

8 June 2018

ASX: BC8

**CORPORATE STRUCTURE:**

Ordinary shares on issue:  
57.3M

Market Capitalisation:  
A\$17M (share price A\$0.30)

Cash (31 March 2018):  
A\$4.5M

**DIRECTORS:**

Paul Chapman  
Non-Executive Chairman

Gareth Solly  
Managing Director

Les Davis  
Non-Executive Director

Alex Hewlett  
Non-Executive Director

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## EIS Drilling Grant for the Queen Margaret Corridor

Black Cat Syndicate Limited (“**Black Cat**”) is pleased to advise that it has been successful in securing a Western Australian Government Exploration Incentive Scheme (“**EIS**”) grant to co-fund diamond drilling along the Queen Margaret Corridor which hosts the historic Queen Margaret Mine.

The EIS grant of \$138,000 is the full amount applied for by Black Cat and is a contribution towards 50% of direct drilling costs. The diamond drilling program along the Queen Margaret Corridor is planned to commence in the September 2018 quarter with results available in the subsequent quarter.

Black Cat Managing Director, Gareth Solly said “This is an excellent result as the EIS grant process is highly competitive and is determined by an independent panel of experts. We are excited to be drilling below the 125-year-old Queen Margaret Mine and at the potential insight this will bring to the whole Queen Margaret Corridor”.

### BACKGROUND

Mineralisation along the Queen Margaret Corridor is hosted within a porphyry that sits in a sedimentary layer between ultramafic units. The porphyry is typically mineralised on both the hangingwall and footwall contacts. Mineralisation also occurs in veins within the porphyry. Historic mining typically focused on the higher grade hangingwall contact. Significant opportunities still exist on the footwall contact, the internal veins and the hangingwall below the old workings (see Figure 1).

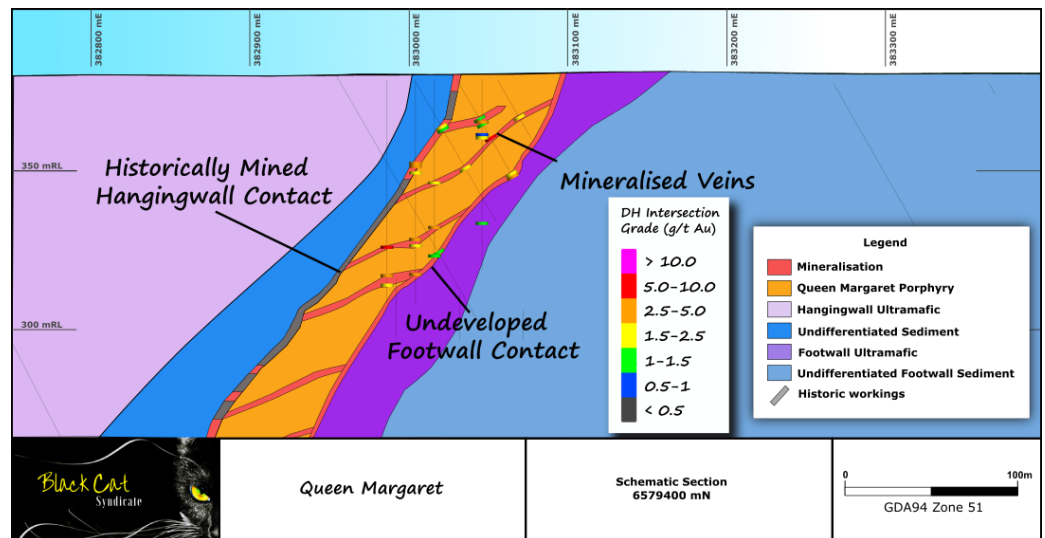


Figure 1: Schematic Section (~6579400mN) showing conceptual mineralisation positions within the porphyry

Phase 1 of Black Cat's recent drilling program has confirmed that a porphyry unit is associated with mineralisation at historic mining areas along the 3km zone of strike between the Queen Margaret South Mine to the Strathfield area. Phase 2 of Black Cat's planned drill program will test whether the Corridor could extend an additional 3km further through Boundary and Virgin Dam (see Figure 2).

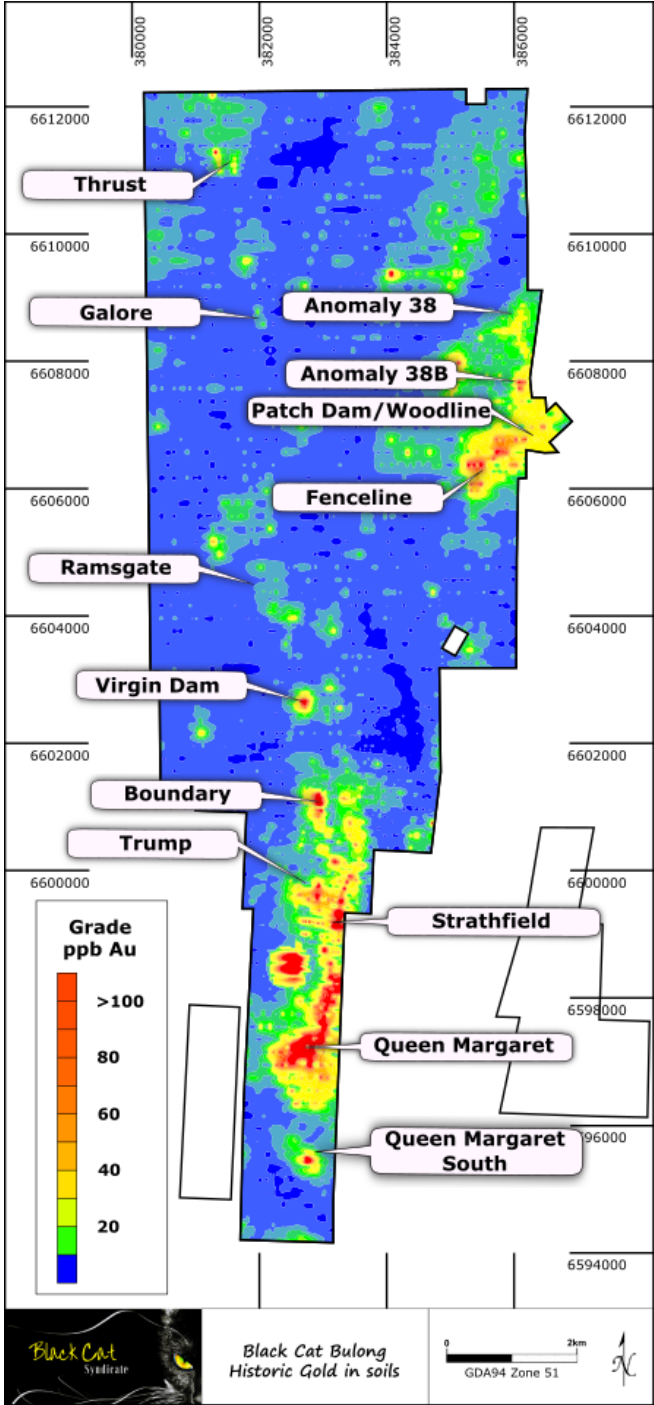


Figure 2: Black Cat Bulong tenements showing contoured historic gold in soil data

**DIAMOND DRILL PROGRAM**

Black Cat's plan is to diamond drill beneath the historic workings at Queen Margaret, Melbourne United and Strathfield to better understand the stratigraphic and structural controls on the high-grade gold mineralisation throughout the Corridor. The oriented diamond core will prove valuable in characterising the mine sequence stratigraphy. Samples will be structurally,

geochemically and petrographically analysed to confirm the consistent stratigraphy along the Corridor.

Drilling in the Phase 1 and 2 programs will be used to better orientate the proposed deeper diamond holes. Approximate diamond drill hole locations are shown on Figure 3. The EIS funded program involves 4 x diamond drill holes at an average depth of ~350m. Additional deeper holes may also follow this program.

The EIS funded program will be the deepest conducted at the Bulong Gold Project and will test under the historic workings that have been untouched since the mine closed in the early 1910's. The historic Queen Margaret Mine produced ~96koz of gold at over 1oz per tonne.

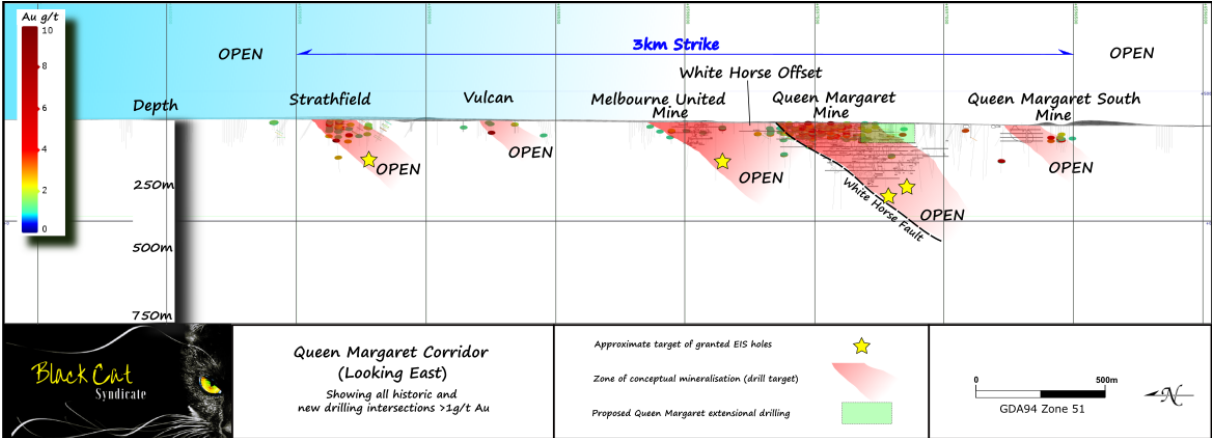


Figure 3: Queen Margaret Corridor schematic long section showing EIS target locations, all historic and BC8 drilling

For further information, please contact:

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**COMPETENT PERSON'S STATEMENT**

The information in this announcement that relates to geology and exploration results and planning was compiled by Mr Gareth Solly, who is a Member of the AusIMM and an employee, shareholder and option holder of the Company. Mr Solly has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Solly consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original reports. Information on historical results outlined in this Announcement is contained in the Independent Geologists Report within Black Cat's Prospectus dated 27 November 2017, which was released on an announcement on 25 January 2018.

**INVESTMENT HIGHLIGHTS**

Black Cat controls 100% of ~84km<sup>2</sup> of the Bulong Gold Project (“the Project”) of which ~89% of tenements are granted. In addition, there are numerous targets on mining leases meaning low barriers to exploration and production hence strong expected news flow.

The Project is situated just 25km east of Kalgoorlie by sealed road. Mains power runs through the Project with five regional mills, support services and a residential workforce nearby.

The Project has a history of complex, unconsolidated ownership and small scale, high grade production:

- mine production in the Project area ceased in the early 1910s with a total of ~152,000oz @ >1oz/t produced to date;
- the Queen Margaret mine was the main producer with ~96,000oz @ >1oz/t. Despite the mine’s high-grade production record there has been no effective drilling below the old workings;
- despite encountering mineralised lodes in a 200m deep drive to the east of Queen Margaret, minimal drilling for parallel lodes has been undertaken;
- prospectors have seen high specimen and nugget production with multiple +100oz nuggets discovered; and
- the complex and unconsolidated ownership structures have hampered exploration and mining at the Project.

Black Cat has now consolidated the Project bringing together a number of high grade, near term, underground production targets along with shallow open cut positions. Black Cat initial focus is to drill and study the economics of developing an open cut mine at Queen Margaret then declining from the open cut into footwall and eastern zones and developing across to historic workings while assessing backfill volumes and grade.

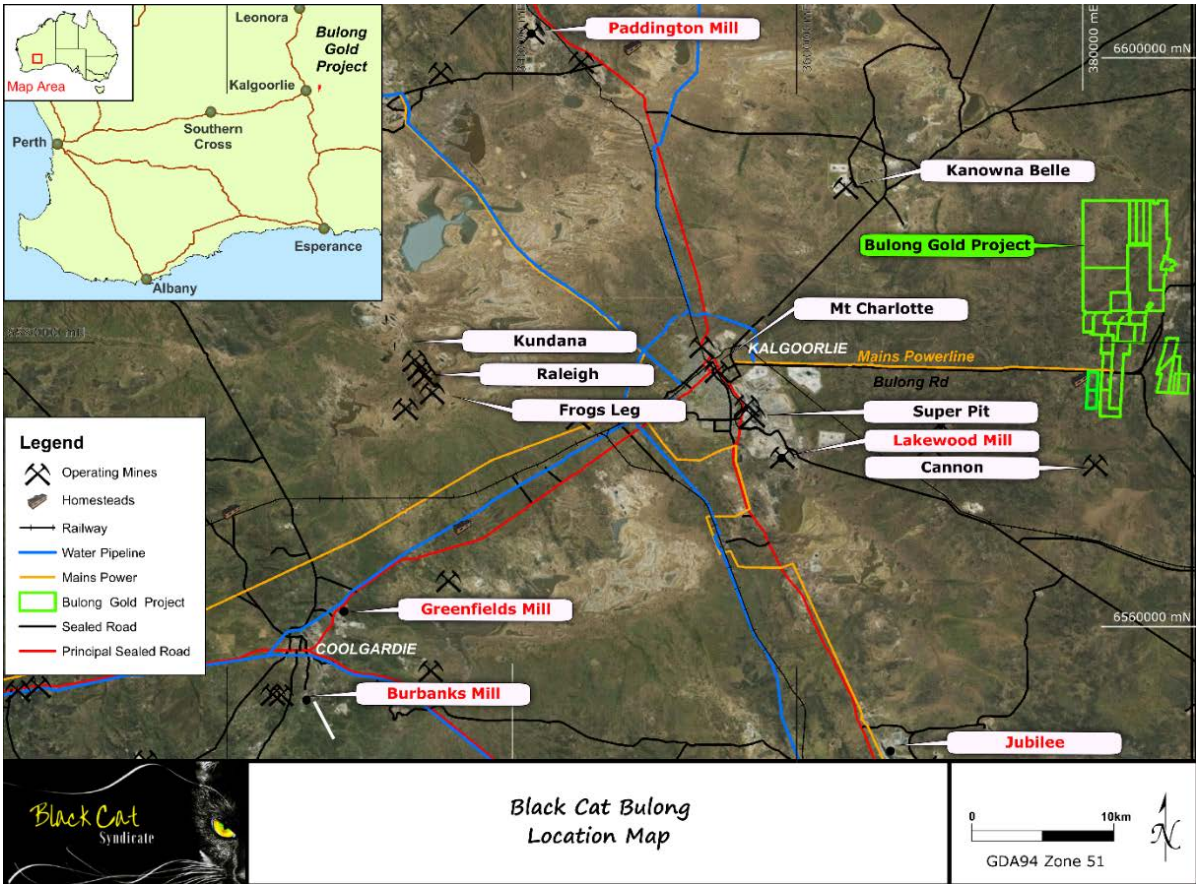


Figure 4: Regional map of Kalgoorlie showing the location of the Black Cat Bulong tenements and nearby infrastructure