



## ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2018

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**17 July 2018**

**ASX: BC8**

### **CORPORATE STRUCTURE**

**Ordinary shares on issue:  
57.3M**

**Market Capitalisation:  
A\$12.9M (share price A\$0.23)**

**Cash (30 June 2018):  
A\$3.9M**

### **DIRECTORS**

**Paul Chapman  
Non-Executive Chairman**

**Gareth Solly  
Managing Director**

**Les Davis  
Non-Executive Director**

**Alex Hewlett  
Non-Executive Director**

### **CONTACT DETAILS**

**Suite 6  
16 Nicholson Road  
Subiaco WA 6008**

**PO Box 572  
Floreat WA 6014**

**T +61 458 007 713**

**E [admin@blackcatsyndicate.com.au](mailto:admin@blackcatsyndicate.com.au)**

**ABN 63 620 896 282**

**[www.blackcatsyndicate.com.au](http://www.blackcatsyndicate.com.au)**

### **HIGHLIGHTS**

- Phase 1 Drilling Program completed with 117 RC holes (8,236m) at the Queen Margaret, Queen Margaret South, Slug Hill, White Horse Offset (Melbourne United), Strathfield, Vulcan and Myhree prospects.
- Phase 2 Drilling Program commenced with 26 RC holes (1,439m) drilled at Galore, Boundary and Trump with drilling at all targets ongoing.
- High grade assay results at the Queen Margaret Mine provide encouragement of the near surface development potential. Additional drilling targeting near surface extensions of mineralisation to the south is currently underway.
- High grade assay results received at Strathfield, White Horse Offset and Queen Margaret South confirm mineralisation is consistently related to a porphyry host unit along the 3km strike of historic workings.

Proposed activities for the September 2018 quarter:

- extensional drilling at the Queen Margaret Mine;
- ongoing Phase 2 drilling of northern areas including: Anomaly 38, Anomaly 38B, Galore, Trump and Boundary; and
- commencement of maiden resource estimation work at Queen Margaret Mine.

The Board of Black Cat Syndicate Limited (“Black Cat”) is pleased to report on activities during the quarter ended 30 June 2018.

## OPERATIONS

Summary of key activities undertaken at the Bulong Gold Project during the June 2018 quarter:

- drilling activities were safe and highly productive with the completion of the Phase 1 Drilling Program along Queen Margaret Corridor on time and under budget;
- commencement of Phase 2 RC Drilling Program at Galore, Trump and Boundary;
- field mapping to validate geology, including detailed drone surveys at Galore, Boundary and Anomaly 38;
- development and refinement of 3D geological models on numerous prospects at the Bulong Gold Project, including: along the Queen Margaret Corridor between Queen Margaret South and Melbourne United, Boundary, Anomaly 38 and Galore;
- acquisition of additional prospecting leases to the west of the main Queen Margaret workings totalling 2.4km<sup>2</sup>; and
- planning and award of EIS co-funded drilling grant for \$138,000 targeting four diamond drill holes below the Queen Margaret Corridor.

### Completion of Phase 1 Drilling Program

As previously announced on 16 May 2018, Black Cat’s maiden drilling campaign was completed in early May 2018 with 139 holes for 8,757m of RC drilling completed over a total of 3km of strike. Targets where initial assays have been received include Queen Margaret, White Horse offset, Slug Hill, Queen Margaret South, Strathfield and Vulcan (see Figure 1). Drilling at Myhree was completed in late June 2018 with results expected in late July 2018.

Major achievements of the Phase 1 drilling include:

- confirmed the geology along the Queen Margaret Porphyry Corridor;
- proved that high grade mineralisation exists in the footwall to the historic workings at Queen Margaret, Melbourne United and Strathfield;
- validated historic high grade drilling results;
- generated infill and extensional data to support resource estimation; and
- delivered encouragement for future open pit opportunities.

Highlight results included:

Queen Margaret	18QMRC060, 3m @ 116.33 g/t Au from 0m
	18QMRC056, 4m @ 9.16 g/t Au from 33m
	18QMRC031, 4m @ 5.99 g/t Au from 42m
	18QMRC001, 6m @ 2.97 g/t Au from 22m
	18QMRC057, 3m @ 5.37 g/t Au from 32m
	18QMRC046, 3m @ 5.30 g/t Au from 70m
White Horse	18QMRC065, 2m @ 11.01 g/t Au from 31m

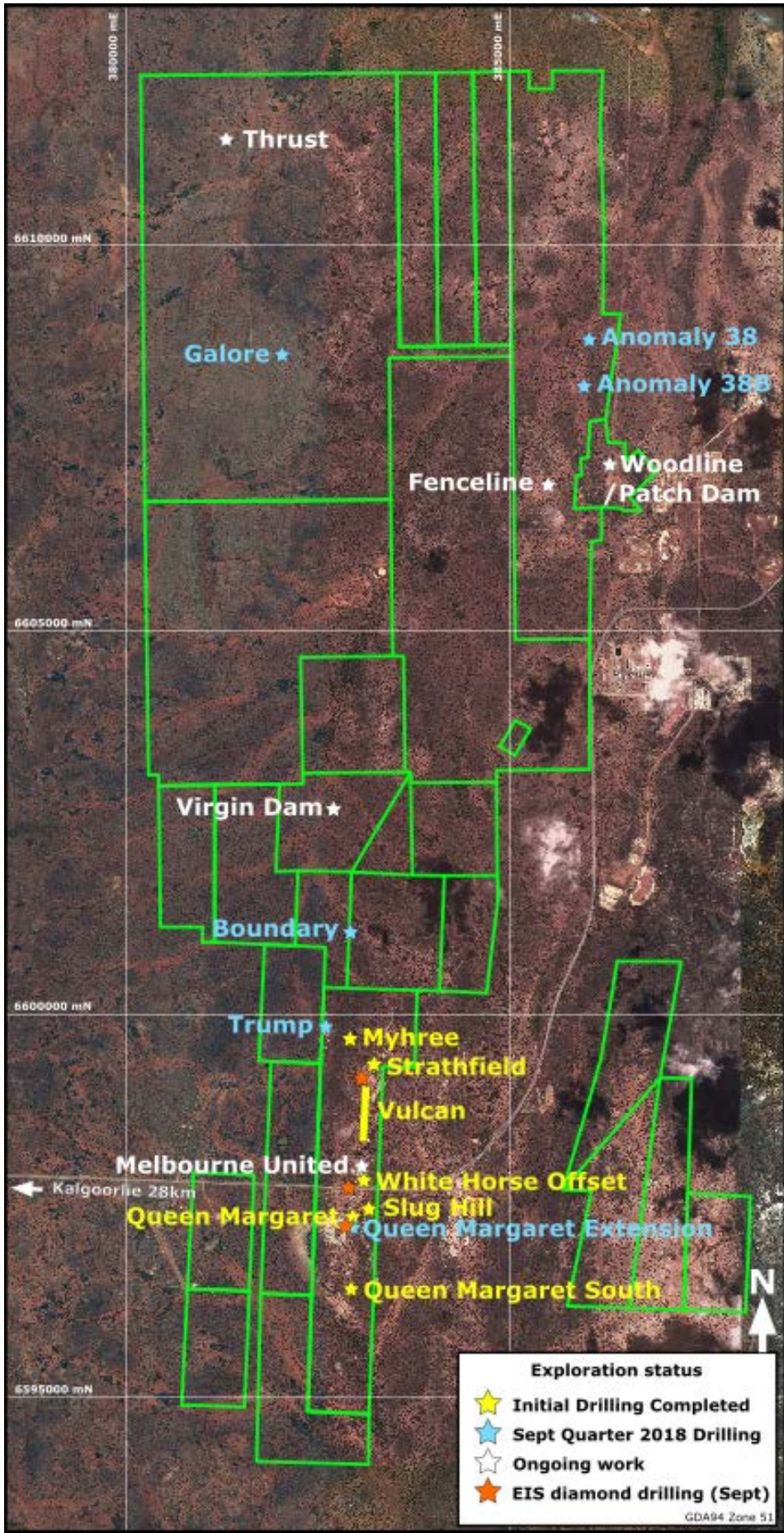


Figure 1: Map showing planned drilling locations at the Bulong Gold Project

## Commencement of Phase 2 Drilling Program

As previously announced on 12 June 2018, Phase 2 drilling (280 holes, ~17,000m) which is planned to test the northern portion of the Bulong Gold Project (Figure 1) has commenced. Several existing targets will be tested, including: Anomaly 38, Boundary and Trump. New target areas also to be tested include Anomaly 38B and Galore (Figure 2). Phase 2 will also include follow up drilling from Phase 1 at the Queen Margaret Mine and will include deeper drilling into the footwall of the historic mine that produced ~96,000oz at >1oz/t around the turn of the 20<sup>th</sup> century.



Figure 2: RC Drill rig at Bulong Gold Project in late June 2018

The first holes are currently being drilled at Galore and Trump which are designed to test conceptual geology models in these areas. Drilling at Boundary has also been initiated and is designed to validate historic drilling data, extend known mineralisation and to test the potential for open pit development. Drilling at these areas will be ongoing through July 2018. Results from the initial drilling at these prospects are pending and will be reported in August 2018.

Phase 2 drilling at Anomaly 38 and Anomaly 38B will commence in late July 2018 and is scheduled for completion in late August 2018. These programs will test grade continuity on a NW oriented structure interpreted from aeromagnetic data. This structure aligns with previous high-grade intersections of 2m @ 41.66 g/t Au from 82m (BURC023), 2m @ 13.65 g/t Au from 14m (BURC031), 2m @ 47.6 g/t Au from 116m (BURC025) and 7m @ 9.37 g/t Au from 31m (BURC026).\*\*

## Summary of drilling at Bulong Gold Project

During the June 2018 quarter, 9,675m of RC drilling was completed at the Bulong Gold Project. Drilling was completed on Phase 1 targets and is ongoing at the Queen Margaret Mine. Phase 2 drilling has commenced at Galore and Trump to gain geological context before further targeted drilling is initiated. The following table is a summary of drilling completed during the quarter:

Target	Objective	# Holes	Total m
Queen Margaret	Validation of historic drilling and assessment of open pit potential	43	3,298
White Horse	Initial test of geology	10	612
Slug Hill	Initial test of geology	1	140
Strathfield	Validation of historic drilling	25	1,978
Queen Margaret Sth	Initial test of geology	8	588
Vulcan	Initial test of geology	22	1,188
Myhree	Initial test of geology	8	432
Galore	Initial test of geology	13	735
Trump	Initial test of geology	11	549
Boundary	Validation of historic drilling and assessment of open pit potential	2	155
<b>TOTAL</b>		<b>143</b>	<b>9,675</b>

### Next Quarter Activities

- Extensional drilling to the south of the Queen Margaret Mine to test the open pit potential around the historic mine.
- Phase 2 RC drilling at Galore, Trump, Boundary, Anomaly 38 and Anomaly 38B.
- Commencement of Resource Estimation work at Queen Margaret.
- Commencement of EIS co-funded diamond drilling, targeting depth extensions below the historic Queen Margaret Mine.
- Announcement of drilling results on an ongoing basis as each program is completed and interpreted.

## CORPORATE AND FINANCE

During the quarter the Group paid net cash of \$596,000 for exploration and \$156,000 for corporate and administration. Cash at 30 June 2018 was \$3.9 million.

The current capital and escrow structure in Black Cat is as follows:

Details	Escrow Period					Total
	15-Oct-18	24-Nov-18	17-Jan-19	17-Jan-20	No Escrow	
Shares on issue	9,815,000	2,000,000	1,000,000	11,192,878	33,252,124	57,260,002
Options expiring 17 January 2023 @ \$0.20	2,600,000	-	-	14,860,001	-	17,460,001
<b>TOTAL</b>	<b>12,415,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>26,052,879</b>	<b>33,252,124</b>	<b>74,720,003</b>

For further information, please contact:

**Gareth Solly**  
**Managing Director**  
+61 458 007 713  
admin@blackcatsyndicate.com.au

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 Person's findings are presented have not been materially modified from the original reports.

*\*\* Information on historical results outlined in this Announcement together with the relevant JORC Table 1 disclosures 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.*

## TENEMENT INFORMATION

Lease	Location	Project Name	Area (km <sup>2</sup> )	Status	% Interest As At The Start Of The Quarter	% Interest As At The End Of The Quarter
E25/0499	Bulong	Ramsgate	0.04	Live	0% ~	100% ~
E25/0512	Bulong	Woodline West	0.04	Live	0% ~	100% ~
E25/0520	Bulong	Anomaly 38	0.04	Live	0% +	100% +
E27/0532	Bulong	Thrust	0.08	Live	0% ~	100% ~
M25/0024	Bulong	Queen Margaret	4.86	Live	0%	100%
M25/0083	Bulong	Woodline	0.73	Live	0%	100%
M25/0091	Bulong	Boundary	0.83	Live	0%	100%
M25/0129	Bulong	Boundary/Federation	1.79	Live	0%	100%
P25/2286	Bulong	Trump	1.22	Live	0%	100%
P25/2287	Bulong	Bulong	1.35	Live	0% ~	100% ~
P25/2288	Bulong	Bulong	1.01	Live	0% ~	100% ~
P25/2293	Bulong	Bulong North	0.53	Live	0% ~	100% ~
P25/2367	Bulong	Princess West	2.00	Live	0%	100%
P25/2368	Bulong	Queen Margaret West	1.96	Live	0%	100%
P25/2369	Bulong	Virgin Dam	1.70	Live	0%	100%
P25/2377	Bulong	Virgin Dam North	1.99	Live	0% ~	100% ~
P25/2378	Bulong	Virgin Dam West	1.93	Live	0% ~	100% ~
P25/2463	Bulong	Balagundi	1.35	Live	0%	100%
P27/2326	Bulong	Hampton Hill	1.78	Live	0%	100%
P27/2327	Bulong	Hampton Hill	1.78	Live	0%	100%
P27/2328	Bulong	Hampton Hill	1.64	Live	0%	100%
P25/2253	Bulong	Hampton Hill	1.22	Pending	0%	0%
P25/2254	Bulong	Hampton Hill	1.22	Pending	0%	0%
P25/2478	Bulong	East Bulong	1.21	Pending	0%	0%
P25/2479	Bulong	East Bulong	1.92	Pending	0%	0%
P25/2480	Bulong	East Bulong	1.83	Pending	0%	0%
P25/2481	Bulong	East Bulong	1.68	Pending	0%	0%

+ Interest acquired pursuant to the exercise of an option on 24 January 2018 - lease transfers are pending.

~ Interest acquired pursuant to the completion of a conditional purchase agreement on 17 January 2018 - lease transfers are pending.

## 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.

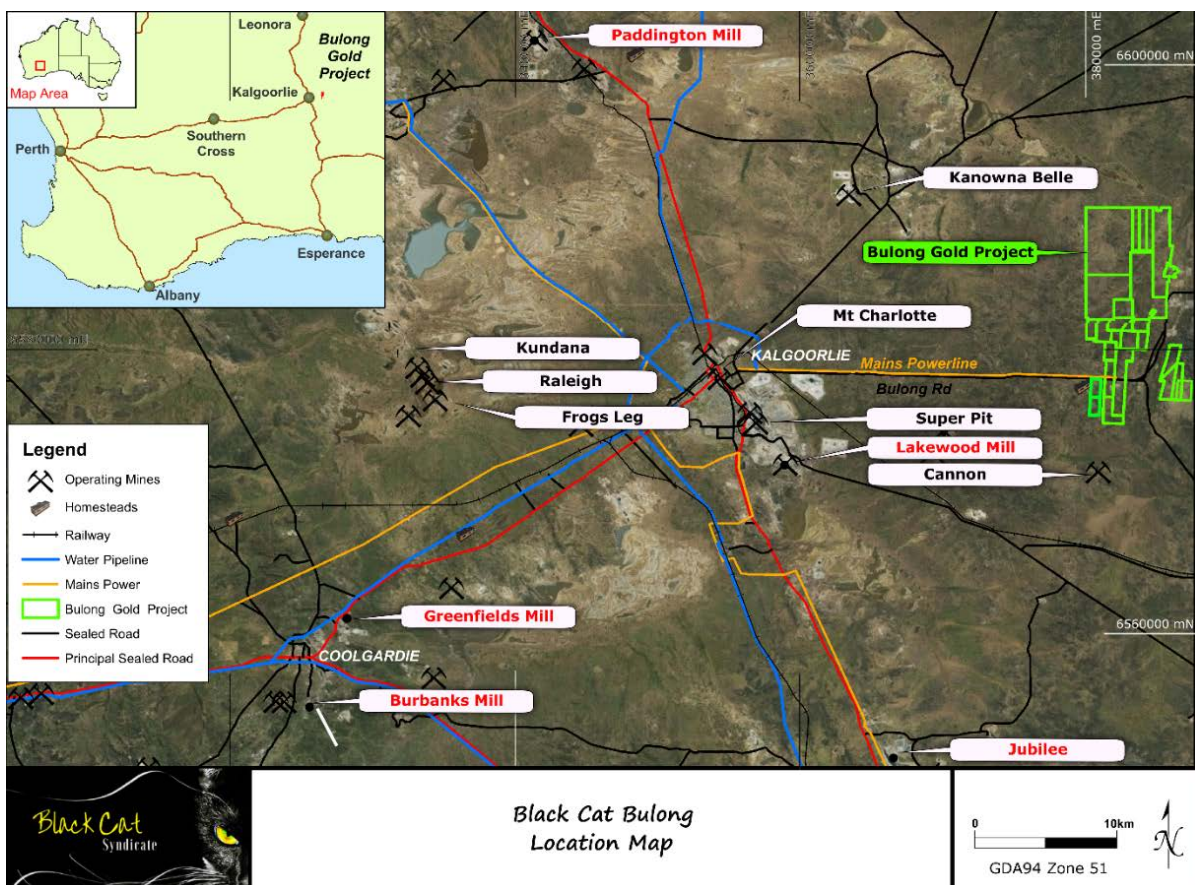


Figure 3: Regional map of Kalgoorlie showing the location of the Black Cat Bulong tenements and nearby infrastructure



## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Black Cat Syndicate Limited

### ABN

63 620 896 282

### Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (10 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(596)	(758)
(b) development	-	-
(c) production	-	-
(d) staff costs ( <i>administration and corporate</i> )	(55)	(137)
(e) administration and corporate costs	(101)	(244)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(746)</b>	<b>(1,133)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(50)
(b) tenements (see item 10)	92	(934)
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (10 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>92</b>	<b>(984)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	6,650
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	29	(655)
3.5	Proceeds from borrowings	-	66
3.6	Repayment of borrowings	-	(66)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>29</b>	<b>5,995</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,505	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(748)	(1,133)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	92	(984)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	29	5,995
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,878</b>	<b>3,878</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,878	505
5.2 Call deposits	2,000	4,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,878</b>	<b>4,505</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	114
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Remuneration of Directors - \$95,225  
Administration services provided by Mrs Tracey Chapman (spouse of Mr Paul Chapman) - \$14,000  
Office rent paid to related party of Mr Paul Chapman - \$4,617

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(950)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(60)
9.5 Administration and corporate costs	(160)
9.6 Other:	-
<b>9.7 Total estimated cash outflows</b>	<b>(1,170)</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	P24/2253 P25/2254	Application Application	0% 0%	0% 0%

\* Leases acquired pursuant to the exercise of an option on 24 January 2018 – lease transfers pending.

\*\* Leases acquired pursuant to the completion of a conditional purchase agreement on 17 January 2018 – lease transfers pending.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
 Company secretary

Date: 17 July 2018

Print name: Dan Travers

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.