

17 March 2017

**CIRCUMSTANCES AFFECTING
PRELIMINARY FINAL REPORT**

COMPANY DIRECTORS & MANAGEMENT

Directors

Managing Director & CEO	Yuguo Peng
Non-Executive Chairman	Dr Chi Ho (James) Tong
Executive Director	Jun Ou
Non-Executive Director	ZhongHan (John) Wu
Non-Executive Director	Wei-Her (Sophia) Huang
Non-Executive Director	Prof Guangfu Yang

Management

Deputy General Manager, Enterprise Management	Yijiang Peng
Chief Financial Officer	It Phong Tin
Chief Geologist	WenMing Yao

ADDRESS

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Australia

China

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Backgold International Holdings Limited (“**Company**”) refers to its preliminary final report announced to ASX on the 30 December 2016 (“**Appendix 4E**”). The report disclosed that the Company’s profit after income tax was AUD8.290 million.

The Company’s annual report announced to ASX on 17 March 2017 disclosed the Company’s audited loss after income tax to be AUD41.758 million.

The difference is due to an additional impairment loss recognized on non-current assets of AUD50.048 million. As shown in the Appendix 4E, there was previously a net reversal of impairment of non-current assets amounting to AUD0.839 million. As a result, an impairment of non-current assets of AUD49.209 million was recognized in the annual report as at 31 October 2016, comprising AUD34.702 million of mine development and AUD14.507 million of property, plant and equipment (Refer to the details in Notes 16 and 18 to the annual report).

Profit from ordinary activities after tax attributable to members remains unchanged at AUD7.451 million, as disclosed in the Appendix 4E.

END



Disclaimer

Certain statements included in this announcement constitute forward-looking information. This information is based upon a number of estimates and assumptions made by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable, they are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, commodity prices, exploration, acquisition, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward-looking information is no guarantee of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. Forward-looking information is made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by law.

About Blackgold

Blackgold International Holdings Limited (ASX Code: BGG) is a Chongqing, China-based, producer of high value thermal coal. Blackgold was listed on ASX on 22 February 2011.

Blackgold currently operates four existing underground thermal coal mines, the Caotang Mine and the Heiwan Mine in Fengjie County, Chongqing in the PRC, the Baolong Mine in Wushan County, Chongqing in the PRC, and the Changhong Mine in the area bordering Xishui County of Guizhou and Qijiang County of Chongqing in the PRC.



LOCATION OF BLACKGOLD'S MINES

