

**UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD  
 ENDED 31 MARCH 2019**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR  
 AND FULL YEAR RESULTS**
**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED  
 31 MARCH 2019**

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated financial results of the Group for the first quarter ended 31 March 2019 (“**1Q2019**”) and the corresponding first quarter ended 31 March 2018 (“**1Q2018**”).

**1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year**
Consolidated Statement of Comprehensive Income

	GROUP		
	Unaudited 1Q2019 US\$	Unaudited 1Q2018 US\$	Change +/- %
Sales	980,416	1,369,721	(28)
Cost of Sales	(838,481)	(1,362,162)	(38)
Gross Profit/(Loss)	141,935	7,559	>100
Other income	4,454	2,385	87
Currency translation differences	136,237	11,265	>100
Expenses			
- Administrative	(765,452)	(1,046,449)	(27)
- Finance	(115,123)	(24)	>100
<b>Loss before tax</b>	(597,949)	(1,025,264)	(42)
Income tax expense	(36)	-	n.m.
<b>Loss net of tax</b>	(597,985)	(1,025,264)	(42)

*n.m. denotes not meaningful*

	GROUP		
	Unaudited 1Q2019 US\$	Unaudited 1Q2018 US\$	Change +/- %
<b>Other Comprehensive</b>			
<b>Income/Loss:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	76,399	(227,090)	n.m.
Other comprehensive gains/(losses), net of tax	76,399	(227,090)	n.m.
<b>Total comprehensive loss, net of tax</b>	<b>(521,586)</b>	<b>(1,252,354)</b>	<b>(58)</b>
<b>Net loss attributable to:</b>			
- Equity holders of the Company	(595,667)	(1,018,970)	(42)
- Non-controlling interests	(2,318)	(6,294)	(63)
	<b>(597,985)</b>	<b>(1,025,264)</b>	<b>(42)</b>
<b>Total comprehensive loss attributable to:</b>			
- Equity holders of the Company	(518,831)	(1,239,869)	(58)
- Non-controlling interests	(2,755)	(12,485)	(78)
	<b>(521,586)</b>	<b>(1,252,354)</b>	<b>(58)</b>

*n.m. denotes not meaningful*

**1(a)(ii) The total comprehensive income/(loss) attributable to equity holders of the Company include the following credits/(charges):-**

	GROUP		
	Unaudited 1Q2019 US\$	Unaudited 1Q2018 US\$	Change +/- %
Interest income	3,080	2,384	29
Employee compensation & directors' fees	(318,410)	(351,808)	(10)
Professional fees, travelling and corporate social responsibility expenses	(111,001)	(213,845)	(48)
Legal and licensing expenses	(95,401)	(130,493)	(27)
Rental expenses	(23,046)	(94,094)	(76)
Depreciation of property, plant and equipment	(90,557)	(75,624)	20
Amortisation of mining properties	(13,483)	(9,088)	48

*n.m. denotes not meaningful*

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	GROUP		COMPANY	
	Unaudited As at 31/3/2019 US\$	Unaudited As at 31/12/2018 US\$	Unaudited As at 31/3/2019 US\$	Unaudited As at 31/12/2018 US\$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	550,412	547,816	18,677	26,649
Restricted cash	25,203	24,497	-	-
Trade and other receivables	769,419	1,448,078	22,458,035	22,548,279
Inventories	1,653,151	1,882,602	-	-
Deposits and prepayments	352,363	210,372	4,718	5,958
	<b>3,350,548</b>	<b>4,113,365</b>	<b>22,481,430</b>	<b>22,580,886</b>
<b>Non-current assets</b>				
Property, plant and equipment	5,595,725	5,596,359	3,312	2,789
Right-of-use assets	221,004	-	-	-
Mining properties	7,381,267	7,307,069	-	-
Exploration and evaluation expenditure	1,340,829	1,320,914	-	-
Deposits and prepayments	105,328	103,764	-	-
Investment in subsidiaries	-	-	92,752,976	92,752,976
Restricted cash	180,462	177,781	-	-
	<b>14,824,615</b>	<b>14,505,887</b>	<b>92,756,288</b>	<b>92,755,765</b>
<b>Total assets</b>	<b>18,175,163</b>	<b>18,619,252</b>	<b>115,237,718</b>	<b>115,336,651</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	1,014,768	2,235,919	1,006,312	1,065,248
Accrued operating expenses	2,920,033	2,507,976	432,191	310,325
Lease liabilities	91,379	-	-	-
Borrowings	1,759,448	1,141,421	-	-
Current tax liability	97,647	107,167	251	214
	<b>5,883,275</b>	<b>5,992,483</b>	<b>1,438,754</b>	<b>1,375,787</b>
<b>Non-current liabilities</b>				
Lease liabilities	130,434	-	-	-
Provision for employee benefit	100,949	83,280	-	-
Loans from shareholders	4,184,847	4,184,847	-	-
Other provisions	120,461	110,972	-	-
	<b>4,536,691</b>	<b>4,379,099</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>10,419,966</b>	<b>10,371,582</b>	<b>1,438,754</b>	<b>1,375,787</b>
<b>NET ASSETS</b>	<b>7,755,197</b>	<b>8,247,670</b>	<b>113,798,964</b>	<b>113,960,864</b>

	GROUP		COMPANY	
	Unaudited As at 31/3/2019 US\$	Unaudited As at 31/12/2018 US\$	Unaudited As at 31/3/2019 US\$	Unaudited As at 31/12/2018 US\$
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	55,797,181	55,797,181	170,894,376	170,894,376
Currency translation reserve	(1,969,911)	(2,046,747)	902,950	781,153
Other reserve	98,112	68,285	98,112	68,285
Accumulated losses	(46,065,198)	(45,468,817)	(58,096,474)	(57,782,950)
	7,860,184	8,349,902	113,798,964	113,960,864
<b>Non-controlling interests</b>	(104,987)	(102,232)	-	-
<b>Total equity</b>	<b>7,755,197</b>	<b>8,247,670</b>	<b>113,798,964</b>	<b>113,960,864</b>

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

**(a) the amount repayable in one year or less, or on demand;**

	As at 31/3/2019		As at 31/12/2018	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Borrowings	-	1,759,448	-	1,141,421

**(b) the amount repayable after one year;**

	As at 31/3/2019		As at 31/12/2018	
	Secured	Unsecured	Secured	Unsecured
	US\$	US\$	US\$	US\$
Shareholders' loans	-	4,184,847	-	4,184,847

The above relates to shareholders' loans from Twin Gold Ventures S.A. ("TGV") and Novel Creation Holdings Limited ("Novel Creation") (together, the "Lenders"). These loans are non-interest bearing, unsecured and repayable upon demand.

On 20 March 2019, the Group entered into a fifth supplemental deed with the Lenders to extend until 31 March 2021 the period during which the Lenders have agreed not to demand repayment. There has been no request for repayment to date, which can be further extended by the shareholder.

The Group currently has a remaining undrawn facility amounting to US\$35,815,153 on the abovementioned shareholders' loan facilities.

**(c) Details of any collateral**

Not applicable.

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

	Unaudited 1Q2019 US\$	Unaudited 1Q2018 US\$
<b>Cash flows from operating activities</b>		
Total Loss	(597,985)	(1,025,264)
Adjustments for:		
- Depreciation of property, plant and equipment	90,557	75,624
- Amortisation of mining properties	13,483	9,088
- Share-based compensation expense	29,827	-
- Interest income from fixed deposits and current account	(3,080)	(2,384)
- Interest expense	115,123	24
- Income tax expense	36	-
- Unrealised currency translation differences	(123,854)	(13,486)
	<u>(475,893)</u>	<u>(956,398)</u>
Change in working capital:		
Inventories	301,647	(673,595)
Deposit and prepayments	(139,180)	106,209
Trade and other receivables	700,352	(90,256)
Trade and other payables	(947,056)	1,071,583
Provision for employee benefits	16,413	9,323
Restricted cash	(336)	-
Other provisions	7,816	39,301
Cash used in operating activities	<u>(536,237)</u>	<u>(493,833)</u>
Tax paid	<u>(52,641)</u>	<u>(30,328)</u>
<b>Net cash used in operating activities</b>	<u>(588,878)</u>	<u>(524,161)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,556)	(13,732)
Interest received	3,080	2,384
<b>Net cash used in investing activities</b>	<u>(1,476)</u>	<u>(11,348)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,356,573	-
Repayment of borrowings	(749,238)	-
Repayment of lease liabilities	(22,089)	(700)
Interest paid	(243)	(24)
<b>Net cash provided by/(used in) financing activities</b>	<u>585,003</u>	<u>(724)</u>
<b>Net decrease in cash and cash equivalents</b>	(5,351)	(536,233)
Cash and cash equivalents at the beginning of the period	547,816	1,203,825
Effects of currency translation on cash and cash equivalents	7,947	19,512
<b>Cash and cash equivalents at the end of the period</b>	<u>550,412</u>	<u>687,104</u>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**GROUP - Current period**

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2018	55,797,181	68,285	(2,046,747)	(45,468,817)	(102,232)	8,247,670
Adjustment to retained earnings from adoption of FRS 116 on 1 January 2019	-	-	-	(714)	-	(714)
	55,797,181	68,285	(2,046,747)	(45,469,531)	(102,232)	8,246,956
Employee share awards - Value of employee services	-	29,827	-	-	-	29,827
Total comprehensive loss for the period	-	-	76,836	(595,667)	(2,755)	(521,586)
Balance at 31 March 2019	55,797,181	98,112	(1,969,911)	(46,065,198)	(104,987)	7,755,197

**GROUP - Prior period**

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2017	55,619,594	-	(1,304,560)	(40,806,303)	(72,195)	13,436,536
Total comprehensive loss for the period	-	-	(220,899)	(1,018,970)	(12,485)	(1,252,354)
Balance at 31 March 2018	55,619,594	-	(1,525,459)	(41,825,273)	(84,680)	12,184,182

**COMPANY - Current period**

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2018	170,894,376	68,285	781,153	(57,782,950)	113,960,864
Employee share awards - Value of employee services	-	29,827	-	-	29,827
Total comprehensive loss for the period	-	-	121,797	(313,524)	(191,727)
Balance at 31 March 2019	170,894,376	98,112	902,950	(58,096,474)	113,798,964

**COMPANY - Prior period**

	Share Capital	Other Reserve	Currency Translation reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 31 December 2017	170,716,789	-	1,213,380	(55,925,647)	116,004,522
Total comprehensive loss for the period	-	-	439,139	(408,665)	30,474
Balance at 31 March 2018	170,716,789	-	1,652,519	(56,334,312)	116,034,996

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Changes in the Company's share capital**

	No. of Shares	Share capital (US\$)
As at 31 December 2018	936,610,437	170,894,376
As at 31 March 2019	936,610,437	170,894,376

There were no changes in the issued and paid-up share capital of the Company from 31 December 2018 to 31 March 2019.

There were no outstanding convertibles or share options granted as at 31 March 2019 and 31 March 2018.

There were no treasury shares or subsidiary holdings held or issued as at 31 March 2019 and 31 March 2018.

**Blackgold Employee Share Award Scheme**

Pursuant to the Blackgold Employee Share Award Scheme, a total of 9,950,000 share awards were granted on 21 June 2018. Out of which, 5750,000 shares were allotted and issued to the independent directors and Intekhab Khan, the former Independent Non-Executive Chairman on 21 June 2018 while the remaining 4,200,000 will be vested to the Executive Directors and selected employees of the Group subject to satisfaction of the prescribed performance target 1 year from the date of grant, being 21 June 2019.

As at 31 March 2019, the number of share awards that may be vested is 3,800,000 shares. As at 31 March 2019, the number of share awards that are vested or issued is nil.

**1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 March 2019	As at 31 December 2018
Number of issued shares excluding treasury shares	936,610,437	936,610,437

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company does not have any treasury shares.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company does not have any subsidiary holdings.

**2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.**

The figures have not been audited or reviewed by the Company's auditors.

**3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.**

Not applicable.

**4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.**

Accounting policies and methods of computations used in the consolidated financial statements for the year ended 31 March 2019 are consistent with those applied in the financial statements for the year ended 31 December 2018, except for the adoption of accounting standards (including its subsequent amendments) and interpretations applicable for the financial period beginning 1 January 2019.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and interpretations of SFRS(I) that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I).

The following are the new or amended SFRS(I) that are relevant to the Group:

- SFRS(I) 16 Leases

Except for SFRS(I) 16, the adoption of these new or revised accounting standards and interpretations do not have any material effect on the financial statements of the Group.

The Company and Group has adopted SFRS(I) 16 *Leases* that is effective from 1 January 2019.

SFSR(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exemptions are short term and low-value leases.

The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.



**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>1Q2019</b>	<b>1Q2018</b>
	<b>US\$</b>	<b>US\$</b>
Basic loss per share (cents)	(0.06)	(0.11)
Weighted average number of shares for the purpose of computing basic loss per share	936,610,437	930,860,437
Fully diluted loss per share (cents)	(0.06)	(0.11)
Weighted average number of shares for the purpose of computing fully diluted loss per share	939,567,152	930,860,437

**7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-**

**(a) Current financial period reported on; and**

**(b) Immediately preceding financial year.**

	<b>31 Mar 2019</b>	<b>31 Dec 2018</b>
	<b>US\$</b>	<b>US\$</b>
Net asset value of the Group per ordinary share (cents)	0.8	0.9
No. of ordinary shares in issue	936,610,437	936,610,437
Net asset value of the Company per ordinary share (cents)	12.2	12.2
No. of ordinary shares in issue	936,610,437	936,610,437

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Review of Profit & Loss**

Revenue

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

Revenue amounted to US\$1M in 1Q2019, as compared to US\$1.4M in 1Q2018. This is due to a decrease in sales volumes of 38% during 1Q2019 and partially offset by an upward revision of coal sale price.

### Cost of sales

Cost of sales (“**COS**”) comprises mainly cost incurred in relation to mining contractors, coal processing, royalties to government, depreciation and amortization of mining properties and coal inventory.

COS amounted to US\$838K in 1Q2019, as compared to US\$1.4M in 1Q2018. The variance in COS is in line with the movements in sales volume for the periods reported.

### Gross Profit

The Group recorded a gross profit of US\$142K in 1Q2019 and gross profit of US\$8K in 1Q2018.

The improved gross margins from 0.55% in 1Q2018 to 14.5% in 1Q2019 were mainly attributable to lower costs of production and reduced logistics costs of coal delivery to the Group’s customers.

### Currency translation gain

The Group recorded a currency translation gain of US\$136K in 1Q2019, as compared to the currency translation gain of US\$11K in 1Q2018.

The currency translation gain in 1Q2019 were mainly due to translation differences on shareholders’ loans, deadrent and borrowings at its Singapore and Indonesia subsidiaries. The United States Dollar (being the currency in which these liabilities are denominated) had weakened against the Singapore Dollar and the Indonesia Rupiah (being the recording currencies for these liabilities), thereby accounting for the currency translation gain.

### Administrative Expenses

Administrative expenses mainly relate to employees’ remuneration, directors’ fees and expenses relating to licensing and compliance, geologist and survey, rental and recurring professional fees.

Administrative expenses decreased by US\$280K or 27% from US\$1.0M in 1Q2018 to approximately US\$765K in 1Q2019. The decrease was mainly attributable to:

- a decrease in legal and licensing expenses of US\$35K as the Group had no reclamation report expense incurred in 2019;
- a decrease in professional fee of US\$70K due to a reduction in professional services contracted;
- a decrease in the directors’ fees of US\$33K due to a reduction in the number of directors on the Board with effect from March 2018 and
- a decrease in rental expenses of US\$71K as a result of adopting SFRS(I) 16 in which operating lease expenses were capitalised as “Right-of-use assets” instead of being directly expensed to profit and loss.

### Finance Expenses

Finance expenses increased by US\$115K from US\$24 in 1Q2018 to approximately US\$115K in 1Q2019 due to an increase in interest-bearing borrowings.

### **Loss after tax**

As a result of the above factors, the Group recorded net losses of US\$598K in 1Q2019 against net losses of US\$1.0M in 1Q 2018.

### **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 decreased by US\$763K from US\$4.1M as at 31 December 2018 to US\$3.4M as at 31 March 2019.

Inventories decreased by US\$229K due to the sale of coal to the Group's customers.

Trade and other receivables decreased by US\$679K due to decreased sales, in addition to collections received from the Group's customers.

This was partially offset by an increase in deposits and prepayments by US\$142K mainly due to prepayments for payment on insurance amounting to US\$135K and a US\$3K increase in cash and cash equivalents, mainly arising from payments from production activities and working capital purposes. Please refer to Note 1(c) Cash Flow Statement for more details.

#### Non-current assets

Non-current assets of the Group comprise of property, plant and equipment, right-of-use assets, mining properties, exploration and evaluation expenditure, restricted cash, as well as deposits and prepayments.

Non-current assets increased by US\$319K, from US\$14.5M as at 31 December 2018 to US\$14.8M as at 31 March 2019, mainly due to (i) foreign exchange differences of US\$219K, (ii) additions to property, plant and equipment of US\$5K, (iii) recognition of right-of-use assets amounting to US\$221K, (iv) partially offset by depreciation of property, plant and equipment of US\$90K<sup>1</sup> and (v) amortisation of mining properties of US\$36K<sup>1</sup>.

Note 1: Depreciation and amortisation expenses were initially recorded under "inventories" and subsequently transferred to profit and loss when the coal inventory is sold. As at end of the year, a portion of depreciation and amortisation expenses remain recorded under "inventories".

#### Current liabilities

Current liabilities comprise trade and other payables, current tax liability, accrued operating expenses and lease liabilities (current portion) and borrowings.

Current liabilities decreased by US\$109K, from US\$6.0M as at 31 December 2018 to US\$5.9M as at 31 March 2019. The decrease was mainly due to a reduction in trade and other payables of US\$1.2M, mainly from payments to its mining and transportation contractors for the Group's production activities. The decrease was partially offset by increases in external borrowings amounting to US\$618K and increases in accrued operating expenses of US\$412K for the Group's operations.

#### Non-current liabilities

Non-current liabilities comprise loans from shareholders, provision for employee benefits, other provisions and lease liabilities.

Non-current liabilities increased by US\$158K from US\$4.4M as at 31 December 2018 to US\$4.5M as at 31 March 2019. The increase was mainly due to the recognition of lease liabilities following the Group's adoption of SFRS(I) 16, and increases in provision for employee benefits and other provisions.

#### Working Capital

The Group recorded negative working capital of US\$2.5M as at 31 March 2019. In view of this, the Board is of the opinion that the Group should be able to meet its short-term payment obligations for the next 12 months, as the Group is exploring certain financing options to pay off its short-term financial obligations as well as increasing production for increased sales to its customer, PT Tenayan, to strengthen the operating cash inflow from operating activities. In addition, the Group has an available loan facility from its shareholders from which it can draw upon when required.

### **Review of Statement of Cash Flows**

#### 1Q2019

The Group recorded net cash used in operating activities of US\$589K for 1Q2019 which was a result of operating losses before changes in working capital of approximately US\$476K, adjusted for net working capital outflows of approximately US\$60K.

Net cash used in investing activities of US\$1K in 1Q2019 was mainly due to purchase of property, plant and equipment of US\$5K, partially offset by proceeds from interest income of US\$3K from current account and time deposits.

Net cash provided by financing activities of US\$585K was mainly due to cash proceeds of US\$1.3M from borrowings and partially offset by repayment of borrowings of US\$750K.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of US\$5K in 1Q2019.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable as the Company has not disclosed any forecast or prospect statement to its shareholders previously.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

According to an article published in Majalah Tambang on 29 February 2019, the Electricity Supply Business Plan for 2019 – 2028, drafted by PT PLN (Persero) and sanctioned by the Indonesia's Ministry of Energy and Mineral Resources, has been issued. The document puts the targeted usage of coal in the national energy mix at approximately 54.6%. The same document projects that the nationwide coal demand will reach 97 million tonnes in 2019, and expected to peak at 153 million tonnes in 2028.

In another article published in Kontan.co.id on 7 April 2019, Mr Harlen, the Head of Coal Division at PT PLN (Persero), the state-owned electricity supplier, stated that in response to the reality of the continued dominance of coal as the primary energy source, the company is focusing on enhancing the efficiency of their existing powerplants and have included lower calorie coal for use in their new powerplants. Old powerplants which could only consume high-calorie (equals to or more than 6,000 kcal) coal are gradually being retrofitted with boilers which will be able to consume lower calorie coal (4,500 kcal and lower). The newly built powerplants will be designed to be compatible for energy generation using 4,000 kcal coal.

The Group is in a good position to benefit from this as this fresh approach from the Indonesian government will ensure that the demand for low-to-mid range calorific value coal will remain secure in the foreseeable future.

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

None.

**(b)(i) Amount per share**

Not applicable.

**(b)(ii) Previous corresponding period**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended during 1Q2019. The Group has not declared any dividend for 1Q2019 as it requires the existing cash to fund its operating activities.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions (“IPTs”) pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”).

Below is the table detailing the amount of shareholders’ loan that was drawn down during 1Q2019:

<b>Name of Interested Person</b>	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transaction conducted under the shareholders’ mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted under the shareholders’ mandate pursuant to Rule 920 (excluding transaction less than S\$100,000)</b>
	<b>S\$</b>	<b>S\$</b>
	<b>1Q2019</b>	<b>1Q2019</b>
N.A.	-	-

There were no interested person transactions that were individually more than S\$100,000 entered into by the Group during 1Q2019.

#### **ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES**

**14 (a). Rule 705(6)(a) of the Catalist Rules**

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

In 1Q2019, funds were mainly used for the following activities:-

<b>Purpose</b>	<b>Forecasted usage of funds (US\$)</b>	<b>Actual usage of funds (US\$)</b>
Production activities	1,547,000	1,263,000
General working capital	167,000	90,800
Total	1,714,000	1,353,800

Actual cash used for production activities and general working capital was lower than forecasted by US\$360K because payment to contractors/suppliers are to be made in the subsequent quarter.

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

For the next immediate quarter (financial period from 1 April 2019 to 30 June 2019 (“2Q2019”)), the Group’s use of funds for production activities are expected to be as follows:-

<b>Purpose</b>	<b>Amount</b>
	<b>(US\$)</b>
Production activities	840,000
General working capital	93,000
Total	933,000

Principal Assumptions

Projected use of funds for certain items includes, but not limited to, expenses incurred for the Group’s mine development activities, which will vary according to the Group’s rate of coal mining and production. Accordingly, if the Group’s rate of coal mining and production changes, the Group’s use of funds for mine development activities will change as well.

**14 (b). Rule 705(6)(b) of the Catalist Rules**

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspect.

**14 (c). 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 1Q2019, no exploration activities were conducted. In relation to production activities, a total of approximately 66,892 metric tonnes of coal were produced during 1Q2019.

During 1Q2019, cash expenditure paid for production activities amounted to US\$1.2M.

#### **15. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules**

To the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results of Group and Company for 1Q2019 to be false or misleading in any aspect.

#### **16. Confirmation by the Company to Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company under Rule 720(1) of the Catalist Rules.

### **BY ORDER OF THE BOARD**

Philip Cecil Rickard  
Executive Chairman and CEO

James Rijanto  
CIO/Executive Director

14 May 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement. The Sponsor has not drawn on any specific technical expertise in its review of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Tay Sim Yee (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

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