

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE
FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2021**

This announcement has been prepared by BlackGold Natural Resources Limited (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 Catalist ("**Catalist Rules**").

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.

In view of the disclaimer of opinion issued by the Company's independent auditor, PKF-CAP LLP, on the audited financial statements of the Group for the financial year ended 31 December 2020, the Company is required by the SGX-ST to announce its quarterly financial statements pursuant to Catalist Rule 705(2C) of the Catalist Rules.

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1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP					
		4Q2021	4Q2020	Change	12M2021	12M2020	Change
		US\$	US\$	+/- %	US\$	US\$	+/- %
Revenue		3,764,162	3,032,491	24	13,770,389	9,648,646	43
Cost of Sales		(2,629,238)	(2,911,966)	(10)	(9,502,895)	(8,272,861)	15
Gross Profit		1,134,924	120,525	n.m.	4,267,494	1,375,785	210
Other income	2.11	1,499	11,099	(86)	9,595	28,233	(66)
Other gains / (losses)							
- Impairment loss on prepayments	2.11	-	(5,819)	(100)	-	(5,819)	(100)
- Currency translation differences	2.11	23,323	584,580	(96)	(78,778)	22,743	n.m.
Fair value (losses)/gains, financial liabilities FVPL		(110,505)	(139,144)	(21)	407,115	(378,665)	n.m.
Expenses							
- Administrative		(545,317)	(1,091,150)	(50)	(2,792,153)	(3,869,238)	(28)
- Finance		(1,037,335)	(482,804)	115	(4,562,821)	(1,208,281)	278
- Others		-	-	n.m.	-	(486)	(100)
Loss before tax	2.12	(533,411)	(1,002,713)	(47)	(2,749,548)	(4,035,728)	(32)
Income tax credit/(expense)		2,718	(3,809)	n.m.	(38)	(3,809)	(99)
Loss for the financial period/year		(530,693)	(1,006,522)	(47)	(2,749,586)	(4,039,537)	(32)

n.m. denotes not meaningful

Note	GROUP					
	4Q2021 US\$	4Q2020 US\$	Change +/- %	12M2021 US\$	12M2020 US\$	Change +/- %
<u>Other Comprehensive Income/Loss:</u>						
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>						
Currency translation differences arising from consolidation	(62,950)	(797,888)	(92)	179,026	(177,700)	(201)
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>						
- Provision for employee benefits	-	71,980	(100)	-	71,980	(100)
- Currency translation differences arising from consolidation	(1,931)	(14,527)	(87)	5,724	(4,519)	(227)
Other comprehensive loss, net of tax	(64,881)	(740,435)	(91)	184,750	(110,239)	(268)
Total comprehensive loss for the period/year, net of tax	(595,574)	(1,746,957)	(66)	(2,564,836)	(4,149,776)	(38)
Net loss attributable to:						
- Equity holders of the Company	(529,666)	(1,003,761)	(47)	(2,736,953)	(4,021,046)	(32)
- Non-controlling interests	(1,027)	(2,761)	(63)	(12,633)	(18,491)	(32)
	(530,693)	(1,006,522)	(47)	(2,749,586)	(4,039,537)	(32)
Total comprehensive loss attributable to:						
- Equity holders of the Company	(592,616)	(1,730,389)	(66)	(2,557,927)	(4,127,486)	(38)
- Non-controlling interests	(2,958)	(16,568)	(82)	(6,909)	(22,290)	(69)
	(595,574)	(1,746,957)	(66)	(2,564,836)	(4,149,776)	(38)
Losses per share for net loss attributable to equity holders of the Company (US cents per share)						
Basic losses per share	(0.05)	(0.10)		(0.27)	(0.40)	
Diluted losses per share	(0.04)	(0.09)		(0.24)	(0.36)	

n.m. denotes not meaningful

1(b) 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

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		As at	As at	As at	As at
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
		US\$	US\$	US\$	US\$
ASSETS					
Current assets					
Cash and cash equivalents		205,405	440,015	9,567	301,122
Restricted cash	2.7	7,244	8,796	-	-
Trade and other receivables	2.7	11,342,561	4,081,802	290,843	131,286
Inventories		1,140,856	510,147	-	-
Deposits and prepayments	2.7	116,836	384,823	16,745	20,229
		12,812,902	5,425,583	317,155	452,637
Non-current assets					
Property, plant and equipment		90,461	76,679	78,619	45,903
Investment in subsidiaries		-	-	1,415	1,415
Restricted cash	2.7	65,160	66,631	-	-
		155,621	143,310	80,034	47,318
Total assets		12,968,523	5,568,893	397,189	499,955
LIABILITIES					
Current liabilities					
Trade and other payables	2.8	3,098,999	2,806,829	1,428,174	1,260,427
Accrued operating expenses	2.8	15,374,087	5,998,840	910,916	712,906
Borrowings	2.8	44,450	404,936	36,843	36,591
Financial liabilities, at amortised cost	2.8	1,138,053	937,417	1,138,053	937,417
Financial liabilities, at FVPL	2.8	685,123	1,113,028	685,123	1,113,028
Current income tax liabilities		3,714	3,792	3,644	3,721
		20,344,426	11,264,842	4,202,753	4,064,090
Non-current liabilities					
Borrowings	2.9	46,766	11,173	35,840	-
Loans from shareholders	2.10	3,577,489	3,550,667	-	-
Provisions		584,902	497,955	-	-
Other non-current liabilities		127,045	98,501	-	-
		4,336,202	4,158,296	35,840	-
Total liabilities		24,680,628	15,423,138	4,238,593	4,064,090
NET ASSETS		(11,712,105)	(9,854,245)	(3,841,404)	(3,564,135)

Note	GROUP		COMPANY	
	As at	As at	As at	As at
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	US\$	US\$	US\$	US\$
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	56,453,281	56,453,281	171,550,476	171,550,476
Currency translation reserve	(2,530,401)	(2,709,427)	581,652	381,478
Other reserve	3,116,482	2,410,416	461,405	296,169
Accumulated losses	(68,476,286)	(65,739,333)	(176,434,937)	(175,792,258)
	(11,436,924)	(9,585,063)	(3,841,404)	(3,564,135)
Non-controlling interests	(275,181)	(269,182)	-	-
Total equity	(11,712,105)	(9,854,245)	(3,841,404)	(3,564,135)

1(c) 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.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

GROUP - Current period	Share Capital	Currency Translation reserve	Other Reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2021	56,453,281	(2,709,427)	2,410,416	(65,739,333)	(269,182)	(9,854,245)
Employee share awards						
- Value of employee services	-	-	285,483	-	-	285,483
Fair value of interest-free loans	-	-	420,583	-	910	421,493
Loss for the period	-	-	-	(2,736,953)	(12,633)	(2,749,586)
Other comprehensive income for the period	-	179,026	-	-	5,724	184,750
Balance at 31 December 2021	<u>56,453,281</u>	<u>(2,530,401)</u>	<u>3,116,482</u>	<u>(68,476,286)</u>	<u>(275,181)</u>	<u>(11,712,105)</u>

GROUP - Prior period

	Share Capital	Currency Translation reserve	Other Reserve	Accumulated losses	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2020	56,312,822	(2,531,727)	1,614,648	(61,718,287)	(248,464)	(6,571,008)
Issuance of referral shares	140,459	-	-	-	-	140,459
Fair value of interest-free loans	-	-	724,508	-	1,572	726,080
Employee share awards						
- Value of employee services	71,260	-	71,260	-	720	71,980
Loss for the period	-	-	-	(4,021,046)	(18,491)	(4,039,537)
Other comprehensive income for the period	-	(177,700)	-	-	(4,519)	(182,219)
Balance at 31 December 2020	<u>56,453,281</u>	<u>(2,709,427)</u>	<u>2,410,416</u>	<u>(65,739,333)</u>	<u>(269,182)</u>	<u>(9,854,245)</u>

COMPANY - Current period	Share Capital	Currency Translation reserve	Other Reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2021	171,550,476	381,478	296,169	(175,792,258)	(3,564,135)
Employee share awards	-	-	285,483	-	285,483
- Value of employee services	-	-	-	-	-
Loss for the period	-	-	-	(642,679)	(642,679)
Other comprehensive income for the period	-	79,927	-	-	79,927
Balance at 31 December 2021	<u>171,550,476</u>	<u>461,405</u>	<u>581,652</u>	<u>(176,434,937)</u>	<u>(3,841,404)</u>

COMPANY - Prior period

	Share Capital	Currency Translation reserve	Other Reserve	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2020	171,410,017	481,364	296,169	(174,089,408)	(1,901,858)
Issuance of referral shares	140,459	-	-	-	140,459
Loss for the period	-	-	-	(1,702,850)	(1,702,850)
Other comprehensive income for the period	-	(99,886)	-	-	(99,886)
Balance at 31 December 2020	<u>171,550,476</u>	<u>381,478</u>	<u>296,169</u>	<u>(175,792,258)</u>	<u>(3,564,135)</u>

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 12M2021 US\$	Audited 12M2020 US\$
Cash flows from operating activities		
Loss for the financial year	(2,749,586)	(4,039,534)
Adjustments for:		
- Depreciation of property, plant and equipment	61,549	58,207
- Impairment of prepayments	-	5,819
- Share-based compensation expense	285,483	-
- Fair value (gains)/losses, financial liabilities at FVPL	(407,115)	378,665
- Interest income	(7,191)	(8,861)
- Interest expense	4,562,821	1,208,281
- Income tax expense	38	3,809
- Provision for mine reclamation and rehabilitation	96,922	277,489
- Loss on disposal of property, plant and equipment	-	486
- Unrealised currency translation differences	92,326	(194,311)
	<u>1,935,247</u>	<u>(2,309,950)</u>
Change in working capital:		
Inventories	(641,385)	(106,318)
Deposit and prepayments	254,659	78,848
Trade and other receivables	(11,182,946)	(2,614,652)
Trade and other payables	9,773,614	3,540,500
Other non-current liabilities	30,346	(54,348)
Cash generated by/(used in) operations	<u>169,535</u>	<u>(1,465,920)</u>
Tax paid	-	-
Net cash generated from/(used in) operating activities	<u>169,535</u>	<u>(1,465,920)</u>
Cash flows from investing activities		
Addition of property, plant and equipment	-	(1,903)
Interest received	7,191	8,861
Net cash provided by investing activities	<u>7,191</u>	<u>6,958</u>
Cash flows from financing activities		
Proceeds from issuance of convertible bonds	-	1,404,593
Proceeds from borrowings	-	340,925
Repayment of borrowings	(325,942)	-
Principal repayment of lease liabilities	(77,890)	(42,889)
Interest paid	(5,038)	(1,693)
Withdrawal/(placement) of restricted cash	4,549	109,270
Net cash (used in)/generated from financing activities	<u>(404,321)</u>	<u>1,810,206</u>
Net (decrease)/increase in cash and cash equivalents	<u>(227,595)</u>	<u>351,244</u>
Cash and cash equivalents at the beginning of the period	440,015	89,132
Effects of currency translation on cash and cash equivalents	(7,015)	(361)
Cash and cash equivalents at the end of the year	<u>205,405</u>	<u>440,015</u>

2. Condensed interim notes to the financial statements

2.1 Corporate Information

The Company is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The condensed interim consolidated financial statements for the twelve months ended 31 December 2021 and condensed interim statement of comprehensive income for the three months ended 31 December 2021, comprise the Company and its subsidiaries (collectively, the “**Group**”).

The address of its registered office is 7 Temasek Boulevard, Suntec Tower One, #08-07, Singapore 038987.

The principal activity of the Company is that of investment holding and the principal activity of its subsidiaries is that of coal mining.

2.2 Basis of preparation

The condensed interim financial statements for the twelve months ended 31 December 2021 and the condensed interim statement of comprehensive income for the three months ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2021.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.3.

The condensed interim financial statements are presented in United States Dollar as the comparable companies in the industry in which the Group operates in also present its financial statements in United States Dollar. The functional currency of the Company is Singapore Dollar.

Going concern basis

The Group reported a loss after tax of US\$2,749,586 (31 December 2020: US\$4,039,537) for the twelve months ended 31 December 2021. In addition, as at 31 December 2021, the Group’s current liabilities exceeded the current assets by US\$7,531,524 (31 December 2020: US\$5,839,259), and the Company’s current liabilities exceeded its current assets by US\$3,885,598 (31 December 2020: US\$3,611,453). These indicate the existence of material uncertainties that cast significant doubt about the ability of the Group and of the Company to operate as going concerns.

Management has assessed that it is appropriate to use the going concern assumption for the preparation of the accompanying financial statements based on:

- (i) On 30 January 2020, the Group has entered into three (3) convertible bond agreements to raise an aggregate of S\$5.0M from the Series A Bonds and up to S\$20.0M from a subsequent tranche of Series B Bonds. Please refer to the Company’s announcement dated 5 February 2020 for details^{1,2}.

(ii) Revenue and gross profit of the Group for the twelve-month period ended 31 December 2021 (“**12M2021**”) have improved by 43% and 210% respectively, as compared to the twelve-month period ended 31 December 2020 (“**12M2020**”);

(iii) The Group has secured supply chain financing facilities from a bank to support its operations;

(iv) On 5 February 2020, the Company had announced that it has signed an offtake agreement with a new customer (on 29 January 2020) to supply coal at a minimum quantity of not less than 4.8 million tonnes of coal per year. On 29 January 2021, the offtake agreement was extended to 29 January 2022. As of the date of this announcement, the Group remains in continued negotiations with the new customer to seek for a further extension of the expiry date of the offtake agreement. If successful, the profits from the sales under the offtake agreement are expected to improve the Group’s cash flow position; and

(v) The Group has an available loan facility from its shareholders amounting to US\$35,815,153 from which it can draw upon when required. In addition, management was successful in negotiating for an extension of up to 31 March 2023, on or before which the shareholders have agreed not to demand repayment of the shareholders’ loans.

Management is of the view that the Group is able to continue operations and meet its liabilities as and when they fall due within the next 12 months from the reporting date.

Accordingly, the accompanying financial statements does not include any adjustment relating to the realisation and classification of assets and liabilities that may be necessary if the Group and Company were unable to continue as a going concern. Should the going concern assumptions be inappropriate, adjustments may have to be made to (i) reflect the situation that assets may need to be realised other than in the normal course of the business and at amounts which may differ significantly from the amounts at which they are currently recorded in the balance sheets; (ii) to provide for further liabilities that might arise; and (iii) reclassify non-current assets and non-current liabilities as current. No adjustments have been made in the accompanying financial statements.

Note 1: In an announcement by the Company on 30 September 2020, the Convertible Bonds Subscription Agreement with Jinzhou Business Investment Logistics Co., Ltd had lapsed on 30 September 2020. As such, the total amount of subscription under Series A Bonds is S\$2M.

Note 2: On 16 November 2020, the Company has obtained the approval of shareholders for the issuance of another S\$8.0M of convertible bonds under the Series B Convertible Bonds. These bonds may be subscribed at the option of the subscribers. As at the date of this announcement, the subscribers have not subscribed to the Series B Convertible Bonds.

2.3 New and amended standards adopted by the Group

A number of amendments to SFRS(I) and Interpretations of SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make any retrospective adjustments as a result of adopting those standards.

2.4. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 31 December

2020. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the view that there are no critical judgements involved which the management has made in the process of applying the Group's accounting policies that may have a significant effect on the amounts recognised in the condensed interim financial statements.

2.5. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

2.6. Segment and revenue information

The Group's operations constitute a single segment which is the exploration and mining of coal in Indonesia. Accordingly, no segmental information is presented.

2.7. Financial assets

	<u>Group</u>		<u>Company</u>	
	<u>As at</u> <u>31/12/21</u> <u>US\$</u>	<u>As at</u> <u>31/12/20</u> <u>US\$</u>	<u>As at</u> <u>31/12/21</u> <u>US\$</u>	<u>As at</u> <u>31/12/20</u> <u>US\$</u>
Trade receivables				
- Non-related parties	3,932,442	3,233,662	-	-
Other receivables				
- Non-related parties	7,401,693	839,524	29,578	20,305
- Subsidiaries	-	-	22,563,270	23,302,213
- Non-controlling shareholder of a subsidiary	8,426	8,616	-	-
	<u>7,410,119</u>	<u>848,140</u>	<u>22,592,848</u>	<u>23,322,518</u>
Less: Loss allowance	-	-	(22,302,005)	(23,191,232)
	<u>11,342,561</u>	<u>4,081,802</u>	<u>290,843</u>	<u>131,286</u>
Deposits	6,373	6,506	6,373	6,506
Restricted cash	72,404	75,427	-	-
Cash and cash equivalents	205,405	440,015	9,567	301,122
Total financial assets at amortised cost	<u>11,626,743</u>	<u>4,603,750</u>	<u>306,783</u>	<u>438,914</u>

2.8. Financial liabilities

	<u>Group</u>		<u>Company</u>	
	As at	As at	As at	As at
	31/12/21	31/12/20	31/12/21	31/12/20
	US\$	US\$	US\$	US\$
Trade and other payables	3,098,999	2,806,829	1,428,174	1,260,427
Accrued operating expenses	15,374,087	5,998,840	910,916	712,906
Financial liabilities, at amortised cost	1,138,053	937,417	1,138,053	937,417
Financial liabilities, at FVPL	685,123	1,113,028	685,123	1,113,028
Borrowings	91,216	416,109	72,683	36,591
Loans from shareholders	3,577,489	3,550,667	-	-
Total financial liabilities at amortised cost	<u>23,964,967</u>	<u>14,822,890</u>	<u>4,234,949</u>	<u>4,060,369</u>

2.9. Loans and borrowings

	<u>Group</u>		<u>Company</u>	
	As at	As at	As at	As at
	31/12/21	31/12/20	31/12/21	31/12/20
	US\$	US\$	US\$	US\$
<i>Current</i>				
Borrowings	-	340,925	-	-
Lease liabilities	44,450	64,011	36,843	36,591
	<u>44,450</u>	<u>404,936</u>	<u>7,736</u>	<u>36,591</u>
<i>Non-current</i>				
Lease liabilities	46,766	11,173	35,840	-
Total borrowings	<u>91,216</u>	<u>416,109</u>	<u>72,683</u>	<u>36,591</u>

The lease liabilities (current and non-current) as at 31 December 2021 and 31 December 2020 are unsecured.

The borrowings as at 31 December 2020 were in relation to financing facilities provided by a bank and were secured by the account receivables of the Group.

2.10. Loans from shareholders

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

On 31 March 2021, the Group entered in a seventh supplemental deed with the Lenders for an extension of up to 31 March 2023, on or before which the Lenders have agreed not to demand repayment of the shareholders' loans. There has been no request for repayment to date by the Lenders.

The Group has drawn down US\$4,184,847 of the shareholders' loan to date and the remaining undrawn facility amounts to US\$35,815,153. The Group has not drawn on its shareholders' loan facilities for FY2021. Any movements arising are due to the fair valuation of the shareholders loans.

A summary of the Group's loans and borrowings and loans from shareholders is as follows:

	As at 31/12 /21		As at 31/12/20	
	Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
Amount repayable in one year or less, or on demand				
Borrowings	-	-	340,925	-
Lease liabilities	-	44,450	-	64,011
Amount repayable after one year				
Borrowings	-	-	-	-
Lease liabilities	-	46,766	-	11,173
Shareholders' loan	-	3,577,489	-	3,550,667

2.11. Other income and other gains/(losses)

	4Q2021 US\$	4Q2020 US\$	12M2021 US\$	12M2020 US\$
Interest income	1,499	1,979	7,191	8,861
Other income	-	9,120	2,404	19,372
	<u>1,499</u>	<u>11,099</u>	<u>9,595</u>	<u>28,233</u>
Impairment loss in prepayments	-	(5,819)	-	(5,819)
Currency translation differences	23,323	584,580	(78,778)	22,743
	<u>24,822</u>	<u>589,860</u>	<u>(69,183)</u>	<u>45,157</u>

2.12. Loss before tax

The following significant items have been included in arriving at loss before tax:

	4Q2021 US\$	4Q2020 US\$	12M2021 US\$	12M2020 US\$
Cost of goods sold	2,629,238	2,911,966	9,502,895	8,272,861
Staff costs	189,020	189,869	1,035,061	969,971
Depreciation	15,225	13,910	61,549	50,145
Licensing and legal expenses	77,656	136,422	325,726	410,692
Professional fees	85,843	125,220	419,117	438,228
Rental expenses	11,046	8,195	47,412	42,913
Finance costs	1,037,335	482,804	4,562,821	1,208,281

2.13. Taxation

The Group calculates the period income tax credit/(expense) using the tax rate that would be applicable to the expected total annual earnings.

	4Q2021 US\$	4Q2020 US\$	12M2021 US\$	12M2020 US\$
Current income tax credit/(expense)	2,718	(3,809)	(38)	(3,809)

3. Other information required by the listing rules

3.1 Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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\$)
2021		
Beginning of financial year	1,017,077,103	171,550,476
Shares issued as employee share award	32,350,000	171,550,476
End of financial year	1,049,427,103	171,550,476
2020		
Beginning of financial year	1,003,743,770	171,410,017
Issue of referral shares	13,333,333	140,459
End of financial year	1,017,077,103	171,550,476

The Company has, on 26 March 2020, partially completed the issue of its Series A Convertible Bonds. An aggregate of S\$2,000,000 of convertible bonds were issued. For the year ended 31 December 2020, the Company issued 13,333,333 referral shares as consideration for introducer fees on the Series A Convertible Bonds.

For the year ended 31 December 2021, the Company issued 32,350,000 new shares as share based compensation under the BlackGold Employee Share Award Scheme.

As of the date of this announcement, there have not been any conversion of the Series A Convertible Bonds to new shares. A total of 133,333,332 new shares may be issued at conversion at a conversion price of 1.5 Singapore Cents if the Series A Bonds were fully converted. The allotment and issuance of 533,333,332 new shares of Series B Convertible Bonds which will raise an amount of S\$8 million has been approved at an Extraordinary General Meeting held by the

Company on 16 November 2020. As at the date of this announcement, the subscribers have not subscribed to the Series B Convertible Bonds.

There were 133,333,332 outstanding convertible shares granted under the Series A Convertible Bonds, and no outstanding share options were granted as at 31 December 2021 and 31 December 2020.

There were no treasury shares or subsidiary holdings held or issued as at 31 December 2021 and 31 December 2020.

3.2 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 December 2021	As at 31 December 2020
Number of issued shares excluding treasury shares	1,049,427,103	1,017,077,103

3.3 A statement showing all sales, transfers, 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.

3.4 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.

4. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed consolidated statements of financial position of the Group and Company as at 31 December 2021, the related condensed consolidated statement of comprehensive income for the 3 months and 12 months then ended, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 12 months then ended, and certain explanatory notes have not been audited or reviewed by the Group's auditors.

5. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

5A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

a) Updates on the efforts taken on resolve each outstanding audit issue.

This is not required for any audit issue that is a material uncertainty relating to going concern.

In the Company's latest audited financial statements for the financial year ended 31 December 2020 ("FY2020"), PKF-CAP LLP, the Group's auditors, has issued a disclaimer of opinion in respect of the Company's going concern ("Going Concern Assumption").

Details relating to the Group's comments on the Going Concern Assumption and its efforts taken to resolve the matter may be found in paragraph 10 of this announcement.

b) Confirmation from the Board that the impact of all outstanding audit issues on the consolidated financial statements have been adequately disclosed.

The Board confirms that all impact of outstanding audit issues on the financial statements in relation to FY2020 have been adequately disclosed.

6. 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 quarter and full year ended 31 December 2021 are consistent with those applied in the financial statements for the year ended 31 December 2020, except for the adoption of accounting standards (including its subsequent amendments) and interpretations applicable for the financial period beginning 1 January 2021.

7. 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 has adopted all new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 January 2021.

The adoption of the new or revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

8. 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.

	12M2021 US\$	12M2020 US\$
Loss attributable to equity holders of the Company for the financial year	<u>(2,736,953)</u>	<u>(4,021,046)</u>
Weighted average number of shares for the purpose of computing basic loss per share	<u>1,021,580,033</u>	<u>1,004,547,423</u>
Basic loss per share (cents)	(0.27)	(0.40)
Weighted average number of shares for the purpose of computing fully diluted loss per share	<u>1,161,932,353</u>	<u>1,107,195,824</u>
Fully diluted loss per share (cents)	(0.24)	(0.36)

9. 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.**

	31 Dec 2021	31 Dec 2020
	US\$	US\$
Net assets of the Group	(11,712,105)	(9,854,245)
No. of ordinary shares in issue	1,049,427,103	1,017,077,103
Net asset value of the Group per ordinary share (cents)	(1.12)	(0.97)
Net assets of the Company	(3,841,404)	(3,564,135)
No. of ordinary shares in issue	1,049,427,103	1,017,077,103
Net asset value of the Company per ordinary share (cents)	(0.37)	(0.35)

10. 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\$3.8M for 4Q2021 and US\$13.8M for 12M2021 as compared to US\$3.0M for the fourth quarter ended 31 December 2020 ("**4Q2020**") and US\$9.6M for 12M2020 respectively.

During 4Q2021, revenue increased by US\$732K or 24% due to an increase in sales volume by approximately 24%.

During 12M2021, revenue increased by US\$4.1M or 43% due to an increase in sales volume by approximately 47%. The increase was partially offset by a reduction in average price as more coal were delivered on FOB terms rather than on CIF terms.

Cost of sales

Cost of sales ("**COS**") comprises mainly cost incurred in relation to mining contractors, coal processing and royalties to the Indonesian government pertaining to coal mining.

COS amounted to US\$2.6M in 4Q2021 and US\$9.5M in 12M2021, as compared to US\$2.9M in 4Q2020 and US\$8.3M in 12M2020 respectively.

During 4Q2021, COS decreased by US\$283K or 10% as the Group had revised certain profit-sharing arrangements with a cooperation partner. Under the new arrangement, certain costs shall now be borne by the cooperation partner, resulting in a decrease in the COS per ton of coal sold. In return, the Group receives a fixed return per ton of coal sold. Any incremental profits due to the cooperation partner is recorded as finance expenses.

During 12M2021, COS increased by US\$1.2M or 15%. This is in line with the increase in sales volume.

Gross Profit

The Group recorded gross profits of US\$1.1M in 4Q2021 and US\$4.3M in 12M2021 as compared to gross profits of US\$121K in 4Q2020 and US\$1.4M in 12M2020.

The improved gross profit margins of 30% in 4Q2021 and 31% in 12M2021, against 4% in 4Q2020 and 14% in 12M2020 were mainly due to lower COS from the revised profit-sharing arrangements with a cooperation partner.

Currency translation differences

The Group recorded a currency translation gain of US\$23K in 4Q2021 and a currency translation loss of US\$79K in 12M2021, as compared to a currency translation gain of US\$585K in 4Q2020 and currency translation gain of US\$23K in 12M2020.

During 4Q2021, the currency translation gains were mainly due to translation differences on shareholders' loans at its Indonesia subsidiaries. The United States Dollar (being the currency in which these liabilities are denominated) had weakened against the Indonesia Rupiah (being the recording currencies for these liabilities), thereby accounting for the currency translation gain.

During 12M2021, the currency translation losses were mainly due to translation differences on shareholders' loans at its Singapore and Indonesia subsidiaries. The United States Dollar (being the currency in which these liabilities are denominated) had strengthened against the Singapore Dollar and the Indonesia Rupiah (being the recording currencies for these liabilities), thereby accounting for the currency translation loss.

Fair value losses/gains, financial liabilities at FVPL

The Group recorded fair value losses of US\$111K in 4Q2021 and fair value gains of US\$407K in 12M2021, as compared to a fair value losses of US\$139K in 4Q2020 and fair value losses of US\$379K in 12M2020, mainly from fair value movements in financial liabilities, fair value through profit or loss ("FVPL") in relation to the conversion options from the Series A convertible bonds.

Administrative Expenses

Administrative expenses mainly comprise staff remuneration and expenses relating to licensing and compliance, rental and recurring professional fees.

Administrative expenses amounted to US\$545K in 4Q2021 and US\$2.8M in 12M2021, as compared to US\$1.1M in 4Q2020 and US\$3.9M in 12M2020.

During 4Q2021, administrative expenses decreased by US\$546K or 50% due to:

- reduced repair and maintenance costs as the effects of these works are expected to last beyond a year, and

- reduced licensing expenses as the licences had a validity of more than a year and no renewals were required in 4Q2021.

During 12M2021 administrative expenses decreased by US\$1.1M or 28% due to:

- reduced repair and maintenance costs as the effects of these works are expected to last beyond a year;
- reduced licensing expenses as the licences had a validity of more than a year and no renewals were required in 12M2021;
- reduced travelling expenses as travelling has been restricted due to measures imposed by various nations to control the effects of the Covid-19 pandemic; and
- the absence of mobilization expenses to increase machinery at the mining concession; the expenses, which occurred in 12M2020, was one-off and non-recurring,

which were offset by:

- increased staff costs from costs of share awards granted.

Finance Expenses

Finance expenses amounted to US\$1.0M in 4Q2021 and US\$4.6M in 12M2021, as compared to US\$483K in 4Q2020 and US\$1.2M in 12M2020.

During 4Q2021, finance expenses increased by US\$555K or 115% due to:

- an increase in finance expenses from the profit-sharing arrangement with a cooperation partner,

which was offset by:

- a decrease in interest expenses from fair valuation of shareholders' loans.

During 12M2021, finance expense increased by US\$3.4M or 278% due to:

- an increase in finance expenses from the profit-sharing arrangement with a cooperation partner, and
- an increase in interest expenses from fair valuation of shareholders' loans.

Loss for the financial year

As a result of the abovementioned factors, the Group recorded net losses of US\$531K in 4Q2021 and a net loss of US\$2.7M in 12M2021, as compared to net losses of US\$1.0M in 4Q2020 and US\$4.0M in 12M2020.

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 increased by US\$7.4M from US\$5.4M as at 31 December 2020 to US\$12.8M as at 31 December 2021.

The increase in current assets was due to the following:

- Trade and other receivables increased by US\$7.3M due to increase in other receivables of US\$6.6M. This relates to sales receipts held by the Group's cooperation partner for the purpose of paying vendors. Upon payment to the vendors, the receivables shall be offset accordingly. Due to slower payments to the vendors, these receivables have increased, and
- Inventories increased by US\$631K due to increased production in 4Q2021.

The increase in current assets was partially offset by the following:

- Cash and cash equivalents decreased by US\$235K, mainly arising from payments to suppliers offset against receipts from customers. Please refer to section titled "Review of Statement of Cash Flows" for more details, and
- Deposits and prepayments decreased by US\$268K, mainly due to utilisation of prepayments to vendors for the Group's production activities.

Non-current assets

Non-current assets of the Group comprise property, plant and equipment (including right-of-use assets) and restricted cash.

Non-current assets increased by US\$12K, from US\$143K as at 31 December 2020 to US\$156K as at 31 December 2021, mainly due to the renewal of an office lease, the value of which was capitalized as plant and equipment.

Current liabilities

Current liabilities comprise trade and other payables, current income tax liability, accrued operating expenses, financial liabilities at amortised cost, financial liabilities at FVPL and borrowings (including lease liabilities, current portion).

Current liabilities increased by US\$9.1M, from US\$11.3M as at 31 December 2020 to US\$20.3M as at 31 December 2021. The increase was mainly due to the following:

- an increase in trade and other payables of US\$292K from increased production activities at the Group's mining concession;
- an increase in accruals of US\$9.4M due to mining and transportation contractors; and
- an increase in financial liabilities, at amortised cost increased by US\$201K due to fair valuation of the convertible bonds.

The increase in current liabilities was partially offset by:

- a decrease in borrowings and lease liabilities of US\$360K from repayment of the liabilities, and
- a decrease in financial liabilities, at FVPL of US\$428K, due mainly to fair value movements on the convertible option of Series A convertible bonds.

Consequent to the increase in current assets and current liabilities as set out above, the Group recorded a negative working capital of US\$7.5M as at 31 December 2021.

Non-current liabilities

Non-current liabilities comprise borrowings (including lease liabilities, non-current portion), loans from shareholders, other non-current liabilities and provision for reclamation and rehabilitation of land.

Non-current liabilities increased by US\$178K from US\$4.2M as at 31 December 2020 to US\$4.3M as at 31 December 2021. The increase was mainly due to fair value movements in shareholders' loans of US\$27K, increases in provisions and other non-current liabilities of US\$115K and increase in lease liabilities of US\$36K from the renewal of an office lease, the value of which was capitalized as lease liabilities.

Going Concern and Working Capital

The Board is of the view that the Group is able to continue improving its working capital position and operate as a going concern for the following reasons:

As stated in the going-concern assumptions provided in the annual report for FY2020, please see paragraphs (i) and (iii) below, as well as further updates and efforts undertaken by the Group in paragraphs (ii), (iv) and (v) below:

(i) On 30 January 2020, the Group has entered into three (3) convertible bond agreements to raise an aggregate of S\$5.0M from the Series A Bonds and up to S\$20.0M from a subsequent tranche of Series B Bonds. Please refer to the Company's announcement dated 5 February 2020 for details;

(ii) Revenue and gross profits of the Group in 12M2021 have improved by 43% and 210% respectively, against 12M2020;

(iii) The Group has secured supply chain financing facilities from a bank to support its operations;

(iv) On 5 February 2020, the Company had announced that it has signed an offtake agreement with a new customer (on 29 January 2020) to supply coal at a minimum quantity of not less than 4.8 million tonnes of coal per year. On 29 January 2021, the offtake agreement was extended to 29 January 2022. As of the date of this announcement, the Group remains in continued negotiations with the new customer to seek for a further extension of the expiry date of the offtake agreement. If successful, the profits from the sales under the offtake agreement are expected to improve the Group's cash flow position; and

(v) The Group has an available loan facility from its shareholders amounting to US\$35,815,153 from which it can draw upon when required. In addition, management was successful in negotiating for an extension of up to 31 March 2023, on or before which the shareholders have agreed not to demand repayment of the shareholders' loans.

Review of Statement of Cash Flows

12M2021

The Group recorded net cash generated by operating activities of US\$170K for 12M2021 which was a result of operating gains before changes in working capital of approximately US\$1.9M, adjusted for changes in net working capital of US\$1.8M.

Net cash provided by investing activities of US\$7K in 12M2021 was mainly due to interest income from current account and time deposits.

Net cash used in financing activities of US\$404K was mainly due to repayment of external borrowings amounting to US\$326K and principal repayment of lease liabilities amounting to US\$78K.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of US\$228K in 12M2021.

11. 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.

12. 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.

As reported by Argus Media¹ on 3 January 2022, Indonesian coal producers and government officials are projecting a continued increase in demand for coal while coal prices are expected to remain relatively high in 2022.

The Indonesian Coal Mining Association (“APBI”) expects the Indonesian coal index to hover above the US\$100 per ton mark.

In the same article, Indonesia state-owned electricity company, PT PLN, is projecting a 5.3% year on year increase in coal demand from the power sector in 2022. It expects the Indonesian power generators to consume 119 million tonnes of coal in 2022, up from 113 million tonnes in 2020, as new coal-fired generation capacity is brought online.

In a separate article by Tempo² on 1 February 2022, the Indonesia government has lifted a month long ban on coal export. The ban on coal export was triggered by a shortage of coal for use at the country’s power plants.

Moving forward, the authorities will closely monitor that Indonesian coal producers adhere to the Domestic Market Obligations, which is a minimum percentage of a coal producer’s output that must be sold to the Indonesian domestic market before it can be exported.

This is indicative of the relative shortage of supply against demand in the local domestic market, a space that the Group primarily operates in.

This higher relative demand for coal in the local domestic market is expected to be positive for the Group.

News Articles:

Note 1: <https://www.argusmedia.com/en/news/2288198-viewpoint-indonesia-projects-higher-2022-coal-demand#:~:text=In%20Indonesia's%20domestic%20market%2C%20state,generation%20capacity%20is%20brought%20online.>

Note 2: <https://en.tempo.co/read/1556241/govt-reopens-coal-exports-after-month-long-ban>

13. 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.

14. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended during 4Q2021. The Group has not declared any dividend for 4Q2021 as the Group is loss-making and requires the existing cash to fund its operating activities.

15. 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 Catalist Rules.

There were no interested person transactions entered into by the Group during 4Q2021.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

16. Rule 705(6)(a) of the Catalyst Rules

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

In 4Q2021, funds were mainly used for the following activities:-

Purpose	Forecasted usage of funds (US\$)	Actual usage of funds (US\$)
Production activities	152,000	30,000
General working capital	490,000	374,000
Total	642,000	404,000

Actual cash used for production activities and general working capital was lower than forecasted by US\$238,000 as the Group intends to make the relevant payments in subsequent quarters.

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

For the first quarter ending 31 March 2022, the Group's uses of funds for production activities are expected to be as follows:-

Purpose	Amount
	(US\$)
Production activities	30,000
General working capital	281,000
Total	313,000

Principal Assumptions

Projected uses of funds for certain items include, but not limited to, expenses to be incurred for the Group's mine development activities, which will vary according to the Group's actual 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.

17. Rule 705(6)(b) of the Catalyst 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.

18. 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 12M2021, no exploration activities were conducted. In relation to production activities, a total of approximately 439,000 metric tonnes of coal were produced during 12M2021.

The Group has not made any previous projection in relation to exploration, development and/or production activities.

During 12M2021, the cash expenditure paid for production activities amounted to US\$2,430,000.

Explanation for the variances from previous projections on the uses of funds/cash for 4Q2021 may be found in paragraph titled "Rule 705(6)(a)" above.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

19 (a). Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group's operations constitute a single segment which is the exploration and mining of coal in Indonesia.

19 (b). In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.

The Group's operations constitute a single segment which is the exploration and mining of coal in Indonesia.

19 (c). A breakdown of sales

	Latest Financial Year	Previous Financial Year	Change +/-
	US\$	US\$	%
(a) Sales reported for first half year	5,264,112	4,832,420	9
(b) Operating loss after tax before deducting minority interest reported for first half year	(1,097,443)	(1,728,814)	(37)
(c) Sales reported for second half year	8,506,277	4,816,226	77
(d) Operating loss after tax before deducting minority interest reported for second half year	(1,652,143)	(2,310,723)	(29)

19 (d). A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable as the Company has neither declared nor recommended any dividend as at 31 December 2021 and 31 December 2020.

19 (e). Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10).

There is no person occupying managerial position in the Company or any of its subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

20. 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

Soh Sai Kiang
Independent Non-Executive Chairman

Andreas Rinaldi
Executive Director and CEO

1 March 2022