

Press Release – For Immediate Release

BlackGold to Acquire Energy Construction and Mining-related Group in Mongolia for S\$1 Billion

- *TEC Group has two operating entities with one entity holding mining licences issued to mine coal deposits in Bayan soum, Tuv province in Mongolia, and the other entity holding licences to construct power plants and energy facilities in the country*
- *The purchase price of S\$1 billion shall be adjusted based on an independent valuation of TEC Group and its assets*
- *BlackGold shall have an indicative ascribed value of S\$202.5 million under the term sheet, which shall be adjusted based on an independent valuation of the Company and its assets*

SINGAPORE, 9 April 2021 – **BlackGold Natural Resources Limited (“BlackGold” or the “Company”, and together with its subsidiaries, the “Group”)** is pleased to announce that it has signed a non-binding term sheet with MGL Development Pte. Ltd. (“**MGL**”) in relation to a proposed acquisition of the entire issued and paid-up share capital of Tengri Coal and Energy Pte. Limited (“**TEC**”, and together with its subsidiaries, the “**TEC Group**”) by the Company.

MGL is the shareholder of TEC, which owns the entire issued and paid-up share capital of Tengri Petrochemicals LLC (“**TPL**”). TPL in turn owns the entire issued and paid-up share capital of Tsaidam Energy LLC (“**Tsaidam Energy**”).

TPL is a limited liability company incorporated in Mongolia and holds mining licences issued to mine coal deposits in Bayan soum, Tuv province, Mongolia. Tsaidam Energy is a limited liability company incorporated in Mongolia and holds licences for the construction of power plants and energy facilities in Mongolia.

The purchase price of S\$1 billion shall be adjusted based on the valuation of the TEC Group and assets held by the TEC Group (including its power plant licence, offtake agreements and indicated and inferred mineral resources) as set out in an independent valuation report to be commissioned by BlackGold. The purchase price shall be satisfied by the allotment and issue by the Company to MGL (or its nominees) of new ordinary shares in the capital of the Company at an issue price based on a prescribed formula.

Under the term sheet, it is also agreed that BlackGold shall have an indicative ascribed value of US\$150 million (i.e. S\$202.5 million), to be adjusted based on the valuation of the Company and assets held by the Company as set out in a separate independent valuation report to be commissioned by BlackGold.

Both independent valuation reports will be prepared by an international reputable independent firm of professional valuers that will be appointed by BlackGold.

Aligned with the Group's strategy to expand its business through mergers and acquisitions, the proposed acquisition will enable the Group to diversify and expand its geographical footprint beyond Southeast Asia. In addition, it will allow the Group to vertically integrate its coal supply chain from mining to electricity power supply.

As the TEC Group may be eligible for a mainboard listing on the SGX-ST, the Company intends to seek a transfer of its listing from the Catalist Board to the mainboard of the SGX-ST, concurrent with the completion of the proposed acquisition.

Mongolia's GDP Expected to Grow by 5.1% in 2021⁽¹⁾

Over the past three decades, Mongolia has transformed itself with political and economic reforms, tripling its GDP per capita since 1991.⁽²⁾ Vast quantities of untapped mineral resources in Mongolia have made the country attractive for foreign investments, boosting the country's economic growth over the years.

According to Mongolia's Energy Ministry, around 80% of the electrical supply is produced domestically and 20% is imported.⁽³⁾

Coal is the primary source of electricity generation in Mongolia, accounting for an estimated 85% of the total electricity generation in the country. Since 1990, the energy consumption in Mongolia has increased 124.62% to reach 7.3 terawatt hour in 2018.⁽⁴⁾

In February 2021, the Mongolia government announced a comprehensive plan to spend USD\$3.5 billion to protect the health of its people and revive the economy.⁽⁵⁾

Commenting on the Group's proposed acquisition, Mr. Philip Soh, Chairman of BlackGold, said, "This is a transformational acquisition for BlackGold and it will enable us to establish a strong business platform and gain market access in one of the world's most resource-rich country.

Mongolia has attractive growth profiles that provide a good pipeline of organic opportunities in the mining and energy industry, which significantly enhances our future growth prospects.

While continuing our resource-related activities in Indonesia, this acquisition is consistent with our strategy of pursuing growth, allowing us to create new value propositions to meet the growing demand of energy in our targeted markets."

Speaking on behalf of TEC Group, Mr. Philip Moynagh, CEO of the Energy business, said, "The TEC Group has developed and integrated a huge list of assets into a compelling energy business. The assets include over half a billion tonnes of coal, licences and designs for state of the art power plants, licences and designs for thousands of kilometers of transmission infrastructure, offtake agreements for the generated electricity, construction and debt agreements with Chinese state owned enterprises, and equity agreements with a US

investment company. The first 600MW project, a US\$860 million Capital expenditure project, is now ready for groundbreaking.

In BlackGold, we've found a perfect energy supply chain strategic partner. With a Singapore listing, we enable acceleration of more energy supply projects for the energy constrained economies of Asia. We are truly excited by this next step".

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(1) <https://www.adb.org/countries/mongolia/economy>

(2) <https://www.worldbank.org/en/country/mongolia/overview>

(3) http://www.xinhuanet.com/english/2020-12/15/c_139591571.htm

(4) <https://www.iea.org/countries/mongolia>

(5) http://www.xinhuanet.com/english/asiapacific/2021-02/10/c_139735866.htm

This document is to be read in conjunction with BlackGold's exchange filings on 9 April 2021, which can be downloaded via www.sgx.com.

Issued on behalf of BlackGold Natural Resources Limited by 8PR Asia Pte Ltd.

Media & Investor Contacts:



Mr. Alex TAN

Mobile: +65 9451 5252

Email: alex.tan@8prasia.com

About BlackGold Natural Resources Limited

(Bloomberg Code: BHR:Singapore / Reuters Code: BLAC.SI / SGX Code: BHR)

BlackGold Natural Resources Limited is a resource company with a strategic focus on capitalising on the growth trends in the resource industry in Asia, Papua New Guinea and Australia.

For additional information, please visit <http://www.blackgold-group.com>.

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.