



BLACKGOLD INTERNATIONAL HOLDINGS LIMITED

**ACN 145 095 478
(ASX CODE: BGG)**

11 October 2011

The Manager
Company Announcements Office
Australian Securities Exchange Limited

BLACKGOLD ANNOUNCES MAIDEN JORC RESOURCE AT WUSHAN MAOJIAWANG MINE AND JORC RESOURCE UPGRADE FOR HEIWAN MINE

HIGHLIGHTS:

Wushan MaoJiaWang Mine

- **JORC Code compliant Measured Resource of 43.2Mt; Indicated Resource of 38.94Mt and Inferred Resource of 32.17Mt.**
- **Medium quality thermal coal with medium calorific value, reasonable ash, low moisture and medium to low sulphur content**
- **Additional Target Mineralisation of 9Mt to 10Mt with exploration completed over the main potential coal areas of the concession**
- **Development at the Maojiawang No1 area has commenced with 260m of development in the primary access adit completed**
- **Ongoing development of both sections of the mine will proceed on schedule**

Heiwan Mine

- **For the K1 and K2 seams the Measured Resource Estimate increased by 5.87Mt and Indicated Resource increased by 0.62Mt after conversion of the original K1 and K2 Target Mineralisation using close spaced underground drilling downwards from the K3 development workings.**
- **Medium quality thermal coal with medium calorific value, high ash, low moisture and low sulphur**
- **Exploitation access is now being planned**
- **An update of the K3 resources and reserves is currently in progress**

Blackgold International Holdings Limited (ASX: **BGG**) (“**Blackgold**”, the “**Company**”) has recently completed a maiden JORC Code compliant Resource estimate for its Wushan MaoJiaWang Mine together with a Resource upgrade for the K1 and K2 seams at its Heiwan Mine in Chongqing, China.

Blackgold’s CEO, Mr Yu Guo Peng, said that the maiden JORC Code compliant resource result at Wushan is a very good outcome by significantly increasing the resource base for the Company. At Wushan, development of access at the new working section is on schedule and this will aid increased Company output during 2012. We will now also work on planning access to the new K1 and K2 resources at Heiwan.

Wushan MaoJiaWang Mine – Maiden JORC Compliant Resource

Al Maynard & Associates Pty Ltd (AM&A) were engaged as independent and duly qualified geologists to undertake the geological exploration and evaluation work required to convert existing PRC geological data into JORC Code compliant resources at Wushan MaoJiaWang Mine. AM&A identified a Measured Resource of 43.2Mt, Indicated Resource of 38.94Mt and Inferred Resource of 32.17Mt.

Measured, Indicated and Inferred Resources with coal quality for the Wushan MaoJiaWang Mine is presented in Table 1 below.

	JORC-Code compliant Coal Resources							
	Tonnes Mt	Thickness m	Moisture %	Ash %	Volatile %	FC %	Sulphur %	CV ar
Inferred K2	10.78	1.63	0.51	28.74	6.96	63.78	0.47	5,476.88
Inferred K1	21.40	1.91	0.53	28	6.76	63.1	0.7	5,542.69
Total Inferred	32.17	1.82	0.52	28.25	6.83	63.33	0.62	5,520.65
Indicated K2	13.53	1.45	0.51	28.63	6.93	63.93	0.47	5,483.11
Indicated K1	25.41	1.85	0.57	27.94	6.81	61.11	0.64	5,530.36
Total Indicated	38.94	1.71	0.55	28.18	6.85	62.09	0.58	5,513.95
Measured K2	22.24	1.51	0.62	28.76	6.96	63.65	0.47	5,450.43
Measured K1	20.96	1.80	0.59	28.39	6.81	61.61	0.65	5,501.26
Total Measured	43.20	1.65	0.61	28.58	6.89	62.66	0.56	5,475.09

These Resource estimates are based on 25 diamond drill holes totalling 16,783.93 metres drilled from the surface. Measured Resource estimates are <500m, Indicated Resources between 500 – 1,000m and Inferred Resources between 1,000 – 2,000m of the nearest drill intersections.

In addition to the above Resources, an exploration Target Mineralisation of between 9Mt to 10Mt with a range in CV from 5,200 to 5,600kcal/kg, 27 – 29% ash, 0.4– 0.8% Sulphur and 0.5 – 1.0% Moisture has been estimated based on the drilling¹. This exploration Target Mineralisation estimate is between 1,000m and 2,000m of a drill hole intersection of the seam.

The Wushan MaoJiaWang Mine now has limited potential to significantly further increase the JORC resource base as the majority of the concession down-dip of the seam outcrops has been covered by this exploratory drilling.

Portions of the tenement covered by these estimates are presented in Figures 1 and 2.

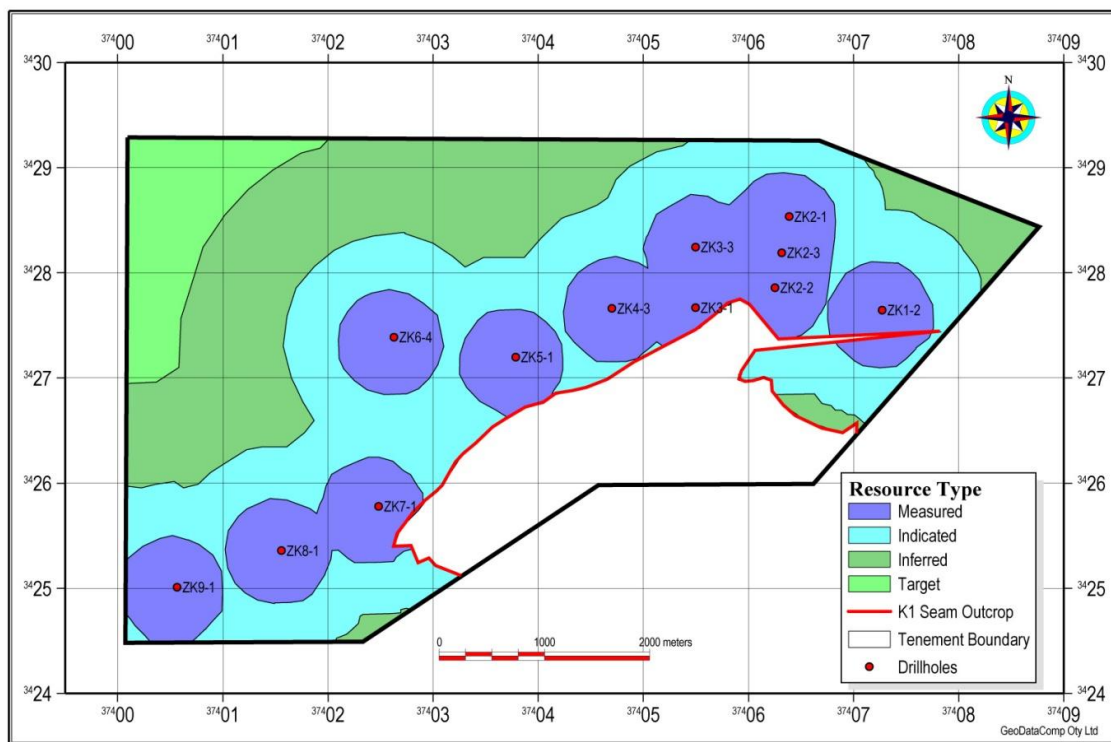


Figure 1: Wushan MaoJiaWang K1 Seam – Resource categories around drillhole intersections

¹ The exploration Target Mineralisation estimates are conceptual in nature as there has been insufficient exploration to define this target as a mineral resource under JORC guidelines and it is uncertain whether further exploration will result in the determination of this coal resource. This conceptual target may or may not be outlined with future work, either in whole or part. It remains uncertain whether the target mineralisation will ever become economically mineable.

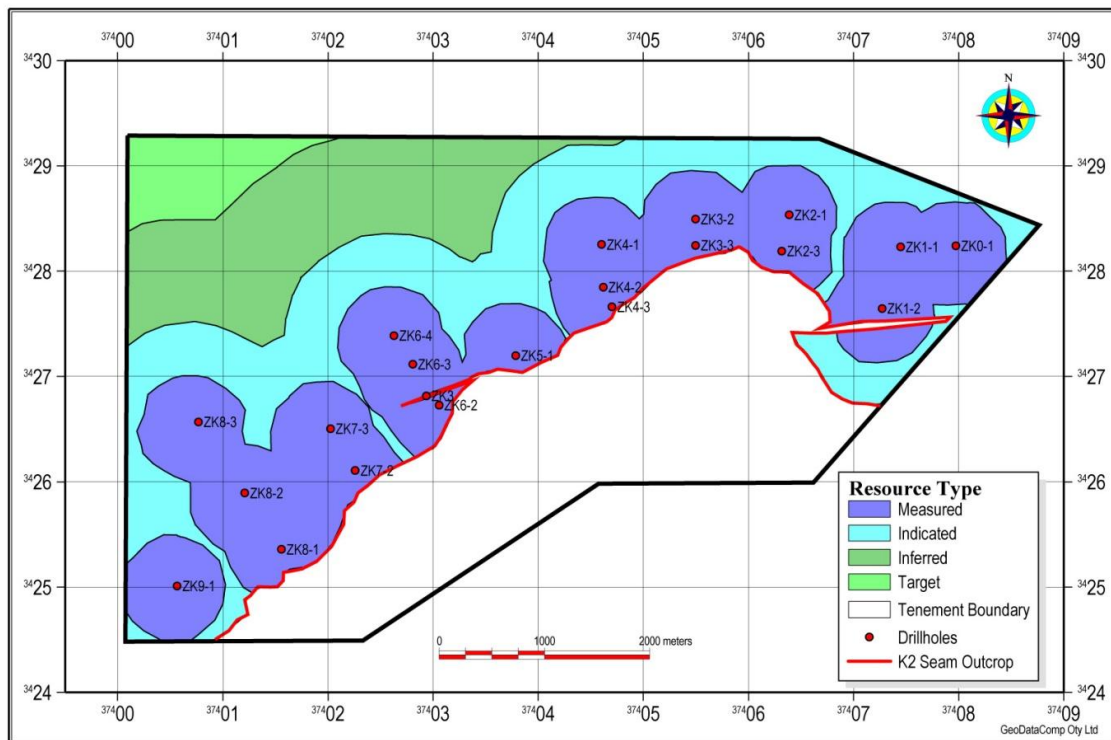


Figure 2: Wushan MaoJiaWang K2 Seam - Resource categories around drillhole intersections

Heiwan Mine – K1 and K2 seams Resource Upgrade

AM&A were also engaged to undertake the geological exploration and evaluation work required to upgrade the already JORC Code compliant K1 and K2 Resource at the Heiwan Mine. This work resulted in a K1 and K2 Resource upgrade of Measured Resource by 5.87MT and Indicated Resource upgrade by 0.62Mt totalling 6.49Mt.

Please refer to the Company's previous announcements, quarterly activity statements and prospectus for further details regarding production and reserves at Heiwan mine.

Upgraded K1 and K2 Measured and Indicated Resources with coal quality for the Heiwan Mine is presented in Table 2 below.

	JORC-compliance Upgraded Resources							
	Tonnes Mt	Thickness M	Moisture %	Ash %	Volatile %	FC %	Sulphur %	CV ar
Indicated K2	0.21	0.45	0.99	26.24	7.18	65.59	0.45	5,710.11
Indicated K1	0.41	0.86	0.77	25.68	6.59	66.46	0.98	5,667.38
Total Indicated	0.62	0.72	0.85	25.87	6.79	66.16	0.80	5,682.06
Measured K2	2.20	0.51	0.86	26.20	7.25	65.70	0.44	5,728.03
Measured K1	3.67	0.85	0.72	25.43	6.72	66.63	0.96	5,705.79
Total Measured	5.87	0.72	0.77	25.72	6.92	66.28	0.77	5,714.13

These Heiwan K1 and K2 resource estimates are based on twelve diamond drill holes totalling 1,382.12 metres collared in the K3 mine development above. Measured Resources estimates are within 500m and Indicated Resources between 500 – 1,000m of the nearest drill intersection. Planning of development options to extract these resources is now being implemented.

The K1 and K2 coal resources have now been defined throughout the concession.

Revision of the K3 Reserves and Resources taking into account recent sampling results and mining since the last estimate awaits the arrival of additional assay data before the exercise can be completed.

The breakdown coverage of the tenement by these estimates is presented in Figures 3 and 4.

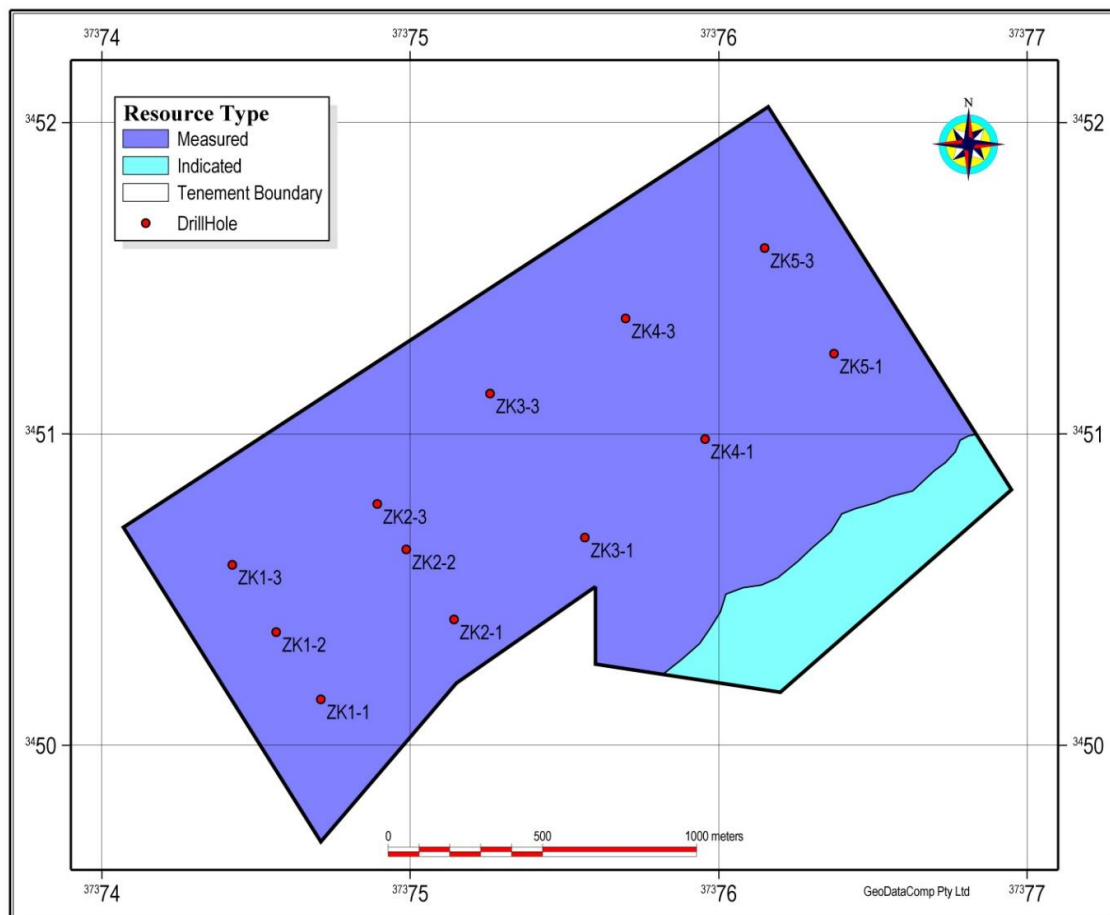


Figure 3: Heiwan K1 Seam - Resource categories around drillhole intersections.

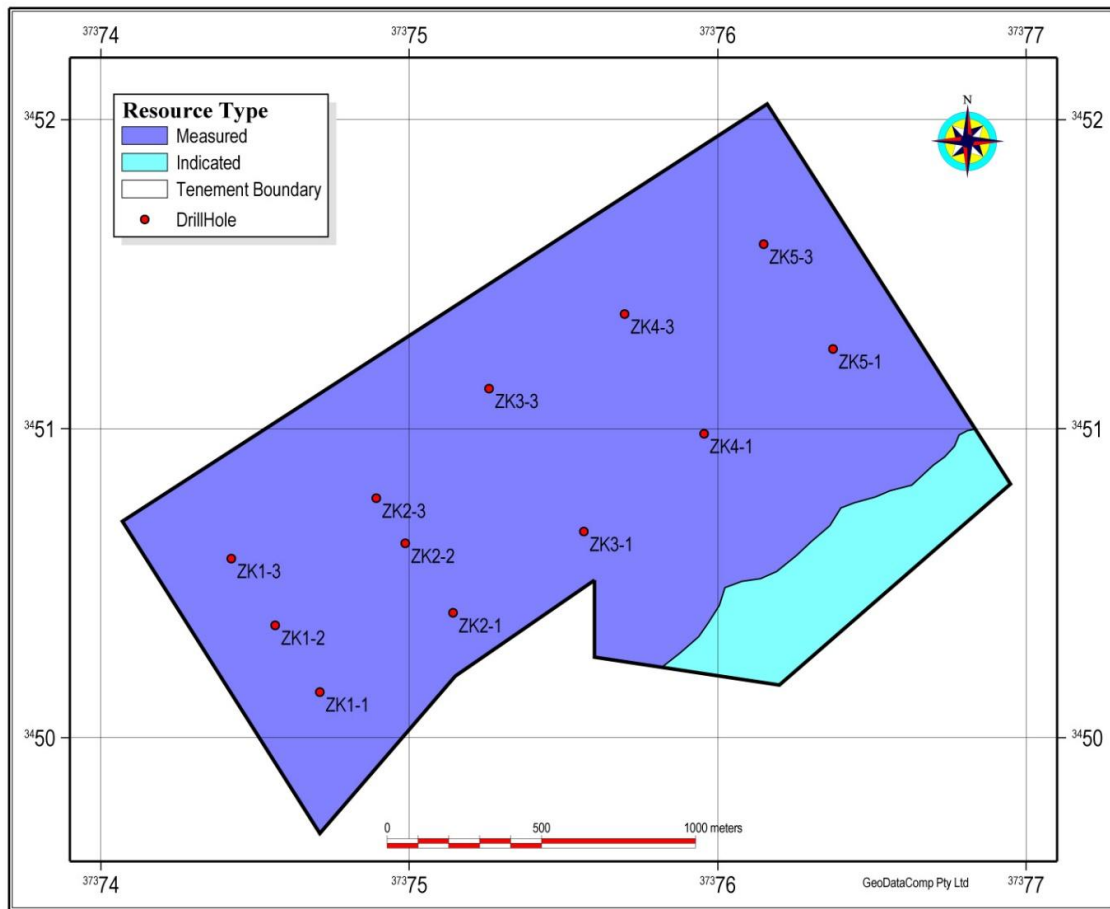


Figure 4: Heiwan K2 Seam - Resource categories around drillhole intersections.

Continuing Exploration Programs

The Company has also commissioned AM&A to undertake further geological exploration and evaluation work required in order to convert existing PRC geological data into JORC defined resources at the newly acquired QiJiang ChangHong Mine and to upgrade the remaining current JORC defined resources and reserves at the Heiwan and Caotang Mines.

On behalf of the Board

Yu Guo Peng

Executive Director and
Group Chief Executive Officer

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For more information, please contact:

Teck Meng Lim

Financial Controller

Blackgold International Holdings Limited

Email: ltm@blackgoldglobal.net

Tel: +86 1388 3532 451

Karen Oswald/ Warrick Hazeldine

Purple Communications

Email: KOswald@purplecom.com.au

WHazeldine@purplecom.com.au

Tel: +61 8 6314 6300

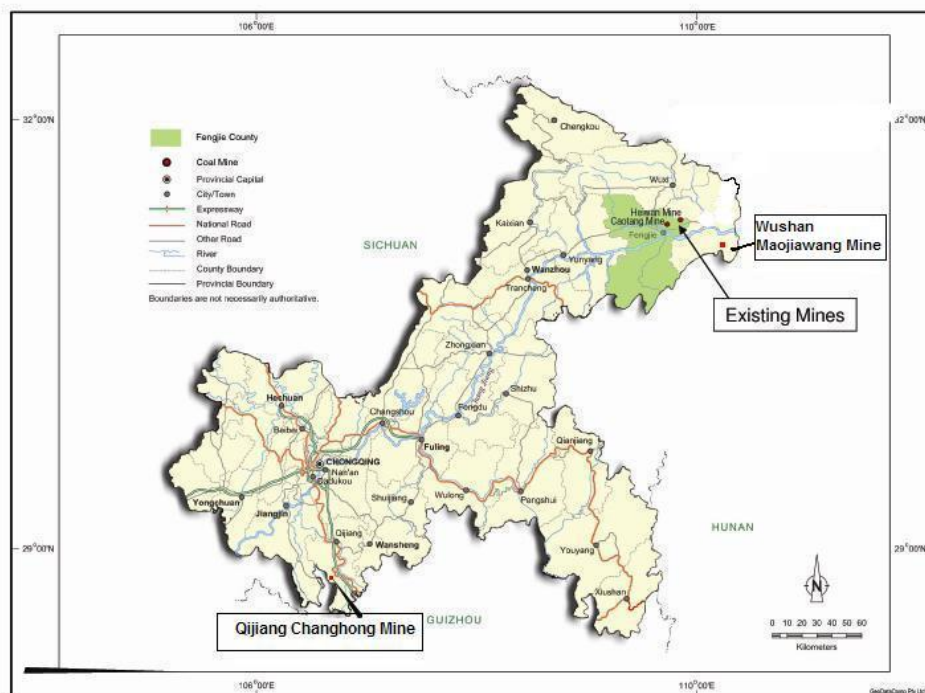
Competent Person's Statement

The information in this report which relates to Exploration Results, Coal Resources or Coal Reserves is based on information compiled by Mr Brian Varndell, who is a corporate Fellow 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. 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



Appendix I

Wushan Drillhole Collars and Key Intersections.

HoleID	Northing	Easting	Key Intersections from (m) to (m)		Width (m)	Coal Seam	Sample #
ZK3	3426817.4	37402933.6					
ZK0-1	3428242.9	37407971.2	1081.43	1082.88	1.45	K2	ZK0-1-K2
ZK1-1	3428233.0	37407445.6	1081.63	1082.88	1.25	K2	ZK1-1-K2
ZK1-2	3427648.5	37407270.0	305.46	306.65	1.19	K2	ZK1-2-K2
ZK1-2			847.29	849.17	1.88	K1	ZK1-2-K1
ZK2-1	3428536.5	37406385.3	406.4	407.39	0.99	K2	ZK2-1-K2
ZK2-1			938.01	939.66	1.65	K1	ZK2-1-K1
ZK2-2	3427861.4	37406251.1	504.39	506.06	1.67	K1	ZK2-2-K1
ZK2-3	3428192.9	37406316.0	126.63	127.27	0.64	K2	ZK2-3-K2
ZK2-3			667.91	669.49	1.58	K1	ZK2-3-K1
ZK3-1	3427670.0	37405494.0	135.04	136.35	1.31	K1	ZK3-1-K1
ZK3-2	3428496.7	37405495.6	367.86	368.67	0.81	K2	ZK3-2-K2
ZK3-3	3428248.0	37405495.0	145.76	146.55	0.79	K2	ZK3-3-K2
ZK3-3			572.51	573.97	1.46	K1	ZK3-3-K1
ZK4-1	3428255.3	37404599.9	643.41	645.68	2.27	K2	ZK4-1-K2
ZK4-2	3427850.2	37404616.2	203.83	204.34	0.51	K2	ZK4-2-K2
ZK4-3	3427663.0	37404700.0	66	66.49	0.49	K2	ZK4-3-K2
ZK4-3			460.7	461.17	0.47	K1	ZK4-3-K1
ZK5-1	3427201.4	37403783.0	68.8	71.15	2.35	K2	ZK5-1-K2
ZK5-1			545.28	547.75	2.47	K1	ZK5-1-K1 (Up)
ZK5-1			561.29	562.89	1.6	K1	ZK5-1-K1 (Down)
ZK6-1	3426390.4	37403276.7	490.57	493.11	2.54	K2	ZK6-1-K2
ZK6-2	3426730.3	37403055.5	516.23	517.8	1.57	K2	ZK6-2-K2
ZK6-3	3427117.2	37402803.8	889.57	891.17	1.6	K2	ZK6-3-K2
ZK6-4	3427389.7	37402626.6	516.23	517.8	1.57	K2	ZK6-4-K2
ZK6-4			1080.6	1082.64	2.04	K1	ZK6-4-K1
ZK7-1	3425781.1	37402480.6	784.19	787.42	3.23	K1	ZK7-1-K1
ZK7-2	3426108.9	37402258.0	587.31	589.37	2.06	K2	ZK7-2-K2
ZK7-3	3426506.7	37402022.4	904.45	906.21	1.76	K2	ZK7-3-K2
ZK8-1	3425360.0	37401553.7	92.8	95.07	2.27	K2	ZK8-1-K2
ZK8-1			294.03	295.39	1.36	K1	ZK8-1-K1
ZK8-2	3425894.2	37401207.0	674.72	676.7	1.98	K2	ZK8-2-K2
ZK8-3	3426570.8	37400766.6	959.68	960.48	0.8	K2	ZK8-3-K2
ZK9-1	3425011.9	37400563.5	158.22	160.64	2.42	K2	ZK9-1-K2
ZK9-1			489.8	491.5	1.7	K1	ZK9-1-K1

Wushan Drilling Key Intersection Assay Results

HoleID	Sample #	Moisture %	Ash %	Volatile %	FC %	Sulphur %	Cvar
ZK0-1	ZK0-1-K2	1.11	32.19	7.02	59.68	0.51	5166
ZK1-1	ZK1-1-K2	0.82	24.62	6.92	67.64	0.49	5489
ZK1-2	ZK1-2-K2	0.33	31.82	7.2	60.65	0.47	5189
ZK1-2	ZK1-2-K1	0.64	25.52	7.11	40.57	0.53	5564
ZK2-1	ZK2-1-K2	0.65	33.98	6.9	58.47	0.44	5092
ZK2-1	ZK2-1-K1	0.76	29.1	7.02	63.12	0.52	5407
ZK2-2	ZK2-2-K1	0.38	30.97	7.45	61.2	0.49	5335
ZK2-3	ZK2-3-K2	0.38	27.69	7.01	64.92	0.53	5545
ZK2-3	ZK2-3-K1	1.45	28.62	6.86	63.07	0.46	5652
ZK3-1	ZK3-1-K1	0.32	29.49	6.95	63.24	0.51	5316
ZK3-2	ZK3-2-K2	0.72	29.03	7	63.25	0.47	5471
ZK3-3	ZK3-3-K2	1.78	29.6	6.98	61.64	0.48	5259
ZK3-3	ZK3-3-K1	0.27	27.09	6.88	65.76	0.5	5619
ZK4-1	ZK4-1-K2	0.24	27.82	7.83	64.11	0.43	5632
ZK4-2	ZK4-2-K2	0.63	26.24	7.21	65.92	0.49	5612
ZK4-3	ZK4-3-K2	0.35	29.98	7.21	62.46	0.52	5348
ZK4-3	ZK4-3-K1	0.26	28.28	7.01	64.45	0.53	5691
ZK5-1	ZK5-1-K2	0.23	27.03	6.17	66.57	0.47	5645
ZK5-1	ZK5-1-K1 (Up)	0.31	29.94	6.59	63.16	1.89	5361
ZK5-1	ZK5-1-K1 (Down)	0.3	29.95	6.54	63.26	1.8	5364
ZK6-1	ZK6-1-K2	0.36	27.71	6.86	65.07	0.42	5555
ZK6-2	ZK6-2-K2	0.35	34.15	7.11	58.21	0.49	5009
ZK6-3	ZK6-3-K2	0.56	33.51	7.47	58.46	0.46	5090
ZK6-4	ZK6-4-K2	0.59	26.88	6.93	65.6	0.52	5629
ZK6-4	ZK6-4-K1	0.24	25.78	6.74	65.7	0.44	5738
ZK7-1	ZK7-1-K1	0.75	26.9	6.58	65.77	0.5	5703
ZK7-2	ZK7-2-K2	0.61	25.42	6.77	67.2	0.48	5746
ZK7-3	ZK7-3-K2	0.32	31.71	6.52	61.45	0.51	5199
ZK8-1	ZK8-1-K2	1.36	26.62	8.7	63.32	0.48	5625
ZK8-1	ZK8-1-K1	1.1	32.29	7.03	59.58	0.46	5066
ZK8-2	ZK8-2-K2	0.77	29.07	5.93	64.23	0.46	5417
ZK8-3	ZK8-3-K2	0.25	26.58	6.25	66.92	0.424	5683
ZK9-1	ZK9-1-K2	0.61	25.42	6.77	67.2	0.47	5746
ZK9-1	ZK9-1-K1	0.72	28.35	6.18	65.27	0.43	5526

Appendix II

Heiwan Drillhole Collars and Key Intersections.

HoleID	Northing	Easting	Key Intersections from (m) to (m)		Width (m)	Coal Seam	Sample #
ZK1-1	3450148	37374709	64.66	65.24	0.58	K2	ZK1-1-K2
ZK1-1			81.12	81.99	0.87	K1	ZK1-1-K1
ZK1-2	3450364	37374565	64.81	65.39	0.58	K2	ZK1-2-K2
ZK1-2			81.49	82.36	0.87	K1	ZK1-2-K1
ZK1-3	3450580	37374422	65.4	65.94	0.54	K2	ZK1-3-K2
ZK1-3			82.16	82.96	0.8	K1	ZK1-3-K1
ZK2-1	3450404	37375141	80.52	80.93	0.41	K2	ZK2-1-K2
ZK2-1			111.29	112.18	0.89	K1	ZK2-1-K1
ZK2-2	3450629	37374986	87.83	88.28	0.45	K2	ZK2-2-K2
ZK2-2			120.12	121.01	0.89	K1	ZK2-2-K1
ZK2-3	3450775	37374892	76.12	76.53	0.41	K2	ZK2-3-K2
ZK2-3			107.36	108.25	0.89	K1	ZK2-3-K1
ZK3-1	3450667	37375565	56.77	57.12	0.35	K2	ZK3-1-K2
ZK3-1			84.17	84.91	0.74	K1	ZK3-1-K1
ZK3-3	3451130	37375258	57.25	57.97	0.72	K2	ZK3-3-K2
ZK3-3			85.9	86.6	0.7	K1	ZK3-3-K1
ZK4-1	3450984	37375955	142.55	142.97	0.42	K2	ZK4-1-K2
ZK4-1			204.58	205.46	0.88	K1	ZK4-1-K1
ZK4-3	3451371	37375698	146.92	147.38	0.46	K2	ZK4-3-K2
ZK4-3			210.46	211.31	0.85	K1	ZK4-3-K1
ZK5-1	3451258	37376373	70.78	71.31	0.53	K2	ZK5-1-K2
ZK5-1			92.27	93.17	0.9	K1	ZK5-1-K1
ZK5-3	3451597	37376148	69.91	70.47	0.56	K2	ZK5-3-K2
ZK5-3			90.6	91.45	0.85	K1	ZK5-3-K1

Heiwan Drilling Key Intersection Assay Results

HoleID	Sample #	Moisture %	Ash %	Volatile %	FC %	Sulphur %	Cvar
ZK1-1	ZK1-1-K2	0.78	26.36	7.38	65.48	0.49	5731
ZK1-1	ZK1-1-K1	0.63	25.29	6.19	67.29	0.96	5715
ZK1-2	ZK1-2-K2	0.56	25.04	6.97	67.43	0.51	5781
ZK1-2	ZK1-2-K1	0.48	26.02	6.85	66.05	0.98	5645
ZK1-3	ZK1-3-K2	0.58	27.56	7.75	64.11	0.43	5629
ZK1-3	ZK1-3-K1	0.3	26.91	7.06	65.23	0.9	5683
ZK2-1	ZK2-1-K2	0.58	26.56	7.75	65.11	0.4	5721
ZK2-1	ZK2-1-K1	0.65	25.08	6.5	67.17	0.94	5726
ZK2-2	ZK2-2-K2	0.68	25.06	7.75	66.51	0.42	5850
ZK2-2	ZK2-2-K1	0.54	25.01	6.73	67.22	0.92	5745
ZK2-3	ZK2-3-K2	0.96	26.13	7.02	65.89	0.48	5745
ZK2-3	ZK2-3-K1	0.61	24.57	6.99	67.33	0.97	5773
ZK3-1	ZK3-1-K2	0.57	25.76	6.95	66.72	0.45	5714
ZK3-1	ZK3-1-K1	1.31	25.5	6.92	65.77	0.98	5629
ZK3-3	ZK3-3-K2	1.06	27.21	7.06	64.67	0.43	5636
ZK3-3	ZK3-3-K1	1.03	24.61	6.64	67.4	0.93	5746
ZK4-1	ZK4-1-K2	1.25	25.91	7.24	65.6	0.48	5735
ZK4-1	ZK4-1-K1	0.69	25.11	6.72	66.98	0.99	5723
ZK4-3	ZK4-3-K2	0.95	25.42	7.03	66.6	0.42	5811
ZK4-3	ZK4-3-K1	0.99	24.91	7.12	66.48	0.95	5806
ZK5-1	ZK5-1-K2	0.99	26.82	7.18	65.01	0.42	5675
ZK5-1	ZK5-1-K1	0.59	26.51	6.23	66.17	0.97	5615
ZK5-3	ZK5-3-K2	0.84	25.92	7.25	65.99	0.4	5769
ZK5-3	ZK5-3-K1	0.59	25.71	6.73	66.47	1.01	5676