



BLACKGOLD INTERNATIONAL HOLDINGS LIMITED

22 July 2014

Dear Shareholder,

NON-RENOUNCEABLE ENTITLEMENT OFFER

On 9 July 2014, Blackgold International Holdings Limited (**Company**) announced a non-renounceable pro rata offer to shareholders with a registered address in Australia, New Zealand, Singapore and British Virgin Islands (**Eligible Shareholders**) of approximately 88,800,362 new options (exercisable at \$0.08 on or before 31 July 2016) on the basis of 1 new option for every 10 existing shares held as at 7:00pm (AEST) on 25 July 2014 (**Record Date**), at an issue price of \$0.001 per new option (**Offer**).

The Offer will reward shareholders by giving them the opportunity over the next 2 years to subscribe for shares at an approximately 10% discount to the current market price. Funds raised from exercising options (up to approximately \$7.1 million) will be used for the acquisition of new mines and general working capital.

Application has been made for the new options offered to be quoted on ASX. Shares issued upon exercising the new options will rank equally with the Company's existing fully paid ordinary shares.

A prospectus for the Offer was lodged with ASIC and ASX on 18 July 2014, a copy of which will be sent to Eligible Shareholders shortly after the Record Date.

Eligible Shareholders should consider the prospectus carefully in deciding whether to acquire new options offered under the Offer, and will need to complete the personalised entitlement and acceptance form accompanying the prospectus to take up their entitlements.

The Offer is only made to shareholders on the Record Date with registered addresses in Australia, New Zealand, Singapore or British Virgin Islands, and shareholders outside these countries are not required to take any action in respect of the Offer.

The Company expects the Offer to be conducted in accordance with the following timetable:

Event	Date ¹
Lodge prospectus with ASIC and ASX	18 July 2014
Existing Shares quoted on “ex” basis and Rights trading commences	23 July 2014
Record Date to determine Entitlements under the Offer	25 July 2014
Prospectus and Entitlement and Acceptance Forms dispatched to Eligible Shareholders	30 July 2014
Offer opens for receipt of application	30 July 2014
Closing date for acceptance	11 August 2014
Issue of new options	18 August 2014
Normal trading of new options expected to commence	19 August 2014

¹ The Directors may extend the closing date by giving at least 3 business days’ notice to ASX prior to the closing date. As such the date the new options are expected to commence trading on ASX may vary.

Should you have any questions regarding the Offer you may contact the Company on +61 8 6489 0600 or consult your stockbroker or professional adviser. A copy of the prospectus may be viewed on the ASX website at www.asx.com.au, or alternatively on the Company’s website at www.blackgoldglobal.net.

We look forward to your participation in the Offer.

Yours sincerely



Chi Ho (James) Tong
Non-Executive Chairman