



BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

To be held at

10.00am (WST)
Tuesday, 27 November 2018

at

Epworth Room
Trinity
230 Hampden Road, Crawley
Western Australia 6009

BCS

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16 October 2018

Dear Fellow Black Cat Shareholder

Please find enclosed the Notice for the Company's first Annual General Meeting to be held at The Epworth Room, Trinity, 230 Hampden Road, Crawley, Western Australia at 10.00am (WST) on Tuesday, 27 November 2018.

Trinity offers limited complimentary parking for conference attendees. Please ensure you display a valid parking permit (issued by Trinity reception) at all times. Free parking is also available on Hampden Road up to a maximum of three hours.

The purpose of the meeting is to conduct the annual business of the Company, being consideration of the annual financial statements, the Remuneration Report and in addition seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely

Paul Chapman
Chairman

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Black Cat Syndicate Limited (“the Company”) will be convened at 10.00am (WST) on Tuesday, 27 November 2018 at the Epworth Room, Trinity, 230 Hampden Road, Crawley, Western Australia.

AGENDA

1. Discussion of Financial Statements and Reports

To discuss the Financial Report, the Directors’ Report and Auditor’s Report for the period ended 30 June 2018.

2. Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial period ended 30 June 2018.”

Voting Prohibition Statement

The Company will disregard any votes cast on Agenda Item 2 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and*
- (b) it is not cast on behalf of a Restricted Voter.*

Further, a Restricted Voter who is appointed as a proxy will not vote on Agenda Item 2 unless:

- (a) the appointment specifies the way the proxy is to vote on that Resolution; or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Agenda Item 2. Shareholders may also choose to direct the Chair to vote against Agenda Item 2, or to abstain from voting.*

3. Re-election of Director – Mr Paul Chapman

To consider and, if thought fit, to approve the following resolution, with or without amendment, as an **ordinary resolution**:

“That, Mr Paul Chapman, who was appointed to the Board before this first Annual General Meeting of the Company, who retires in accordance with the Company’s Constitution and being eligible, offers himself for re-election, be re-elected as a director of the Company.”

4. Re-election of Director – Mr Gareth Solly

To consider and, if thought fit, to approve the following resolution, with or without amendment, as an **ordinary resolution**:

“That, Mr Gareth Solly, who was appointed to the Board before this first Annual General Meeting of the Company, who retires in accordance with the Company’s Constitution and being eligible, offers himself for re-election, be re-elected as a director of the Company.”

5. Re-election of Director – Mr Les Davis

To consider and, if thought fit, to approve the following resolution, with or without amendment, as an **ordinary resolution**:

“That, Mr Les Davis, who was appointed to the Board before this first Annual General Meeting of the Company, who retires in accordance with the Company’s Constitution and being eligible, offers himself for re-election, be re-elected as a director of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

AGENDA (CONTINUED)

6. **Re-election of Director – Mr Alex Hewlett**

To consider and, if thought fit, to approve the following resolution, with or without amendment, as an **ordinary resolution**:

"That, Mr Alex Hewlett, who was appointed to the Board before this first Annual General Meeting of the Company, who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a director of the Company."

7. **Approval of Additional 10% Placement Capacity**

To consider and, if thought fit, to approve the following resolution, with or without amendment, as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and all other purposes, the Company approves the allotment and issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Agenda Item 7 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).

However, votes cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides) will be taken into account.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Statement.

GENERAL NOTES

1. With respect to Agenda Item 2, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.
2. **Voting by Proxy:** Sections 250BB and 250BC of the Corporations Act came into effect on 1 July 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - if a poll is demanded for a particular resolution, any directed proxies which are not voted (where the appointed proxy is not the chair of the meeting) will automatically default to the Chair, who must vote the proxies as directed.

NOTICE OF ANNUAL GENERAL MEETING

GENERAL NOTES (CONTINUED)

2. Voting by Proxy (Continued)

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

3. The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of Annual General Meeting.
4. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm (WST) on 25 November 2018.

BY ORDER OF THE BOARD



Dan Travers
Joint Company Secretary

Dated this 16th day of October 2018

EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the Agenda Items in the Notice of Annual General Meeting.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

1. Discussion of Financial Statements and Reports

The Company's financial reports for the financial period ended 30 June 2018, together with the Directors' Report and the Auditor's Report are placed before the Annual General Meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The Auditor will be attending the Annual General Meeting and will be available to answer any questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the Auditor in relation to the conduct of the audit.

Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

2. Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to present to its Shareholders the Remuneration Report, as disclosed in the Company's Annual Report.

The Resolution is advisory only and does not bind the Directors or the Company. The Annual Report (together with the Remuneration Report) is available on the Company's website (www.blackcatsyndicate.com.au).

Under the Corporations Act, if at least 25% of the votes cast on the resolution to Agenda Item 2 are voted against adoption of the Remuneration Report at the Annual General Meeting and, then again at the Company's next Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting ("**Spill Meeting**") within 90 days of the Company's Annual General Meeting. All of the Directors who were in office when the Company's Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

This is the first time that the Company is seeking Shareholder approval for its Remuneration Report. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to the Directors and sets out the Company's remuneration arrangements for each of the Directors and senior management of the Company for the financial period ended 30 June 2018. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial period ending 30 June 2018.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

The Board considers that its current practices of setting executive and non-executive remuneration are within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires. As such, the Directors recommend that shareholders vote in favour of the resolution to Agenda Item 2.

EXPLANATORY STATEMENT

2. Adoption of Remuneration Report (Continued)

Voting

Note that a voting exclusion applies to Agenda Item 2 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

By appointing the Chair as proxy, and not providing voting directions, you are considered to have expressly authorised the Chair to exercise your proxy, even though the resolution may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

3. Re-Election of Director – Mr Paul Chapman *B.Comm, ACA, Grad. Dip. Tax, MAICD, MAusIMM*
as an Ordinary Resolution

Experience

Paul is a chartered accountant with over 30 years' experience in the resources sector gained in Australia and the United States. Paul has experience across a range of commodity businesses including gold, nickel, uranium, manganese, bauxite/alumina and oil/gas and has held managing director and other senior management roles in public companies. Paul was a founding shareholder/director of the following ASX listed companies: Reliance Mining Limited; Encounter Resources Limited; Rex Minerals Limited; Silver Lake Resources Limited and Paringa Resources Limited. Paul is currently a director of Western Australia based explorer, Encounter Resources Limited (ASX:ENR) and resigned as non-executive director of Brazilian copper/gold producer Avanco Resources Limited (ASX:AVB) on 10 August 2018 following a successful takeover by OZ Minerals Limited.

Term of Office

Mr Chapman was appointed as Director of the Company on 4 August 2017.

Independence

The Board of Black Cat Syndicate Limited does not consider Mr Chapman to be an Independent Director due to his status as a substantial shareholder.

Special Responsibilities

Mr Chapman is the Non-Executive Chairman of the Company.

Directors' Recommendation

The Board (excluding Mr Chapman) supports the proposed re-election and recommends that Shareholders vote in favour of the re-election of Mr Chapman as a Director.

Appointment

Mr Chapman was a founding director of the Company. In undertaking its background checks prior to the Company's Initial Public Offer on the Australian Securities Exchange, the Board did not become aware of any material adverse information or identify any interest, position or relationship that may be perceived to compromise Mr Chapman's capacity to act in the best interests of the Company and its Shareholders.

EXPLANATORY STATEMENT

4. Re-Election of Director – Mr Gareth Solly *B.Sc (Geology) First Class Honours, Dip. Business*
as an Ordinary Resolution

Experience

Gareth has 18 years' mining industry experience covering numerous orebody types in both underground and surface environments with a proven ability in leading mine geology, resource development and near mine exploration teams. This includes 11 years' senior management experience in roles of Registered Manager, Chief Geologist and Group Geology Manager in organisations including Saracen Gold Mines Limited (ASX:SAR), Silver Lake Resources Limited (ASX:SLR) and Norilsk Nickel. Of particular relevance, Gareth was the Chief Geologist and later Resident Manager at Mount Monger which is similar in many ways to Bulong and involved managing a workforce of approximately 200.

Term of Office

Mr Solly was appointed as Director of the Company on 1 January 2018.

Independence

The Board of Black Cat Syndicate Limited does not consider Mr Solly to be an Independent Director due to his status as an Executive Director.

Special Responsibilities

Mr Solly is the Managing Director of the Company.

Directors' Recommendation

The Board (excluding Mr Solly) supports the proposed re-election and recommends that Shareholders vote in favour of the re-election of Mr Solly as a Director.

Appointment

In undertaking its background checks prior to Mr Solly's appointment, and prior to the Company's Initial Public Offer on the Australian Securities Exchange, the Board did not become aware of any material adverse information or identify any interest, position or relationship that may be perceived to compromise Mr Solly's capacity to act in the best interests of the Company and its Shareholders.

5. Re-Election of Director – Mr Les Davis *M.Sc (Min Econ)*
as an Ordinary Resolution

Experience

Les has a Master's Degree in Mineral Economics from Curtin University of Western Australia and over 38 years' mining industry experience including 17 years' hands-on experience in mine development and narrow vein mining. Les' career incorporates over 20 years' senior management and executive experience including roles as Mine Manager, Technical Services Manager, Concentrator Manager, Resident Manager and General Manager Expansion Projects with organisations including WMC Resources Limited, Reliance Mining Limited and Consolidated Minerals Limited and is the founding Managing Director of ASX listed Silver Lake Resources Limited (ASX:SLR).

Term of Office

Mr Davis was appointed as Director of the Company on 4 August 2017.

Independence

The Board of Black Cat Syndicate Limited considers Mr Davis to be an Independent Director.

Special Responsibilities

Mr Davis is a Non-Executive Director of the Company.

EXPLANATORY STATEMENT

5. **Re-Election of Director – Mr Les Davis (Continued)**

Directors' Recommendation

The Board (excluding Mr Davis) supports the proposed re-election and recommends that Shareholders vote in favour of the re-election of Mr Davis as a Director.

Appointment

Mr Davis was a founding director of the Company. In undertaking its background checks prior to the Company's Initial Public Offer on the Australian Securities Exchange, the Board did not become aware of any material adverse information or identify any interest, position or relationship that may be perceived to compromise Mr Davis' capacity to act in the best interests of the Company and its Shareholders.

6. **Re-Election of Director – Mr Alex Hewlett B.Sc, MAusIMM**
as an Ordinary Resolution

Experience

Alex has a degree in Earth Science from the University of Western Australia and is a member of the Australian Institute of Mining and Metallurgy. Alex resigned as a director of Hammer Metals Limited (ASX:HMX) effective 1 October 2018. Alex is also chairman of ASX listed explorer Spectrum Rare Earths Limited (ASX:SPX).

Term of Office

Mr Hewlett was appointed as Director of the Company on 4 August 2017.

Independence

The Board of Black Cat Syndicate Limited does not consider Mr Hewlett to be an Independent Director due to his status as a substantial shareholder.

Special Responsibilities

Mr Hewlett is a Non-Executive Director of the Company.

Directors' Recommendation

The Board (excluding Mr Hewlett) supports the proposed re-election and recommends that Shareholders vote in favour of the re-election of Mr Hewlett as a Director.

Appointment

Mr Hewlett was a founding director of the Company. In undertaking its background checks prior to the Company's Initial Public Offer on the Australian Securities Exchange, the Board did not become aware of any material adverse information or identify any interest, position or relationship that may be perceived to compromise Mr Hewlett's capacity to act in the best interests of the Company and its Shareholders.

7. **Approval of Additional 10% Placement Capacity**
as a Special Resolution

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution ("**Additional 10% Placement Capacity**"). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity that is not included in the S&P ASX 300 Index. The Company's market capitalisation as at 15 October 2018 was \$11.5 million and therefore the Board considers that it is an eligible entity for the purposes of Listing Rule 7.1A.

EXPLANATORY STATEMENT

7. **Approval of Additional 10% Placement Capacity (Continued)**

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

$$(A \times D) - E$$

Where,

A = Has the same meaning as in Listing Rule 7.1

D = 10%

E = The number of equity securities issued or agreed to be issued under Listing Rule 7.1A2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

The Company is putting Agenda Item 7 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.

This Resolution does not mean that the Company will necessarily utilise the 10% Additional Placement Capacity. Rather, capital markets have recently been in a state of fluctuation and the Directors acknowledge that they may need to act quickly to raise funds when favourable markets emerge. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. Under these circumstances, the Additional 10% Placement Capacity will provide flexibility for the Company to issue additional securities, in the event that the Directors determine that the issue of the additional securities is in the interests of the Shareholders and the Company in achieving its objectives.

Listing Rule 7.1A

The effect of Agenda Item 7 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has quoted securities in the form of Shares on issue.

As at the date of this Notice, the Company has 57,260,002 Shares on issue and therefore, subject to Shareholder approval being sought under Agenda Item 7, up to 5,726,000 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table on the page below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

The resolution the subject of Agenda Item 7 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

EXPLANATORY STATEMENT

7. Approval of Additional 10% Placement Capacity (Continued)

- (b) If the resolution the subject of Agenda Item 7 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable "A" is at its current level, and where variable "A" has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 15 October 2018 (current market price), where the issue price is halved, and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.10 Issue Price at half the current market price	\$0.20 Issue Price at current market price	\$0.40 Issue Price at double the current market price
Current Variable A 57,260,002 Shares	Shares issued	5,726,000	5,726,000	5,726,000
	Funds raised	\$572,600	\$1,145,200	\$2,290,400
	Dilution	10%	10%	10%
50% increase in current Variable A 85,890,003 Shares	Shares issued	8,589,000	8,589,000	8,589,000
	Funds raised	\$858,900	\$1,717,800	\$3,435,600
	Dilution	10%	10%	10%
100% increase in current variable A 114,520,004 Shares	Shares issued	11,452,000	11,452,000	11,452,000
	Funds raised	\$1,145,200	\$2,290,400	\$4,580,800
	Dilution	10%	10%	10%

EXPLANATORY STATEMENT

7. Approval of Additional 10% Placement Capacity (Continued)

Note: this table assumes:

- (i) No Options are exercised before the date of the issue of the Equity Securities;
 - (ii) The Company issues the maximum number of Equity Securities under the Additional 10% Placement Capacity and the Equity Securities issues consists only of Shares;
 - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholders holding at the date of the Annual General Meeting; and
 - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (c) Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), (Additional Placement Period).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds to advance its exploration programs and general working capital purposes; or
 - (ii) non-cash consideration for the acquisition of new assets or any other consideration other than cash. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s). Securities allotted pursuant to the allocation policy will be determined following consideration of a number of factors including, but not limited to, the following matters:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities;
 - (ii) the dilutionary effect of the proposed of the issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

At the date of this Notice, the Company has not formed an intention as to whether the securities will be offered to existing security holders, or to any class or group of existing security holders, or whether the securities will be offered exclusively to new investors that have not previously been security holders of the Company. The Company will give consideration before making any placement of securities under Listing Rule 7.1A whether the raising of any funds under such placement could be carried out in whole, or in part, by an entitlement offer to existing security holders.

The allottees under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include related parties (or their associates) of the Company.

- (f) The Company has not previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A

EXPLANATORY STATEMENT

7. Approval of Additional 10% Placement Capacity (Continued)

- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Agenda Item 7.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Agenda Item 7.

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

EXPLANATORY STATEMENT

Glossary

Annual General Meeting means the annual general meeting of the Company.

Accounting Standards has the meaning given to that term in the Corporations Act.

Additional 10% Placement Capacity has the meaning set out in Section 7 of the Explanatory Statement.

Additional Placement Period has the meaning set out in Section 7(c) of the Explanatory Statement.

Annual General Meeting or **Meeting** means the annual general meeting the subject of the Notice.

Annual Report means the annual report of the Company for the period ended 30 June 2018.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Black Cat Syndicate Limited ABN 63 620 896 282.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities has the meaning as in the Listing Rules.

Explanatory Statement means this Explanatory Statement accompanying the Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX.

Market Value means the value of Shares as determined by the volume weighted average trading price of Shares sold on the ASX over the last five Trading Days immediately before the relevant date.

Notice or **Notice of Meeting** means the notice of Annual General Meeting accompanying this Explanatory Statement.

Option means an option to acquire a Share.

Plan means the Black Cat Syndicate Limited Incentive Option Plan.

Remuneration Report means the Remuneration Report set out in the Directors' Report section of the Company's annual financial report for the period ended 30 June 2018.

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Resolution means a resolution the subject of this Notice.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

WST means Australian Western Standard Time.

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