

**BLACKGOLD NATURAL RESOURCES LIMITED**  
(Company Registration Number: 199704544C)  
(Incorporated in the Republic of Singapore)

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**THE PROPOSED CHANGE OF AUDITORS**

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**1. PROPOSED CHANGE OF AUDITORS**

- 1.1. The Board of Directors (the “**Board**” or the “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to change its auditors (“**Auditors**”) from PricewaterhouseCoopers LLP (“**PwC**”) to PKF-CAP LLP (“**PKF-CAP**”) (the “**Proposed Change of Auditors**”) for the current financial year ending 31 December 2020.
- 1.2. PwC has served as Auditors of the Group since its listing on Catalist during the financial year ended 31 December 2015 and was re-appointed as Auditors at the last annual general meeting (“**AGM**”) held on 14 July 2020, to hold office until the conclusion of the next AGM of the Company.
- 1.3. The Proposed Change of Auditors is recommended by the audit committee of the Company (“**AC**”) for the following reasons:
  - (a) As part of the Group’s ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be an opportune time to review the appointment of the Auditors. The proposed review would provide the Group an opportunity to benchmark its audit fees and realise cost efficiencies.
  - (b) Following a review and evaluation of various audit firms which have experience in auditing public listed companies in Singapore, the Board, in consultation with the AC, and taking into consideration the requirements under Rules 712 and 715 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”), has determined that PKF-CAP is best suited to meet the existing needs and audit requirements of the Group. The AC has considered, *inter alia*, the adequacy of the resources and experience of PKF-CAP and the audit engagement partner assigned to the audit, other audit engagements of PKF-CAP, the Group’s audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of PKF-CAP to be assigned to the audit, the fee structure and audit arrangements proposed by PKF-CAP, and is of the opinion that PKF-CAP meets the audit requirements of the Group.
- 1.4. The Proposed Change of Auditors will allow the Group to save approximately S\$100,000 in audit fees in comparison to the audit fees incurred by the Group for the financial year ended 31 December 2019. Having considered, amongst others, the Audit Quality Indicators Disclosure Frameworks issued by ACRA and the various factors set out in 1.3 (b), the AC is of the view that the quality and scope of the audit services to be provided by PKF-CAP will be comparable to that currently provided by PwC.
- 1.5. In connection with the above, PwC had, in their letter dated 4 January 2021, given notice to the Directors of their resignation as Auditors of the Company and PKF-CAP had on 17 December 2020, given their consent to act as Auditors of the Company subject to approval from shareholders (the “**Shareholders**”) being obtained at an extraordinary general meeting (“**EGM**”) for the Proposed Change of Auditors to be held in due course.
- 1.6. Pursuant to Section 205AB(5) of the Companies Act, the resignation of PwC will take effect upon the later of (a) the day (if any) specified for the purpose in the notice of resignation of PwC; (b) the day on which Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”) notifies PwC and the Company of ACRA’s consent to the resignation; or (c) the day (if any) fixed by ACRA (the “**ACRA Consent**”). In addition, pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the appointment of PKF-CAP as Auditors in place of PwC must be specifically approved by Shareholders in a general meeting.

- 1.7. Accordingly, the appointment of PKF-CAP as Auditors of the Company will therefore take effect upon the later of (a) the date of approval of Shareholders at the EGM, and (b) the date of the ACRA Consent. PKF-CAP, if appointed, will hold office until the conclusion of the next annual general meeting of the Company.
- 1.8. In accordance with the requirements of Rule 712(3) of the Catalist Rules:
- (a) PwC has confirmed by way of a letter to PKF-CAP dated 16 December 2020 that it is not aware of any professional reasons why PKF-CAP should not accept appointment as Auditors;
  - (b) the Company confirms that there were no disagreements with PwC on accounting treatments within the last twelve (12) months from the date of their resignation, being 4 January 2021;
  - (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this announcement;
  - (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed above. The Proposed Change of Auditors is neither due to the dismissal of PwC nor PwC declining to stand for election; and
  - (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of PKF-CAP as its new Auditors.
- 1.9. The Directors wish to express their appreciation for the past services rendered by PwC.

## **2. DESPATCH OF CIRCULAR**

A circular containing further details of the proposed change of Auditors together with the notice of EGM will be dispatched to Shareholders in due course.

### **By Order of the Board**

Soh Sai Kiang  
Independent Non-Executive Chairman  
6 January 2021

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

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

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