

BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF NEW SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

1.1 The board of directors (the “**Board**” or “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into the following agreements (collectively, the “**Placement Agreements**”) for the proposed placement of new ordinary shares in the capital of the Company (“**Shares**”):

- (a) a share placement agreement (“**Heliyanto Placement Agreement**”) dated 31 July 2022 with Mr Heliyanto (“**Mr Heliyanto**”) pursuant to which Mr Heliyanto has agreed to subscribe for, and the Company agreed to issue and allot, an aggregate 441,666,667 new Shares (“**Heliyanto Placement Shares**”) at a placement price of S\$0.012 (“**Placement Price**”) for each Heliyanto Placement Share, on the terms and subject to the conditions of the Heliyanto Placement Agreement;
- (b) a share placement agreement (“**Prasetio Placement Agreement**”) dated 31 July 2022 with Sudiarmo Prasetio (“**Mr Prasetio**”) pursuant to which Mr Prasetio has agreed to subscribe for, and the Company agreed to issue and allot, an aggregate 9,066,667 new Shares (“**Prasetio Placement Shares**”) at the Placement Price for each Prasetio Placement Share, on the terms and subject to the conditions of the Prasetio Placement Agreement; and
- (c) a share placement agreement (“**TCK Placement Agreement**”) dated 31 July 2022 with Tan Chee Kiang (“**Mr Tan**”) pursuant to which Mr Tan has agreed to subscribe for, and the Company agreed to issue and allot, an aggregate 16,666,667 new Shares (“**TCK Placement Shares**”) at the Placement Price for each TCK Placement Share, on the terms and subject to the conditions of the TCK Placement Agreement,

(collectively, the “**Proposed Placement**”).

1.2 The Company will apply to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through its sponsor, Novus Corporate Finance Pte. Ltd., for the dealing in, listing of and quotation for the Heliyanto Placement Shares, Prasetio Placement Shares and the TCK Placement Shares (collectively, the “**Placement Shares**”) on the Catalist of the SGX-ST. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST (“**Listing and Quotation Notice**”).

1.3 There is no placement agent appointed for the Proposed Placement. The Proposed Placement is not underwritten. The Placement Shares will be issued under Section 272B of the Securities and Futures Act 2001 of Singapore (“**SFA**”). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

- 1.4 Mr Heliyanto was introduced to the Company by Daun Consulting Singapore Private Limited (“DCL”). Pursuant to an introducer agreement entered into by the Company with DCL dated 29 July 2022 (the “**Introducer Agreement**”), the Company agrees to pay to DCL an introducer fee of 5% on the proceeds from the Heliyanto Placement Agreement (the “**Introducer Fee**”) which is payable upon completion of the Heliyanto Placement Agreement. The Introducer Fee was mutually agreed upon between the Company and DCL on commercial terms, and no part of the Introducer Fee will be shared with the Placees.

2. THE PROPOSED PLACEMENT

2.1 Placement Shares and Placement Price

As at the date of this announcement, the existing share capital of the Company comprises 1,049,427,103 Shares (“**Existing Share Capital**”). The Placement Shares comprises 467,400,001 new Shares, and immediately upon the completion of the Proposed Placement Shares, the issued share capital of the Company will increase to 1,516,827,104 issued Shares (“**Enlarged Share Capital**”).

The Placement Price of S\$0.012 per Placement Share represents a premium of approximately 20% to the volume weighted average price (“**VWAP**”) of S\$0.0100 per Share for trades done on the SGX-ST on 29 July 2022, being the last full market day on which the Shares were traded prior to the date of the Placement Agreements. The Placement Price was agreed upon after arm’s length negotiations between each of Mr Heliyanto, Mr Prasetio and Mr Tan (collectively, the “**Placees**”, and each a “**Placee**”) and the Company.

2.2 Ranking of the Placement Shares

The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the placement.

2.3 Conditions Precedent

- (a) *Conditions precedent for the Heliyanto Placement Agreement and TCK Placement Agreement*

Completion of the placement of each of the Heliyanto Placement Shares and TCK Placement Shares shall be conditional upon the satisfaction or waiver of the following conditions on or before the date of completion:

- (i) the relevant Listing and Quotation Notice having been obtained and not being revoked or amended;
- (ii) the relevant approvals to be obtained from shareholders of the Company for the issuance and allotment of the Placement Shares to the Placee under the Listing Manual, having been obtained and not being revoked or amended;

- (iii) the exemption under Section 272B(1) of the SFA being applicable to the placements under the Heliyanto Placement Agreement and the TCK Placement Agreement;
- (iv) any conditions attached to the relevant Listing and Quotation Notice which is required to be fulfilled on or before the date of completion having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (v) all material approvals, consents, licenses, permits, waivers and exemptions (collectively, "**Approvals**") for the placement having been granted by all third parties including all governmental bodies, whether in Singapore or elsewhere, to the Company and/or Mr Heliyanto and/or Mr Tan (as the case may be) and where any such Approval is subject to conditions, such conditions being reasonably acceptable to the Company, Mr Heliyanto and/or Mr Tan, as the case may be, and if such conditions are required to be fulfilled on or before the date of completion, such conditions having been fulfilled on or before the date of completion, and such Approvals remaining in full force and effect; and
- (vi) there having been, as at the date of completion, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties provided in the respective Heliyanto Placement Agreement and TCK Placement Agreement, if they were repeated on and as of the date of completion.

(b) *Conditions precedent for the Prasetio Placement Agreement*

Completion of the placement of the Prasetio Placement Shares shall be conditional upon the satisfaction or waiver of the following conditions on or before the date of completion:

- (i) the relevant Listing and Quotation Notice having been obtained and not being revoked or amended;
- (ii) the relevant approvals having been obtained from shareholders for the issuance of the Prasetio Placement Shares to Mr Prasetio under the SGX-ST Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**"), including but not limited to the approval required under Rule 812(2), having been obtained and not being revoked or amended;
- (iii) the exemption under Section 272B(1) of the SFA being applicable to the placement under the Prasetio Placement Agreement;
- (iv) any conditions attached to the relevant Listing and Quotation Notice which is required to be fulfilled on or before the date of completion having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;

- (v) all material approvals, consents, licenses, permits, waivers and exemptions (collectively, "**Approvals**") for the placement having been granted by all third parties including all governmental bodies, whether in Singapore or elsewhere, to the Company and/or Mr Prasetio (as the case may be) and where any such Approval is subject to conditions, such conditions being reasonably acceptable to the Company and/or Mr Prasetio, as the case may be, and if such conditions are required to be fulfilled on or before the date of completion, such conditions having been fulfilled on or before the date of completion, and such Approvals remaining in full force and effect; and
- (vi) there having been, as at the date of completion, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Prasetio Placement Agreement if they were repeated on and as of the date of completion.

3. INFORMATION ON THE PLACEEES

3.1 Mr Heliyanto

Mr Heliyanto, an Indonesian national, is a businessman with extensive experience in the coal industry. He is the managing director of Kho Industries Pte. Ltd., a company which engages in coal mining, coal trading and petroleum products.

Save for a mining collaboration agreement dated 29 January 2020 between the Company and Kho Industries Pte Ltd, a company over which Mr Heliyanto exercises effective control, Mr Heliyanto is not related to the Company, the Directors or substantial shareholders of the Company and their respective associates. As of the date of this announcement, the Company and Kho Industries Pte. Ltd. have yet to enter into any agreements to operate Kho Industries Pte. Ltd.'s mining concessions. Should there be any such transactions in future, the Company will make the relevant announcements in compliance with the requirements of the Catalist Rules.

Mr Heliyanto is participating in the Proposed Placement as an investor and was identified through DCL, the introducer.

3.2 Mr Prasetio

Mr Prasetio is an Indonesian national and a civil engineer with more than 40 years' experience in the construction and mining industry.

Mr Prasetio is an existing substantial shareholder of the Company and was identified as a Placee as he was interested in increasing his shareholding interest in the Company. As at the date of this announcement, Mr Prasetio holds a direct interest in 82,162,556 Shares representing 7.83% of the Existing Share Capital.

3.3 Mr Tan

Mr Tan, a Singapore national, is a businessman with over 20 years of experience in the financial and management consultancy industry. Mr Tan is an acquaintance of Mr Soh Sai Kiang, the

independent non-executive chairman of the Company. For the avoidance of doubt, no introduction fee has been and/or will be paid by the Company to Mr Soh Sai Kiang in connection with the introduction of Mr Tan to the Company, the TCK Placement Agreement and/or the proposed allotment and issuance of the TCK Placement Shares.

Save for the above, Mr Tan is not related to the Company, the Directors or substantial shareholders of the Company and their respective associates.

Mr Tan is participating in the Proposed Placement as an investor.

3.4 Change in Placees' interest in the Company

The interest of each of the Placees following completion of the Proposed Placement is as follows:

Placee	Interest in Shares before completion of Proposed Placement		Interest in Shares immediately after completion of Proposed Placement	
	No. of Share held	Shares held as a percentage of the Existing Share Capital %	No. of Share held	Shares held as a percentage of the Enlarged Share Capital %
Mr Heliyanto	-	-	441,666,667	29.12
Mr Prasetio	82,162,556	7.83	91,229,223	6.01
Mr Tan	-	-	16,666,667	1.10

4. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

The estimated amount of proceeds from the Proposed Placement (net of estimated expenses of approximately S\$289,000 in connection with the Proposed Placement) will be approximately S\$5,319,800 ("**Net Proceeds**").

The Company intends to utilise the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$)	% of Net Proceeds
Payment of outstanding professional fees due to the Group's auditors, legal adviser and sponsor	1,500,000	28.20
Payment of outstanding Director's fees	655,000	12.31
Working Capital	3,164,800	59.49

The Company is proposing to undertake the Proposed Placement in order to increase the cash resources available to the Company and to settle outstanding professional fees and Directors'

fees. The allocation of part of the Net Proceeds for working capital will allow the Group to improve the cash flow of the Group and strengthen its working capital.

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in its annual report(s).

5. DIRECTORS' CONFIRMATION

The Directors are of the opinion that, (i) after taking into consideration the Group's present bank and shareholders' loan facilities, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the Group's present bank and shareholders' loans facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding (i) above, the Directors are of the opinion that the Net Proceeds from the Proposed Placement will further strengthen and supplement the Group's financial position and capital base.

6. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

6.1 The financial effects of the Proposed Placement are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the completion of the Proposed Placement. The financial effects of the Proposed Placement have been computed based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2021 ("FY2021"). The financial effects are based on the following assumptions:

- (a) the financial effect on the consolidated net tangible liabilities ("**NTL**") per Share is computed based on the assumption that the Proposed Placement was completed, on 31 December 2021;
- (b) the financial effect on the loss per Share ("**LPS**") is computed based on the assumption that the Proposed Placement was completed on 1 January 2021;
- (c) the Net Proceeds are converted at an exchange rate of US\$1 to S\$1.3495 as at 31 December 2021; and
- (d) the expenses incurred in connection with the Proposed Placement amount to approximately S\$289,000.

6.2 Share capital

	Before completion of the Proposed Placement	After completion of the Proposed Placement
Issued and paid-up capital (US\$)	171,550,476	175,706,682
Total number of issued Shares	1,049,427,103	1,516,827,104

The Placement Shares represent approximately 44.54% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement. Assuming the successful issuance and allotment of the Placement Shares, the Placement Shares will represent approximately 30.81% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company following the completion of the Proposed Placement.

6.3 NTL per Share

Unaudited as at 31 December 2021	Before completion of the Proposed Placement	After completion of the Proposed Placement
NTL (US\$)	11,712,105	7,770,052
NTL per Share (US\$ cents)	1.12	0.51

6.4 LPS

FY2021	Before completion of the Proposed Placement	After completion of the Proposed Placement
Loss attributable to the shareholders (US\$)	2,736,953	2,951,000
Weighted average number of Shares	1,021,580,033	1,488,980,034
Loss per Share (US\$ cents)	0.27	0.20

7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr Prasetyo is a substantial shareholder of the Company and also one of the Placees.

Save for Mr Prasetyo (whose interests in the Proposed Placement are disclosed above in paragraph 3.2 of this announcement), none of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placement, other than in their capacity as a Director or a shareholder.

8. AUTHORITY FOR THE ISSUE OF THE PLACEMENT SHARES AND EXTRAORDINARY GENERAL MEETING

8.1 Authority for issuance of the Placement Shares

Pursuant to Rule 805(1) of the Catalist Rules, an issuer must obtain the approval of shareholders in a general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer. Under Rule 806, Rule 805(1) will not apply if it is not required if shareholders had, by resolution in a general meeting, given a general mandate to the directors of the issuer, either unconditionally or on such conditions to issue Shares of the Company (the “**General Mandate**”).

Following the announcement by the Company dated 27 July 2022, in which the Company’s second application for an extension of time to hold its Annual General Meeting (“**AGM**”) for FY2021 by 31 August 2022 and to file its annual return for FY2021 by 30 September 2022 was rejected by the Accounting and Corporate Regulatory Authority, the General Mandate given at the Company’s AGM for the year ended 31 December 2020 had expired.

Accordingly, the Company will be convening an extraordinary general meeting (“**EGM**”) to seek shareholders’ approval for the issuance and allotment of the Placement Shares.

8.2 Authority for issuance of the Heliyanto Placement Shares

In addition to paragraph 8.1 above and pursuant to Rule 803 of the Catalist Rules, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

Upon completion of the Proposed Placement, Mr Heliyanto will hold a direct interest in 441,666,667 Shares representing 29.12% of the Enlarged Share Capital. Accordingly, the Company will be seeking shareholders’ approval under Rule 803 for the issuance and allotment of the Heliyanto Placement Shares at the EGM.

8.3 Authority for the issuance of the Prasetio Placement Shares

In addition to paragraph 8.1 above and pursuant to Rule 812(1) of the Catalist Rules, an issuer must not issue securities to, *inter alia*, a substantial shareholder. Under Rule 812(2), Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained.

As mentioned in paragraph 3.2, as at the date of this announcement, Mr Prasetio is a substantial shareholder of the Company, holding a direct interest in 82,162,556 Shares representing 7.83% of the issued Shares of the Company. Accordingly, the Company will be seeking shareholders’ approval under Rule 812(2) for the issuance and allotment of the Prasetio Placement Shares.

Mr Prasetio and his associates will be required to abstain from voting on the resolution approving the issuance and allotment of the Prasetio Placement Shares to Mr Prasetio in accordance with Rule 812(2) of the Catalist Rules.

A circular to the shareholders containing more information on the Proposed Placement, together with the notice of EGM, will be released by the Company via SGXNET in due course to seek the approval of the shareholders in respect of the issuance and allotment of the Placement Shares.

9. **ISSUANCE OF ADDITIONAL ANTI-DILUTION SHARES UNDER THE SERIES A CONVERTIBLE BONDS**

The Company refers to its announcement dated 5 February 2020 in relation to the execution of convertible bond agreements (“**Convertible Bond Agreements**”) with various subscribers (the “**Bondholders**”) for the issue of Series A Convertible Bonds (the “**Bonds**”) convertible to new Shares at a conversion price of S\$0.015 per Share (“**Conversion Price**”), and its announcement dated 26 March 2020 on the completion of issuance of the Bonds. Based on the Conversion Price, in the event of conversion by the Bondholders of all S\$2,000,000 of the Bonds, they will receive a total of 133,333,333 Shares in the Company.

Pursuant to the Convertible Bond Agreements, the Conversion Price is subject to a price adjustment (the “**Price Adjustment**”) upon the occurrence of certain adjustment events, including the issuance of new Shares.

The Price Adjustment is computed using the following formula:

$$\text{NCP} = \text{CP} \times (\text{OSC}/\text{NSC})$$

Whereby:

- NCP : is the new conversion price;
- CP : Conversion Price of S\$0.015 per Share;
- OSC : is the total number of issued Shares immediately before such adjustment event; and
- NSC : is the total number of issued Shares immediately after such adjustment event.

Since the issuance of the Bonds, the Company had, on 10 December 2020, issued 13,333,333 Shares as introducer shares, being payment of introducer fees on the Bonds. On 20 August 2021, the Company had issued 32,350,000 Shares as share awards pursuant to the BlackGold share award scheme (collectively, the “**Prior Adjustment Events**”).

Taking into account the Prior Adjustment Events and the completion of the Proposed Placement, the NCP will be adjusted to S\$0.0099 per Share. Should the Bondholders exercise their conversion rights under the Bonds, an additional 68,686,869 Shares (“**Additional Shares**”) will be issued based on the NCP, bringing the total number of new Shares to be issued upon conversion of all the Bonds to 202,020,202 Shares.

Pursuant to Rule 805(1), the Company intends to seek shareholders’ approval at the EGM to be convened for the issuance and allotment of the Additional Shares. The Company will also apply to the SGX-ST through its sponsor, Novus Corporate Finance Pte. Ltd., for the dealing in, listing of and quotation for the Additional Shares.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Placement Agreements are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 7 Temasek Boulevard #08-07 Suntec Tower 1 Singapore 038987 for three (3) months from the date of this announcement.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed (in part or in full) or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Soh Sai Kiang
Independent Non-Executive Chairman
31 July 2022

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.
