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BLACK CAT SYNDICATE
CALL: Q3 FY26 Financial Results – Analyst Call
DATE: Thursday, 23 April 2026
REPRESENTATIVES:
James Bruce, Managing Director
Nick Dwyer, Chief Financial Officer
Andrew Lai, Group Manager – Corporate Development

Stewart Walters
Hello, everyone, and welcome. Thanks for joining today's Q3 26 Investor Webcast for Black Cat Syndicate, ASX Code BC8. I'm Stuart Walters from Market Open, and today we're joined by James Bruce, Managing Director, and Nick Dwyer, Chief Financial Officer of Black Cat Syndicate.

James and Nick will take you through the company's March quarter, Q3 financial year 26 results, followed by a live Q&A session hosted by Andrew Lai, the Group Manager of Corporate Development at Black Cat.

If you'd like to ask a question during the Q&A, you can click the hand icon at the bottom of your screen to ask a question live. Please state your name and where you're calling from. You can also submit any written questions at any time via the Q&A tab at the bottom of your screen. With that, I'll hand over to James Bruce, Managing Director of Black Cat Syndicate.

James Bruce, Managing Director
Thanks, Stuart, and good morning, everyone. Thank you for joining us today. This is my first quarterly webcast as Managing Director. I appreciate your time for joining us. I've been with the business now for about 2 months and, before getting into the details of the quarter, I wanted to share a few initial reflections.

Firstly, I wanted to acknowledge and thank Gareth Solly, one of the founders of Black Cat, who played a pivotal role in successfully transitioning the company from an exploration business that IPO'd at 20 cents a share in 2018 to become a multi-asset gold producer today. It's a rare and significant achievement in this industry. I thank Gareth for his leadership and contribution to the company and wish him all the best in his future endeavours.

Building on Gareth's foundations, one of the things I've been impressed with most since joining the company is the culture of the business. There's a strong can-do attitude across Black Cat, with people who take ownership, thinking collaboratively and effectively, and who are focused on getting things done safely and responsibly.

Second, I'm pleased with the senior management team. The team brings deep operational experience and a proven capability to build, own, and operate assets across the full life cycle. Importantly, that capability is demonstrated through the successful delivery of two gold operations into production over the last 18 months.

Third, having spent some time across the operations, I'm genuinely invigorated by the opportunities ahead for Black Cat. With a strong balance sheet, robust cash flow, the right people, and a 100% owned portfolio of gold assets across Western Australia, we're well-positioned to deliver near-term growth as our production momentum builds, while also progressing longer-term value across the broader portfolio.

My mandate is very clear: to grow the business significantly in Australia and to do so in a capital-efficient manner. Firstly, at our two existing operations, Kal East and Paulsens, we'll increase our own production and fill the mills for longer. Secondly, at our two development projects, Coyote and Mount Clement, we'll define the potential to bring them into development over the next few years. Finally, we'll look at opportunities to acquire mineral leases and projects where we can leverage our in-house build-own-operate capabilities. That clarity is important, and it underpins how we think about capital allocation, growth opportunities, and decision-making across the business.

With that context, I'll now walk through the March quarter performance from an operational perspective, before handing over to Nick to cover the financials and the balance sheet in more detail. Looking at the last quarter, I want to start with people and safety. During the March quarter, the group increased employee and contractor numbers by 12% to 618 people, reflecting the continued scale-up of our operations and investment across the business. Investing in people is a high priority. As we continue to expand the business, we expect employee numbers to continue to increase, supported by ongoing investment in capability, leadership, and operational depth.

Safety remains a core priority of the business. The hazard reporting culture is strong at both our operations, and I've observed that on multiple occasions. Our focus is on continuous improvement, ensuring everyone goes home safe every day. Disappointingly, during the quarter, we had one LTI. As I often say, we only earn the right to exist if we are productive; safe, disciplined operations are fundamental to that productivity. By leveraging the combined experience across the group, we continue to focus on improving the operational performance while maintaining a strong safety culture.

Turning to gold production: group production was 23,952 ounces during the quarter, which was below the outlook range of 25,000 to 28,000 ounces, primarily due to the lower grade at Paulsens. Talking about Paulsens itself, production was 7,110 ounces. Processing increased by 13% on a quarter-on-quarter basis to 102,000 tonnes. However, the grade was lower as we mined lower-grade stopes. Production is expected to increase going forward as higher-grade stopes are accessed. Paulsens is a high-grade but nuggety ore body, and this can result in variability between quarters. Importantly, processing

volumes increased quarter-on-quarter, reinforcing that the outcome was driven by grade rather than throughput or operational disruption. I've been impressed by the cost management of Paulsens, with disciplined cost control over the last quarter, which was only impacted by grade variability rather than operational disruption.

Turning to Kal East, gold production in the March quarter was 16,842 ounces, representing a 4% increase quarter-on-quarter. This included 11,553 ounces from third-party ore, which contributed from the company-owned Fingals and Majestic mines, which processed their first batch of 100% Black Cat ore. Overall processing declined by 5% quarter-on-quarter to 305,000 tonnes. However, this was more than offset by high realised feed grades, with the average head grade coming in around 10% higher.

The Majestic decline infrastructure is well established. I'm pleased to say that yesterday we successfully fired the first long-hole stope at Majestic. This is an important milestone and we'll see increased tonnages of high-grade material in the months ahead. The Fingals open pit is now well established and will produce more tonnes than we can treat through the Lakewood Mill over the next year. This will provide us operational flexibility. Overall, the June quarter will demonstrate an important transition for the Kal East operations, with 100% Black Cat ore being fed from both Fingals and Majestic for the first time. Nick will cover off on what that means.

Just wanted to discuss fuel for a while. The company has not been immune to the events in the Middle East and the impact on fuel. To give an idea of exposure to fuel costs, it's increased as a proportion of operating costs during the quarter, from 6% of total costs in January, pre-war, to 8% in March. It remains manageable within the group's cost structure. Even more importantly, the company has managed to maintain fuel supplies during the quarter. A new bulk fuel supply agreement was executed, providing long-term supply certainty. Together with Lakewood's grid-connected power, the group is not experiencing any fuel supply constraints, which has supported uninterrupted operations across the portfolio.

I'll now hand over to Nick to take you through the March quarter financial performance, balance sheet, and capital deployment in more detail. Thanks, Nick.

Nick Dwyer, Chief Financial Officer
Thank you, James, and good morning, everyone. I'll step through the March quarter performance in a bit more detail, starting with gold sales and cash flow, before finishing with the balance sheet and capital deployment across the business. Turning to sales and cash flow: gold sales for the quarter totalled 10,374 ounces at an average realised price of $6,817 per ounce, generating $70.7 million in gross revenue. In addition to gold sales, $18.5 million of revenue was generated from third-party tolling at Lakewood. This resulted in operating cash flow of $61 million after $32 million in operating costs. During the quarter, the group invested $54 million in projects, sustaining, and exploration capital.

Turning to the balance sheet and capital deployment: the group continues to maintain a strong balance sheet and liquidity position. At quarter end, the group held $53 million of cash, $4 million of investments, and 5,323 ounces of gold bullion on hand, which was valued at roughly $36 million. These amounts totalled $92 million held at quarter end. This quarter-end balance was broadly stable compared to the previous quarter, with profits from Paulsens, the Myhree joint venture, and third-party tolling being used to fund the startup costs of Fingals and Majestic and other capital.

As a result of this capital investment at these mines, stockpiles increased to 184,000 tonnes by quarter end, providing increased processing flexibility going forward. In addition, the Board approved the $20 million expansion of the Lakewood Processing Facility to 1.5 million tonnes per annum from the current 1.2 million tonne annual rate, which will be spent over the coming 12 months. The investment is expected to be funded from operating cash flow and is aligned with the group's disciplined, capital-efficient growth strategy.

Looking ahead to the June quarter, an important milestone is the fact that production across Kal East is expected to be sourced from 100% Black Cat ore, following the successful transition away from third-party feed. As a result, and combined with the investments that we have made during this March quarter, we expect cash flow generation to be stronger in the coming quarters at these gold prices. In summary, while the March quarter reflected some operational variability, the financial position of the group remains strong, and capital continues to be deployed into assets that will underpin future production and cash flow.

I'll now hand it back over to James to cover the operational outlook and the path forward.

James Bruce, Managing Director
Thanks, Nick. I see a significant opportunity to leverage potential within the portfolio. First of all, I wanted to state that I've commenced a strategic review to look at these opportunities and growth initiatives. This review is focused on ensuring that we are well-positioned to deliver the mandate to grow the business significantly while maintaining a strong focus on capital discipline and execution. We expect to provide an update on the outcomes of the strategic review within the next 3 months.

The purpose of this review is twofold. Internally, it's about aligning our people around clear priorities, goals, and KPIs, so that everyone across the business understands where we're heading and how success will be measured. Externally, it's about improving transparency and disclosure to the market, clearly articulating our growth strategy, and being explicit about what we will do and what we won't do as we execute this strategy. Following completion of that process, the company intends to provide annual guidance, including all-in sustaining costs and production profiles, as part of a 3-year reporting cycle.

I'd like to provide some context as to what I see as the future growth opportunities. The company has been exploiting and delivering two growth projects, and my observation is there's been little in the way of exploration over the last couple of years. This will change as we go forward. We now have cash on the balance sheet, and there's a clear potential to build on the resource base that we have. The investments will be selective: inorganic and near-mine opportunities will be pursued in a disciplined manner that focuses on supporting near-term production momentum while building longer-term optionality across the portfolio. We'll only deploy capital if we can demonstrate a strong return on investment. Value will be created on a debt-adjusted per-share basis in gold production and reserves in Australia. Across all four assets, there is significant opportunity to increase exploration, and I'll update you in the next 3 months as to our plans on that.

With that, I'll hand over to Andrew. Andrew and I recently joined Black Cat from Fidelity in Japan to manage our investment strategy and corporate development activities. Andrew has significant experience in the investment market and will provide an important contact for you all as we expand our investor base and engage more effectively with the market. Andrew, with that, please open the Q&A.

Andrew Lai, Group Manager – Corporate Development
Thank you, James. We will now move to the Q&A session. We'll start with live questions from the audience, and then we'll work through the written questions as well. As a reminder, if you'd like to ask a question live, please click the raise hand icon at the bottom of your screen. When you are invited to speak, please state your name and where you are calling from before you ask your questions. We will take our first live question now. Paul, please go ahead.

Paul Hissey, Moelis
G'day guys, can you hear me okay?

James Bruce, Managing Director
Yeah, I can, Paul. How are you?

Paul Hissey, Moelis
Great, thanks, good to chat. Just a couple of housekeeping questions first. Just to be clear, will the conclusion and update of your strategic review and that longer-term commentary be prior to your FY26 result—so ahead of August, James, what would be your expectation?

James Bruce, Managing Director
Yes, Paul. I think definitely within the next 3 months.

Paul Hissey, Moelis
Great. And I know you've spoken about this before, but at the same time, or potentially separately, will we hear a bit more about a framework around your bullion strategy? Still intending to flush that out a little bit more for investors?

James Bruce, Managing Director
Yeah, I think it comes as part of that same review.

Paul Hissey, Moelis
Great, okay. And then just a couple of other ones around the nearer term, just to close out this fiscal year. So, in terms of capex, we're all flying blind a little bit here at the moment, and certainly on my numbers, the capex for the March quarter was a bit higher. You're obviously investing in the business. Could we expect a similar kind of run rate into the fourth quarter, ahead of that more fulsome guidance which we'll get at a later date?

James Bruce, Managing Director
So, Paul, in this quarter, yes, I think it will be similar. A lot of those activities are the stripping activities, particularly around the Fingals Open Pit.

Paul Hissey, Moelis
Yep. And then perhaps a question for Nick too, just on that: in terms of commercial production at Kal East, and therefore when we'll likely see these expenses go from being capitalised to manifesting on the P&L. Likely June 30, Nick, or maybe later?

Nick Dwyer, Chief financial officer
Yeah, it'll likely be in the June quarter, Paul. You can see that we've been building some stockpiles from Fingals and we are in the early stage of development there, but I think going forward we should be hitting our straps in terms of run rate and mining there. So, yeah, sometime in the June quarter.

Paul Hissey, Moelis
Okay, great, and just two more quick ones, if I may. I understand you have processed some small amounts of Fingals and Majestic material. I was just curious to get an early indication of how that's performed from an expectation perspective, both in terms of throughput and recovery of that new material. Everything's gone well?

James Bruce, Managing Director
It's actually gone extremely well and better than our expectations, Paul. The throughput rates have been higher than we expected. The recoveries, again, have been very good, and reagent use and other consumables have been better than expected. So all round, it's gone extremely well. We're very pleased with how it's going through. We first started feeding

this material through the plant and have been 100% Black Cat material since the 28th of March. So we've had a good couple of weeks since then to really see this performance coming through.

Paul Hissey, Moelis
Great, and last question: how far away do you think we might see a revised or refreshed mineral resource or reserve update, James?

James Bruce, Managing Director
I think that we'll go through the year-end process and it'll be provided at that point; the expectation is we'll do that every year. As I stated, Paul, we will also be doing a significant amount of drilling in the periods ahead. Obviously, as we do those exploration programs, we'll also be announcing those to the market as relevant results come through.

Paul Hissey, Moelis
Yep, so late Q1 FY27, something like that.

James Bruce, Managing Director
Something like that, yep.

Paul Hissey, Moelis
Yep, okay, great. Alright, that'll do for me, thanks very much.

James Bruce, Managing Director
Thanks, Paul.

Andrew Lai, Group Manager – Corporate Development
Next, we have Richard Knights. Richard, please go ahead with your question.

Richard Knights, Barrenjoey
Hi James, Just a quick one, pretty high level from me, just in terms of the exit run rate that you'd flagged of 100,000 ounces per annum at the end of this financial year. Obviously, it's a bit hard to predict given the nuggety nature at Paulsens, but are you comfortable with that exit run rate and a trajectory that sees you moving into the second half at well above that level?

James Bruce, Managing Director
Yeah, absolutely, Richard. That's correct, that's the way I see it. Maybe if I can just put some colour around all of that, there's a couple of things. Firstly, the Majestic underground mine is ramping up, and we blasted our first stope yesterday. That's an important milestone for the company. The stoping grades will be well over 3 grams a tonne, whereas the development material is more around 2 grams a tonne. So Majestic, over the next month, will significantly increase its grade profile and over the next 4 or 5 months, it will ramp up to full production.

Secondly, Majestic as a percentage of the mill feed will obviously increase through those months going forward, so the grade profile for the Lakewood Mill will therefore increase. I also want to point out at Paulsens, while we had great throughput—the run rate at Paulsens was 410,000 tonnes per annum in the last quarter—we expect that to continue into this quarter. In the last quarter, we were mining through a low-grade part of the mine plan, and progressively, month-on-month, we expect those grades to increase going forward.

My final point on all of this is that regardless of the production profile, as we transition to 100% of Black Cat feed through the Lakewood Mill, that's a really important milestone for the company in terms of the change in profitability that we are seeing right now and will continue as we go forward. We've got mine plans for both Majestic and Fingals that run out 4 years, so it's a profile of cash flow and production that sets us up well for significant cash flow going forward.

Richard Knights, Barrenjoey
Yeah, okay, that makes sense. Great, thanks, gents.

James Bruce, Managing Director
Thanks, Richard.

Andrew Lai, Group Manager – Corporate Development
As a reminder, if you would like to ask a question live, please click the raise hand icon at the bottom of your screen. When you're invited to speak, please state your name and where you're calling from. We'll move to some written questions in the meantime. We're getting a number of questions on Mt Clement. James, could you please update us on the latest with Mt Clement, and also any feedback from your trip to the US?

James Bruce, Managing Director
Yeah, thanks, Andrew. For Mt Clement, we announced in the quarterly some significant exploration results, and we've increased the resource base to just over 25,000 tonnes of antimony. At the same time, that drilling campaign was to provide us metallurgical data for test work. So a study is going on around the met test work and what the project scale can be, and options around that. We expect that study to be completed by the year-end. In addition to that, there's another exploration program that will continue. The ore body is open at depth and along strike. So in the months ahead, we will continue drilling out the ore body and all of that information will go into the study. In terms of the market itself, antimony is a critical mineral and there's a significant opportunity. Our ore body is a lead-silver-antimony deposit, which means it can be processed

outside of China very effectively and ultimately could feed either the US or European markets. There's an opportunity for us to explore off-take agreements with various parties. We'll consider that over the next 6 months or so and hopefully come out with an updated study by the end of the year.

Andrew Lai, Group Manager – Corporate Development
Great. Thank you, James. Next question from Blair Spaulding from Shaw and Partners. Can you comment on why quarterly guidance was not provided for the June quarter? Obviously, we're working towards providing full-year FY27 guidance, but just some explanation on why it was not kept consistent.

James Bruce, Managing Director
Yeah, thanks, Blair. Firstly, I'm new to the role and we've got a year-end budgeting process that's commenced. Full guidance will be provided once this is completed, including all-in sustaining costs. I think I've talked to the fact that we expect this next quarter to be similar to the quarter we've just had. There will be, compositionally, some very big changes that we've talked about in terms of feeding 100% of our own material and what that means for cash flow. As we ramp up production at Majestic and as we get into better grades at Paulsens, we'll see the outcome of that. That will be reflected in the forward guidance we give in the June quarter. Hopefully that answers the question for you.

Andrew Lai, Group Manager – Corporate Development
Next, we have a question from Keith Goode. What's the production target for Paulsens, and when do you expect to achieve it?

James Bruce, Managing Director
Look, we've continued to operate Paulsens very well. My observation is the cost structure of Paulsens is extremely well managed; it's a very stable cost structure. We've got production that we've reported over the last few quarters. In the third quarter of 2026, we did 7,100 ounces. In the December quarter, we did 9,300 ounces. The production rate will be a reflection of the grade of the stopes as we go through the mine plan. The grade of this ore body is very high, but it's also very nuggety. So at any one time, we do go through some quarters with lower-grade material, and then other quarters are higher grade. The grade does vary quite significantly. If I talk about what we have in some of our drives right now, it's extremely high grades, and we will mine those stopes in the next few months. So we do expect, over this quarter, the grade will pick up month-on-month.

Andrew Lai, Group Manager – Corporate Development
Thank you, James. Next, we're getting a number of questions on capex and exploration. Could you run us through the plan for capex across all four sites?

James Bruce, Managing Director
Yeah, thanks, Andrew. With regard to that, I want to be really clear about our expectations for capital and the returns we expect to get from that capital investment. I expect to do that when we come out with our updated strategy and growth objectives for the next year. But the way I think about it, as a gold mining company, we have significant opportunities to expand our existing portfolio of assets, to develop two new assets, and more broadly to reinvest in the business. The way I think about things is on cash-on-cash returns and return on invested capital that needs to be significantly higher than 15%. They're the sorts of returns I expect to generate and, as we come out with those plans, we'll give you more detail so that you can determine our success at being able to achieve that capital deployment.

Andrew Lai, Group Manager – Corporate Development
Great. Thank you, James. And thank you everyone for the questions. There were some good ones today. I'll now hand back to James for any closing remarks.

James Bruce, Managing Director
Well, thank you all very much. It's a pleasure to present to you for the first time. To wrap up, the March quarter was one of investment and transition. The underlying fundamentals of the business remain strong. We're investing in the right areas and have a strong balance sheet. We're working the portfolio for near-term production growth and a strong inflection in cash flow generation in the coming quarter and over the year ahead, as well as a meaningful longer-term opportunity. I'd like to thank the Black Cat team across all our operations for their efforts during the quarter, and thank you as well for your continued support and interest in Black Cat. With that, we'll close out. Thank you very much.