



# BLACKGOLD INTERNATIONAL HOLDINGS LIMITED

ACN 145 095 478  
(ASX CODE: BGG)

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23 August 2011

The Manager  
Company Announcements Office  
Australian Securities Exchange Limited

## BLACKGOLD ANNOUNCES QIJIANG CHANGHONG COAL MINE ACQUISITION

Blackgold International Holdings Limited (ASX: **BGG**) (the “**Company**”) is pleased to announce that it has entered into a Share Transfer Agreement to acquire a 100% interest in Qijiang Changhong Coal Industry Co., Ltd. (“**Changhong Coal Industry**”) which is the holder of the mining rights to the QiJiang ChangHong Coal Mine situated in Qijiang County, Chongqing, People’s Republic of China (“**PRC**”).

Pursuant to the Share Transfer Agreement, the Company will acquire all of the shares of Changhong Coal Industry for consideration of RMB 98 million (approximately A\$14.9 million) conditional upon the Company obtaining a new business license from the Qijiang Industry & Commerce Administration Bureau.

The QiJiang ChangHong Coal Mine is located within 50km of the Company’s existing office in Chongqing. The Mine is located in the area bordering Xishui County of Guizhou and Qijiang County of Chongqing (see attached map). The mine contains 2 existing adits (horizontal entrances to underground mines) together with ventilation and access shafts and ancillary infrastructure including power, piped water, access roads and buildings.

The QiJiang ChangHong Coal Mine has been the subject of extensive local exploration and development in the past. However, pursuant to the ASX Listing Rules and ASX guidance, the results of these previous geological evaluations have not been disclosed in this announcement as they were undertaken under the geological standards and practices of the PRC and not in accordance with the Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves (“**JORC Code**”). Neither Changhong Coal Industry or the Company have presently defined a JORC Code compliant ore reserve or mineral resource with respect to the QiJiang ChangHong Coal Mine, and as such, in accordance with the JORC Code, there remains insufficient certainty with respect to whether economically mineable mineralisation exists in the QiJiang ChangHong Coal Mine to reliably estimate future production. For this reason, the Company is unable to provide a production target for the QiJiang ChangHong Coal Mine at this time.

It is the Company's intention to undertake an evaluation of the QiJiang ChangHong Coal Mine as soon as possible to convert the existing PRC geological data into data that is compliant with the JORC Code.

With more than 12 years of coal mining operational experience in the PRC, the Company is satisfied with the basis of its understanding and interpretation of the available PRC geological data so as to execute the Share Transfer Agreement to acquire Changhong Coal Industry.

This acquisition is consistent with the Company's plans disclosed in its 2010 IPO prospectus. Additional evaluation of the QiJiang ChangHong Coal Mine is planned with the intention of enhancing the Company's assessed coal resources.

On behalf of the Board

**Yu Guo Peng**

Executive Director and  
Group Chief Executive Officer

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**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 three existing underground thermal coal mines, the Caotang Mine and the Heiwan Mine in Fengjie County, Chongqing in the PRC and the Wushan MaoJia Wang Coal Mine in Wushan County, Chongqing in the PRC.

