

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018



ASX Announcement
31 January 2019

HIGHLIGHTS

Operations

- **8,026m** of drilling completed, including: 49 RC holes for 5,100m and 14 diamond holes for 2,926m.
- **Sub Audio Magnetic (“SAM”) surveys** completed at Myhree-Boundary and Anomaly 38.
- Completion of **WA Government Exploration Incentive Scheme (“EIS”) co-funded Diamond Drilling** along the Queen Margaret Corridor.

Results

- Best results from Myhree include: **11m @ 4.03 g/t Au from 104m** (18MYRC019).
- Best results from Boundary include: **7m @ 2.75 g/t Au from 69m** (18BORC34).
- Best results from Melbourne include: **3m @ 13.44 g/t Au from 24m** (18MBRC004)

Growth

- Results at Myhree **increased mineralised strike length to 200m**.
- Results at Boundary **increased mineralised strike length to 550m**.
- Results at Melbourne United open the potential to **define unmined high grade** up to 400m along strike of Queen Margaret.
- Initial **JORC resource estimation commenced** at both Queen Margaret and Boundary with maiden Resource due before the end of March 2019.

Financial

- **Cash reserves of ~\$2M** to enable ongoing activities and resource definition.

Planned Activities

- **Extensional drilling along the Myhree-Boundary Corridor** to restart in January 2019.
- Extensional drilling along the **Trump** Corridor as well as at **Melbourne United** and **Strathfield** to continue in the quarter.
- Drill planning for the **northern extension of the Myhree-Boundary Corridor** between Boundary and **Virgin Dam**.

Black Cat’s Managing Director, Gareth Solly commented “another big quarter of drilling has continued to advance our understanding of the geology and gold mineralisation across the project. It has been particularly pleasing to extend our own discovery at Myhree as well as the mineralised strike of Boundary. Our drilling campaign is set to continue strongly in 2019, and we look forward to updating the market with a maiden Resource number in the months ahead. This is an exciting time for Black Cat and its shareholders.”

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DIRECTORS

Paul Chapman Non-Executive Chairman
Gareth Solly Managing Director
Les Davis Non-Executive Director
Alex Hewlett Non-Executive Director

CORPORATE STRUCTURE

Ordinary shares on issue: 57.3M
Market capitalisation: A\$9.1M
(Share price A\$0.16)
Cash (31 Dec 2018): A\$2.0M

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The Board of Black Cat Syndicate Limited ("Black Cat") is pleased to report on activities during the quarter ended 31 December 2018.

SAFETY AND PRODUCTIVITY

Summary of key performance indicators for operations undertaken at the Bulong Gold Project ("the Project") during the December 2018 quarter are shown below:

- drilling activities were again highly productive and safe with nil reportable incidents;
- 5,100m of RC drilling was completed during the quarter along with 2,926m of diamond drilling bringing total drilling to >27,000m within the first 10 months of activity on site; and
- drilling rates remain favourable, and exploration activities and costs remain well ahead of budget.

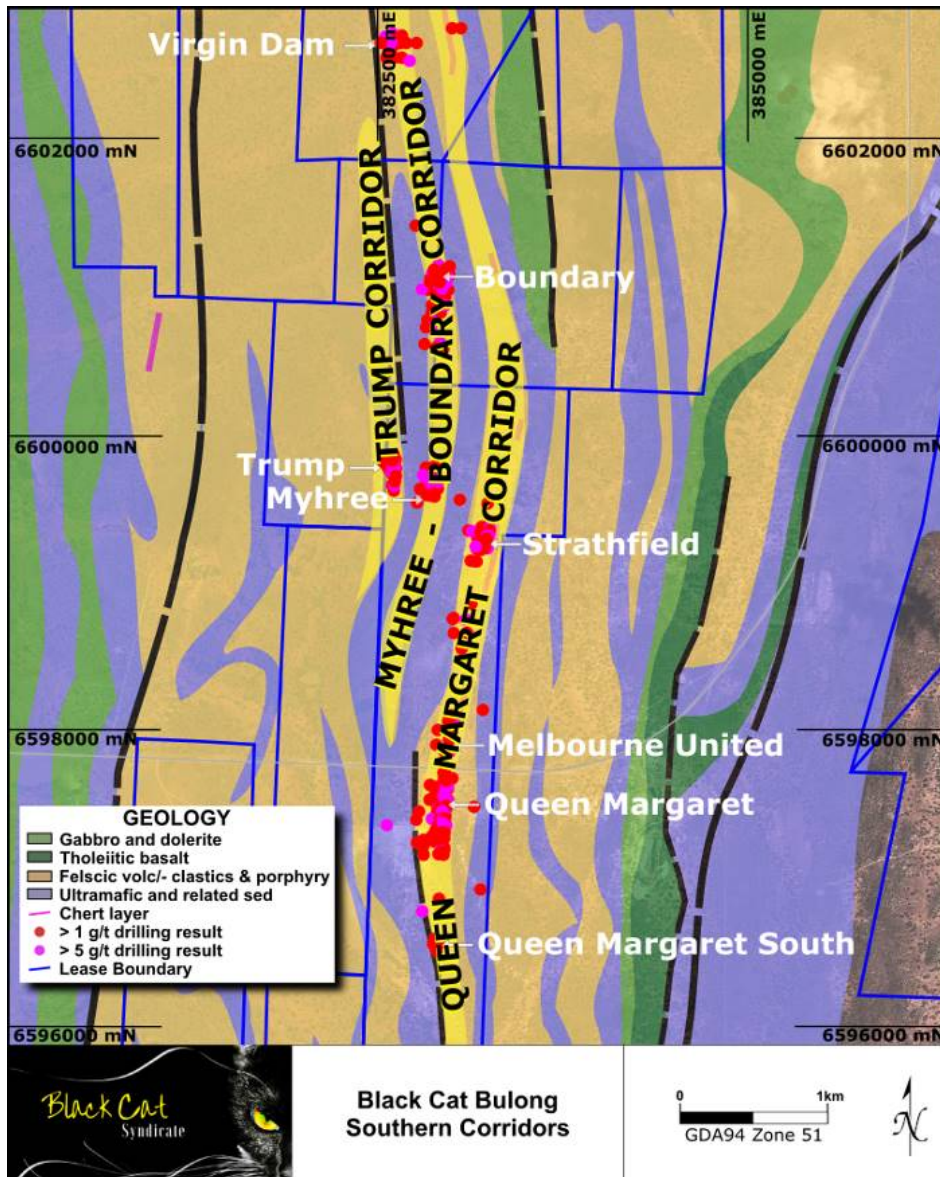


Figure 1: Schematic showing the three southern corridors

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PROJECTS

Myhree-Boundary Corridor

There has been negligible mining along the 1,550m long Myhree-Boundary Corridor as there is no outcrop and residual lateritic cover. Boundary was a discovery made by targeting soil anomalism in the early 1990s. Although historic drilling intersected thick, high grade gold mineralisation (see Appendix 2), there has been negligible drilling along strike within this corridor until Black Cat took ownership in 2018.

Myhree

Eight RC holes (850m) were drilled in November 2018. Drilling showed that the thick, high-grade mineralisation found in shallow drilling during the September 2018 quarter continues at depth. Mineralisation has now been identified over 200m of strike and remains open to the north and at depth (see Figures 2 and 4). Results include (refer ASX announcement 6 December 2018):

- **18MYRC019** **11m @ 4.03 g/t Au from 104m;**
- **18MYRC019** **3m @ 3.49 g/t Au from 117m; and**
- **18MYRC017** **1m @ 8.01 g/t Au from 75m.**

Boundary

Fourteen RC holes (1,595m) were drilled during the quarter. The drilling successfully identified that mineralisation continues at least 200m to the south taking the current strike of mineralisation to ~550m length (see Figures 2 and 3). Four diamond holes (620m) were also drilled during the quarter with results outstanding at time of reporting. Better results from the RC drilling (refer to ASX announcement 6 December 2018) include:

- **18BORC025** **7m @ 2.40 g/t from 102m;**
- **18BORC026** **3m @ 3.83 g/t from 17m;**
- **18BORC027** **6m @ 2.25 g/t from 59m;**
- **18BORC034** **7m @ 2.75 g/t from 69m; and**
- **18BORC036** **2m @ 7.10 g/t from 71m.**

JORC Resource estimation commenced during the December 2018 quarter targeting an initial Resource during the March 2019 quarter.

The Boundary mineralisation remains open to south as well as at depth. Additionally, new geology modelling suggests that historically drilled mineralisation at Virgin Dam (~1.4km north of Boundary) sits within the same stratigraphic corridor and the area between these historically identified deposits remains under-drilled. Drilling to explore for additional mineralised structures between Boundary and Virgin Dam will be an important activity during the first half of 2019.

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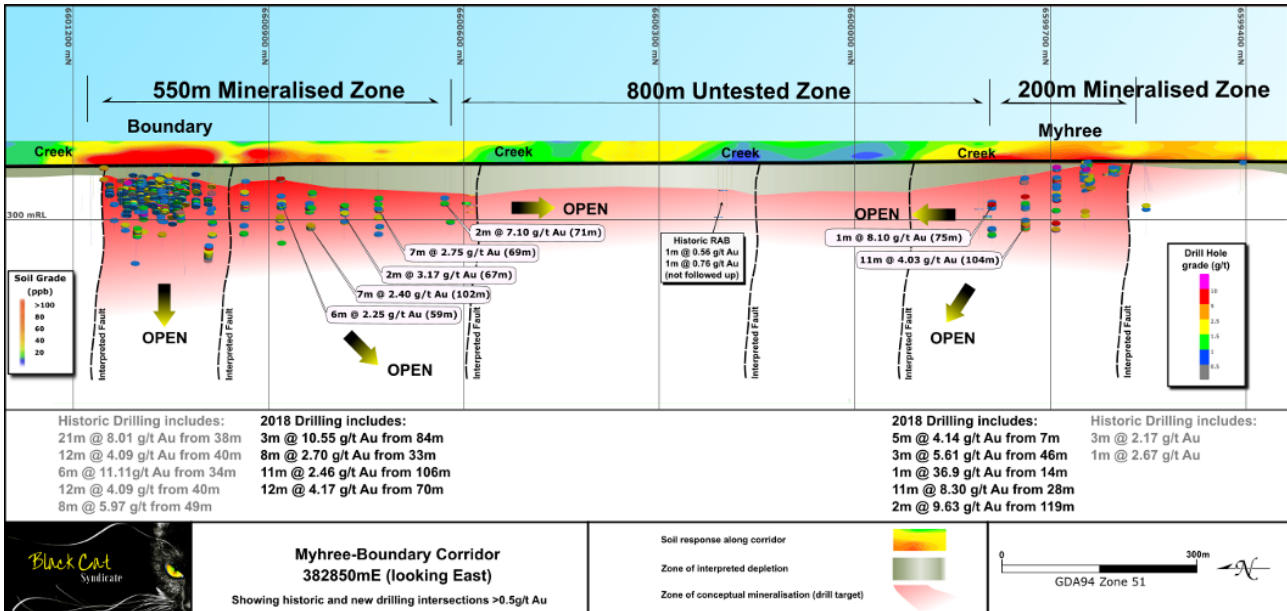


Figure 2: Long Section of the Myhree-Boundary Corridor showing most recent drilling during December 2018 quarter

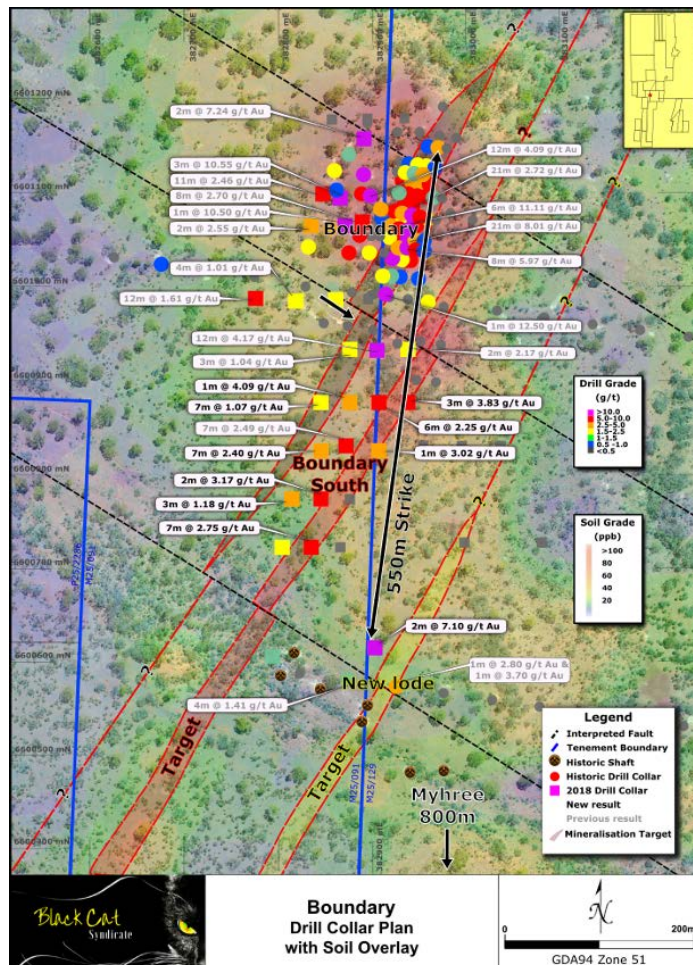


Figure 3: Drill collar plan at Boundary showing recent and previous RC drilling results

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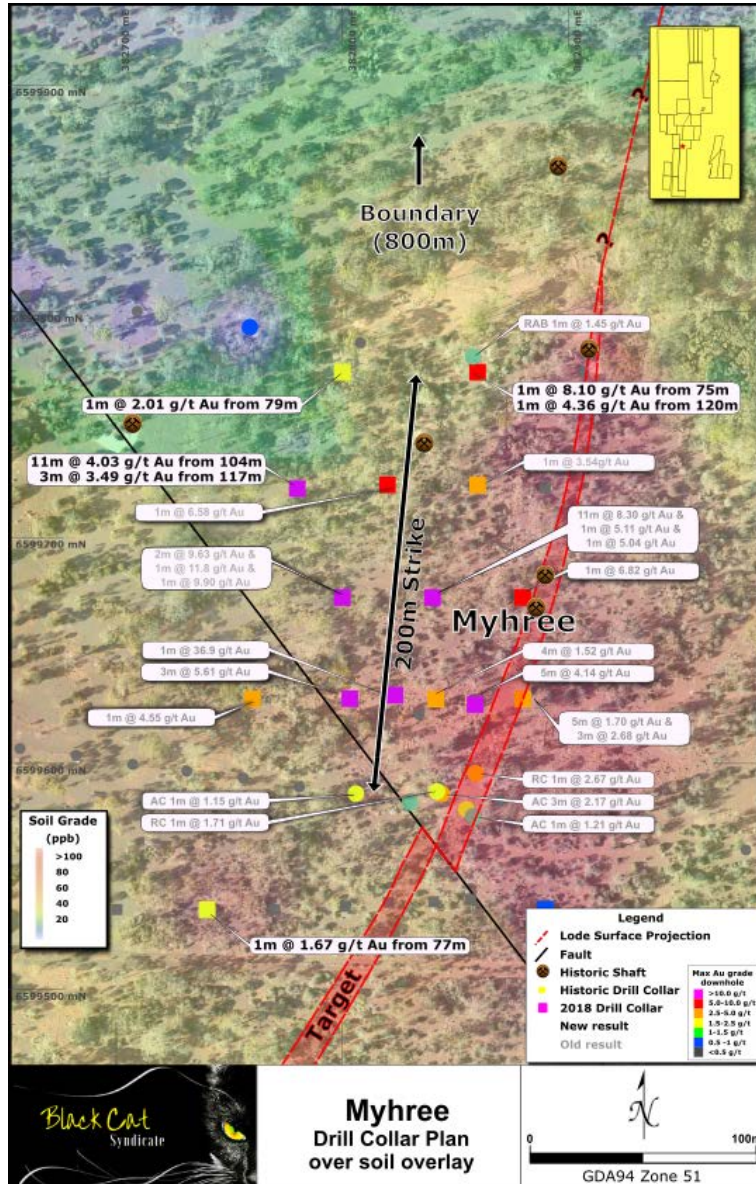


Figure 4: Drill collar plan at Myhree showing recent and previous RC drilling results and target zones

Queen Margaret Corridor

The Queen Margaret Corridor is a ~6km strike of workings in the southern half of the Project. There is negligible cover in this corridor which allowed gold to be found at surface pre-WW1. This was the focus of most of the historic gold production. Black Cat has now mapped over 500 shafts along this corridor.

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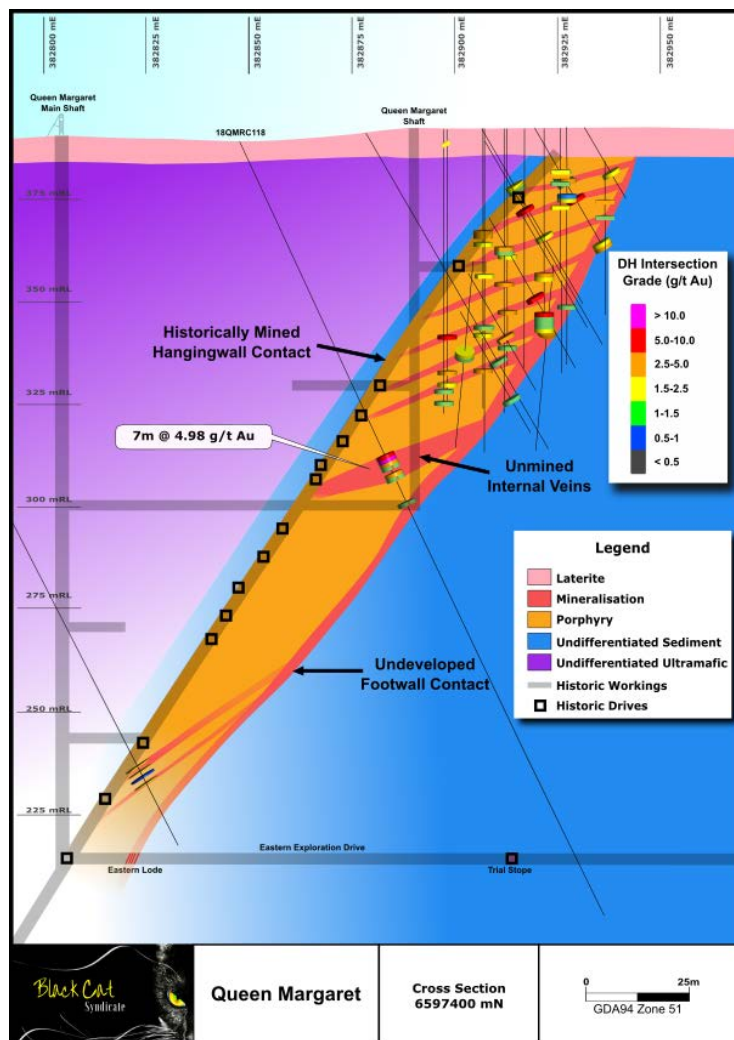


Figure 5: Interpreted section showing the historic workings on the hangingwall contact of the porphyry along with the remnant footwall and internal vein sets

Melbourne United

Black Cat drilled six RC holes (378m) in November 2018 to confirm that the Melbourne United mineralisation style is similar to the Queen Margaret Porphyry (“QM Porphyry”) and has the potential to extend the JORC Resource work at Queen Margaret. Results confirm the presence of high-grade narrow vein Queen Margaret style mineralisation within the Felsic Porphyry. Better results (refer ASX announcement 19 December 2018) include:

- **18MBRC004** **3m @ 13.44 g/t Au from 24m; and**
- **18MBRC005** **2m @ 17.49 g/t Au from 61m.**

Queen Margaret, Melbourne and Strathfield

Four deep EIS diamond holes (1,707m) were also completed along the Queen Margaret Corridor. EIS is a merit-based scheme which allows a 50% return of direct drilling costs, 80% of which was returned during the quarter.

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The purpose of the EIS diamond holes was to better understand the stratigraphic and structural controls on the high-grade gold mineralisation throughout the Corridor. Two diamond holes were drilled under Queen Margaret and one under each of Melbourne United and Strathfield. The oriented diamond core will be used to characterise the mine sequence stratigraphy. Core will also be structurally, geochemically and petrographically analysed to confirm the consistent stratigraphy along the Corridor.

The first two EIS diamond holes drilled below the historic Queen Margaret Mine both intersected the QM Porphyry in the predicted position and were ~17m down hole thickness with strong alteration mineralogy. Drilling encountered komatiitic ultramafic rocks in the hangingwall of the mine stratigraphy, with siltstones and a polymictic conglomerate adjacent to the mineralised porphyry. The footwall was dominated by polymictic conglomerate, which was, in places, entirely composed of pyritic black shale clasts. Both the hangingwall and footwall contacts with the felsic unit were sheared and the felsic unit contained abundant quartz veins with associated sericite alteration and disseminated pyrite. Some of the internal quartz veins also showed the presence of galena with fine visible gold noted in one vein adjacent to the hangingwall contact. Results included (refer to ASX announcement 19 December 2018):

- **18QMDD001** **0.2m @ 21.0 g/t Au from 360.9m; and**
- **18QMDD002** **0.79m @ 2.30 g/t Au from 440.0m.**

The stratigraphy encountered, and the results show that the prospective Queen Margaret stratigraphy continues at depth in predictable positions.

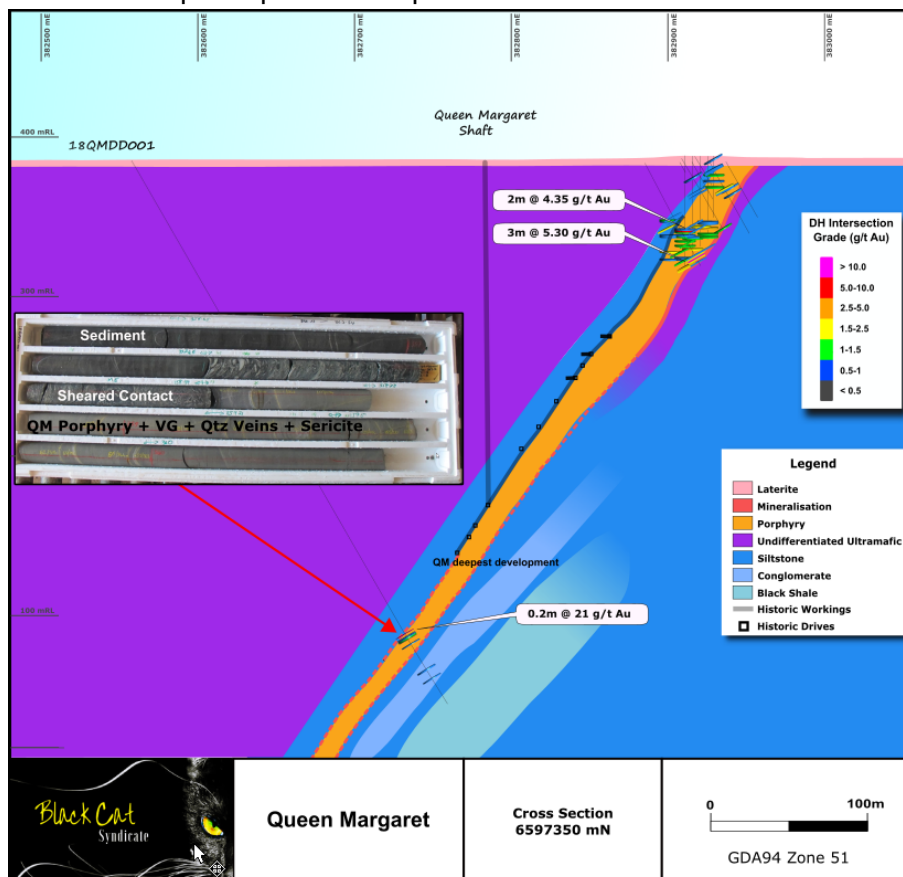


Figure 6: Cross Section showing 18QMDD001

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The third diamond hole tested underneath the Melbourne United workings to assess the footwall and to refine the geological interpretation of the strike extent of the Queen Margaret/White Horse/Melbourne United area. 18MBDD001 was collared into komatiitic ultramafic and drilled to 335m. The target zone was encountered as predicted at ~160m and encompassed a sequence of pyritic black shale and sheared ultramafic with minor quartz veining.

The fourth EIS co-funded hole, 18SFDD001, was drilled at Strathfield to 300m and was designed to test the stratigraphy at depth below the existing shallow mineralisation as well as to test for the source of an alluvial nugget patch located to the east. The hole was collared in komatiitic ultramafic, with the prospective felsic horizon intersected at the predicated depth with a downhole thickness of 14m. Intercalated zones of sediment were observed within the felsic unit, similar to Queen Margaret. Beneath the felsic was a mixture of sediments including siltstone, black shale and polymictic conglomerate as well as an ultramafic unit. Lithological and structural data collected from the hole will assist in future targeting.

Two deeper RC holes (630m) were also drilled during the December 2018 quarter. Drilling was aimed at testing the geology and the potential for mineralisation below open pit depths at Queen Margaret. Assays were outstanding at the end of the quarter.

Black Cat, through extensive RC drilling, has validated the previous shallow drilling that exists in the footwall of the historic Queen Margaret Mine (see Appendix 3 for new and previous drilling results). Resource estimation work on the shallow mineralisation at Queen Margaret commenced in late September 2018 and continued during the December 2018 Quarter. The initial Queen Margaret Resource will be reported in the March 2019 Quarter.

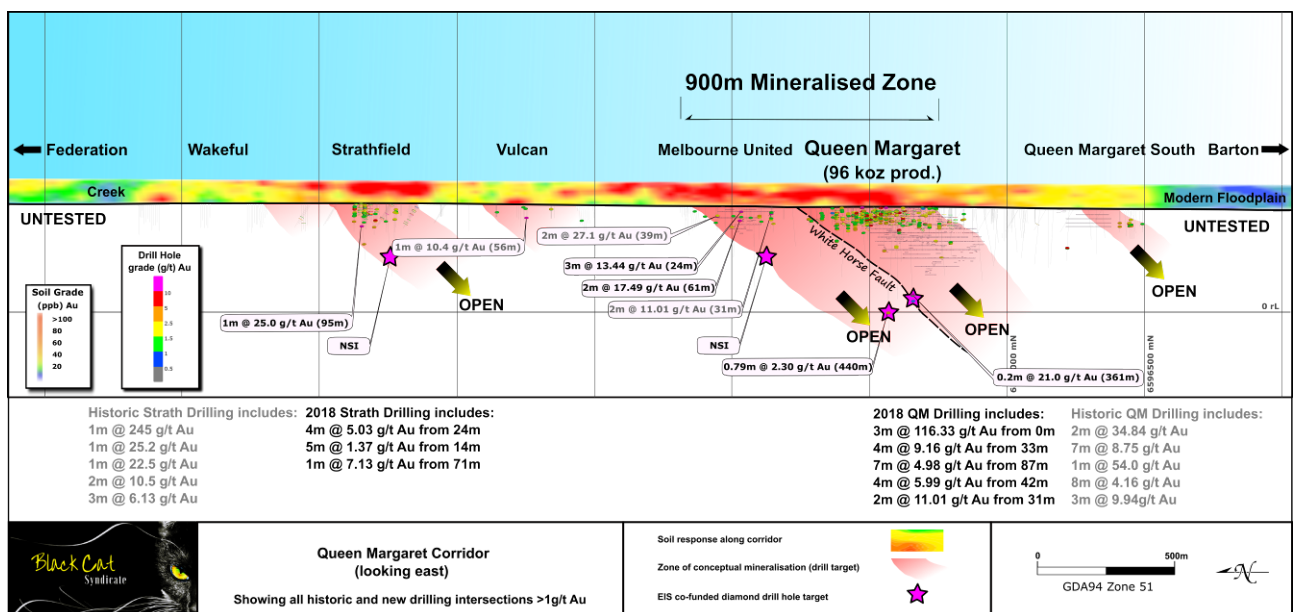


Figure 7: Long Section of the Queen Margaret Corridor showing location of EIS co-funded diamond holes

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Figure 8: Deep drilling below the historic Melbourne United Mine during November 2018

SAM Surveys

Two SAM geophysical surveys were undertaken along the Myhree-Boundary-Trump Corridors and the Woodline-Anomaly 38 area during the quarter. The surveys covered an area of ~5km² and will provide detailed information of lithological and structure features that lie beneath the cover in these corridors. Results from the surveys have already identified a number of new targets and will be used to refine drill targeting and geological modelling.

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Trump Corridor

The Trump Corridor lies on the western side of Bulong. Historic mining appears to be constrained to a 200m strike around the Trump working. A large area of prospective felsic stratigraphy stretches along Trump with negligible drill testing.

Intersections at Trump include (refer ASX announcement 20 September 2018):

- **94BRC65** **3m @ 14.17 g/t Au from 57m**;**
- **94BRC68** **1m @ 15.20 g/t Au from 41m**;**
- **94BRC65** **1m @ 12.60 g/t Au from 54m**;**
- **18TRRC003** **8m @ 4.13 g/t Au from 44m; and**
- **18TRRC014** **3m @ 2.70 g/t Au from 68m.**

During December 2018, Black Cat drilled six RC holes (540m) on the northern end of Trump aimed at extending the mineralisation along strike. Two diamond holes (330m) were also drilled underneath the old workings to understand the geology and structural setting of the Trump deposit. Results were outstanding at the time of this report.

Other Areas

RC Drilling Programs

Black Cat continued to test a number of early stage and advanced targets with first pass drilling undertaken at: Woodline (4 RC holes for 420m), Solitaire (6 RC holes for 444m) and Chapman's Find (3 RC holes for 240m). Results were outstanding at the time of this report.

Summary of Drilling at Bulong Gold Project

During the December 2018 quarter, 8,026m of drilling was completed including 49 RC holes for 5,100m and 14 diamond holes for 2,926m. The following table is a summary of drilling completed during the quarter:

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| Area | Target | Objective | # RC Holes | Total RC (m) | # DD Holes | Total DD (m) |
|--------------------------|------------------|-------------------------------------|------------|--------------|------------|--------------|
| Myhree-Boundary Corridor | Boundary | RC extension to South | 14 | 1,595 | - | - |
| | | DD geotechnical | - | - | 4 | 620 |
| | Myhree | RC extension to North | 8 | 850 | - | - |
| Queen Margaret Corridor | Queen Margaret | Infill/extension | 2 | 630 | 4 | 330 |
| | | EIS below historic workings | - | - | 2 | 915 |
| | Melbourne United | Initial test of geology | 6 | 381 | - | - |
| | | EIS below historic workings | - | - | 1 | 431 |
| | Strathfield | EIS below historic workings | - | - | 1 | 300 |
| Trump Corridor | Trump | RC extension to North | 6 | 540 | - | - |
| | | Initial DD test of geology at depth | - | - | 2 | 330 |
| Other | Woodline | Initial test of geology | 4 | 420 | - | - |
| | Solitaire | Initial test of geology | 6 | 444 | - | - |
| | Chapman's Find | Initial test of geology | 3 | 240 | - | - |
| Total | | | 49 | 5,100 | 14 | 2,926 |

Planned Activities for Early 2019

Black Cat is planning an extremely busy and productive year in 2019, including:

- **January 2019** receive assays from recent drilling, along the Queen Margaret, Myhree-Boundary and Trump Corridors;
- **January – March 2019** infill and extensional drilling along the Myhree-Boundary Corridor;
- **19-21 February 2019** corporate presentation at RIU Explorer's Conference, Fremantle WA;
- **January – March 2019** initial JORC Resource down to 70m at Queen Margaret to be completed once all shallow diamond results are returned;
- **January - March 2019** initial JORC Resource down to 100m at Boundary to be completed once all diamond results are returned;
- **March - April 2019** corporate roadshow to present latest drilling results and initial JORC Resources to investors; and
- **Ongoing** drilling of high priority Advanced, Emerging and Early targets to ensure that we understand the breadth of the opportunity at the Project. Announcement of results on an ongoing basis as each program is completed and interpreted.

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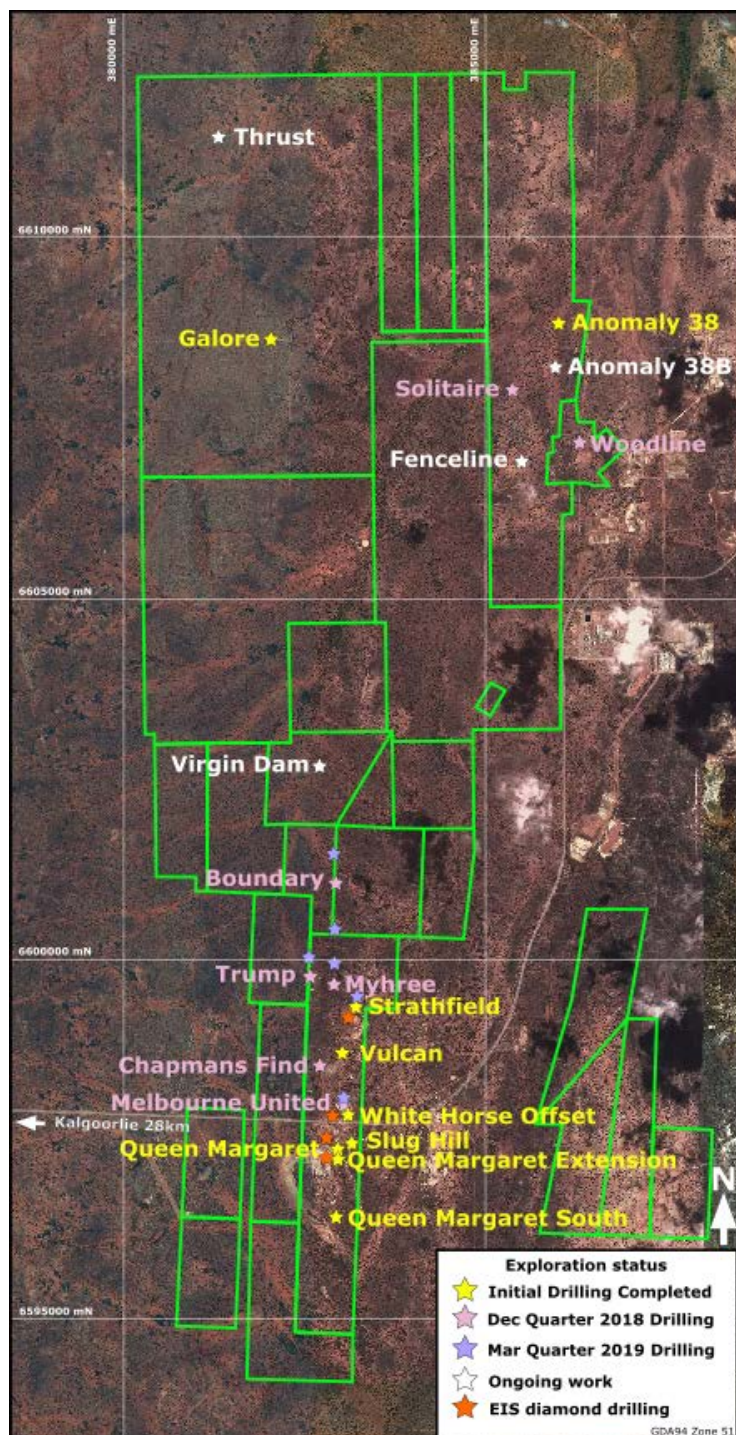


Figure 9: Map showing planned drilling locations at the Bulong Gold Project

For further information, please contact:

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APPENDIX 1: TENEMENT INFORMATION

| Lease | Location | Project Name | Area (km ²) | Status | % Interest As At The Start Of The Quarter | % Interest As At The End Of The Quarter |
|----------|-------------|---------------------|-------------------------|---------|---|---|
| E25/0499 | Bulong | Ramsgate | 0.04 | Live | 100% | 100% |
| E25/0512 | Bulong | Woodline West | 0.04 | Live | 100% | 100% |
| E25/0520 | Bulong | Anomaly 38 | 0.04 | Live | 100% + | 100% + |
| E27/0532 | Bulong | Thrust | 0.08 | Live | 100% | 100% |
| M25/0024 | Bulong | Queen Margaret | 4.86 | Live | 100% | 100% |
| M25/0083 | Bulong | Woodline | 0.73 | Live | 100% | 100% |
| M25/0091 | Bulong | Boundary | 0.83 | Live | 100% | 100% |
| M25/0129 | Bulong | Boundary/Federation | 1.79 | Live | 100% | 100% |
| P25/2286 | Bulong | Trump | 1.22 | Live | 100% | 100% |
| P25/2287 | Bulong | Bulong | 1.35 | Live | 100% | 100% |
| P25/2288 | Bulong | Bulong | 1.01 | Live | 100% | 100% |
| P25/2293 | Bulong | Bulong North | 0.53 | Live | 100% | 100% |
| P25/2367 | Bulong | Princess West | 2.00 | Live | 100% | 100% |
| P25/2368 | Bulong | Queen Margaret West | 1.96 | Live | 100% | 100% |
| P25/2369 | Bulong | Virgin Dam | 1.70 | Live | 100% | 100% |
| P25/2377 | Bulong | Virgin Dam North | 1.99 | Live | 100% | 100% |
| P25/2378 | Bulong | Virgin Dam West | 1.93 | Live | 100% | 100% |
| P25/2463 | Bulong | Balagundi | 1.35 | Live | 100% | 100% |
| P27/2326 | Bulong | Hampton Hill | 1.78 | Live | 100% | 100% |
| P27/2327 | Bulong | Hampton Hill | 1.78 | Live | 100% | 100% |
| P27/2328 | Bulong | Hampton Hill | 1.64 | Live | 100% | 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% |
| E28/2809 | Avoca Downs | Rowes Find | 39.8 | Pending | 0% | 0% |

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

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APPENDIX 2: RECENT AND HISTORIC** RESULTS (MYHREE-BOUNDARY CORRIDOR)

| Target | Hole ID | From (m) | Interval | Gram Metres |
|----------|-----------|----------|-------------------|-------------|
| Boundary | 92BRC33 | 38 | 21m @ 8.01 g/t Au | 168 |
| | NBB7 | 41 | 26m @ 2.76 g/t Au | 72 |
| | 92BRC29 | 34 | 6m @ 11.11 g/t Au | 67 |
| | 92BRC52 | 41 | 21m @ 2.72 g/t Au | 57 |
| | 18BORC015 | 67 | 12m @ 4.17 g/t Au | 50 |
| | 92BRC88 | 40 | 12m @ 4.09 g/t Au | 49 |
| | NBB2 | 49 | 8m @ 5.97 g/t Au | 48 |
| | 92BRC91 | 36 | 16m @ 2.60 g/t Au | 42 |
| | 92BRC87 | 46 | 18m @ 2.30 g/t Au | 41 |
| | 92BRC31 | 54 | 19m @ 2.10 g/t Au | 40 |
| | 92BRC32 | 33 | 13m @ 2.61 g/t Au | 34 |
| | 18BORC003 | 84 | 3m @ 10.55 g/t Au | 32 |
| | 92BRC34 | 42 | 11m @ 2.79 g/t Au | 31 |
| | 92BAC42 | 33 | 7m @ 4.35 g/t Au | 30 |
| | NBB4 | 79 | 6m @ 4.73 g/t Au | 28 |
| | 92BRC77 | 64 | 13m @ 2.14 g/t Au | 28 |
| | 92BRC71 | 38 | 11m @ 2.48 g/t Au | 27 |
| | 18BORC014 | 106 | 11m @ 2.46 g/t Au | 27 |
| | NBB3 | 27 | 16m @ 1.52 g/t Au | 24 |
| | NBB8 | 45 | 14m @ 1.60 g/t Au | 22 |
| | 18BORC002 | 33 | 8m @ 2.70 g/t Au | 22 |
| | NBB10 | 48 | 8m @ 2.70 g/t Au | 22 |
| | 92BAC42 | 43 | 8m @ 2.53 g/t Au | 20 |
| | 18BORC011 | 150 | 12m @ 1.61 g/t Au | 19 |
| | 18BORC034 | 69 | 7m @ 2.75 g/t Au | 19 |
| | 92BRC29 | 43 | 10m @ 1.84 g/t Au | 18 |
| | NBB11 | 45 | 6m @ 2.91 g/t Au | 17 |
| | 18BORC021 | 66 | 7m @ 2.49 g/t Au | 17 |
| | NBB12 | 60 | 10m @ 1.74 g/t Au | 17 |
| | 18BORC025 | 102 | 7m @ 2.40 g/t Au | 17 |
| | 92BRC75 | 60 | 5m @ 3.03 g/t Au | 15 |
| | NBB8 | 78 | 7m @ 2.16 g/t Au | 15 |
| Myhree | 18MYRC011 | 28 | 11m @ 8.30 g/t Au | 91 |
| | 18MYRC019 | 104 | 11m @ 4.03 g/t Au | 44 |
| | 18MYRC003 | 14 | 1m @ 36.90 g/t Au | 37 |
| | 18MYRC001 | 7 | 5m @ 4.14 g/t Au | 21 |
| | 18MYRC012 | 119 | 2m @ 9.63 g/t Au | 19 |
| | 18MYRC004 | 46 | 3m @ 5.61 g/t Au | 17 |
| | 18MYRC012 | 8 | 1m @ 11.80 g/t Au | 12 |

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APPENDIX 3: RECENT AND HISTORIC** RESULTS (QUEEN MARGARET CORRIDOR)

| Target | Hole ID | From (m) | Interval | Gram Metres |
|------------------|-----------|------------------|--------------------|-------------|
| Melbourne United | 92BRC100 | 39 | 2m @ 27.11 g/t Au | 54 |
| | 18MBRC004 | 24 | 3m @ 13.44 g/t Au | 40 |
| | 18MBRC005 | 61 | 2m @ 17.49 g/t Au | 35 |
| | 18QMRC065 | 31 | 2m @ 11.01 g/t Au | 22 |
| Queen Margaret | 18QMRC060 | 0 | 3m @ 116.33 g/t Au | 349 |
| | BAC70 | 48 | 2m @ 34.84 g/t Au | 70 |
| | 93BRC6 | 48 | 7m @ 8.75 g/t Au | 61 |
| | SBRC2 | 0 | 1m @ 54.00 g/t Au | 54 |
| | 18QMRC056 | 33 | 4m @ 9.16 g/t Au | 37 |
| | 18QMRC118 | 87 | 7m @ 4.98 g/t Au | 35 |
| | 94BRC30 | 39 | 8m @ 4.16 g/t Au | 33 |
| | BAC70 | 22 | 3m @ 9.94 g/t Au | 30 |
| | 94BRC15 | 49 | 1m @ 27.00 g/t Au | 27 |
| | 94BRC43 | 31 | 1m @ 27.00 g/t Au | 27 |
| | BAC19 | 43 | 1m @ 25.60 g/t Au | 26 |
| | 18QMRC031 | 42 | 4m @ 5.99 g/t Au | 24 |
| | BAC66 | 29 | 4m @ 5.05 g/t Au | 20 |
| | 18QMRC001 | 22 | 6m @ 2.97 g/t Au | 18 |
| | 94BRC46 | 62 | 2m @ 8.38 g/t Au | 17 |
| | 18QMRC057 | 32 | 3m @ 5.37 g/t Au | 16 |
| | 18QMRC046 | 70 | 3m @ 5.30 g/t Au | 16 |
| | BAC20 | 50 | 3m @ 5.21 g/t Au | 16 |
| | 18QMRC099 | 52 | 2m @ 7.37 g/t Au | 15 |
| | 93BRC14 | 45 | 5m @ 2.93 g/t Au | 15 |
| | 18QMRC006 | 0 | 1m @ 14.60 g/t Au | 15 |
| | 18QMRC027 | 31 | 1m @ 13.70 g/t Au | 14 |
| | 18QMRC097 | 25 | 4m @ 3.37 g/t Au | 13 |
| | 18QMRC103 | 85 | 6m @ 2.14 g/t Au | 13 |
| 18QMRC097 | 51 | 4m @ 2.84 g/t Au | 11 | |
| 18QMRC058 | 51 | 4m @ 2.64 g/t Au | 11 | |
| Strathfield | SBRC38 | 48 | 1m @ 245.00 g/t Au | 245 |
| | SFAC10 | 24 | 1m @ 25.20 g/t Au | 25 |
| | SBRC22 | 95 | 1m @ 25.00 g/t Au | 25 |
| | SBRC20 | 24 | 1m @ 22.50 g/t Au | 23 |
| | 92BRC38 | 37 | 2m @ 10.50 g/t Au | 21 |
| | 18SFRC004 | 24 | 4m @ 5.03 g/t Au | 20 |
| | SBRC18 | 44 | 3m @ 6.13 g/t Au | 18 |
| | SBRC20 | 13 | 6m @ 2.77 g/t Au | 17 |
| | SFAC14 | 44 | 3m @ 5.26 g/t Au | 16 |
| | SFAC12 | 15 | 1m @ 15.55 g/t Au | 16 |
| | SBRC42 | 64 | 1m @ 15.00 g/t Au | 15 |

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INVESTMENT HIGHLIGHTS

Black Cat controls 100% of ~84km² 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 @ >1 oz/t Au produced to date;
- the Queen Margaret Mine was the main producer with ~96,000oz @ >1oz/t Au. 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.

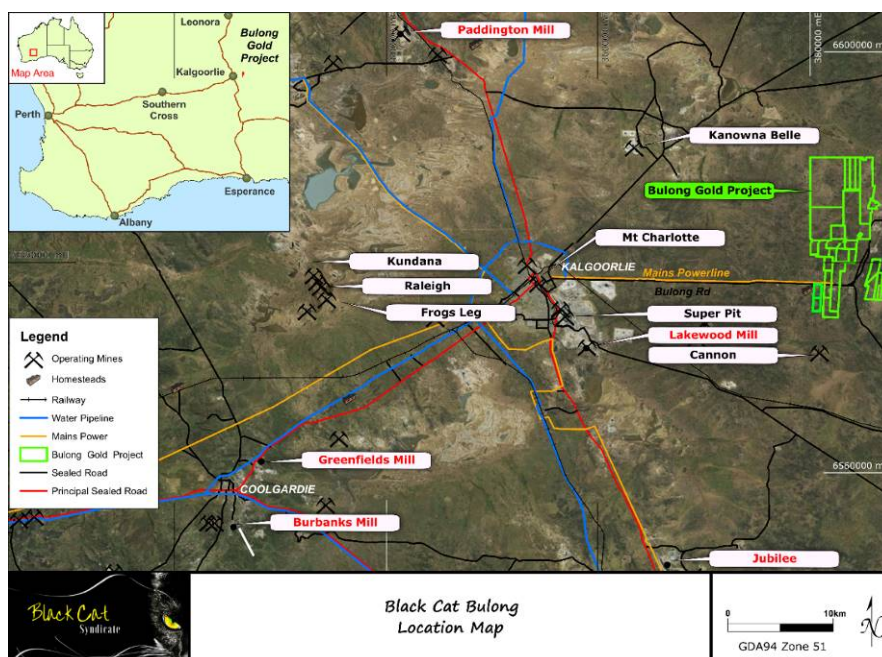


Figure 10: Regional map of Kalgoorlie showing the location of the Black Cat Bulong tenements and nearby infrastructure

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018



**ASX Announcement
31 January 2019**

COMPETENT PERSON'S STATEMENT

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

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original reports.

*** Information on historical results outlined in this Announcement together with JORC Table 1 information, is contained in the Independent Geologists Report within Black Cat's Prospectus dated 27 November 2017, which was released in an announcement on 25 January 2018.*

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")

31 December 2018

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (992) | (1,606) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs (<i>administration and corporate</i>) | (74) | (150) |
| (e) administration and corporate costs | (175) | (290) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 12 | 33 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (Co-funded drilling grant) | 111 | 111 |
| 1.9 Net cash from / (used in) operating activities | (1,118) | (1,902) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10) | (10) | (10) |
| (c) investments | - | - |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 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) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (10) | (10) |

| | | | |
|-------------|---|-------------|-------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 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 | (12) | (12) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | (12) | (12) |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,094 | 3,878 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,118) | (1,902) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (10) | (10) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (12) | (12) |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 1,954 | 1,954 |

| 5. Reconciliation of cash and cash equivalents 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 | 1,954 | 1,074 |
| 5.2 Call deposits | - | 2,020 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,954 | 3,094 |

| 6. Payments to directors of the entity and their associates | 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) - \$14,422
Office rent paid to related party of Mr Paul Chapman - \$4,675

| 7. Payments to related entities of the entity and their associates | 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. Financing facilities available <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. | | |

| 9. Estimated cash outflows for next quarter | \$A'000 |
|---|--------------|
| 9.1 Exploration and evaluation | (690) |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | (75) |
| 9.5 Administration and corporate costs | (125) |
| 9.6 Other: | - |
| 9.7 Total estimated cash outflows | (890) |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|---------------------------------|--------------------|----------------------------------|----------------------------|
| 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 | Nil | | | |

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: 31 January 2019

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

Mining exploration entity and oil and gas exploration entity 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.