



Option to Acquire 1.5mtpa Milling Facility

Black Cat Syndicate Limited (“Black Cat” or “the Company”) is pleased to advise of an exclusive option to acquire a 1.5mtpa milling facility (comprised of two mills) for the Kal East Gold Project (“Kal East”).

Black Cat plans to construct a processing facility at the Kal East Gold Project during 2021. The processing facility will be centrally located near the Imperial/Majestic deposits, ~50kms east of Kalgoorlie. The traditionally configured gravity and CIL gold plant will be ideally suited to Black Cat’s deposits and potentially any third party free milling ores in the region. Black Cat intends to install one of the two mills initially, reserving the second for future milling capacity expansion.

HIGHLIGHTS

To implement and accelerate development, Black Cat has entered into an exclusive option to acquire a 1.5mtpa milling facility inclusive of associated equipment for a total of \$1.41m if exercised (“Option”). Key terms of the Option are set out later in this announcement.

Benefits of the Option include:

- Security and reduced lead time of critical equipment supply;
- Potential to reduce capital costs; and
- Equipment and infrastructure allow for future milling capacity expansion.

Equipment within the Option include:

- 1.85MW Outokumpu ball mill (1) and 1.45MW Outokumpu ball mill (1);
- Infrastructure surrounding the mills including steel columns, floor grating and stairs;
- All related ball mill auxiliaries including motors, trunnion, lube systems, trommels and pipe work;
- All critical ball mill spares including girth gear, trunnion bearings, pinion shafts and gearbox; and
- Other ancillary equipment including a 60t lime silo and motor control centre (MCC).

Black Cat’s Managing Director, Gareth Solly said: *“The milling facility is ideal for our planned processing facility and includes sufficient grinding capacity for potential future expansion. The facility was operated for less than five years, has been well maintained and is in excellent condition. We have engaged a team of experts to assist with detailed due diligence and to estimate removal and relocation costs. During the March 2021 quarter we will also estimate the impact this milling facility has on our construction schedule and build up cost estimates for both the initial facility as well as the potential expansion case. Acquiring this facility would be a major milestone for Black Cat as it immediately secures the supply of approximately 60% of the equipment required to construct our planned processing facility.”*



Figure 1: 1.85MW (foreground) and 1.45MW (background) Outokumpu ball mills with some of the associated infrastructure

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DIRECTORS

| | |
|---------------|------------------------|
| Paul Chapman | Non-Executive Chairman |
| Gareth Solly | Managing Director |
| Les Davis | Non-Executive Director |
| Tony Polglase | Non-Executive Director |

CORPORATE STRUCTURE

Ordinary shares on issue: 110.3M
Market capitalisation: A\$74M
(Share price A\$0.67)
Cash (31 Dec 2020): A\$6.0M

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Figure 2: 1.45MW Outokumpu ball mill presently located in the South West of Western Australia

Cautionary Statement

The Mill Equipment, the Mill Infrastructure and the Ancillary Equipment are not yet owned by Black Cat. Certain conditions precedent need to be satisfied prior to the exercise of the Option and completion of the acquisition.

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Figure 3: Ancillary equipment includes (clockwise from top left) 60t time silo, all supports/steps, mill motor, gearbox and pinion, numerous pumps, spare girth gears and large MCC (including numerous VSDs)



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Construction Manager Appointment

Black Cat has appointed Wayne Gaiter as Construction Manager for the processing facility. Wayne has more than 40 years' experience in managing process and maintenance operations of large and small scale processing facilities for gold, copper and base metals around the world. Wayne has a high level of experience in feasibility studies, capital investment, project management, equipment selection, operations readiness, construction and commissioning of processing facilities.

Wayne will manage the construction of the Kal East Gold Processing Facility including:

- Management of the detailed due diligence team;
- Completion of detailed design;
- Cost estimation and planning for equipment removal and relocation to Kalgoorlie; and
- Impact assessment of exercising the Option on capital costs and timing.

Status of Key Equipment Required for the Kal East Processing Facility

The Kal East processing facility will be comprised of the major components shown in Table 1 below. If the Option is exercised, Black Cat estimates that ~60% of the equipment required will have been secured. Black Cat is investigating various alternatives in relation to the remaining ~40%. The benefits of the Option include:

- Security and reduced lead time of critical equipment supply;
- Potential to reduce capital costs; and
- Equipment and infrastructure allow for future milling capacity expansion.

| Major Processing Facility Components | % Complete | Comments |
|---|------------|---------------------|
| Primary jaw and secondary cone crusher & triple deck screen | 0% | |
| Tertiary cone crusher for expansion upgrade | 0% | BC8 investigating |
| Belt conveyor | 0% | |
| Ore bin | 5% | Designed |
| Classifiers | 5% | Designed |
| Adsorption tanks (6) | 100% | Acquired |
| Leach tanks (2) | 5% | Designed |
| Gravity concentrator | 5% | Designed |
| Cyanide | 10% | Contractor supplied |
| 1.45MW Outokumpu ball mill | 100% | Under option |
| 1.85MW Outokumpu ball mill | 100% | Under option |
| Mill & services MCC | 100% | Under option |
| Critical spares including girth gear, pinions, trommel & bearings | 100% | Under option |
| Mill related equipment including electricals, lube systems, hoppers, pumps, valving & pipe work | 100% | Under option |
| Civil/infrastructure/installation drawings, equipment manuals for operation & maintenance of the mill equipment | 100% | Under option |
| Mill infrastructure including steel columns, floor grating, stairs & guarding | 100% | Under option |
| Lime silo with dust collector, rotary valve & screw feeder | 100% | Under option |
| Tails hopper tank | 100% | Under option |
| Elution, gold room & regeneration | 5% | BC8 investigating |
| Mobile crane | 5% | BC8 investigating |
| Power | 5% | Contractor supplied |
| Water - raw water supply (approved for abstraction) | 75% | In design phase |

Table 1: Status of key Processing Facility equipment

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Estimated Milling Capacity

Milling capacity is based on the following factors:

- Mill size and power (1.85MW to 3.3MW);
- Mill feed size (initial study nominally set to 20mm - option to increase throughput with tertiary crushing);
- Bond Work Index (nominally set to 17 but expected to be less); and
- Targeted final grind size (based on 106µm).

Applying these factors, the potential throughput of the combined mills would be ~1.5Mtpa (assuming a nominal p80 -12mm feed size).

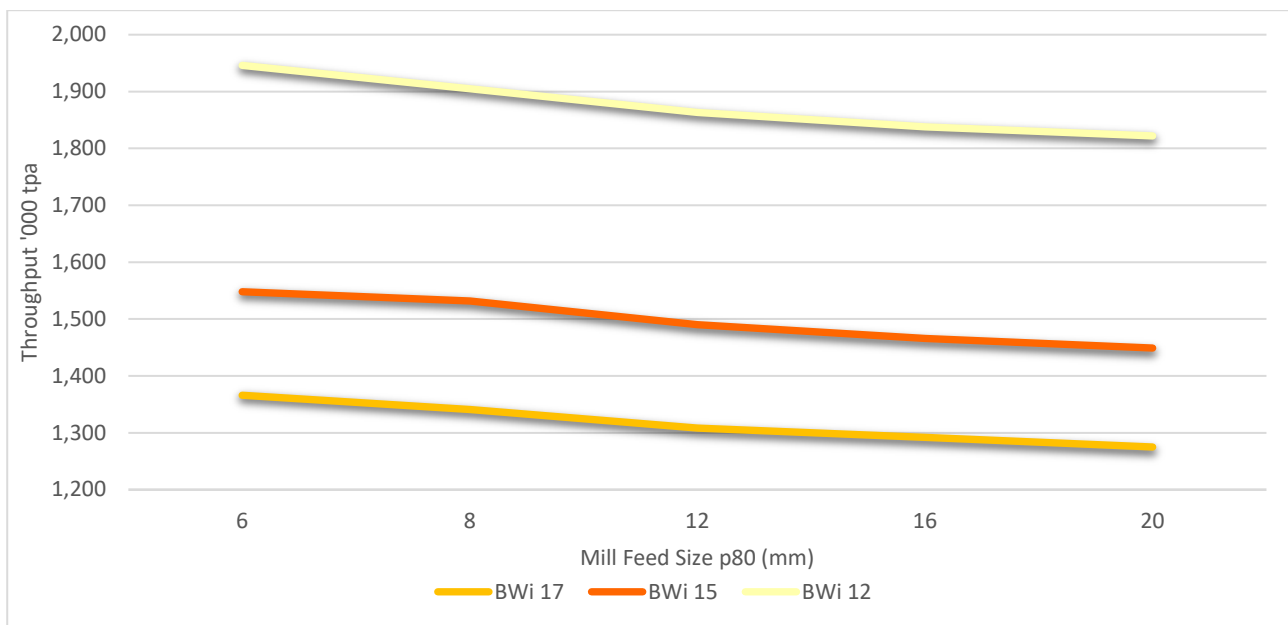


Chart 1: Modelled throughputs for combined 3,300kW mills

It is Black Cat's intention to initially install the larger 1.85MW Outokumpu ball mill which has a potential processing capacity ~0.8mtpa using the above parameters. The 1.45MW Outokumpu ball mill would be held for later installation as a potential expansion option based on processing either Black Cat's own material or toll treating third party material.



Figure 4: The Option includes numerous critical spares including pinions (left) and brand-new bearings (right). All spares are well stored and in good condition.



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Impact on Capital Cost and Studies

An initial Scoping Study for Resources within Kal East was released on 26 November 2020 (“**November 2020 Study**”). In the November 2020 Study, Como Engineers Pty. Ltd. (“**Como**”) estimated the capital cost of a 0.5mtpa processing facility to be \$39.2m (+/-25% accuracy) including a contingency of \$6.0m. The capital cost estimate for installation of the processing facility will be revised during the March 2021 quarter based on the following:

- Removal and relocation costs to Kalgoorlie to be included;
- Cost of the equipment under the Option to be included;
- Cost of new equipment, now not required if the Option is exercised, to be excluded; and
- Unit operating costs to be reviewed on the basis of a change in throughput from 0.5mtpa to up to 0.8mtpa.

During the March 2021 quarter, the above capital cost estimates will be revised to determine the cost impact of exercising the Option. Furthermore, Black Cat is actively looking to acquire other good quality, pre-owned equipment that may result in additional capital cost reductions.

Accordingly, future studies are expected to vary from the November 2020 Study due to a number of factors including:

- Change in gold price;
- Increase in initial mill capacity;
- Reduction in initial capital expenditure;
- Reduction in unit operating costs;
- Re-optimisation of mine plans in line with the potential increase in initial mill capacity; and
- Inclusion of initial Ore Reserves.

Development and Construction Timetable

Black Cat has engaged a team of experts to assist with detailed due diligence of the milling facility and with estimating removal and relocation costs. The 30-day due diligence period will also be used to estimate the impact of the milling facility on the development and construction schedule and to build up cost estimates for both the initial and expanded processing cases.

Option Terms

The key terms of the binding Option with J&P Group Pty. Ltd. for Black Cat to acquire the equipment listed in Schedule 1 (“the Mill Equipment”), Schedule 2 (“the Mill Infrastructure”) and Schedule 3 (“the Ancillary Equipment”) are as follows:

1. Black Cat is to pay a \$100,000 non-refundable option fee upon signing of this binding offer (Paid).
2. Black Cat is to have an exclusive due diligence period in which to exercise the relevant option as follows:
 - a. In respect of the Mill Equipment and the Mill Infrastructure, 30 days from 24 February 2021 (“Equipment Option”); and
 - b. In respect of the Ancillary Equipment, 60 days from 24 February 2021 and the exercise may be in relation to all or part of the Ancillary Equipment (“Ancillary Option”).
2. Upon the exercise of the relevant option, the following consideration is payable by Black Cat:
 - a. In respect of the Equipment Option, the amount of \$1,000,000 is payable within 14 days from the date the Equipment Option is exercised and a further amount of \$100,000 is payable within 14 days of the full removal of the Mill Equipment and the Mill Infrastructure; and
 - b. In respect of the Ancillary Option, the amount of up to \$189,000 (being an amount based on 90% of the value of the specified equipment in the Option exercise notice) is payable within 14 days from the date the Ancillary Option is exercised. A further amount of up to \$21,000



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(being 10% of the value of the specified equipment in the Option exercise notice) is payable within 14 days of the full removal of the Ancillary Equipment.

3. Upon exercise of the relevant option, Black Cat shall acquire the Mill Equipment, the Mill Infrastructure and the Ancillary Equipment free of all encumbrances and on the following basis:
 - a. In respect of the Mill Equipment, it is the responsibility of Black Cat to remove the Mill Equipment from site by 30 September 2021;
 - b. In respect of the Infrastructure Equipment, it is the responsibility of Black Cat to dismantle and remove the Infrastructure Equipment from site by 30 September 2021; and
 - c. In respect of the Ancillary Equipment, it is the responsibility of Black Cat to dismantle and remove the Ancillary Equipment from site by 30 September 2021.

Schedule 1: The Mill Equipment

1.45MW Outokumpu ball mill (1).

1.85MW Outokumpu ball mill (1).

Mill MCC equipment but not the building in which it is located (1).

All equipment related to the above including electricals, lube systems, trommels, hoppers, pumps, valving and pipe work.

All spares related to the above wherever located including girth gear, bearings, screens, pumps and plinths.

All (paper and/or digital) civil drawings, infrastructure drawings, equipment manuals, installation drawings and any other material relevant to the installation, operation and maintenance of the Mill Equipment.

Schedule 2: The Mill Infrastructure

All the infrastructure within the mill area including steel columns, floor grating, stairs, guarding and other equipment located within the mill area. The mill area is that area which hosts the 1.45MW and the 1.85MW Outokumpu ball mills. For the avoidance of doubt, the structure over and above the two ball mills are excluded from the Mill Infrastructure being upright shed columns, trusses, cross bracing and stub for gantry crane, crane rails and purling.

All spares related to the above wherever located.

All (paper and/or digital) civil drawings, infrastructure drawings, equipment manuals, installation drawings and any other material relevant to the installation, operation and maintenance of the Mill Infrastructure.

Schedule 3: The Ancillary Equipment

Lime Silo (1) for Option exercise value of \$40,000.

Upper Area MCC Room and Contents (1) for Option exercise value of \$170,000.

Tails Hopper Tank situated near the #5 Mill (1) for \$nil subject to Black Cat lifting the associated screen to ground level and the parties acting in good faith to co-ordinate an efficient and safe removal.

All spares related to the above wherever located.

All (paper and/or digital) civil drawings, infrastructure drawings, equipment manuals, installation drawings and any other material relevant to the installation, operation and maintenance of the Ancillary Equipment.



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RECENT AND PLANNED ACTIVITIES

Black Cat's recent and upcoming activities include:

| Planned Activities | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 |
|---|--------|--------|--------|--------|--------|--------|--------|
| RC drilling - infill (Fingals Fortune & Trump) | | | | | | | |
| - extensional (Fingals Fortune, Imperial/Majestic, Rowe's Find & Wombola) | | | | | | | |
| - sterilisation programs (mining & processing) | | | | | | | |
| - regional (Bulong & Black Hills) | | | | | | | |
| Mining & processing plant approvals | | | | | | | |
| Processing facility engineering and design | | | | | | | |
| Updated Resources and Maiden Reserves | | | | | | | |
| Audited half-year accounts | | | | | | | |
| Presentation at Energy and Minerals Investor Conference | | | | | | | |
| Presentation at RIU Sydney Resources Round-up | | | | | | | |
| Presentation at Noosa Mining & Exploration Investor Conference | | | | | | | |

For further information, please contact:

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This announcement has been approved for release by the Board of Black Cat Syndicate Limited.



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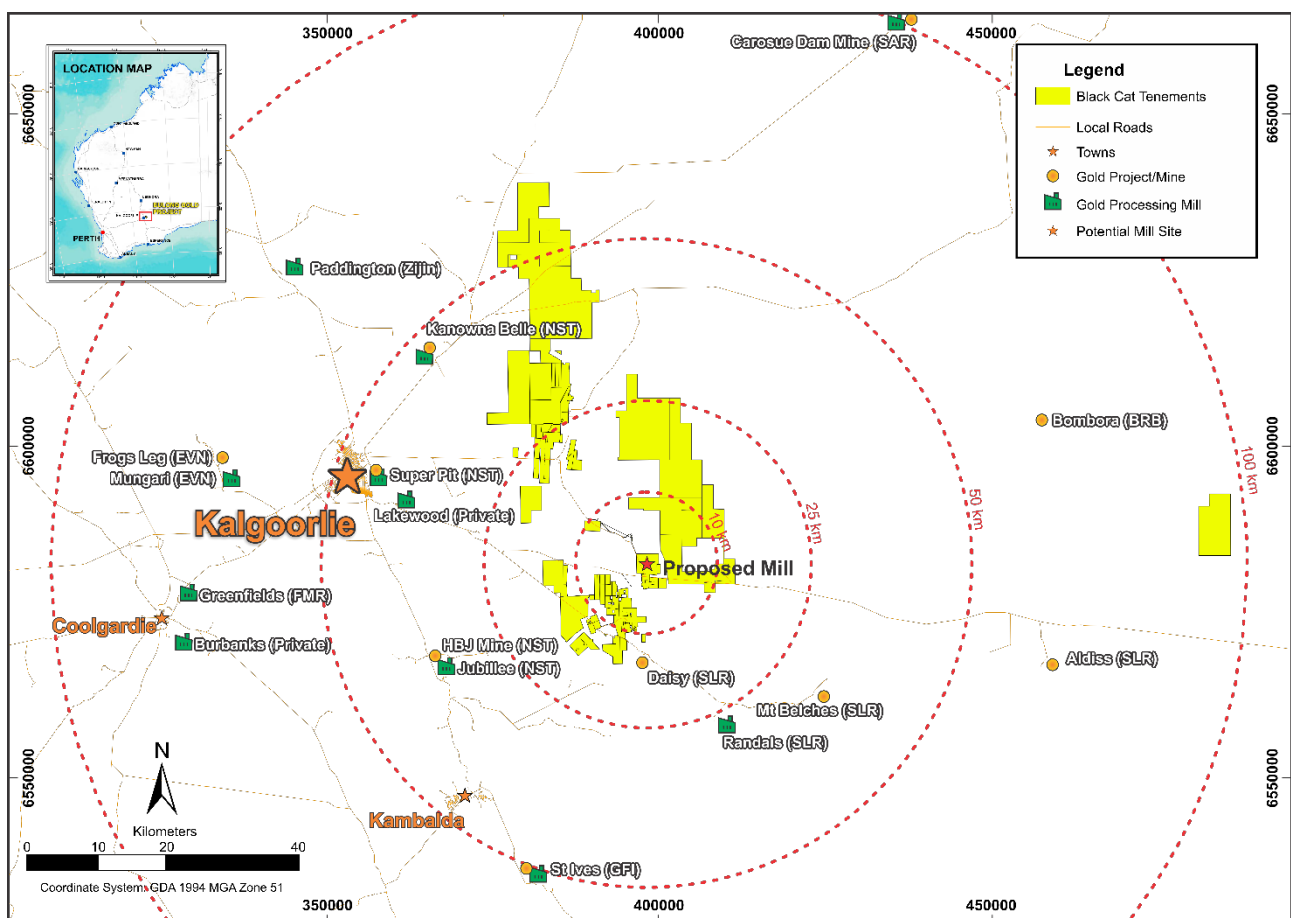
ABOUT BLACK CAT SYNDICATE (ASX: BC8)

Black Cat's Kal East Gold Project comprises 756km² of highly prospective tenements to the east of the world class mining centre of Kalgoorlie, WA. The Project contains a combined JORC 2012 Mineral Resource of 12.3Mt @ 2.3 g/t Au for 905,000oz.

Black Cat plans to construct a central processing facility for the Kal East Gold Project during 2021. The processing facility is expected to be located near the Imperial/Majestic deposits, ~50kms east of Kalgoorlie. This location is well suited for a processing facility and sits within a short haulage distance of the bulk of Black Cat's Resources. The processing facility is designed to be a traditional Carbon-In-Leach gold plant which is ideally suited to Black Cat's Resources as well as to third party free milling ores located east of Kalgoorlie.

Black Cat's extensive tenement package contains a pipeline of projects spanning from exploration targets on new greenstone belts, Resource extensions around historic workings, to study work for the definition of Ore Reserves approved for mining.

Black Cat has a near-term target of 1 million ounces of Resources with a +60,000m drilling program underway and delivering results.



Regional map of Kalgoorlie showing the location of the Kal East Gold Project tenements as well as nearby infrastructure

COMPETENT PERSON'S STATEMENT

Where the Company refers to the Mineral Resources in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed.



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APPENDIX A

JORC 2012 RESOURCE TABLE – Black Cat (100% owned)

The current in-situ, drill-defined and developed Resources for Bulong, Fingals and Rowe's Find are listed below.

| Deposit | Measured Mineral Resource | | | Indicated Mineral Resource | | | Inferred Mineral Resource | | | Total Mineral Resource | | |
|---|---------------------------|----------------|------------------|----------------------------|----------------|------------------|---------------------------|----------------|------------------|------------------------|----------------|------------------|
| | Tonnes ('000s) | Grade (g/t Au) | Metal ('000s oz) | Tonnes ('000s) | Grade (g/t Au) | Metal ('000s oz) | Tonnes ('000s) | Grade (g/t Au) | Metal ('000s oz) | Tonnes ('000s) | Grade (g/t Au) | Metal ('000s oz) |
| Kal East Gold Project | | | | | | | | | | | | |
| Queen Margaret OP | - | - | - | 36 | 2.2 | 3 | 154 | 1.7 | 9 | 190 | 1.8 | 12 |
| Queen Margaret UG | - | - | - | - | - | - | 72 | 2.4 | 6 | 72 | 2.4 | 6 |
| Melbourne United OP | - | - | - | - | - | - | 67 | 2.8 | 6 | 67 | 2.8 | 6 |
| Melbourne United UG | - | - | - | - | - | 0 | 29 | 3.0 | 3 | 29 | 3.0 | 3 |
| Boundary OP | - | - | - | 270 | 1.9 | 17 | 227 | 1.7 | 13 | 497 | 1.9 | 30 |
| Boundary UG | - | - | - | 39 | 2.6 | 3 | 91 | 2.4 | 7 | 130 | 2.4 | 10 |
| Trump OP | - | - | - | 61 | 2.4 | 5 | 392 | 1.9 | 24 | 453 | 2.0 | 28 |
| Trump UG | - | - | - | - | - | - | 225 | 2.9 | 21 | 225 | 2.9 | 21 |
| Myhree OP | - | - | - | 633 | 3.0 | 61 | 73 | 1.7 | 4 | 706 | 2.9 | 65 |
| Myhree UG | - | - | - | 191 | 5.0 | 31 | 494 | 4.0 | 64 | 685 | 4.3 | 95 |
| Anomaly 38 OP | - | - | - | - | - | - | 295 | 1.5 | 14 | 295 | 1.5 | 14 |
| Anomaly 38 UG | - | - | - | - | - | - | 13 | 11.7 | 5 | 13 | 11.7 | 5 |
| Strathfield OP | - | - | - | - | - | - | 171 | 1.7 | 9 | 171 | 1.7 | 9 |
| Strathfield UG | - | - | - | - | - | - | 13 | 3.0 | 1 | 13 | 3.0 | 1 |
| Majestic OP | - | - | - | 991 | 2.0 | 62 | 495 | 1.6 | 25 | 1,486 | 1.8 | 87 |
| Majestic UG | - | - | - | 682 | 3.7 | 80 | 294 | 3.5 | 33 | 976 | 3.6 | 113 |
| Imperial OP | - | - | - | 400 | 2.3 | 30 | 148 | 1.6 | 7 | 548 | 2.1 | 37 |
| Imperial UG | - | - | - | 104 | 4.3 | 14 | 69 | 3.0 | 7 | 173 | 3.8 | 21 |
| Fingals Fortune OP | - | - | - | 670 | 1.9 | 41 | 1,847 | 1.8 | 105 | 2,517 | 1.8 | 146 |
| Fingals Fortune UG | - | - | - | - | - | - | 122 | 2.5 | 10 | 122 | 2.5 | 10 |
| Wombola Dam OP | 13 | 3.2 | 1 | 164 | 2.6 | 14 | 120 | 3.0 | 12 | 297 | 2.8 | 27 |
| Hammer and Tap OP | - | - | - | - | - | - | 350 | 2.4 | 27 | 350 | 2.4 | 27 |
| Trojan OP | - | - | - | 1,356 | 1.8 | 79 | 760 | 1.5 | 36 | 2,115 | 1.7 | 115 |
| Rowe's Find OP | - | - | - | - | - | - | 148 | 3.5 | 17 | 148 | 3.5 | 17 |
| TOTAL Mineral Resource | 13 | 3.2 | 1 | 5,597 | 2.4 | 439 | 6,670 | 2.2 | 465 | 12,279 | 2.3 | 905 |
| <small>The preceding statements of Mineral Resources conforms to the 'Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves (JORC Code) 2012 Edition'. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.</small> | | | | | | | | | | | | |

Notes on Resource table for Bulong, Fingals and Rowe's Find:

1. Data is rounded to thousands of tonnes and thousands of ounces gold. Discrepancies in totals may occur due to rounding.
2. The Resource estimates are produced in accordance with the 2012 Edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (the "2012 JORC Code").
3. All tonnages are reported in dry metric tonnes.
4. Resources have been reported as both open pit and underground with varying cut-offs based off a number of factors discussed in the corresponding Table 1 which can be found with the original ASX announcements for each Resource.
5. The announcements containing the Table 1 Checklists of Assessment and Reporting Criteria relating for the 2012 JORC compliant Resources are:
 - a. Queen Margaret – Black Cat ASX announcement on 18 February 2019 "Robust Maiden Mineral Resource Estimate at Bulong";



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- b. Melbourne United – Black Cat ASX announcement on 18 February 2019 “Robust Maiden Mineral Resource Estimate at Bulong”;
- c. Boundary – Black Cat ASX announcement on 9 October 2019 “Strong Resource Growth Continues including 53% Increase at Fingals Fortune”;
- d. Trump – Black Cat ASX announcement on 9 October 2019 “Strong Resource Growth Continues including 53% Increase at Fingals Fortune”;
- e. Myhree – Black Cat ASX announcement on 9 October 2019 “Strong Resource Growth Continues including 53% Increase at Fingals Fortune”;
- f. Anomaly 38 – Black Cat ASX announcement on 31 March 2020 “Bulong Resource Jumps by 21% to 294,000 oz”;
- g. Strathfield – Black Cat ASX announcement on 31 March 2020 “Bulong Resource Jumps by 21% to 294,000 oz”;
- h. Majestic – Black Cat ASX announcement on 28 May 2020 “Significant Increase in Resources – Strategic Transaction with Silver Lake”;
- i. Imperial – Black Cat ASX announcement on 28 May 2020 “Significant Increase in Resources – Strategic Transaction with Silver Lake”;
- j. Fingals Fortune – Black Cat ASX announcement on 28 January 2021 “1 Million Ounce Resource in Sight”
- k. Wombola Dam – Black Cat ASX announcement on 28 May 2020 “Significant Increase in Resources - Strategic Transaction with Silver Lake”;
- l. Hammer and Tap – Black Cat ASX announcement on 10 July 2020 “JORC 2004 Resources Converted to JORC 2012 Resources”;
- m. Trojan – Black Cat ASX announcement on 7 October 2020 “Black Cat Acquisition adds 115,000oz to the Fingals Gold Project”; and
- n. Rowe’s Find – Black Cat ASX announcement on 10 July 2020 “JORC 2004 Resources Converted to JORC 2012 Resources”.