



黑金环球

BLACKGOLD INTERNATIONAL

Capital Structure

<u>At 6 February 2012:</u>	
Shares on issue	: 891.7 million
Options	: Nil
Market Capitalisation	: A\$169.4 million

Company Directors & Management

Directors

Executive Director & CEO	Yu Guo Peng
Non-Executive Chairman	Chi Ho (James) Tong
Executive Director	Jun Ou
Non-Executive Director	Teck Sin (Steven) Chong
Non-Executive Director	Chong Hee (Frank) Peh
Non-Executive Director	Seng Kiong (SK) Yap
Non-Executive Director	Prof Guangfu Yang

Management

Deputy General Manager	Zhong Xiao Zhu
Deputy General Manager, Enterprise Management	Yi Jiang Peng
Chief Engineer	Fa Jian Zhang
Assistant to General Manager and Controller	Hong Lin Liu
Chief Financial Officer	Shao Kui Chen
Financial Controller	Teck Meng Lim
Chief Geologist	WenMing Yeo
Sales and Procurement Manager	Guo Peng Xiao
Head of Human Resources	Jun Shao

Top Shareholders

Lucky Magic Enterprises	62%
Prima Network Financial	7%
Singapore Enterprises Private	5%

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BLACKGOLD ANNOUNCES UPDATED JORC CODE COMPLIANT RESOURCES AND RESERVES

Blackgold International Holdings Limited ("Blackgold") is pleased to announce the results of its JORC Code Compliant Resource and Reserve upgrade using all available data for all four mines recently completed by AI Maynard & Associates Pty Ltd ("AM&A"). These estimates supersede all previously announced estimates.

Highlights of this upgrade, with full details in the accompanying Tables 1 to 12 below, include:

- **Combined JORC Code Compliant Probable Reserves of 46.2Mt and Proven Reserves of 79.4Mt for a total of 125.6Mt.**
- **Combined JORC Code Compliant Inferred Resources of 41.9Mt**

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Caotang Mine

A total of 206 K1 and 41 K2 channel sample results taken during mine production at approximately 50m intervals along the mine headings were available for estimation purposes. The results of this estimation are presented in Table 1.

Reserve	Mt	H ₂ O %	Ash %	Vol %	FC %	S %	CV kcal/kg	Thickness m
K1 Probable	5.5	0.61	35.56	7.12	56.7	0.46	4,708	2.6
K2 Probable	0.6	0.57	30.18	7.02	62.2	0.50	5,347	0.8
Sub Total Probable	6.1	0.61	35.00	7.11	57.3	0.46	4,775	2.4
K1 Proved	13.4	0.63	34.49	7.08	57.9	0.47	4,828	2.1
K2 Proved	9.6	0.65	31.24	7.02	62.6	0.47	5,277	1.0
Sub Total Proved	22.9	0.64	33.14	7.06	59.9	0.47	5,015	1.6
Total Proved + Probable	29.0	0.63	33.53	7.07	59.32	0.47	4,965	1.8

Table 1: Caotang Mine K1 and K2 Seam JORC Code Compliant Reserve Estimates.

There is an additional Exploration Target with a range from 5.3-6.6 million tonnes for seam K3 with the quality parameters anticipated to be 5,500 - 5,800 kcal/kg CV with 2.0 - 3.0% as received (ar) moisture content, 26.0 - 31.0% ash, 1.2 -2.5% total sulphur and 0.04-0.08% phosphorus. The Exploration Target is conceptual in nature as there has been insufficient exploration sampling to define a mineral resource under JORC guidelines and it is uncertain whether further exploration will eventually result in the determination of a mineral resource. This conceptual target may or may not be outlined with future work, either in whole or in part.

Heiwan Mine

A total of 114 K3 channel sample results taken during mine production at approximately 50m intervals along the mine headings were available for estimation purposes. In addition there are 12 underground drillholes that provide 12 intersections into each of the K1 and K2 seams.

Reserve	Mt	H ₂ O %	Ash %	Vol %	FC %	S %	CV kcal/kg	Thickness m
K1 Probable	0.3	0.77	25.68	6.59	66.5	0.98	5,667	0.9
K2 Probable	0.2	0.99	26.24	7.18	65.6	0.45	5,710	0.5
Sub Total Probable	0.5	0.85	25.87	6.79	66.2	0.80	5,682	0.7
K1 Proved	2.9	0.72	25.43	6.72	66.6	0.96	5,706	0.9
K2 Proved	1.7	0.86	26.20	7.25	65.7	0.44	5,728	0.5
K3 Proved	0.8	0.67	31.54	6.97	61.0	0.57	5,117	0.5
Sub Total Proved	5.5	0.76	26.59	6.93	65.5	0.74	5,625	0.7
Total Proved + Probable	6.0	0.76	26.53	6.92	65.6	0.74	5,630	0.7

Table 2: Heiwan Mine K1, K2 and K3 Seams Summary of JORC Compliant Reserve Estimates.

Exploration Target estimates have only been completed for the K4 and K5 seams.

Mine	Seam	Mt		Mt
Heiwan	K4	0.8	to	0.9
Heiwan	K5	0.6	to	0.8
Total		1.4	to	1.7

Table 3: Heiwan Mine Summary of Exploration Target Estimates.

Exploration Target estimates in total range between 1.4 to 1.7 million tonnes for seams K4 and K5 with the range for quality parameters anticipated to be from 5,300-6,100kcal/kg with 2.0-3.0% ar moisture, 22.0-28.0%ash, total sulphur from 0.3-3.0% and phosphorous from 0.005-0.010%. These Exploration Targets are conceptual in nature since there has been insufficient exploration sampling to define a mineral resource under JORC guidelines. It is uncertain whether further exploration will eventually result in the determination of a mineral resource so these conceptual targets may or may not be outlined with future work, either in whole or in part.

Wushan Mine

There is no underground channel data available so the 25 drillholes that provide 13 K1 and 21 K2 seam intersections were modelled using an ID² algorithm with Minemap© software.

Reserve	Mt	H ₂ O %	Ash %	Vol %	FC %	S %	CV kcal/kg	Thickness m
K1 Probable	21.6	0.57	27.94	6.81	61.1	0.64	5,530	1.9
K2 Probable	11.5	0.51	28.63	6.93	63.9	0.47	5,483	1.5
Sub Total Probable	33.1	0.55	28.18	6.85	62.1	0.58	5,514	1.7
K1 Proved	17.8	0.59	28.39	6.81	61.6	0.65	5,501	1.8
K2 Proved	18.9	0.62	28.76	6.96	63.7	0.47	5,450	1.5
Sub Total Proved	36.7	0.61	28.58	6.89	62.7	0.56	5,475	1.7
Total Proved + Probable	69.8	0.58	28.39	6.87	62.4	0.57	5,494	1.7

Table 4: Wushan Mine K1 and K2 Seams Summary of JORC Code Compliant Reserve Estimates.

Resource	Mt	H ₂ O %	Ash %	Vol %	FC %	S %	CV kcal/kg	Thickness m
K1 Inferred	21.4	0.5	28.0	6.8	63.1	0.7	5,543	1.9
K2 Inferred	10.8	0.5	28.7	7.0	63.8	0.5	5,477	1.6
Total Inferred	32.2	0.5	28.2	6.8	63.3	0.6	5,521	1.8

Table 5: Wushan Mine K1 and K2 Seams Summary of JORC Code Compliant Resource Estimates.

Mine	Seam	Mt		Mt
Wushan	K1	5.3	to	6.6
Wushan	K2	2.3	to	2.9
Total		7.6	to	9.5

Table 6: Wushan Mine Summary of Exploration Target Estimates.

Exploration Target estimates in total range between 7.6-9.5 million tonnes for seams K1 and K2 with the range for quality parameters anticipated to be from 5,300-6,100kcal/kg with 2.0-3.0% ar moisture, 22.0-28.0%ash, total sulphur from 0.3-3.0% and phosphorous from 0.005-0.010%. These Exploration Targets are conceptual in nature since there has been insufficient exploration sampling to define a mineral resource under JORC guidelines. It is uncertain whether further exploration will eventually result in the determination of a mineral resource so these conceptual targets may or may not be outlined with future work, either in whole or in part.

Changhong Mine

The number of drillhole intercepts and channel sample points to assist resource estimates are 4 points for M5, 54 for M6, 4 for M7, 15 for M8, 1 on M10 and 2 for M12.

Reserve	Mt	H ₂ O %	Ash %	Vol %	FC %	S %	CV kcal/kg	Thickness m
M7 Probable	6.5	0.47	17.87	8.97	56.0	2.55	6,945	6.7
M8 Probable	0.1	0.50	17.29	9.00	73.3	2.64	6,824	10.0
Sub Total Probable	6.5	0.47	17.86	8.97	56.2	2.55	6,943	6.7
M6 Proved	8.6	0.50	18.29	8.66	72.5	2.73	6,571	13.1
M8 Proved	5.7	0.51	17.80	9.16	72.6	2.61	6,936	10.4
Sub Total Proved	14.2	0.50	18.09	8.86	72.6	2.68	6,716	12.0
Total Proved + Probable	20.8	0.49	18.02	8.89	67.4	2.64	6,788	10.3

Table 7: Changhong Mine M6, M7 and M8 Seams Summary of JORC Code Compliant Reserve Estimates.

Resource	Mt	H ₂ O %	Ash %	Vol %	FC %	S %	CV kcal/kg	Thickness m
M5	3.6	0.5	19.4	9.2	70.8	2.5	7,101	3.8
M7	0.1	0.5	17.9	9.0	55.9	2.5	6,961	6.6
M12	6.0	0.6	20.0	9.3	70.5	2.6	7,098	6.3
Total Inferred	9.7	0.5	19.7	9.3	70.5	2.6	7,098	5.4

Table 8: Changhong Mine M5, M7 and M12 Seams Summary of JORC Code Compliant Resource Estimates.

Exploration Target estimates have only been completed for the M5, M10 and M12 seams.

Mine	Seam	Mt		Mt
Changhong	M5	1.1	to	1.4
Changhong	M10	3.7	to	4.7
Changhong	M12	0.6	to	0.8
Total		5.5	to	6.8

Table 9: Changhong Mine Summary of Exploration Target Estimates.

Exploration Targets in total range between 5.5-6.8 million tonnes for seams M5, M10 and M12 with the range for quality parameters anticipated to be from 6,500-7,100kcal/kg with 1.0-2.0%ar moisture, 17.0-19.0%ash, total sulphur from 2.0-3.0% and phosphorous from 0.005-0.010%. These Exploration Targets are conceptual in nature since there has been insufficient exploration sampling to define a mineral resource under JORC guidelines. It is uncertain whether further exploration will eventually result in the determination of a mineral resource so these conceptual targets may or may not be outlined with future work, either in whole or in part.

JORC Compliance and Resource Estimation Parameters

All the sampling, both drilling and underground channel sampling, that the resource estimates are based on were collected following JORC compliant procedures that ensured representative and unbiased samples were obtained with appropriate QA/QC practices in place. All the coal qualities were obtained from approved independent laboratories that also followed JORC compliant procedures for QA/QC. All the resources were estimated by gridding the sampling data with MineMap© software using an Inverse Distance Squared (ID²) algorithm by an experienced JORC competent person.

AM&A opines that on the basis of appropriate drilling, underground sampling, sampling QA/QC and resource estimate methods used earlier by Chinese Exploration Brigades and recently by BGG personnel that the data is acceptable for JORC Code compliant estimates.

Data was modelled using an ID² algorithm with Minemap © software for a JORC Code compliant estimate. Channel sample results or the detailed geological logs of drill holes were incorporated where possible with seam intersections thicknesses. Summary cross sections are available and were used to help obtain seam volumes based on mining seams >0.4m in thickness and <50% ash.

Proved Reserves have been defined as those within a maximum search radius of 500m from a sample point. The volume from the Measured Resource estimate was then discounted by 15% to allow for mining and pillar losses. No further dilution or mining losses were applied.

Probable Reserves have been defined as the Indicated Resources within a 500 - 1000m search radius of a sample point around the Proved Reserves where the Indicated Resource estimate was discounted by 15% to allow for mining and pillar losses. No further dilution or mining losses were applied.

Inferred Resources were defined as the resources within a 1,000-2,000m search radius of a sample point. Any remaining potential coal along strike and down dip but outside the 2000m envelope within the Mining Permits and confined within the outcrop of the mapped coal seams was then classified as an Exploration Target with its volume discounted to 80%.

Exploration Targets are estimated from both known and interpreted dimensions of the various coal seams (length, width, thickness) and converted to a target tonnage range using known bulk densities and coal quality parameters.

Summary

The four mines have combined JORC Code compliant Proved and Probable Reserves of 125.6 million tonnes with an average CV of 5592kcal/kg with a moisture content (ar) of 0.59%, an ash content of 27.78%, and total sulphur 0.9%. Total Inferred Resources are 41.9 million tonnes with an average Calorific Value (“CV”) of 5886kcal/kg with a moisture content (ar) of 0.5%, an ash content of 26.3%, and total sulphur 1.1% (Tables 1 and 2).

Mine	Seam	Category	Mt	H ₂ O %	Ash %	VOL %	FC %	S %	CV kcal/kg	Thickness m
Caotang	K1, 2	Probable	6.1	0.61	35.00	7.11	57.3	0.46	4,775	2.4
Heiwan	K1,2,	Probable	0.5	0.85	25.87	6.79	66.2	0.80	5,682	0.7
Wushan	K1, 2	Probable	33.1	0.55	28.18	6.85	62.1	0.58	5,514	1.7
Changhong	M7, 8	Probable	6.5	0.47	17.86	8.97	56.2	2.55	6,943	6.7
Sub Total		Probable	46.2	0.55	27.60	7.18	60.7	0.85	5,620	2.5
Caotang	K1, 2	Proved	22.9	0.64	33.14	7.06	59.9	0.47	5,015	1.6
Heiwan	K1,2,3	Proved	5.5	0.76	26.59	6.93	65.5	0.74	5,625	0.7
Wushan	K1, 2	Proved	36.7	0.61	28.58	6.89	62.7	0.56	5,475	1.7
Changhong	M6, 8	Proved	14.2	0.50	18.09	8.86	72.6	2.68	6,716	12.0
Sub Total		Proved	79.4	0.61	27.88	7.29	63.8	0.93	5,575	3.4
Total Proved+ Probable		Proved+ Probable	125.6	0.59	27.78	7.25	62.7	0.90	5,592	3.1

Table 10: Blackgold Coal Mines JORC Code Compliant Reserves.

Mine	Seam	Category	Mt	H ₂ O %	Ash %	VOL %	FC %	S %	CV kcal/kg	Thickness m
Wushan	K1,2	Inferred	32.2	0.5	28.3	6.8	63.3	0.6	5,521	1.8
Changhong	M5,7,1 2	Inferred	9.7	0.5	19.7	9.3	70.5	2.6	7,098	5.4
Total		Inferred	41.9	0.5	26.3	7.4	65.0	1.1	5,886	2.6

Table 11: Blackgold Coal Mines JORC Code Compliant Inferred Resources.

Mine	Seam	Mt		Mt
Caotang	K3	5.3	to	6.6
Heiwan	K4, 5	1.4	to	1.7
Wushan	K1 & 2	7.6	to	9.5
Changhong	M5,10 & 12	5.4	to	6.8
Total		19.7	to	24.6

Table 12: Blackgold Coal Mines Summary of Exploration Targets.

Total Exploration Targets range between 20-24 million tonnes with the range for quality parameters anticipated to be from 5,500-7,100kcal/kg with 1.0-2.0% ar moisture, 17.0-29.0%ash, total sulphur from 1.0-3.0% and phosphorous from 0.005-0.010%. These Exploration Targets are conceptual in nature since there has been insufficient exploration sampling to define a mineral resource under JORC guidelines. It is uncertain whether further exploration will result eventually in the determination of mineral resources so these conceptual targets may or may not be outlined with future work, either in whole or in part.

On behalf of the Board

Yu Guo PENG

Executive Director / Chief Executive Officer

Competent Person Statement

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Brian Vardell, who is a Fellow member of the Australasian Institute of Mining and Metallurgy and independent consultant to the Company. Mr. Vardell is an associate of Al Maynard & Associates and has over 40 years of exploration and mining experience in a variety of mineral deposit styles including coal and iron ore mineralisation. Mr. Vardell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves”. Mr. Vardell consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

Certain statements included in this announcement may 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, metal 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.

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 Wushan MaoJia Wang Coal Mine in Wushan County, Chongqing in the PRC and the QiJiang ChangHong Mine in the area bordering Xishui County of Guizhou and QiJiang County of Chongqing

