

BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Board of Directors (the “**Board**” or “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited full year financial results announcement for the financial year ended 31 December 2016 (the “**Preliminary Results**”), released via the SGXNET on 28 February 2017. Further reference is made to the audited financial statements of the Company for FY2016 (the “**Audited Financial Statements**”) included in the Company’s FY2016 Annual Report which will be published in due course.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rule of Catalyst, the Board wishes to announce that, subsequent to the release of the Preliminary Results, there is a material reclassification made by the Company to the Balance Sheet of the Group in the Audited Financial Statements compared to what was disclosed in the Preliminary Results. The differences did not result in any changes to the consolidated statement of profit or loss and other comprehensive income of the Group for FY2016, the first quarter ended 31 March 2017 or the second quarter ended 30 June 2017. The reclassification was made following the finalisation of the audit and a summary of the reclassification is set out below:

Balance Sheet

As at 31 December 2016

	Group		Variance	Note
	Audited Financial Statements	Unaudited Financial Statements		
	US\$	US\$	US\$	
ASSETS				
Current assets				
Deposits and prepayments	3,503,550	7,651,019	(4,147,469)	1
Non-current assets				
Deposits and prepayments	4,147,469	-	4,147,469	1

In relation to the above material reclassification, the Balance Sheet of the Group for the first quarter ended 31 March 2017 and the second quarter ended 30 June 2017, as previously announced by the Company on 15 May 2017 and 9 August 2017 respectively, will be restated as follows:

Balance Sheet

As at 31 March 2017

	Group		Variance <u>US\$</u>	Note
	As restated	As previously reported		
	<u>US\$</u>	<u>US\$</u>		
ASSETS				
Current assets				
Deposits and prepayments	3,525,551	5,428,656	(1,903,105)	2
Non-current assets				
Deposits and prepayments	1,903,105	-	1,903,105	2

Balance Sheet

As at 30 June 2017

	Group		Variance <u>US\$</u>	Note
	As restated	As previously reported		
	<u>US\$</u>	<u>US\$</u>		
ASSETS				
Current assets				
Deposits and prepayments	3,631,546	5,384,012	(1,752,466)	3
Non-current assets				
Deposits and prepayments	1,752,466	-	1,752,466	3

Explanatory Notes

- Note 1 As of 31 December 2016, certain prepayments amounting to US\$4,147,469 in respect of jetty construction and mining facilities were reclassified to non-current assets. This is due to higher certainty that these payments will, in the foreseeable future, be capitalized as “property, plant and equipment” and “mining asset”, which are assets of a non-current nature.
- Note 2 As of 31 March 2017, an amount of US\$2,244,364 was capitalized as “property, plant and equipment”. The remaining balance after restatement in “deposits and prepayments” (non-current portion) amounted to US\$1,903,105.
- Note 3 As of 30 June 2017, an amount of US\$2,395,003 was capitalized as “property, plant and equipment”. The remaining balance after restatement in “deposits and prepayments” (non-current portion) amounted to US\$1,752,466.

By Order of the Board

Philip Cecil Rickard
Executive Director and Chief Executive Officer
14 August 2017

*This announcement has been prepared by BlackGold Natural Resources Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Advisors Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents 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 Mr. Sebastian Jones, Director, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone: (65) 6532 3829.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.
