



(Keith Goode :17 Sep 2018)

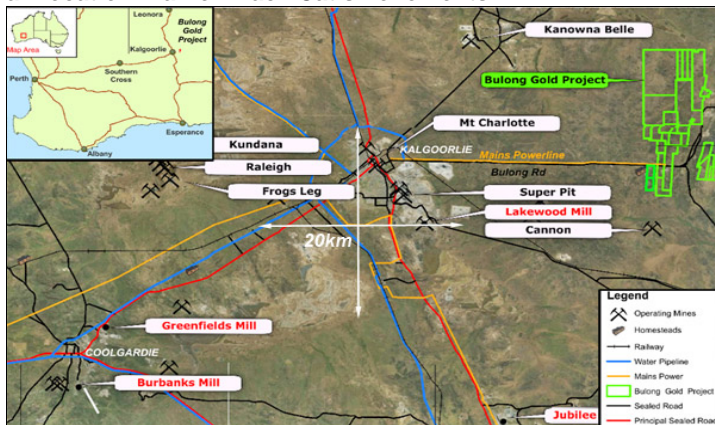
Gold : Black Cat Syndicate (BC8)

Unravelling the Geology For Potentially High Grade Resources : Aug 2018 Site Visit to BC8's Bulong Goldfield
 BC8 (at 20c) with a Mkt Cap of \$11m & \$3.9m Net Cash
: Rated as a SPEC BUY

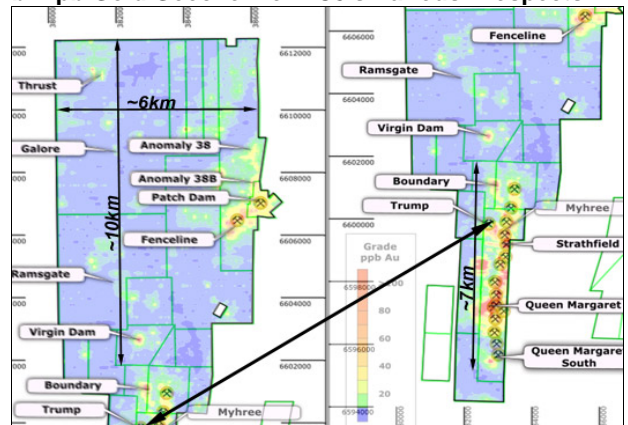
ERA visited a number of Black Cat Syndicate's (BC8's) prospects (being Queen Margaret, Melbourne United, Slug Hill, Trump, Strathfield, Myhree, Boundary, Wakeful, Virgin Dam, Fenceline/Woodline, Galore and Anomaly 38) of the ~18km long N/S strike length of most of the historic, forgotten, Bulong Goldfield only ~25km east of Kalgoorlie after Diggers in August 2018, as shown in Figure 1a. This was ERA's first visit to the Bulong goldfield, having written the IPO Summary that was reported on 28 November 2017 and is available on the www.eagleres.com.au and www.blackcatsyndicate.com.au (under media) websites.

Figure 1. Location Plans of Black Cat's Tenements, and Ppb Gold Geochem of BC8's Various Prospects

a. Location Plan of Black Cat's Tenements



b. Ppb Gold Geochem of BC8's Various Prospects



The tenement package as shown in Figures 1a and 1b is ~18km long x ~6km wide in the north, narrowing down to ~1.7km wide in the south, with the half-way point at about the location of Virgin Dam. BC8 has focused on unravelling the geology of the goldfield, initially at Queen Margaret (QM), where the gold mineralisation seems to be mostly associated with dyke-like porphyries.

Black Cat (BC8) is currently rated by ERA as a SPEC BUY at 20c.

The key points from the site visit and recent announcements are :

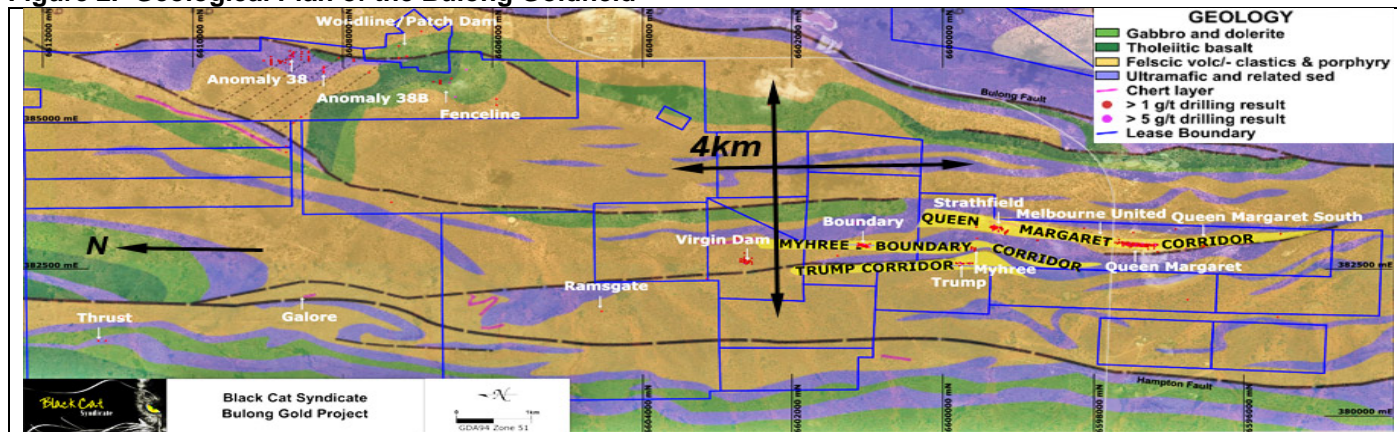
- **BC8 has identified the controls behind the gold mineralisation** which explains why so much development was off reef between Queen Margaret and Melbourne United and this has indicated areas of upside potential, amongst the three broad N/S mineralised corridors (of Figure 2a).
- **The three mineralised corridors as identified by old workings etc, are open on strike** showing extensions to: the *Queen Margaret Corridor* Nth through Wakeful to Federation, *Boundary Corridor* possibly ~1.4km Sth past the Queen Margaret mines, and then there is the open *Trump Corridor*.
- **For most of the goldfield where there is stoping, there appears to be porphyry**, with most of the historical stoping on the hangingwall contact of the porphyry, whereas there appears to be (mostly) unmined stockwork gold mineralisation within the porphyry and also on its footwall contact.
- **The planned** (with 50% funding [~\$138k] already approved) **4-drillhole EIS programme** mostly in the Queen Margaret area (see Figure 9) was expected to start by the end of September with results expected to be reported in DQ2018.
- **BC8 has been concentrating on the southern half of its tenements** that have an ~6km to 7km strike length of continuous old workings from Queen Margaret to Federation (north of Strathfield).
- **Some resources** (Queen Margaret, and possibly Boundary) **were expected to be reported in DQ2018**, probably after some confirmatory diamond drilling.
- **Follow-up drilling has been planned for the areas of** : Queen Margaret, Melbourne United, White Horse, Strathfield/Myhree, Boundary, Galore and A38 during DH2018, with the palaeos much later.

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Corporate Summary

Since our last report of **28 November 2017 at the IPO price of 20c**, BC8 opened at 30c on 30 January 2018, reaching a resistance peak of ~38c from 21 February to 13 March, and steadily dropped to a low of 14c, recently recovering to ~20c. BC8 has not issued numerous shares or options, and consequently has **57.3m fpo shares** on issue (of which 24m are escrowed at various dates from 15 Oct 2018 to 17 Jan 2020). There are also **17.9m** mostly escrowed **options** that are currently just in-the-money with an exercise price of 20c by 17 January 2023. *No board changes have occurred since the IPO listing.*

Figure 2. Geological Plan of the Bulong Goldfield

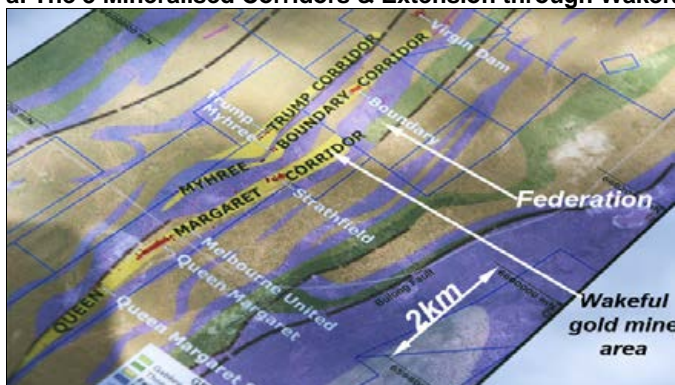


Geology

A brief history of the Bulong goldfield was included in ERA's IPO report of November 2017 (available at : <http://www.eagleres.com.au/reports/item/nov-2017-black-cat-syndicate>), together with some geological plans and sections from Spargos' (SPG's) 1979AR. BC8's current plan of the actual geology is significantly more advanced and detailed than SPG's plan as shown in Figures 2 and 3a, and has identified **3 main N/S striking mineralised corridors** being : **Queen Margaret, Boundary & Trump**, *that are all open on strike.*

Figure 3. The 3 Mineralised Corridors & Extension through Wakeful, and Views of Wakeful (N of Strathfield)

a. The 3 Mineralised Corridors & Extension through Wakeful



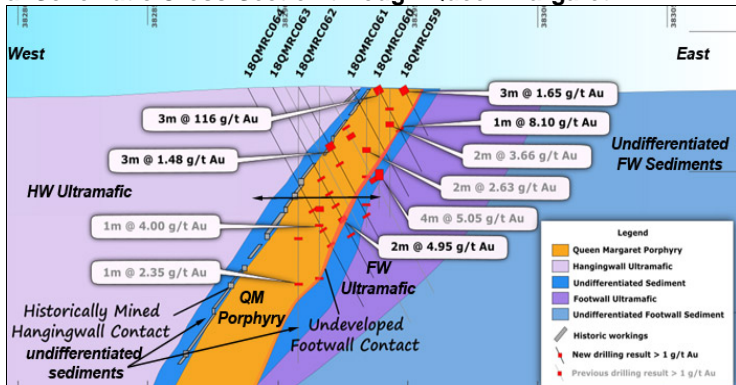
b. Views of the Wakeful (N of Strathfield)



The **Queen Margaret Corridor** was thought to truncate north of Strathfield, but instead continues through Wakeful to Federation (and possibly further) as shown in Figure 3a. And the Wakeful Gold mine area appears to be quite extensive with an extremely high shaft-mullock dump as shown in Figure 3b, and workings possibly dipping west with shafts and stopes extending on strike from and parallel to the dump.

Figure 4. Schematic Cross-Section through Queen Margaret, & Typical Queen Margaret (QM) RC Drillholes

a. Schematic Cross-Section through Queen Margaret



b. Queen Margaret (QM) RC Drillhole Chips

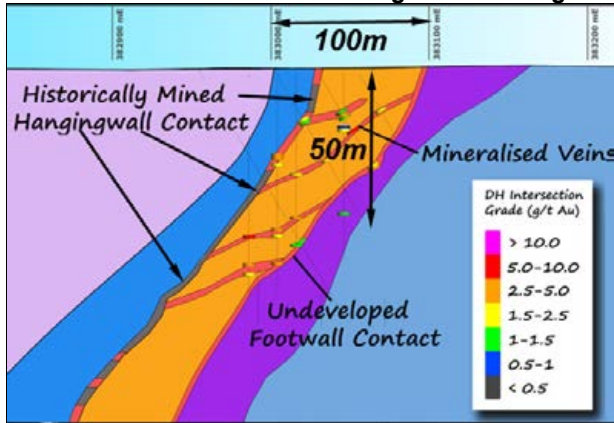


The **Boundary Corridor** is also open on strike, and could extend ~1.4km further south parallel to the Queen Margaret line of old workings, as indicated by old workings, drillhole intersections, mag etc.

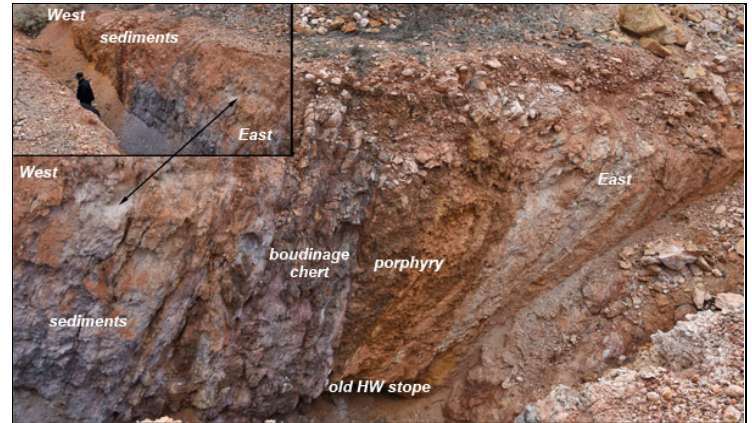
The influence of porphyry on the gold mineralisation is illustrated in the similar sequence of rocks at both Queen Margaret and Boundary as shown in Figure 4a, from footwall (FW) east to hangingwall (HW) west, being: sediments to a FW ultramafic, a ~15m to ~70m thick porphyry, then HW contact sediments & ultramafic. The grade intersections in Figure 4a, are consistent with historical FW intersections with the near surface high grade on the HW having been stoped out as can be seen in the “voids” in the RC chips of some QM (Queen Margaret) RC drillholes shown in Figure 4b.

Figure 5. Schematic Cross-Section through Queen Margaret, and Costean Cross-section at QM

a. Schematic Cross-Section through Queen Margaret

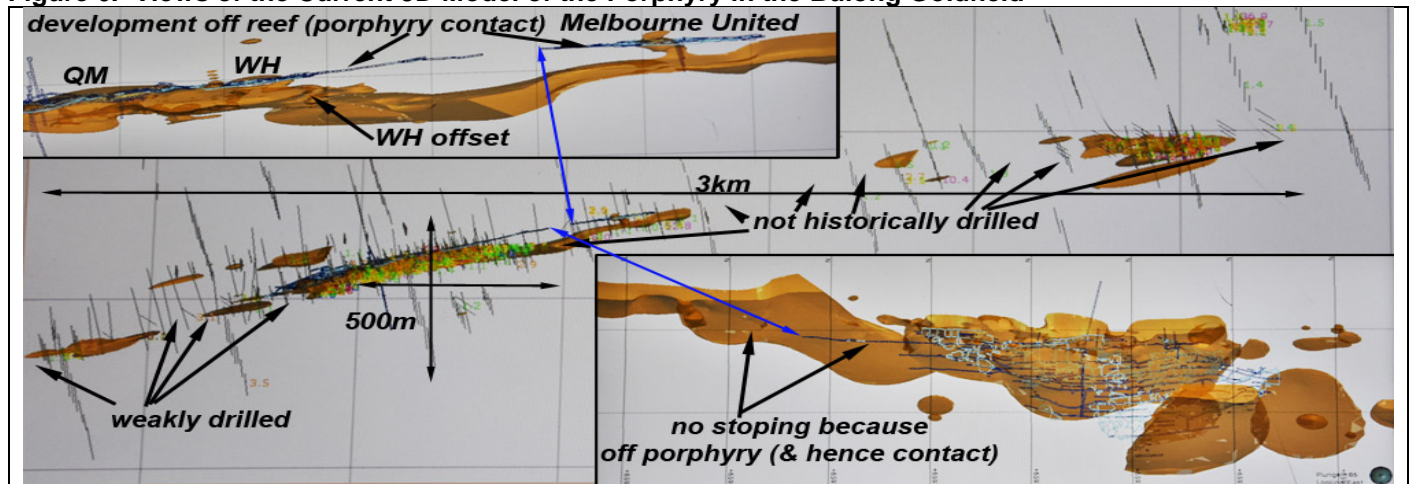


b. Costean West-East Section at QM



As can be seen schematically in Figure 5a, the main stoping occurred on the HW contact of the porphyry, as also shown in the costean in Figure 5b with a boudinaged chert contact which was apparently a characteristic HW marker horizon at QM. Mineralisation also occurs as a stockwork/vein system within the porphyry and occasionally on the FW contact of the porphyry. Looking at the sections and costean, the porphyry appears to be broadly dyke-like, that has been incompletely delineated as shown in 3D in Figure 6 along with the gaps in the historical drilling, and possible offset extension to QM at White Horse (WH).

Figure 6. Views of the Current 3D Model of the Porphyry in the Bulong Goldfield



The 3D model clearly shows why the development north from QM and south from Melbourne United (MU - see Figure 3a for location) has little stoping along it, because it was apparently mostly off reef, as in apparently no porphyry encountered, and hence no stoping. Looking at some of the old workings at MU as shown in Figure 7a, the ground conditions seemed (ERA view) more competent than those in the QM shaft.

Figure 7. Views of Melbourne United Nr Surface Stopes, & Views of QM Main Shaft & at ~65m below surface

a. Views of old Melbourne United Near Surface Stopes



b. Views of QM Main Shaft & at ~65m below surface (at water)



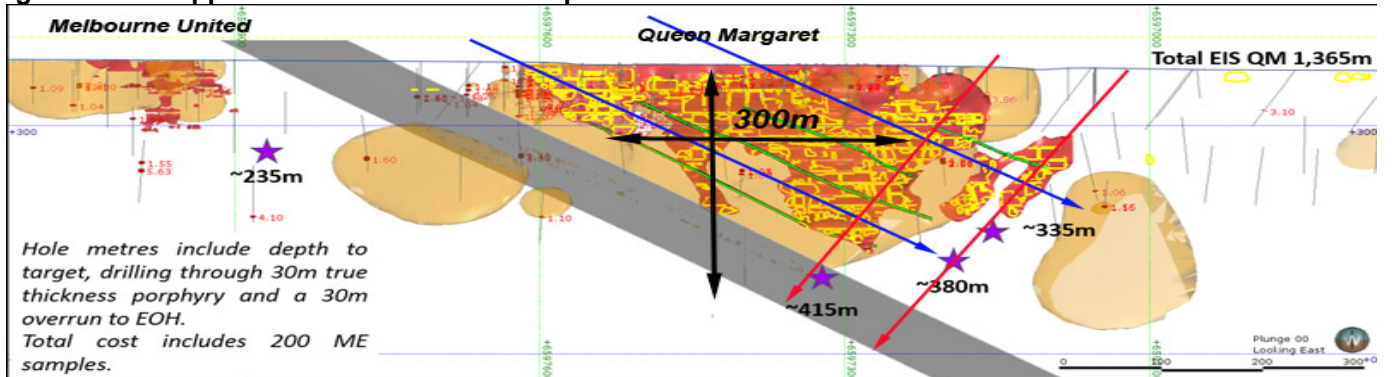
Black Cat are using a **go-pro prototype to view the conditions and depths of their old shafts**, and the view down the QM shaft, showed what looked like loose ground behind the timbered shaft, however, the timbers were not showing signs of stress, even down to the water encountered ~65 to 70m down the shaft as shown in Figure 7b. The prototype go-pro method is shown being used at one of the old Trump shafts (to a depth of ~19 to 20m) in Figure 8a, what is encountered is recorded and also shown on a mobile phone.

Figure 8. Go-Pro Views of an old Trump Shaft, and Using a Drone for Mapping and Video near Boundary



ERA also saw how **drones** have progressed in the past year (since ERA's Paydirt article of July 2017 available on <http://www.eagleres.com.au/paydirt/item/jul-2017-drones-are-coming>), with a video of the surface being flown over now instantly transmitted to a mobile phone (plus map photos/images taken) being used (the drone's location can be paused at *interesting outcrops or old workings that can be instantly field reviewed* instead of waiting until after downloading the data), as shown inset in Figure 8b.

Figure 9. The Approved Government EIS Proposal

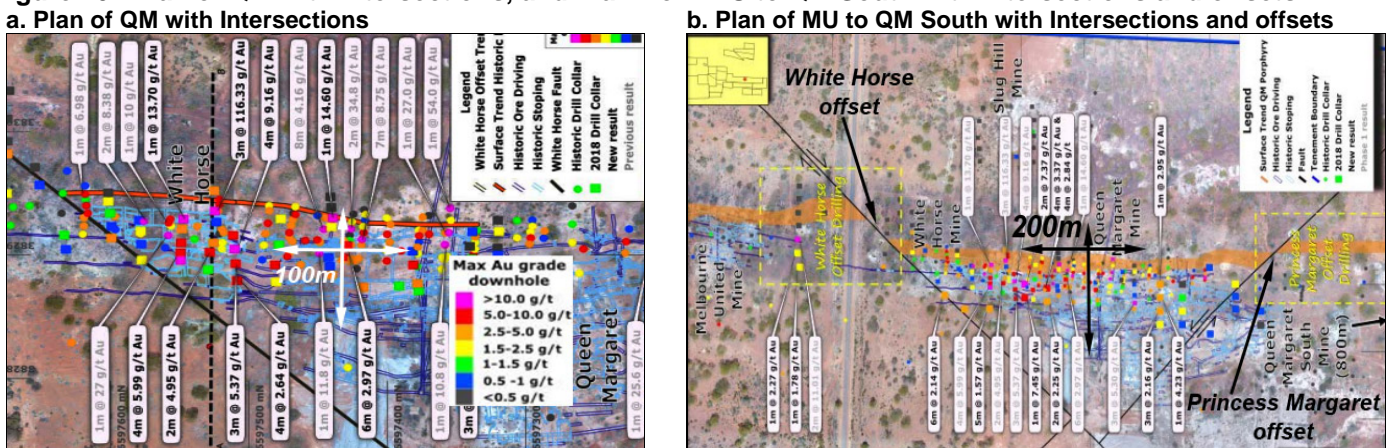


Black Cat applied for (and has 50% or ~\$138k already approved) for a **four hole EIS programme** that was expected to start about the end of September 2018, as shown in Figure 9. The exploration targets for the EIS programme were 2 or 3 drillholes under QM (3 are shown but a consideration was to have 2, and 1 under Strathfield) and 1 drillhole under MU. Also under consideration for when the diamond drill rig is on site, was to possibly drill some of the other more relatively regional areas such as Boundary and A38.

As can be seen in Figure 9, shallow south plunging high grade shoots have been identified (coloured blue), however, there may also be high grade shoots plunging steeply north (coloured red) at the same time as ERA has seen in other gold mines in WA viz : (<http://www.eagleres.com.au/paydirt/item/nov-2017-high-grade-thrusts>).

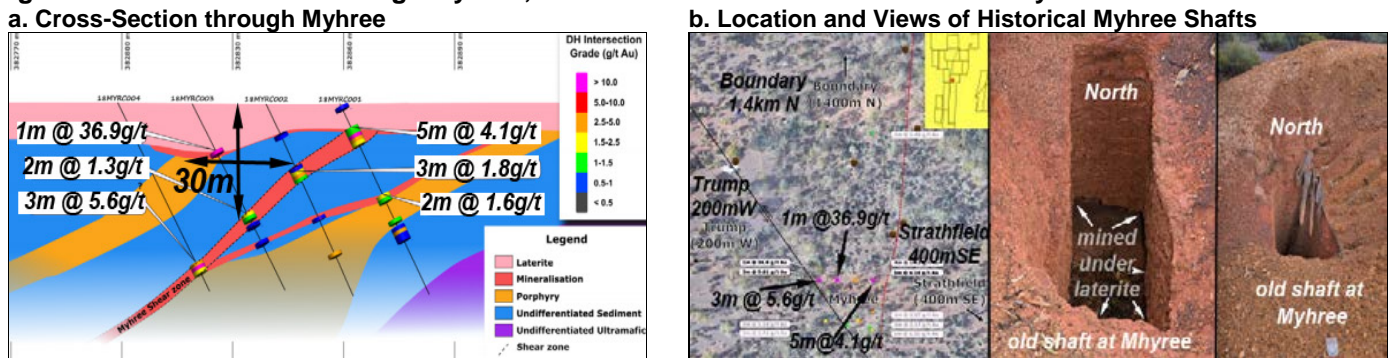
The Target Areas

Figure 10. Plan of QM with Intersections, and Plan from MU to QM South with intersections and offsets



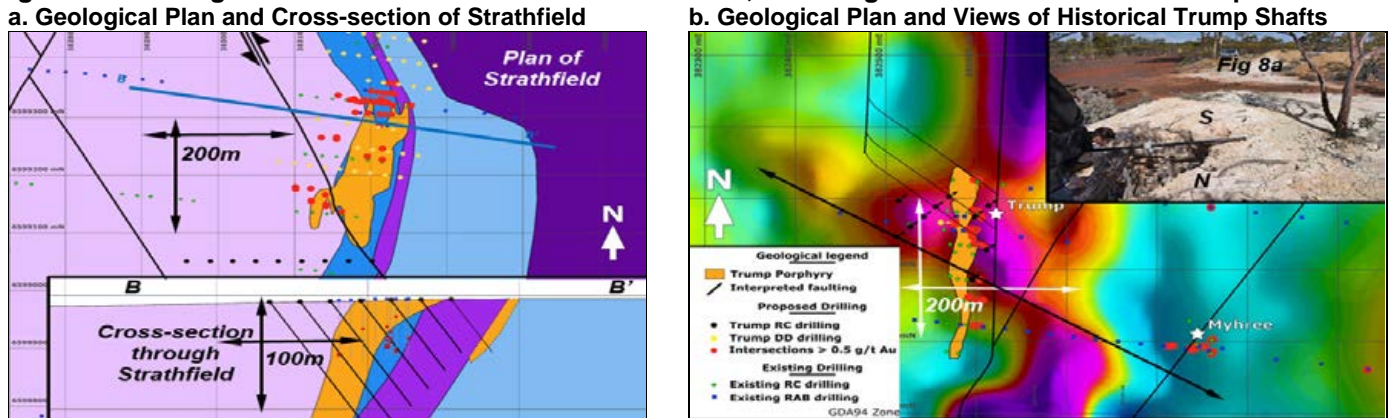
QM and MU (and the White Horse [WH] offset), have already returned encouraging intersections up to 3m @116.3g/t, and a number of double-digit grades over 1m to 2m mostly in Figure 10a, with single digit grades in Figure 10b, that were reported by BC8 on 16 May 2018 and 26 July 2018 respectively. As ERA has commented on page 3, some of these intersections have been reduced by stoped out voids where the presumably high grade ore was mined. While an open-cut over the QM area is a consideration, BC8 could mine a trial pit (ERA view based on other companies) to verify the geology & gold mineralisation distribution.

Figure 11. Cross-Section through Myhree, and Location and Views of Historical Myhree Shafts



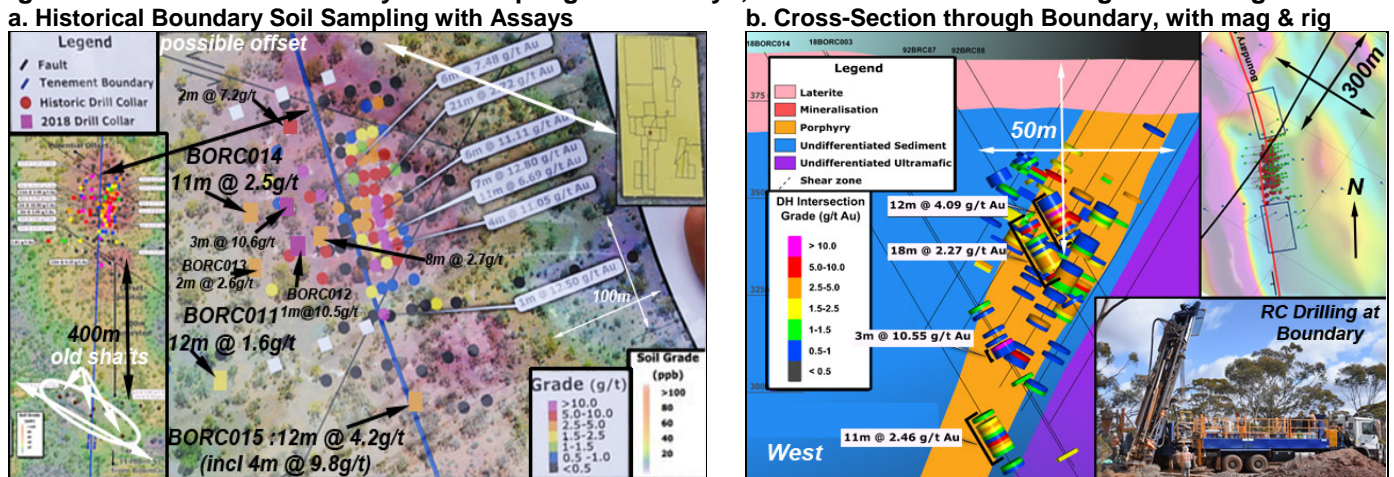
However, Black Cat has been gradually extending and exploring northwards as shown in Fig 3a, into Trump and along the Boundary Corridor from Myhree to Boundary. As shown in Fig 11a, there is grade under the laterite cover at Myhree, and some of the old shafts clearly show in Fig 11b that this horizon was mined.

Figure 12. Geological Plan and Cross-section of Strathfield, & Geological Plan and Views of Trump Shaft.



Myhree can be seen to have orange coloured (and physical coloured) porphyry in Figure 11a, which appears to be a common theme for most of the historically mined areas, such as Strathfield and Trump as shown in Figures 12a and 12b. The go-pro was used at that particular shaft at Trump (in Figure 8a) because of the headframe footings (usually infers depth/size of shaft), but perhaps it has collapsed and hence why it was only ~65ft or ~19m to its apparent floor. There are a few old shafts in the Trump vicinity, and some drilling was planned for SQ 2018 (possibly after Boundary). The first shaft go-pro'd in Figure 8a was striking EW (as were two other nearby ones), whereas the shaft inset in Figure 12b was striking NS.

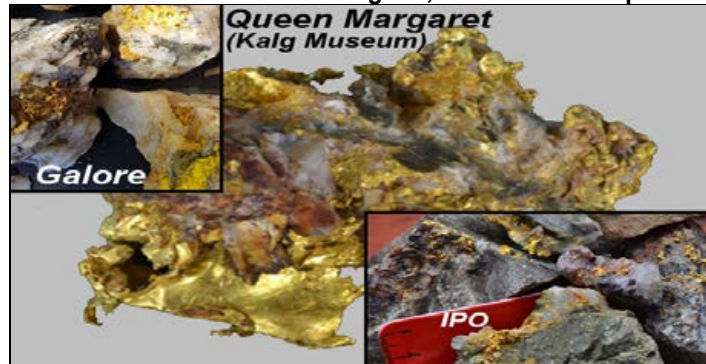
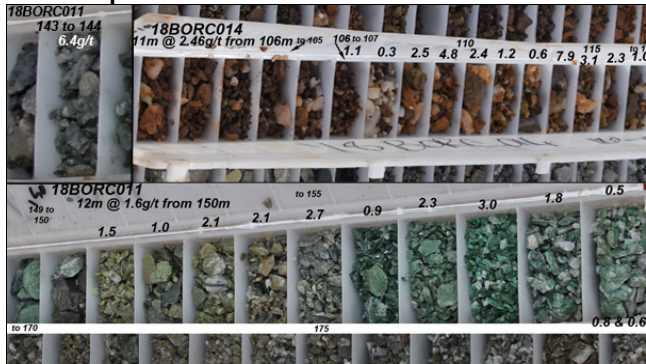
Figure 13. Historical Boundary Soil Sampling with Assays, and Cross-Section with Mag and drill-rig



Boundary is actually a discovery area ~1.4km N of Myhree, with no noticeable old workings, based initially on soil sampling following up structure as shown in Figures 13a and 13b. As shown in Figure 13a, there were a number of encouraging thick intersections such as 6m @ 7.5g/t, 21m @ 2.7g/t & 6m @ 11.1g/t.

On 28 August 018, BC8 reported some follow-up RC drilling also with reasonably thick intercepts such as **12m @ 4.2g/t from 67m incl 4m @ 9.8g/t** from 70m in 18BORC015. ERA only saw the chips from **BORC014's 11m @ 2.5g/t** from 106m, (showing quartz, possibly some grey lamination in the quartz, and green fuchsite, with the grade), and 12m @ 1.6g/t from BORC011 as shown in Fig 14a. The drill rig in Fig 13b was at BORC014 and is shown in section with its porphyry in Fig 13b, while RC015 was a more southerly position shown in Fig 13a. There is in fact possibly ~400m untested south to some old workings – however, these workings may be due to a NWSE structure that could be inferred from a tree line (*trees grow down structures*).

Figure 14. RC chips from drillholes 18BORC 014 and 011, and Visible Gold from Queen Margaret and Galore
a. RC chips from drillholes 18BORC 014 and 011 **b. Visible Gold from Queen Margaret, Galore & IPO Report**



BC8 has postulated that the Boundary mineralisation lies in an offset structure and there appears to be a NWSE striking tree line supporting that interpretation further north, as shown in Figure 13b.

Financial Considerations

Black Cat reported in JQ2018 that it had ~\$3.9m in cash as at 30 June 2018, and its burn rate has been ~\$0.7m/qr. It will have been seen in a number of the figures that there appears to be very little cover in the southern part of the tenement holdings (eg Figures 5b and 7a) increasing as you go north, which should dramatically reduce the cost of open-cut mining (eg QM, WH or MU) because it infers little to no pre-strip.

Exploration Upside

Black Cat are systematically steadily working through their identified targets. It can be seen that the Bulong goldfield has been extensively prospected close to surface, with vast areas cleared and in one area what resembles a road or pipeline clearance, some of the mined areas appear to have been bulldozed over too. Hence, given its extensive length (~>6km) of old and “new prospected” workings, what actual quantity of gold has been won from the field, is open to speculation. The fairly extensive Wakeful gold mine area for example is only recorded as having treated 17t for 64oz (**3.8oz/t or ~120g/t**) between 1902 and 1903.

ERA did visit some of the northern prospects such as **Galore** with its visible gold in quartz, **Anomaly 38**, **Fenceline/Woodline** and **Virgin Dam**, but they appeared to be at any earlier exploration stage and hence may have lesser priority in the jostle for exploration expenditure. There is also a fairly extensive **palaeochannel** system traversing across the tenements – but at this stage it has been classified as a lower priority. Plus of course there is the enigma of **Slug Hill** with its EW shaft, & lying in ultramafic which means that it may have a different style of gold mineralisation. **The prize certainly appears to be there** as ERA saw in the **vg**: of the IPO specimens, in quartz at Galore, & in the Kalgoolie Museum as shown in Fig 14b.

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	Non-Exec Chair : Paul Chapman		Exploration Geo : Ned Summerhayes	
	Non-Exec Director : Les Davis	Jnt Coy Secretary : Dan Travers, and	Mark Pitts	
	Non-Exec Director : Alex Hewlett	Twitter/Facebook : @blackcatsyn8		
Mkt Cap	A\$11m (at 20c)	Tel : +61 (0) 458 007 713		
Cash (30 Jun 18)	~A\$3.9m	Website : www.blackcatsyndicate.com.au		

Disclosure
 Black Cat Syndicate Limited commissioned Keith Goode (who is a Financial Services Representative with State One Stockbroking Ltd ACN 092 989 083 and is a consultant with Eagle Research Advisory Pty Ltd ACN 098 051 677) to compile this report, for which Eagle Research Advisory Pty Ltd has received a consultancy fee. At the date of this report Keith Goode and his associates held interests in shares issued by Black Cat Syndicate Limited. At the date of this report, State One Stockbroking Limited or their associates within the meaning of the Corporations Act, may hold interests in shares issued by Black Cat Syndicate Limited.

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