

31 December 2014

AMENDED ANNOUNCEMENT HEADS OF AGREEMENT ENTERED INTO FOR THE CONDITIONAL SALE OF COMPANY'S ASSETS TO SGX-LISTED MATEX INTERNATIONAL LIMITED

COMPANY DIRECTORS & MANAGEMENT

Directors

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

Management

Deputy General Manager	Zhong Xiao Zhu
Deputy General Manager, Enterprise Management	Yi Jiang Peng
Assistant to General Manager and Supervisor	Hong Lin Liu
Chief Financial Officer	
Chief Geologist	Shao Kui Chen
Deputy General Manager and Chief of the Production Technology Department	WenMing Yeo Jun Shao

TOP SHAREHOLDERS

Lucky Magic Enterprises	61.32%
Prima Network Financial	5.75%
Singapore Enterprises Private	5.61%

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On 30 December 2014 Blackgold International Holdings Limited (ASX:BGG) (**Company**) entered into a binding Heads of Agreement (**HOA**) with Matex International Limited (**Matex**), a company incorporated under the laws of Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (**SGX-ST**). Matex will purchase the Company's wholly-owned subsidiary, Blackgold Holdings HongKong Limited (**BGG HK**), for a total purchase price of S\$475 million (**Proposed Acquisition**) on the terms of the sale and purchase agreement to be entered into by the Company and Matex.

BGG HK holds all of the Company's assets (other than cash). The HOA follows LionHeart Holding Group Corp, a wholly-owned subsidiary of SGX-listed Vibrant Group Limited (**Vibrant**), exercising a right to nominate an SGX listed entity to acquire BGG HK.

The purchase price consists of (i) S\$25 million cash; and (ii) subject to any adjustment in the purchase price, 2,406,417,112 ordinary shares in Matex to be issued based on a pre-consolidation issue price of S\$0.187 per share (**Consideration Shares**) as follows:

- (i) such number of Consideration Shares representing 25% of the aggregate number of Consideration Shares to be issued to LionHeart Holding Group Corp, a wholly-owned subsidiary of Vibrant in connection with an agreement with Vibrant with respect to the S\$25 million convertible bond issue previously announced to ASX on 19 November 2014 and 9 December 2014;
- (ii) such number of Consideration Shares representing 6% of the aggregate number of Consideration Shares to be issued to Portman Capital Development Limited, consultants to the Company; and
- (iii) the balance of the Consideration Shares to be issued to the Company, which will be distributed to the Company's shareholders by way of an equal capital reduction in accordance with the Corporations Act and the ASX Listing Rules and subject to compliance with all applicable laws, rules and regulations (**Proposed Distribution**).



The number of Consideration Shares to be issued may be adjusted depending upon adjustments to the purchase price pursuant to due diligence and valuation, as well as a share consolidation exercise by Matex to meet certain minimum issue price requirements under the SGX-ST Listing Manual. Matex will also, in connection with the Proposed Acquisition, issue such number of new shares representing 5.0% of the enlarged issued share capital of Matex on completion of the Proposed Acquisition to Merlion Capital Pte Ltd (**Merlion Shares**), and such number of new shares representing S\$3 million (at the same issue price as under the Proposed Acquisition) to Daiwa Capital Markets Singapore Limited (**Daiwa Shares**).

Matex currently has 267,392,320 ordinary shares on issue.

In conjunction with the Proposed Acquisition, it is envisaged that a substantial shareholder of Matex will acquire, or procure the acquisition of, Matex's existing business (comprising its existing subsidiaries, and assets and liabilities) on terms to be agreed and for no less than S\$25 million (**Proposed Disposal**).

The Proposed Acquisition is likely to constitute:

- (a) (in respect of Matex) a "reverse takeover" under Chapter 10 of the SGX-ST Listing Manual and will be subject to, *inter alia*, the approval of Matex's shareholders and the SGX-ST; and
- (b) (in respect of the Company) a disposal of the Company's main undertaking under ASX Listing Rule 11.2 which will be subject to, *inter alia*, the approval of the Company's shareholders.

Further details of the Proposed Transaction are set out in Matex's SGX-ST announcement dated 30 December 2014 available on the SGX-ST website.

The Proposed Acquisition and Proposed Disposal are interconditional and completion is subject to several conditions precedent, including, *inter alia*, the parties entering into a definitive sale and purchase agreement, mutual satisfactory due diligence, approval by BGG and Matex's shareholders, applicable regulatory approvals being obtained, and receipt of a valuation report stating that BGG HK is valued at not less than S\$500 million.

Both parties to the HOA are bound by an exclusivity period commencing on the date of the HOA and ending on the earlier of (i) the date of completion of the Proposed Acquisition; (ii) the Long Stop Date (i.e. 15 March 2015); or (iii) termination of the HOA in accordance with its terms.

The HOA shall automatically terminate on the earlier of (i) the date of execution of the definitive agreements for the Proposed Acquisition, (ii) the Long Stop Date; or (iii) the date falling 7 days after the expiry of a 20 day default notice.

Due to the conditional nature of the Proposed Acquisition, investors are cautioned about investing in the Company in reliance on completion of the Proposed Acquisition occurring.

ENDS

Yours faithfully

Blackgold International Holdings Limited

Chi Ho (James) Tong
Chairman



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 predominantly sold for industrial power generation to power plant customers in Shanghai. Blackgold listed on ASX on 22 February 2011. Blackgold intends to continue to increase its coal production through internal growth and via acquisition to become a significant producer of high value thermal coal.

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 (previously referred to as the Wushan MaoJia Wang Coal Mine) in Wushan County, Chongqing in the PRC and the ChangHong Mine (previously referred to as the QiJiang ChangHong Mine) in the area bordering Xishui County of Guizhou and QiJiang County of Chongqing.