



BLACKGOLD INTERNATIONAL HOLDINGS LIMITED

ACN 145 095 478

(ASX CODE: BGG)

19 April 2011

The Manager
Company Announcements Office
Australian Securities Exchange Limited

**BGG ANNOUNCES ACQUISITION OF THE MAOJIAWANG THERMAL COAL MINE
IN WUSHAN COUNTY**

On 1 March 2011 Blackgold International Holdings Limited ("Blackgold" or "the Company") announced that it had entered into a Heads Of Agreement to acquire a 100% interest in the Wushan Maojiawang Coal Mine ("WuShan") for a cash consideration of RMB 80 million (approx. AUD \$11,67 million). The acquisition was subject to Blackgold completing satisfactory due diligence, execution of a definitive agreement and receipt of the necessary approvals from the relevant PRC authorities. Blackgold is pleased to confirm that it has satisfactorily completed its due diligence investigations and has executed the Equity Transfer Agreement with the vendor Fengjie Xinyu Mining Products Co. Limited and Yihu Yi and has received approval on the acquisition from the authorities of the government of the People's Republic of China in the ordinary course of business. The WuShan Maojiawang Coal Mine mining lease covers 29.96km² in a central location of Wushan County some 8km south of the Yangtze River. The Maojiawang No. 1 Mine Area has a production permit that covers 2.83km² with approval to develop two production adits and one ventilation adit at the Zhoujiabo Section. A production permit application covering the remainder of the main lease will be submitted during the year and upon approval development will continue on the existing production adit and ventilation shaft situated at the Maojiawang No. 2 Mine Area at the Shibeiya Section.

Blackgold CEO and Executive Director Mr Yu Guo Peng said "We are delighted to have secured the acquisition of WuShan for the Company. The WuShan Mine has excellent infrastructure and is extremely well located because of its immediate proximity to the Yangtze River which offers very low cost transportation for our major power plant customers. We estimate that WuShan should commence production during the second half of year 2011 and on that basis would contribute up to 200,000 tonnes of additional coal production for this calendar year."

Blackgold has a planned annual production capacity of 1.3 million tonnes per annum by 2013 from the WuShan Mine which will significantly increase existing production. With the acquisition of the WuShan Mine the revised production targets for the Group are as follows:

<i>(Unit: million tonnes)</i>	Calendar Year		
	2011	2012	2013
Caotang Mine	0.8	1.0	1.5
Heiwan Mine	0.2	0.3	0.5
WuShan Mine	0.2	0.4	1.3
TOTAL	1.2	1.7	3.3

Wushan has a conceptual target mineralisation estimate of approximately 46 million tonnes based on a previous non-JORC estimate of resources by the Chongqing 136th Geologist Brigade of the state undertaken in 2005. The target mineralisation estimates are conceptual in nature as there has been insufficient exploration to define a mineral resource under JORC guidelines and it is uncertain whether further exploration will result in the determination of a mineral resource. This conceptual target may or may not be outlined with future work, either in whole or part.

The management of the Company has revised the year 2012 production targets for Caotang Mine and Heiwan Mine stated in the Prospectus dated 29 September 2010, Section 2 Company and project overview. In the Prospectus, the targeted production of Caotang Mine and Heiwan mine for the year is 950,000 tonnes and 250,000 tonnes respectively. The management has also targeted the production of Caotang Mine and Heiwan Mine in year 2013 and expects significant increase with the investment of the proceeds raised from the listing of the Company to increase the productivity.

The Company has appointed Al Maynard and Associates Pty Ltd ("AM&A") as independent and duly qualified geologists to undertake the additional exploration and analysis work required to investigate JORC defined resources at WuShan. AM&A have indicated that they expect such an estimate can be completed within three months of receipt of final drill data. AM&A have also been retained to undertake further geological evaluation at the existing Caotang and Heiwan mines with a view towards further increasing the JORC defined resources located there. Blackgold will release ongoing updates as soon as results are available.

Yours faithfully

For and on behalf of

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED

Yu Guo PENG

Executive Director / Chief Executive Officer

Competent Person's Statement

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a corporate member of the Australasian Institute of Mining and Metallurgy and independent consultant to the Company. Mr Varndell is an associate of Al Maynard & Associates and has over 35 years of exploration and mining experience in a variety of mineral deposit styles including coal mineralisation. Mr Varndell 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, Mineral Resources and Ore Reserves". Mr Varndell consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

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 after closing its Initial Private Offering oversubscribed. 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.