

Issuer: BlackGold Natural Resources Limited

Security: BlackGold Natural Resources Limited

Meeting details:

Date: 30 August 2017

Time: 9.00 a.m.

Venue: NUSS Kent Ridge Guild House, 9 Kent Ridge Drive, Singapore 119244

Company Description

BlackGold Natural Resources Limited, an investment holding company, operates as a coal mining company in Indonesia. It focuses on supplying coal to power plants located in Riau province, Sumatra. The company holds interest in PT Samantaka Batubara concession covering an area of 15,000 hectares; PT Ausindo Andalas Mandiri concession comprising an area of 19,840 hectares; and PT Ausindo Prima Andalas concession covering an area of 10,710 hectares located in Riau province. BlackGold Natural Resources Limited is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=)

Q1. As noted in the Chairman’s Statement (page 6 of the annual report), the group “commenced its production activities in March 2016 and successfully made its first coal delivery in June 2016”. It was also mentioned that the group will have a production level of approximately 70,000 tonnes of coal per month once “production reaches full capacity”.

- a) **What is the current capacity at the PT Samantaka Batubara Concession?**
- b) **How soon will the production level reach the target of 70,000 tonnes of coal per month?**
- c) **What is the capital expenditure required and how is the group going to fund the expansion of the mine?**

Also, could management share on the strategic plans for the other two coal concessions, namely PT Ausindo Andalas Mandiri and PT Ausindo Prima Andalas?

Q2. On 10 March 2015, the company (then known as NH Ceramics Ltd) appointed Mr Intekhab Ahmad Khan s/o Teffail Mohamed Khan to the board of directors of the company and designated Mr Khan as a Non-executive Chairman and a member of the audit committee, nominating committee and remuneration committee.

The reason for designating Mr Khan as a non-executive director was not given.

- a) **Can the nominating committee disclose the reason(s) why Mr Khan was designated as a non-executive director in 2015?**
It is noted that Mr Khan, through Kaalasona Limited, was one of the vendors in the RTO transaction.

On 28 March 2016, the company (as Blackgold Natural Resources Limited) redesignated Mr Khan as an independent director citing the following:

“The Board, with the recommendation of the Nominating Committee, has assessed Mr Intekhab Khan's independence, taking into consideration Guideline 2.3 of the Code of Corporate Governance 2012, is of the view that Mr Intekhab Khan is independent and is able to exercise objective judgement on the Company's affairs independently. Accordingly, the Board, approves the Re-designation.”

- b) **Are there changes to the circumstances of Mr Intekhab Khan that led the nominating committee to re-assess and redesignate Mr Khan as an independent director? If so, please disclose the changes and the deliberations that that nominating committee had.**

Q3. The company’s sponsor is SAC Advisors Private Limited. Under the sponsorship regime, a sponsor is to advise an issuer on compliance with the continuing obligations. The company has engaged SAC Capital as placement agent for its share placement exercises in April 2017 and in July 2017 (page 5). SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

In the Corporate Governance Report (page 34 – Sponsorship), the company has disclosed that there were “no non-sponsorship fee paid to the Company’s Sponsor, SAC Advisors Private Limited during FY2016.”

- a) **Can the company disclose how much fees were paid to SAC Capital, the parent of the company’s sponsor?**
- b) **Can the board/company disclose how SAC Capital was selected to be the placement agent for the group’s share placement exercises?**
- c) **By using SAC Capital as the company’s share placement agent, has the board considered if the sponsor (SAC Advisors) has to evaluate SAC Capital on their “suitability and competence” to act as advisers and consultants in the group’s share placement (Catalist Rule 226)?**