion Right, together with the number of Conversion Shares to be issued and allotted upon conversion of

No.	Ref	In Announcement	Queries	Response
				<p>the relevant Bonds will result in JBIL holding, directly or indirectly, Shares representing thirty percent (30%) or more of the total issued share capital of the Company immediately after the issue and allotment of the Conversion Shares. This has been stated under paragraph 4.1 of the Announcement.</p> <p>Based on advice from the Company's legal counsel, it will not seek a whitewash waiver as JBIL is contractually restricted from a conversion that will trigger a requirement to undertake a general offer under the Singapore Code on Takeovers and Mergers.</p> <p>Accordingly, while the conversion of the Series A Bonds and Series B Bonds issued under the Convertible Bonds Agreement with JBIL could result in the allotment and issuance of Shares representing 30.26% of the Post Conversion Enlarged Capital, such Conversion Right cannot be exercised if it would result in JBIL holding 30% or more of the issued capital of the Company.</p>
13.	Pg 12, para 4.5	Each of the Subscribers were introduced to the Company by Alvin Chang Jit Huat ("Mr Chang")	Please provide background of Alvin Chang. What is his role in this deal, other than being the Introducer?	<p>Mr Chang is an advocate and solicitor and he has been in private practice for the last 23 years.</p> <p>In his legal practice, Mr Chang advises local and regional clients on a wide range of areas, including dispute resolution, corporate issues, conveyancing transactions, and personal law, with a particular emphasis on commercial and corporate transactions.</p> <p>Under the Bonds Referral Agreement, Mr Chang acts solely as an introducer and does not participate in any discussion or negotiation on any potential investment in the Company.</p>
14.	Pg 13, para 4.6	Bonds Referral Shares "Mr Chang is entitled to a referral fee amounting	How is the 10% fee derived? Is it a market rate?	The 10% is based on negotiations between the Company and Mr Chang. To the best of the Company's knowledge, there is no fixed market rate for referrals fees in relation to fund

No.	Ref	In Announcement	Queries	Response
		<p>equivalent to 10% of the principal amount of Bonds subscribed, payable by the issue of new Shares ("Bonds Referral Shares") at an issue price of S\$0.015 per Bonds Referral Share."</p> <p>In the event that shareholders' approval is not obtained for the Bonds Referral Shares, the Company will pay Mr Chang his referral fees (which could amount to S\$2.5 million) in cash.</p>	<p>In the event shareholders do not approve the issue of Bonds Referral Shares, would it affect the issuance of Series B Bonds?</p> <p>In the event that shareholders' approval are not obtained for issuance of Bond Referral Shares, does the Company have the financial resources to pay this referral fees in cash, considering the Company's financial needs for its business operations. Please provide basis.</p> <p>How is this in the best interest of the minority shareholders?</p>	<p>raising exercises, and rates are based, amongst others, on the bargaining strength of parties.</p> <p>No. The issuances of the Series B Bonds is not conditional upon the issue of the Bonds Referral Shares.</p> <p>The referral fees due to Mr Chang accrues upon the receipt of the net amount invested/funded by parties introduced by Mr Chang.</p> <p>In view that Mr Chang is entitled to the referral fees only if the Company receives the subscription monies for the Bonds, the Company is of the view that it could retain sufficient funds for payment of the referral fees.</p> <p>The Company believes that given its current financial performance and position, it would be preferable for the Company to retain its cash resources (including any subscription monies from the issuance of the Bonds). Accordingly, it has negotiated for the referrals fees to be paid by way of shares. However, as the issue of the Bond Referral Shares require approval of shareholders, Mr Chang has requested that he be paid cash should such approval not be obtained. As the referral fee is payable only if the Subscribers subscribe for the Bonds, the Company is of the view that the cash payment, if required, is not detrimental to the Group or minority shareholders.</p>
15.	Pg 16, para 5.2	<p>Mining Collaboration Agreement with Kho Industries</p> <p>"Under the Mining Collaboration Agreement, the parties have agreed to collaborate with each other on an exclusive basis to explore and develop the mining concessions into operational</p>	<p>Who is responsible for assessing the economic viability of the mining concessions?</p> <p>Any identified mines or secured concessions?</p>	<p>Under the Mining Collaboration Agreement, the Company is the party whom will determine the economic viability of the mining concessions.</p> <p>Pursuant to the Mining Collaboration Agreement, the Company will assess the four (4) thermal coal concessions</p>

No.	Ref	In Announcement	Queries	Response
		mines, and to extract, excavate and sell any natural mineral or metal deposits situated on or within the concessions.”		<p>currently held by Kho Industries, in Berau Province, East Kalimantan, Indonesia.</p> <p>The Company will carry out extraction and excavation of deposits only if the Company has confirmed the presence of deposits of a quantity and quality that is commercially viable for extraction and excavation.</p> <p>The Company intends to work with Sany under the Proposed Sany Cooperation to determine the commercial viability of the underlying deposit and to carry out mining works. Presently, mining works have not commenced and no viable mines have been identified or concession secured under the Mining Collaboration Agreement.</p>
16.	Pg 16, para 5.2.2	Responsibilities of the Company pursuant to the Mining Collaboration Agreement	<p>Does the Company have the funding, expertise and equipment to fulfil the listed 5 responsibilities?</p> <p>What happens if the Company is unable to raise funds to carry out this collaboration? Such as shareholders' not obtained for the issuance of Series B bonds or the Bonds are not fully subscribed?</p>	<p>As the Series B Bonds is optional, the Company had not intended to rely on the Series B Bonds to fund the activities under the Mining Collaboration Agreement.</p> <p>The Company intends to cooperate with Sany under the Proposed Sany Collaboration to fund and carry out such works under the Mining Collaboration Agreement.</p>
17.	Pg 17, para 5.2.3	Collaboration Fees “Pursuant to the Mining Collaboration Agreement with Kho Industries, legal and beneficial title to any coal deposit extracted and/or excavated from the concessions shall belong to the Company, and the parties agree that the Company shall pay to Kho Industries <u>an agreed collaboration fee</u> for every extracted tonne of coal.”	<p>Please elaborate on the agreed collaboration fees.</p> <p>Is there sharing or risks and costs with Kho Industries?</p> <p>How does this arrangement benefit Blackgold?</p>	<p>Under the Mining Collaboration Agreement, the Company is responsible for providing the necessary funding to cover all costs and expenses for the exploration and development of the concessions and the extraction, excavation, transportation and sale of any deposits. The Company intends to work with Sany to secure the funding required for this project.</p> <p>Under the Mining Collaboration Agreement, the Company owns all coal deposits extracted from Kho Industries</p>

No.	Ref	In Announcement	Queries	Response
		“Under the Mining Collaboration Agreement, the Company has secured a <u>favourable price</u> for the thermal coal extracted from Kho Industries’ concessions, and with the Offtake Agreement in place, the Company will ensure that there is a ready buyer for such thermal coal.”		concessions, and in exchange, will pay to Kho Industries a collaboration fee based on the weight of coal extracted. Based on present coal prices, the Company is of the view that the collaboration fee payable for the coal extracted is favourable and would provide healthy margins to the Group for any subsequent sale.
			Is the favourable price the same as the agreed collaboration fees? Please provide more details.	Yes. Please see the response above.
18.	Pg 17, para 7.1	Rationale “In view of the Group’s plan to venture into the thermal coal industry and into new geographical regions, the Board will consider if the Group shall seek Shareholders’ approval to diversify the Group’s business, or if otherwise required under the Catalist Rules.”	Please confirm if the Board will seek Shareholders’ approval in the event the Company’s core business has changed, diversified or risk profile is changed.	The Board will seek Shareholders’ approval if such approval is required under the Catalist Rules, or if such diversification would result in the expansion of the Group’s non-core business or change in the Group’s risk profile.

By Order of the Board

Philip Soh Sai Kiang
Independent Non-Executive Chairman
28 February 2020

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

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

APPENDIX A

Subscribers / Introducer	No. of Shares to be allotted and issued upon conversion of Series A Bonds held	% of issued share capital immediately upon conversion of Series A Bonds⁽¹⁾	No. of Shares to be allotted and issued upon conversion of all Bonds held⁽³⁾	% of Post Conversion Enlarged Capital
JBIL (Subscriber)	200,000,000	14.59%	1,000,000,000	35.25% ⁽²⁾
Atrium Asia (Subscriber)	66,666,666	4.86%	333,333,333	11.75%%
Kingpin ⁽⁴⁾ (Subscriber)	66,666,666	4.86%	333,333,333	11.75%%
Mr Chang (Introducer)	33,333,333	2.43%	166,666,666	5.87%

Notes:

- (1) Assumes that the Subscribers fully subscribes and converts Series A Bonds and Series B Bonds.
- (2) Means the enlarged issued share capital of the Company immediately following the conversion of all the Series A Bonds and issuance of 33,333,333 Subscriber Introducer Shares, Such enlarged issued share capital consists of 1,370,410,435 Shares, comprising the (i) Existing Share Capital of 1,003,743,770 Shares, (ii) the 333,333,332 Conversion Shares and (iii) 33,333,333 Subscriber Introducer Shares.
- (3) Means the enlarged issued share capital of the Company immediately following the conversion of all the Series A Bonds and the Series B Bonds and issuance of all 166,666,666 Subscriber Introducer Shares. The Post Conversion Enlarged Capital consists of 2,837,077,102 Shares, comprising the (i) Existing Share Capital of 1,003,743,770 Shares, (ii) the 1,666,666,666 Conversion Shares and (iii) 166,666,666 Subscriber Introducer Shares.
- (4) Mr Yang Tse Pin is the sole shareholder of Kingpin. As at the date hereof, Mr Yang Tse Pin holds directly 7,015,700 Shares. In the event Kingpin subscribes for all the Series A Bonds and Series B Bonds, and exercises its right to convert (a) all the Series A Bonds; and (b) all the Series A Bonds and the Series B Bonds, Mr Yang Tse Pin will, directly and indirectly, hold interests in 73,682,366 Shares and 340,349,033 Shares respectively, representing 5.38% and 11.99% of the enlarged share capital as set out in Notes (2) and (3) above.