

BLACK CAT SYNDICATE LIMITED

ABN 63 620 896 282

**Consolidated Financial Statements
For the Period Ended 30 June 2022**

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

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BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

CORPORATE DIRECTORY

Directors

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

Joint Company Secretaries

Mark Pitts
Dan Travers

Principal Office

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West Perth, Western Australia 6005
Telephone 0458 007 713
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West Perth, Western Australia 6872

Registered Office

Level 3, 52 Kings Park Road
West Perth, Western Australia 6005

Auditor

Crowe Perth
Level 5, 45 St Georges Terrace
Perth, Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000
Telephone (08) 9323 2000

Stock Exchange Listing

The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia.

ASX Code

BC8 – Ordinary shares

Australian Business Number

63 620 896 282

Company Information

The Company was incorporated and registered under the Corporations Act 2001 in Western Australia.

The Company is domiciled in Australia.

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

DIRECTORS' REPORT

The Directors present their report on Black Cat Syndicate Limited ("Black Cat" or "the Company") and the entity it controlled ("the Group") at the end of, and during the year ended 30 June 2022.

DIRECTORS

The names and details of the Directors of Black Cat during the financial year and until the date of this report are:

Paul Chapman (Non-Executive Chairman) *B.Comm, ACA, Grad Dip Tax, MAICD, MAusIMM (Appointed 4 August 2017)*

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; Encounter Resources; Rex Minerals; Silver Lake Resources and Paringa Resources. Paul is currently non-executive chair of Encounter Resources Limited (ASX:ENR) Meeka Metals Limited (ASX:MEK) and Dreadnought Resources Limited (ASX:DRE) and a non-executive director of Sunshine Gold Limited (ASX:SHN).

Gareth Solly (Managing Director) *B.Sc (Geology) First Class Honours, Dip. Business (Appointed 1 January 2018)*

Gareth has 20 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.

Les Davis (Non-Executive Director) *M.Sc (Min Econs) (Appointed 4 August 2017)*

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 was the founding Managing Director of ASX listed Silver Lake Resources Limited (ASX:SLR) until his resignation on 22 November 2019 and was a director of Spectrum Metals Limited (ASX:SPX) between 2 February 2019 and 18 March 2020. Les is currently a non-executive director of Sunshine Gold Limited (ASX:SHN).

Philip Crutchfield (Non-Executive Director) *B.Comm, LL.B (Hons), LL.M LSE (Appointed 6 April 2021)*

Philip is a prominent and highly respected barrister specialising in commercial law. Philip was Non-Executive Chairman of financial services company Zip Co Limited (ASX:Z1P) and is a non-executive director of Applyflow Limited (ASX:AFW), Hamelin Gold Limited (ASX:HMG) and Encounter Resources Limited (ASX:ENR).

Philip is a board member of the Geelong Grammar School Council, Bell Shakespeare Theatre Company and the Victorian Bar Foundation Limited. Philip is also a former partner of Mallesons Stephen Jaques (now King & Wood Mallesons). Philip is a senior barrister practising in commercial law and was admitted to practice in 1988.

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DIRECTORS' REPORT

DIRECTORS (CONTINUED)

Tony Polglase (Non-Executive Director) *B.Eng (Metallurgy) First Class Honours (Appointed 25 May 2020)*

Tony has more than 40 years of multi-disciplined mining experience across ten different countries and is qualified in mechanical and electrical engineering with an honours degree in metallurgy. Tony has significant experience in the development and operation of mining projects, having been responsible for, or closely involved with, the commissioning of more than seven mines.

Most recently, Tony was a director of Avanco Resources until its acquisition by OZ Minerals Ltd for ~\$430m. Tony's operational experience involves both open-pit and underground mines as well as processing and maintenance management. Tony was a director of Metals X Limited (ASX:MLX) between 24 October 2019 and 10 July 2020, has been a director of New World Resources Limited (ASX:NWC) from 17 October 2019 and on 17 January 2022 became a non-executive director of Bravo Mining Corp (TSXV:BRVO) which is listed on the TSX Venture Exchange in Canada.

COMPANY SECRETARIES

Mark Pitts (Joint Company Secretary) *BBus, FCA, GAICD (Appointed 9 November 2017)*

Mark has over 30 years' experience in business administration and corporate compliance. Having started his career with KPMG, Mark has worked at a senior management level in a variety of commercial and consulting roles including mining services, healthcare and property development. The majority of the past 15 years' has been spent working for, or providing services to, publicly listed companies in the junior resources sector. Mark is a registered company auditor and holds a Bachelor of Business Degree from Curtin University, is graduate of the Australian Institute of Company Directors and is a Fellow of Chartered Accountants Australia and New Zealand.

Dan Travers (Joint Company Secretary): *BSc (Hons), FCCA (Appointed 23 November 2017)*

Dan is a Fellow of the Association of Chartered Certified Accountants with over 10 years' experience in the administration and accounting of publicly listed companies following significant public practice experience. Dan holds undergraduate degrees with honours in both Mathematics and Accounting and is an employee of Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

DIRECTORS' INTERESTS

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
P Chapman	9,029,687	100,000
G Solly	1,527,222	1,572,778
L Davis	6,020,977	-
P Crutchfield	8,253,526	200,000
T Polglase	100,557	250,000

Included in the Directors' interests in Unlisted Options, there are 2,122,778 options that are vested and exercisable as at the date of signing this report.

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DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held during the period ended 30 June 2022, and the number of meetings attended by each Director are as follows:

Director	Board of Directors' Meetings	
	Eligible to Attend	Attended
P Chapman	8	8
G Solly	8	8
L Davis	8	7
P Crutchfield	8	7
T Polglase	8	8

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial period was undertaking mineral exploration and economic studies at the Company's Kal East Gold Project ("Kal East") in Western Australia. In addition, the Company undertook extensive due diligence on the eventual acquisition of the Coyote and Paulsens Gold Projects from Northern Star Limited, which was completed on 15 June 2022.

There were no significant changes in these activities during the financial period.

RESULTS OF OPERATIONS

Financial Position and Performance

The consolidated net loss after income tax for the financial period was \$3,944,906 (2021: \$2,324,794).

At the end of the financial period the Group had \$18,172,023 (2021: \$16,049,091) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at the end of the financial year was \$92,508,166 (2021: \$29,124,255).

Included in capitalised exploration costs for 30 June 2022 is an amount of \$51,412,076 which represents the excess of the fair value of the consideration paid by the Company over the fair value of the net assets acquired in relation to the Coyote and Paulsens Gold Project acquisitions. This excess is considered to be in the nature of exploration and evaluation expenditure and has been accounted for in accordance with AASB 6. The consideration for the acquisitions was \$32,419,000 and comprises cash (\$14,500,000), deferred cash consideration (\$15,000,000) and shares (fair value at time of acquisition of \$2,919,000).

During the year the Company raised a total of \$35,000,000 before costs from the issue of placement shares and a further \$220,000 from the issue of shares on the exercise of unlisted options.

REVIEW OF ACTIVITIES

Exploration

Exploration activities for the financial period have been primarily focussed at the Company's Kal East near Kalgoorlie, Western Australia. whilst undertaking various exploration programs targeting future resource growth and commencing economic studies to assess Kal East's economic potential.

Acquisitions

During the financial period the Company completed the acquisition of the Coyote and Paulsens Gold Projects in Western Australia from Northern Star Limited.

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DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company and Group during or since the end of the financial period other than as stated in this report.

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

As at 30 June 2022 14,677,147 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
8,941,147	20 cents	25 January 2023
1,200,000	40 cents	25 June 2023
700,000	60 cents	2 August 2023
250,000	62 cents	18 May 2024
129,000	120 cents	21 July 2024
468,000	98 cents	10 December 2024
330,000	100 cents	28 March 2025
1,499,000	83 cents	8 November 2025
1,160,000	65 cents	15 May 2026

All options on issue at the date of this report are unlisted, vested and exercisable.

During the financial period, the Company granted 2,879,000 options over unissued shares to employees pursuant to the terms and conditions of the Black Cat Syndicate Incentive Option Plan.

During the financial period, a total of 600,000 options exercisable at 20 cents and expiring 25 January 2023, and 250,000 options exercisable at 40 cents and expiring 25 June 2023 were exercised into shares.

635,000 employee options were cancelled during the financial period on cessation of employment with the Company.

Since the end of, the financial period:

- 1,298,000 options exercisable at 51 cents expiring 28 July 2026 have been issued to employees;
- no options have been cancelled; and
- 360,000 shares have been issued on the exercise of options.

Options do not entitle the holder to:

- participate in any share issue of the Company or any other body corporate; and
- any voting rights until the options are exercised into ordinary shares.

Performance Rights

No performance rights were issued during the financial year. Subsequent to the end of the financial year the Company issued a total of 4,198,389 performance rights to employees expiring 30 June 2027.

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DIRECTORS' REPORT

ISSUED CAPITAL

	Number of Shares on Issue	
	2022	2021
Ordinary fully paid shares	213,634,175	140,807,811

The Company has not issued any shares since the end of the financial period.

DIVIDENDS

No dividend has been paid and no dividend is recommended for the financial periods ended 30 June 2022 and 30 June 2021.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Subsequent to 30 June 2022 the Company issued a total of 4,198,389 performance rights expiring 30 June 2027 to senior employees. Details of the 2022 LTI awards have been disclosed in the remuneration report.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company expects to maintain exploration and feasibility programs at its Coyote, Paulsens and Kal East Gold Projects.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the financial position of the Company and the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company does not have a separate Remuneration Committee and as such all remuneration matters are considered by the Board as a whole, with no Member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity-based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive remuneration is not linked to the performance of the Company, however, to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's annual general meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity-based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-Executive Directors' fees payable in aggregate, are currently set at \$350,000 per annum.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Engagement of Non-Executive Directors (continued)

In consideration of the services provided by Paul Chapman as Non-Executive Chairman, the Company will pay \$60,000 inclusive of statutory superannuation per annum.

In consideration of the services provided by Les Davis, Tony Polglase and Philip Crutchfield as Non-Executive Directors, the Company will pay each \$40,000 inclusive of statutory superannuation per annum.

Messrs Chapman, Davis, Polglase and Crutchfield are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. There were no such fees paid during the financial period ended 30 June 2022.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date, the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Engagement of Executive Director

The Company has entered into an executive service agreement with Gareth Solly in respect of his engagement as Managing Director on the following material terms and conditions:

- is effective for three years from 1 January 2021 and receives a base salary of \$280,000 per annum plus statutory superannuation (increased to \$320,000 per annum effective 1 July 2022) and may also receive an annual short term performance-based bonus which may be calculated as a percentage of current base salary, the performance criteria, assessment and timing of which is negotiated annually with the Non-Executive Directors; and
- subject to shareholder approval, may participate in the Black Cat Syndicate Incentive Option Plan and other incentive plans adopted by the Board.

Short Term Incentive Payments

Non-Executive Directors set the Key Performance Indicators ("KPI's") for the Executive Director and other senior employees. The KPI's are chosen to align the reward of the individual Executive to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum Short-Term Incentives ("STI") payable to Executives. At the end of the specified measurement period, the Non-Executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the STI, or a lesser amount depending on actual performance achieved is paid to the Executives as either a cash payment or in unlisted options. Refer to the Details of Performance Related Remuneration section of this Remuneration Report for specific details of KPI's set and/or measured during the period.

No STI's are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Incentive Option Plan

The Company provides incentives to Directors and Employees pursuant to the Black Cat Syndicate Incentive Option Plan, which was approved by shareholders on 25 November 2020.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Long Term Incentive Plan (LTI)

Under the Company's LTI plan, grants of options or performance rights are made to certain executives to align remuneration with the creation of shareholder value over the long term, whilst also attracting, motivating and retaining key executives.

Performance targets, whilst challenging, represent key milestones in respect of the progression of the Company, and considered consistent with sustained growth in shareholder value.

The LTIs issued subsequent to the end of the financial year (2022 LTI Awards) represent the first such awards made under the Company's LTI Plan. The 2022 LTI Awards proposed to be issued to the Managing Director are subject to shareholder approval.

Details of the 2022 LTI Awards are as follows:

Eligibility	Members of the Senior Leadership Team who are responsible for setting the strategic direction of the Company
Awards	The 2022 LTI Awards are in the form of Performance Rights. Performance rights are issued for nil consideration and if Vesting Conditions are satisfied, may be exercised before the Expiry Date into ordinary fully paid shares in the Company. 2022 LTI Awards are issued pursuant to the terms and conditions of the Company's Incentive Option Plan
Performance Period	The Vesting Conditions of the 2022 LTI Awards are measured, and can be achieved, at any time prior to the Expiry Date
Expiry Date	2022 LTI Awards expire 30 June 2027, unless lapsing earlier in accordance with the terms and conditions of the Company's Incentive Option Plan
Vesting Conditions (Key Performance Indicators (KPIs))	2022 LTI Awards are measured from 1 July 2022, may vest and become exercisable in three equal tranches based on the following specific performance conditions (KPIs) relating to production of gold from its three distinct gold projects as follows: <ul style="list-style-type: none"> • 1/3 vest on achieving a sustained production rate of 40,000 to 45,000 ounces per annum at the Coyote Gold Project • 1/3 vest on achieving a sustained production rate of 60,000 to 70,000 ounces per annum at the Paulsens Gold Project • 1/3 vest on achieving a sustained production rate of 50,000 to 60,000 ounces per annum at the Kal East Gold Project

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Long Term Incentive Plan (LTI) (continued)

A total of 5,254,173 2022 LTI Awards issued, or proposed to be issued by the Company, include to the following Key Management Personnel (KMP):

Name of KMP	Position of KMP	Value of 2022 LTI Awards ²	Value of 2022 LTI Awards as % of total Base Salary ¹	Total Number of 2022 LTI Awards ³
Gareth Solly	Managing Director	\$320,000	100%	1,055,784 Performance Rights ⁴
Michael Bourke	General Manager - Projects	\$290,000	100%	956,804 Performance Rights
David Sanders	Chief Financial Officer	\$250,000	100%	824,831 Performance Rights

¹ Base Salary relates to the annual fixed remuneration (exclusive of superannuation) payable to the respective KMP as at the 2022 LTI Awards grant date of 1 July 2022.

² The value of 2022 LTI Awards equates to 100% of the respective KMP's Base Salary at grant date.

³ The number of 2022 LTI Awards has been calculated based on the total value of the respective KMP's Base Salary at the grant date, divided by the underlying share price of the Company's shares (calculated as the 5-day VWAP to 30 June 2022).

⁴ Notionally awarded subject to approval of the Company's shareholders prior to the issue of the underlying performance rights.

LTI Outcomes

The 2022 LTI Awards represent the first award pursuant to the Company's LTI Plan, and as such no securities have been issued during the 2022 financial year in respect of the vesting of LTI awards.

Accordingly, no cancellation of LTI awards has occurred during the 2022 financial year in respect of LTI awards for which vesting conditions have not been achieved, or become incapable of being achieved.

Short Term Incentive Plan (STI)

STI Outcomes – 2022 Financial Year

The Company has determined STI cash bonuses payable in respect of the financial year ended 30 June 2022 totalling \$98,700 to executives and senior employees, including to the following KMP:

Name of KMP	Position of KMP	Maximum FY2022 STI Bonus Achievable ¹	Actual FY2022 STI Bonus Achieved ²
Gareth Solly	Managing Director	\$56,000	\$19,600
David Sanders	Chief Financial Officer	\$40,000	\$14,000

¹Maximum STI bonus achievable calculated as 20% of base salary at 30 June 2022.

²The Company set performance criteria for maximum STI bonuses achievable for the financial year ended 30 June 2022 which included resource growth, initial ore reserves, completion of economic studies, advancement of the Kal East Gold Project and share price performance. Based on a review of actual performance, the STI bonus achieved was calculated to 35% of maximum bonus achievable.

STI Targets – 2023 Financial Year

The Company has determined performance criteria for maximum STI bonuses achievable for the financial year ending 30 June 2023, including safety and environmental, exploration success, completion of economic studies, commencement of production, debt repayment and share price performance.

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Short Term Incentive Plan (STI) (continued)

Eligibility for participation in the FY2023 STI bonus scheme has been determined as follows:

Eligible participant	Max % Base Salary Achievable
Managing Director, GM-Projects, CFO	40%
Mine Study Manager, Resource Development Manager, Project Manager - Coyote	30%
HR Manager, Environmental Lead, Project Mining Engineer	20%

Shareholding Qualifications

The Directors are not required to hold any shares in Black Cat under the terms of the Company's constitution. However, as shown above, all Directors have chosen to hold interests in Black Cat shares.

Group Performance

In considering the Company's performance, the Board provides the following indices in respect of the current financial periods and previous financial periods:

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Profit/(Loss) for the period attributable to shareholders	(3,944,906)	(2,324,794)	(1,397,501)	(1,131,029)	(749,702)
Closing share price at 30 June	0.30	0.62	0.81	0.265	0.255

As an exploration company, the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing STI payments. Refer to STI disclosures above for appropriate performance measures.

Voting at the Group's 2021 Annual General Meeting (AGM)

At the 2021 AGM 98.7% of the votes directed by shareholders, or their nominated proxy, supported the adoption of the Remuneration Report for the period ended 30 June 2021. The Group did not receive any specific feedback at the AGM regarding its remuneration practices.

Remuneration Disclosures

The Key Management Personnel of the Company have been identified as:

Directors

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

Other KMP

- Michael Bourke General Manager – Projects (appointed 29 April 2022)
- David Sanders Chief Financial Officer

The details of the remuneration of each member of Key Management Personnel is as follows:

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Remuneration Disclosures (Continued)

	Short Term		Post Employment	Other Long Term		Value of Options as Proportion of Remuneration
	Base Salary \$	Short Term Incentive \$	Superannuation Contributions \$	Value of Options \$	Total \$	

2022						
Directors						
P Chapman	54,545	-	5,455	-	60,000	-
G Solly	280,000	19,600 ³	35,500	-	335,100	-
L Davis	36,364	-	3,636	-	40,000	-
P Crutchfield	36,364	-	3,636	-	40,000	-
T Polglase	39,333	-	-	-	39,333	-
Other KMP						
M Bourke	33,013	-	3,301	41,412 ⁴	77,726	53.3%
D Sanders	200,000	14,000 ³	23,521	-	237,521	-
Total	679,619	33,600	75,049	41,412	829,680	

2021						
Directors						
P Chapman	54,795	-	5,205	-	60,000	-
G Solly	250,000	50,000 ^{1,2}	26,125	30,799 ¹	356,924	8.6%
L Davis	36,530	-	3,470	-	40,000	-
P Crutchfield	8,717	-	828	53,220	62,765	84.8%
T Polglase	40,000	-	-	-	40,000	-
A Hewlett (resigned 28/2/21)	24,353	-	2,314	-	26,667	-
Other KMP						
D Sanders	176,984	35,210 ²	16,813	57,102	286,109	19.9%
Total	591,379	85,210	54,755	141,121	872,465	

¹ In the tables above an amount of \$50,000 was accrued in respect of short-term incentive bonus payable to the Managing Director as at 30 June 2020. This was satisfied by the payment of \$25,000 in cash in July 2020 and \$30,799 paid in the form of unlisted options in September 2020 following shareholder approval (based on the valuation of the options at the date of grant). An amount of \$30,799 has been recognised in total share-based payments, and a corresponding reduction of \$25,000 in short-term employment benefits for the year ended 30 June 2021.

² STI bonus \$75,000 and \$35,210 accrued for G Solly and D Sanders respectively at 30 June 2021, with the full amount paid in October 2021.

³ STI bonus \$19,600 and \$14,000 accrued for G Solly and D Sanders respectively at 30 June 2022.

⁴ Includes \$41,412 value of Options granted as remuneration on 16 May 2022.

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Details of Performance Related Remuneration

During the financial period, the Company paid a cash short term bonus to the Managing Director and Chief Financial Officer of \$75,000 and \$35,210 respectively pursuant to the 2021 STI and as accrued at 30 June 2021.

Options Granted as Remuneration to KMP

The following options were issued as remuneration to Key Management Personnel during the period ended 30 June 2022:

KMP	Number of Options	Grant Date	Expiry Date	Exercise Price	Volatility	Interest Rate	Value of Options \$
Michael Bourke	300,000	16 May 2022	15 May 2026	65 cents	52.1%	3.11%	41,412

The following options were issued as remuneration to Key Management Personnel during the period ended 30 June 2021:

KMP	Number of Options	Grant Date	Expiry Date	Exercise Price	Volatility	Interest Rate	Value of Options \$
Gareth Solly ¹	75,000	22 Jul 2020	21 July 2024	\$1.20	79.3%	0.26%	\$30,799
Philip Crutchfield	200,000	29 Mar 2021	28 Mar 2025	\$1.00	64.7%	0.69%	\$53,220
David Sanders	180,000	14 Dec 2020	10 Dec 2024	\$0.98	75.0%	1.00%	\$57,102

¹ Options issued pursuant to the 2019 STI award accrued at 30 June 2020.

The fair value of options issued as remuneration is allocated to the relevant vesting period of the options. Options are provided at no cost to the recipients.

Exercise of Options Granted as Remuneration

A total of 250,000 ordinary shares were issued to Mr Les Davis in respect of the exercise of options, exercisable at \$0.40 each and expiring 25 June 2023, previously granted as remuneration.

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Equity Instrument Disclosures Relating to Key Management Personnel

Option Holdings

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company:

Name	Balance at Start of the Period	Received During the Period as Remuneration	Other Changes During the Period	Balance at the End of the Period	Vested and Exercisable at the End of the Period
------	--------------------------------	--	---------------------------------	----------------------------------	---

2022					
Directors					
P Chapman	100,000	-	-	100,000	100,000
G Solly	1,672,778	-	(100,000)	1,572,778	1,572,778
L Davis	250,000	-	(250,000)	-	-
P Crutchfield	200,000	-	-	200,000	200,000
T Polglase	250,000	-	-	250,000	250,000
Other KMP					
M Bourke	-	300,000	-	300,000	300,000
D Sanders	180,000	-	-	180,000	180,000

2021					
Directors					
P Chapman	100,000	-	-	100,000	100,000
G Solly	1,647,778	75,000	(50,000)	1,672,778	1,672,778
L Davis	1,400,000	-	(1,150,000)	250,000	250,000
P Crutchfield	-	200,000 ¹	-	200,000	200,000
T Polglase	250,000	-	-	250,000	250,000
A Hewlett	2,710,000	-	(100,000)	2,610,000 ²	2,610,000 ²
Other KMP					
D Sanders	-	180,000	-	180,000	180,000

¹ Option holdings at date of appointment as director/KMP.

² Option holdings at date of ceasing to be a director/KMP.

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Equity Instrument Disclosures Relating to Key Management Personnel (Continued)

Share Holdings

The number of shares in the Company held during the financial period by Key Management Personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

Name	Balance at Start of the Year	Received During the Year on Exercise of Options	Other Changes During the Year	Balance at the End of the Year
------	------------------------------	---	-------------------------------	--------------------------------

2022				
Directors				
P Chapman	8,435,142	-	594,545	9,029,687
G Solly	1,427,222	100,000	-	1,527,222
L Davis	5,670,977	250,000	100,000	6,020,977
P Crutchfield	5,274,261	-	2,979,265	8,253,526
T Polglase	82,375	-	18,182	100,557
Other KMP				
M Bourke	-	-	-	-
D Sanders	37,313	-	45,455	82,768

2021				
Directors				
P Chapman	7,522,224	-	912,918	8,435,142
G Solly	1,377,222	50,000	-	1,427,222
L Davis	4,448,977	1,150,000	72,000	5,670,977
P Crutchfield	3,781,724 ¹	-	1,492,537	5,274,261
T Polglase	48,255	-	34,120	82,375
A Hewlett	3,050,000	100,000	-	3,150,000 ²
Other KMP				
D Sanders	- ¹	-	37,313	37,313

¹ Shares held on appointment as director/officer.

² Shares held at date of ceasing to be a director.

BLACK CAT SYNDICATE LIMITED
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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Loans Made to Key Management Personnel

No loans were made to Key Management Personnel, including personally related entities during the reporting period.

Other Transactions with Key Management Personnel

During the prior year the Company paid Stone Poneys Nominees Pty Ltd, an entity associated with Paul Chapman, in respect of the now terminated lease for the Group's offices. Lease payments for the period ended 30 June 2022 was nil. (2021: \$6,233).

During the prior year the Company employed the spouse of Paul Chapman in an administrative role. Remuneration for the period ended 30 June 2022 was \$nil (2021: \$16,151).

During the period the Company employed the spouse of Gareth Solly in an administrative role. Remuneration for the period ended 30 June 2022 was \$74,913 (2021: \$60,361).

End of Remuneration Report

OFFICERS' INDEMNITIES AND INSURANCE

During the period, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability insurance provides cover against costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or Group, or to intervene in any proceedings to which the Company or Group is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

BLACK CAT SYNDICATE LIMITED
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DIRECTORS' REPORT

NON-AUDIT SERVICES

During the period, Crowe the Company's auditor, has not performed any other services in addition to their statutory duties, other than as stated below.

Total remuneration paid to auditors during the financial period:	2022 \$	2021 \$
Audit and review of the Company's financial statements	42,250	24,250
Total	42,250	24,250

The board considers any non-audit services provided during the period by the auditor and satisfies itself that the provision of any non-audit services during the period by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

Dated at Perth this 30th day of September 2022.



Gareth Solly
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Black Cat Syndicate Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Perth



Cyrus Patell
Partner

Signed at Perth dated this 30 September 2022

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Note	Consolidated	
		Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$
Other income	5	136,211	50,000
Interest income		18,372	14,142
Total income		154,583	64,412
Employee expenses	6	(4,345,242)	(2,429,991)
Employee expenses – share based	22	(402,271)	(354,695)
Employee expenses recharged		1,754,592	1,338,742
Legal and professional		(150,647)	(38,113)
Corporate advisory		(45,000)	(71,188)
Marketing and promotion		(36,588)	(48,856)
Depreciation and amortisation	6	(114,272)	(25,071)
Realised foreign exchange movements		8,456	(10,873)
Interest expense		(25,145)	-
Administration and other expenses		(655,103)	(371,966)
(Loss)/Profit on disposal of fixed assets		(1,189)	9,485
Exploration costs not capitalised		(87,080)	(386,680)
Profit/(Loss) before income tax		(3,944,906)	(2,324,794)
Income tax benefit	7	-	-
Profit/(Loss) after tax		(3,944,906)	(2,324,794)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(3,944,906)	(2,324,794)
Earnings per share for loss attributable to the ordinary equity holders of the Company			
Basic earnings/(loss) per share	33	(2.6)	(2.1)
Diluted earnings/(loss) per share	33	(2.6)	(2.1)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Consolidated	
		2022 \$	2021 \$
Current assets			
Cash and cash equivalents	8	18,172,023	16,049,091
Trade and other receivables	9	466,256	214,443
Inventory	10	491,329	-
Total current assets		19,129,608	16,263,534
Non-current assets			
Bonds and deposits	8	64,920	44,920
Property, plant and equipment	12	6,283,817	2,724,193
Capitalised mineral exploration and evaluation expenditure	14	92,508,166	29,124,255
Right of use assets	13	127,787	194,458
Total non-current assets		98,984,690	32,087,826
Total assets		118,114,298	48,351,360
Current liabilities			
Trade and other payables	16	1,688,373	1,795,457
Employee entitlements	17	380,026	207,642
Lease liabilities	18	68,244	58,033
Deferred Acquisition Consideration	19	15,000,000	-
Total current liabilities		17,136,643	2,061,132
Non-current liabilities			
Rehabilitation provisions	20	21,945,961	-
Lease liabilities	18	64,118	132,362
Total non-current liabilities		22,010,079	132,362
Total liabilities		39,146,722	2,193,494
Net assets		78,967,576	46,157,866
Equity			
Issued capital	21	86,787,812	50,435,467
Accumulated losses	23	(9,325,236)	(5,573,706)
Share based payments reserve	23	1,505,000	1,296,105
Total equity		78,967,576	46,157,866

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

BLACK CAT SYNDICATE LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Consolidated			
	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total \$
2021				
Balance at the start of the financial period	14,395,187	(3,278,232)	909,328	12,026,283
Comprehensive income for the financial period	-	(2,324,794)	-	(2,324,794)
Movement in equity remuneration reserve in respect of options vested	-	-	416,097	416,097
Transfer on exercise of options	-	29,320	(29,320)	-
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	36,040,280	-	-	36,040,280
Balance at the end of the financial period	<u>50,435,467</u>	<u>(5,573,706)</u>	<u>1,296,105</u>	<u>46,157,866</u>
2022				
Balance at the start of the financial period	50,435,467	(5,573,706)	1,296,105	46,157,866
Comprehensive income for the financial period	-	(3,944,906)	-	(3,944,906)
Movement in equity remuneration reserve in respect of options vested	-	-	402,271	402,271
Transfer on exercise of options	-	193,376	(193,376)	-
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	36,352,345	-	-	36,352,345
Balance at the end of the financial period	<u>86,787,812</u>	<u>(9,325,236)</u>	<u>1,505,000</u>	<u>78,967,576</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

BLACK CAT SYNDICATE LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Consolidated	
		Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$
Cash flows from operating activities			
Other income		-	50,000
Interest received		18,372	14,412
Payments to suppliers and employees		<u>(3,322,380)</u>	<u>(1,363,460)</u>
Net cash used in operating activities	32	<u>(3,304,008)</u>	<u>(1,299,048)</u>
Cash flows from investing activities			
Payments for bonds and security deposits		(20,000)	(44,920)
Payments to acquire exploration assets		(14,500,000)	(1,054,098)
Payments for exploration and evaluation		(10,078,061)	(10,772,027)
Proceeds on disposal of assets		1,189	-
Payments for plant and equipment		<u>(3,201,379)</u>	<u>(2,012,526)</u>
Net cash used in investing activities		<u>(27,798,251)</u>	<u>(13,883,571)</u>
Cash flows from financing activities			
Payments for lease liability principal		(58,033)	(5,500)
Payments for insurance premium funding		(202,371)	-
Proceeds from the issue of shares		35,220,000	30,414,073
Payments for share issue costs		<u>(1,742,861)</u>	<u>(2,034,138)</u>
Net cash from financing activities		<u>33,216,735</u>	<u>28,374,435</u>
Net increase/(decrease) in cash held		<u>2,114,476</u>	<u>13,191,816</u>
Effect of foreign exchange rates on cash held		8,456	(10,873)
Cash at the beginning of the financial period	8	<u>16,049,091</u>	<u>2,868,148</u>
Cash at the end of the financial period	8	<u><u>18,172,023</u></u>	<u><u>16,049,091</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied throughout the reporting period, unless otherwise stated. The financial report includes financial statements for the consolidated entity consisting of Black Cat Syndicate Limited and its subsidiary ("the Group").

(a) Basis of Preparation

This general-purpose financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The separate financial statements of the parent entity have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 30 September 2022.

Statement of Compliance

The consolidated financial report of Black Cat Syndicate Limited complies with Australian Accounting Standards, which include AIFRS, in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards ("IFRS") in their entirety.

Adoption of New and Revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

The adoption of the Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

New standards and interpretations not yet adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application date for future reporting periods and which the Group has decided not to early adopt.

Reporting Basis and Conventions

These financial statements have been prepared under the historical cost convention, and on an accrual basis.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

Principles of Consolidation

The financial statements of subsidiary companies are included in the consolidated financial statements from the date control commences until the date control ceases. The financial statements of subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiary companies are accounted for at cost in the individual financial statements of the Company.

(b) Segment Reporting

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's board of directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

(c) Revenue Recognition

Interest Income

Interest income is recognised using the effective interest method.

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(e) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(f) Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are deducted from the carrying value of the relevant asset.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the year in which the claim is lodged with the Australian Tax Office. Amounts receivable are allocated in the financial statements against the corresponding expense or asset in respect of which the research and development concession claim has arisen.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(i) Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(j) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line or diminishing value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Asset Class	Depreciation Rate
Field equipment and vehicles	20%
Office equipment	33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets under construction (work in progress) are not depreciated until they are ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(k) Mineral Exploration and Evaluation Expenditure

Mineral exploration and evaluation expenditure are written off as incurred or accumulated in respect of each identifiable area of interest and capitalised. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest is continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration costs and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in the income statement.

Farm-in arrangements (in the exploration and evaluation phase)

For exploration and evaluation asset acquisitions (farm-in arrangements) in which the Group has made arrangements to fund a portion of the selling partner's (farmer's) exploration and/or future development expenditures (carried interests), these expenditures are reflected in the financial statements as and when the exploration and development work progresses.

Farm-out arrangements (in the exploration and evaluation phase)

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained.

Monies received pursuant to farm-in agreements are treated as a liability on receipt and until such time as the relevant expenditure is incurred.

(l) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(m) Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted at the corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share Based Payments

Share based compensation payments are made available to Directors and employees.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the option. A discount is applied, where appropriate, to reflect the non-marketability and non-transferability of unlisted options, as the Black-Scholes option pricing model does not incorporate these factors into its valuation.

The fair value of the options granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital. Upon the cancellation of options on expiry of the exercise period, or lapsing of vesting conditions, the balance of the share-based payments reserve relating to those options is transferred to accumulated losses.

(n) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(p) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

(q) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(s) Current Versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on a current or non-current classification.

An asset is current when it is:

- expected to be realized, or intended to be sold or consumed in the Group's normal operating cycle;
- expected to be realized within 12 months after the reporting period; or
- cash or a cash equivalents (unless restricted for at least 12 months after the reporting period).

A liability is current when it is:

- expected to be settled in the Group's normal operating cycle;
- it is due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other assets and liabilities are classed as non-current.

(t) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used

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Note 1 Summary of Significant Accounting Policies (continued)

is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 9, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

(u) Fair value estimation

The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(v) Rehabilitation provisions

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Note 2 Financial Risk Management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from transactions with customers and investments.

Trade and Other Receivables

The current nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office, the risk of non-recovery of receivables from this source is considered to be negligible.

Cash Deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Group currently has no significant concentrations of credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

Note 2 Financial Risk Management (Continued)

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest Rate Risk

The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Foreign Exchange Risk

The Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy and capital markets.

Note 3 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Accounting for Capitalised Exploration and Evaluation Expenditure

The Group's accounting policy is stated at Note 1(k). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure. Key judgements are applied in determining expenditure directly related to exploration and evaluation activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

For the year ended 30 June 2022 the Group expensed unallocated and uncapitalised exploration expenditure of \$87,080 (2021: \$386,680).

Accounting for Share Based Payments

The values of amounts recognised in respect of share based payments have been estimated based on the fair value of the equity instruments granted. Fair values of options issued are estimated by using an appropriate option pricing model. There are many variables and assumptions used as inputs into the models. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised. See Note 19 for details of inputs into option pricing models in respect of options issued during the reporting period.

Provision for restoration and rehabilitation

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined as outlined in Note 20. The Group's activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitation in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Business combinations

As discussed in Note 35, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 4 Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration and resource development wholly within Australia; therefore, it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

	Consolidated	
	Year Ended 30 June 2022	Year Ended 30 June 2021
	\$	\$

Note 5 Other Income

Operating Activities

Income from lease of camp assets	136,211	-
Cash flow assistance grant	-	50,000
	136,211	50,000

Note 6 Loss for the Year

Loss Before Income Tax Includes the Following Specific Expenses

Depreciation and amortisation:		
Right of use assets (Note 13)	66,671	5,557
Motor vehicles and field equipment (Note 12)	31,061	11,501
Office equipment (Note 12)	16,540	8,013
	114,272	25,071
Employee expenses:		
Wages and salaries ³	2,988,881	1,667,647
Short term incentive bonus ¹	114,492²	233,210 ¹
Non-Executive Directors' fees	180,000	161,061
Superannuation	342,593	177,926
Payroll tax	180,049	47,307
Other staff costs	366,844	35,382
Movement in employee leave liability	172,383	107,458
	4,345,242	2,429,991

¹ Accrued short-term incentive bonus for 2021 STI. Settled cash in October 2021.

² Accrued short-term incentive bonus as at 30 June 2022, inclusive of superannuation and payroll tax costs.

³ Increase year on year relates to a combination of increase in employee numbers as well as senior members of staff working on the acquisition, and therefore rechargeable hours were not increased in line with wage increases (further detail in Note 35).

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Consolidated	
	Year Ended 30 June 2022	Year Ended 30 June 2021
	\$	\$

Note 7 Income Tax

a) Income Tax Expense

Current income tax:

Current income tax charge (benefit)	(4,958,400)	(3,290,140)
Current income tax not recognised	4,958,400	3,290,140

Deferred income tax:

Relating to origination and reversal of timing differences	(66,487)	(133,001)
Deferred income tax benefit not recognised	66,487	133,001
Income tax expense/(benefit) reported in the income statement	-	-

b) Reconciliation of Income Tax Expense to Prima Facie Tax Payable

Profit/(Loss) from continuing operations before income tax expense	(3,944,906)	(2,324,794)
Tax at 25% (2021: 26%)	(986,227)	(604,446)
<i>Tax effect of permanent differences:</i>		
Non-deductible share-based payments	100,568	92,221
Capital raising costs claimed	(281,530)	(199,885)
Net deferred tax asset benefit not brought to account	1,167,189	712,110
Tax (benefit)/expense	-	-

c) Deferred Tax – Balance Sheet

Liabilities

Capitalised exploration expenditure	(8,644,932)	(4,992,847)
	(8,644,932)	(4,992,847)

Assets

Revenue losses available to offset against future taxable income	8,507,312	4,934,625
Employee provisions	95,007	53,987
Accrued expenses	136,093	174,381
Deductible equity raising costs	714,676	571,523
	9,453,088	5,734,516
Net deferred tax asset not recognised	808,156	741,669

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Consolidated	
	Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$

Note 7 Income Tax (continued)

d) Deferred Tax – Income Statement

Liabilities

Capitalised exploration expenditure	(3,652,085)	(2,613,434)
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Assets

Deductible equity raising costs	143,153	314,998
Accruals	(38,288)	135,110
Increase in tax losses carried forward	3,572,687	2,269,891
Employee provisions	41,020	26,436
Deferred tax benefit/(expense) movement for the period not recognised	66,487	133,001

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- (i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- (ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

All unused tax losses of \$34,029,248 (2021: \$18,979,325) were incurred by Australian entities.

The Company received an allocation pursuant to the Junior Mineral Exploration Incentive ("JMEI") Scheme for the financial year ended 30 June 2022 of \$784,613. Subsequent to 30 June 2022, the Group may undertake a distribution of JMEI credits to qualifying shareholders which has not been quantified at the date of this report.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Consolidated	
	2022 \$	2021 \$

Note 8 Cash and Cash Equivalents

Cash at bank and on hand	18,122,023	6,049,091
Deposits at call	<u>50,000</u>	<u>10,000,000</u>
	<u>18,172,023</u>	<u>16,049,091</u>

(a) Reconciliation to Cash at the End of the Year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents per statement of cash flows	<u>18,172,023</u>	<u>16,049,091</u>
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(b) Deposits at Call

Amounts classified as deposits at call are short term deposits (capable of being converted into cash within 90 days) depending upon the immediate cash requirements of the Group and earn interest at the respective short term interest rates.

(c) Cash Balances Not Available for Use

There are no amounts included in cash and cash equivalents above that are pledged as guarantees or otherwise unusable by the Group

(d) Bonds and deposits

As at 30 June 2022 there are cash backed bank guarantees amounting to \$64,920 (2021: \$43,000). These amounts are classified as non-current assets in the Statement of Financial Position.

Note 9 Current Assets – Receivables

a) Trade and Other Receivables

Trade receivables	231,532	-
Other receivables	227,685	-
GST recoverable	<u>7,039</u>	<u>214,433</u>
	<u>466,256</u>	<u>214,433</u>

Details of fair value and exposure to interest risk are included at Note 24.

Note 10 Current Assets – Inventory

Opening inventory	-	-
Inventory recognised on acquisition (Note 35)	146,075	-
Other movements in inventory for the period	<u>345,254</u>	<u>-</u>
	<u>491,329</u>	<u>-</u>

Details of fair value and exposure to interest risk are included at Note 24.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 11 Non-Current Assets – Investment in Controlled Entities

a) Investment in Controlled Entity

Subsidiary Company	Country of Incorporation	Ownership Interest	
		2022	2021
Black Cat (Kal East) Pty Ltd	Australia	100%	100%
Black Cat (Paulsens) Pty Ltd	Australia	100%	-
Black Cat (Coyote) Pty Ltd	Australia	100%	-

Black Cat (Kal East) Pty Ltd formerly Black Cat (Bulong) Pty Ltd was incorporated in Western Australia on 4 August 2017.

Black Cat (Paulsens) Pty Ltd was incorporated in Western Australia on 3 March 2022.

Black Cat (Coyote) Pty Ltd formerly Northern Star (West Tanami) Pty Ltd was acquired from Northern Star Limited on 15 June 2022, and was incorporated in Western Australia on 16 February 1994.

The ultimate controlling party of the group is Black Cat Syndicate Limited.

Note 12 Non-Current Assets – Property, Plant and Equipment

	Motor Vehicles and Field Equipment \$	Office Equipment \$	Mill and Project AUC capital \$	Total \$
Cost at the start of the financial year	116,271	75,934	2,572,832	2,765,037
Additions	-	11,604	2,917,546	2,929,150
Amounts recognised on acquisition (Note 35)	708,684	-	-	708,684
Disposed	-	(31,000)	-	(31,000)
Cost at the end of the financial year	824,955	56,538	5,490,378	6,371,871
Accumulated depreciation at the start of the financial year				
	(27,439)	(13,405)	-	(40,844)
Depreciation expense for the financial year	(31,061)	(16,540)	-	(47,601)
Depreciation on assets disposed	-	391	-	391
Accumulated depreciation at the end of the financial year	(58,500)	(29,554)	-	(88,054)
Net book value at the start of the financial year	88,832	62,529	2,572,832	2,724,193
Net book value at the end of the financial year	766,455	26,984	5,490,378	6,283,817

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NOTES TO THE FINANCIAL STATEMENTS
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Note 12 Non-Current Assets – Property, Plant and Equipment

No items of property, plant and equipment have been pledged as security by the Group.

Mill Capital relates to acquisition and related costs relating to mill and associated infrastructure acquired in respect of the Group's Kal East Gold Project proposed processing plant. The Company announced a temporary deferral of construction on 21 April 2022. Ongoing storage and maintenance costs associated have been expensed from that date.

	Consolidated	
	30 June 2022 \$	30 June 2021 \$

Note 13 Non-Current Assets – Right of use assets

Leases

Carrying value at the start of the year	194,458	-
ROU assets recognised in the year	-	200,015
Amortisation charged	(66,671)	(5,557)
	127,787	194,458

A right of use asset has been recognised in respect of the Group's lease of its office at Level 3, 52 Kings Park Road, West Perth, Western Australia. Refer to Note 18 for details of the corresponding right of use liability arising from the abovementioned lease. The lease is for a term of two years commencing 1 June 2021 with an option to extend for one further year.

Management have exercised the option to renew the lease at the end of the initial two-year term.

Monthly lease costs of \$8,050 per month are subject to 3% rent increases on each 12 month anniversary. A lease incentive of \$3,220 per month applies until 30 April 2023.

Note 14 Non-Current Assets – Capitalised Mineral Exploration and Evaluation Expenditure

In the Exploration and Evaluation Phase

Capitalised exploration costs at the start of the period	29,124,255	10,030,732
Total acquisition costs for the period (Note 15)	51,412,076	8,714,444
Total exploration costs for the period	12,058,915	10,765,759
Total unallocated exploration expensed for the period	(87,080)	(386,680)
Capitalised exploration costs at the end of the period	92,508,166	29,124,255

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The capitalised exploration expenditure written off includes expenditure written off on surrender of, or intended surrender of, tenements.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 15 Acquisition of Exploration Assets

During the period, the Group completed the acquisition of exploration assets from Northern Star Resources Limited in relation to the Coyote and Paulsens Gold Project acquisitions.. Total acquisition costs for the period amounted to \$51,412,076, which includes various acquisition and related costs and the following significant transactions:

	Cash Consideration (incl option fees) ¹	Share Based Consideration ¹	Acquisition liability ²	Fair value of net liabilities recognised on acquisition ³	Total excess consideration over the fair value of net assets acquired
Acquisition of Coyote Gold Project	\$10,634,000	\$2,140,734	\$11,000,689	\$13,003,481	\$36,778,904
Acquisition of Paulsens Gold Project	\$3,866,000	\$778,266	\$3,999,311	\$5,989,595	\$14,633,172
Total	\$14,500,000	\$2,919,000	\$15,000,000	\$18,993,076	\$51,412,076

¹During the financial period the Company completed the acquisition of the Coyote and Paulsens Gold Projects by the issue of 8,340,000 shares at a fair value of \$0.35 each and payment of cash consideration of \$14,500,000 to Northern Star Resources Limited.

²In addition, an amount of \$15,000,000 in deferred cash consideration is payable to Northern Star Resources Limited on or before 30 June 2023.

³Refer to Note 35 for further information regarding the assets and liabilities recognised on acquisition.

The agreement to acquire the Coyote and Paulsens Gold Projects also provides for contingent consideration as follows:

Milestone	Contingent consideration payable A\$
Production of 5,000 ounces of gold from Coyote Gold Project	\$2,500,000
Production of 5,000 ounces of gold from Paulsens Gold Project	\$2,500,000
Production of 50,000 ounces of gold from Coyote Gold Project (inclusive of initial 5,000 ounce production milestone)	\$2,500,000
Production of 50,000 ounces of gold from Paulsens Gold Project (inclusive of initial 5,000 ounce production milestone)	\$2,500,000

Directors have determined that the fair value of the Milestone consideration is nil as at the reporting date. Production from the Paulsens and Coyote gold projects is likely to be contingent upon further exploration success and as such the timing and likelihood of commencement of mining and production activities is uncertain. The Company will continue to assess the production outlook for the Paulsens and Coyote projects and contingent consideration may be recognised in future reporting periods, if required by accounting standards (refer Note 28).

The above amounts of contingent consideration are included as a contingent liability of the Group at 30 June 2022 (refer Note 28).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Consolidated	
	30 June 2022 \$	30 June 2021 \$

Note 16 Current Liabilities – Trade and Other Payables

Trade payables and accruals	1,568,682	1,535,934
Other payables	119,691	259,523
	1,688,373	1,795,457

Details of fair value and exposure to interest risk are included at Note 24. Trade payables and accruals includes \$114,492 (2021: \$233,210) accrued short-term incentive bonuses inclusive of superannuation and payroll tax (refer Note 6).

Note 17 Current Liabilities – Employee Entitlements

Liability for annual leave	291,051	181,721
Liability for long service leave	88,975	25,921
	380,026	207,642

Refer to Note 35 for information regarding the amounts of leave liabilities recognised on the acquisition of assets.

Note 18 Lease liabilities

Leases

Carrying value at the start of the year	190,395	-
Lease liabilities recognised in the year	-	200,015
Lease payments made	(58,443)	(9,661)
Lease interest charged to profit or loss	410	41
	132,362	190,395

Lease liabilities are split between current and non-current liabilities at the balance date as follows:

Lease liabilities due < 1 year	68,244	58,033
Lease liabilities due > 1 year	64,118	132,362
	132,362	190,395

A right of use asset has been recognised in respect of the Group's lease of its office at Level 3, 52 Kings Park Road, West Perth, Western Australia.

Refer to Note 13 for details of the corresponding right of use asset arising from the abovementioned lease.

Total cash outflows in relation to lease arrangements during the year was \$58,033 (2021: \$5,505).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Consolidated	
	30 June 2022 \$	30 June 2021 \$

Note 19 Deferred Acquisition Consideration

Deferred acquisition consideration (Note 15)	15,000,000	-
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Deferred acquisition liabilities are secured over the assets of Black Cat (Paulsens) Pty Ltd and Black Cat (Coyote) Pty Ltd (refer Note 15). Other liabilities are not secured over the assets of the Group.

Note 20 Rehabilitation liabilities

Opening rehabilitation liabilities	-	-
Liabilities recognised on acquisition (Note 35)	21,927,602	-
Other movements for the period	18,359	-
	21,945,961	-

Refer to Note 35 for information regarding the amounts of rehabilitation liabilities recognised on the acquisition of net assets associated with the Coyote and Paulsens Gold Projects..

Note 21 Issued Capital

a) Ordinary Shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 21 Issued Capital (continued)

		30 June 2022		30 June 2021	
	Issue Price	No	\$	No	\$

b) Share Capital

Issued share capital	213,634,175	86,787,812	140,807,811	50,435,467
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c) Share Movements During the Period

Balance at the start of the financial period	-	140,807,811	50,435,467	87,947,952	14,395,187
Shares issued on exercise of options	\$0.20	600,000	120,000	2,151,631	430,326
Shares issued to acquire Fingals and Rows Find	\$0.91	-	-	8,417,962	7,660,345
Placement shares issued	\$0.82	-	-	12,195,122	10,000,000
Placement shares issued	\$0.67	-	-	29,695,144	19,895,747
Shares issued on exercise of options	\$0.22	-	-	400,000	88,000
Shares issued on exercise of options	\$0.40	250,000	100,000	-	-
Placement shares issued	\$0.55	63,636,364	35,000,000	-	-
Shares issued to acquire Paulsens and Coyote Gold Projects ¹	\$0.35	8,340,000	2,919,000	-	-
Less share issue costs	-	-	(1,786,655)	-	(2,034,138)
Balance at the end of the financial period		213,634,175	86,787,812	140,807,811	50,435,467

¹Refer note 15 for further details regarding the fair value of shares issued to acquire assets.

Note 22 Options and Share Based Payments

Options on issue

As at 30 June 2022, 14,677,147 (2021: 13,283,147) unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
8,941,147	20 cents	25 January 2023
1,200,000	40 cents	25 June 2023
700,000	60 cents	2 August 2023
250,000	62 cents	18 May 2024
129,000	120 cents	21 July 2024
468,000	98 cents	10 December 2024
330,000	100 cents	28 March 2025
1,499,000	83 cents	8 November 2025
1,160,000	65 cents	15 May 2026

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 22 Options and Share Based Payments (continued)

During the year ended 30 June 2022 the Company issued 2,879,000 options over unissued shares to employees (2021: 1,342,000).

During the financial period a total of 600,000 options exercisable at 20 cents and expiring 25 January 2023, and 250,000 options exercisable at 40 cents and expiring 25 June 2023 were exercised into shares.

635,000 employee options were cancelled during the financial year on cessation of employment.

Since the end of, the financial period;

- 1,298,000 options have been issued to employees exercisable at 51 cents and expiring 28 July 2026;
- no options have been cancelled; and
- 360,000 shares have been issued on the exercise of options.

Options do not entitle the holder to:

- participate in any share issue of the Company or any other body corporate; and
- any voting rights until the options are exercised into ordinary shares.

Performance Rights

No performance rights were issued during the financial year. Subsequent to the end of the financial year the Company issued a total of 4,198,389 performance rights to employees expiring 30 June 2027.

Weighted Average Contractual Life

The weighted average contractual life for un-exercised options is 16 months (2021: 18 months).

Reconciliation of Movement of Options Over Unissued Shares During the Period Including Weighted Average Exercise Price ("WAEP")

	2022		2021	
	No	WAEP (cents)	No	WAEP (cents)
Options outstanding at the start of the period	13,283,147	33.4	14,492,778	24.7
Options issued during the period	2,879,000	75.7	1,342,000	101.9
Options cancelled during the period	(635,000)	95.4	-	-
Options exercised during the period	(850,000)	25.9	(2,551,631)	20.3
Options outstanding at the end of the period	14,677,147	39.4	13,283,147	33.4

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 22 Options and Share Based Payments (continued)

Basis and Assumptions Used in the Valuation of Options

The 2,879,000 options issued as remuneration during the financial year were valued using the Black-Scholes option valuation methodology:

Date Granted	Number of Options Granted	Exercise Price (cents)	Expiry Date	Risk Free Interest Rate Used	Volatility Applied	Value of Options
9 Nov 2021	1,719,000	83	8 Nov 2025	1.30%	47.7%	\$242,143
16 May 2022	1,160,000	65	15 May 2026	3.11%	52.1%	\$160,128

	Consolidated			
	2022		2021	
	Accumulated Losses \$	Equity Remuneration Reserve (i) \$	Accumulated Losses \$	Equity Remuneration Reserve (i) \$

Note 23 Reserves and Accumulated Losses

Balance at the beginning of the year	(5,573,706)	1,296,105	(3,278,232)	909,328
Profit/(Loss) for the period	(3,944,906)	-	(2,324,794)	-
Transfer on exercise and cancellation of options	193,376	(193,376)	29,320	(29,320)
Movement in equity remuneration reserve in respect of options issued	-	402,271	-	416,097
Balance at the end of the year	(9,325,236)	1,505,000	(5,573,706)	1,296,105

(i) *The equity remuneration reserve is used to recognise the fair value of options issued and vested but not exercised.*

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 24 Financial Instruments

Credit Risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made.

Impairment Losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Interest Rate Risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	2022 \$	2021 \$
Variable rate instruments		
Cash and cash equivalents	<u>18,172,023</u>	<u>16,049,091</u>

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% Increase	1% Decrease	1% Increase	1% Decrease
2022				
Variable rate instruments	<u>181,720</u>	<u>(181,720)</u>	<u>181,720</u>	<u>(181,720)</u>
2021				
Variable rate instruments	<u>160,491</u>	<u>(160,491)</u>	<u>160,491</u>	<u>(160,491)</u>

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated	Carrying Amount \$	Contractual Cash Flows \$	< 6 Months \$	6-12 Months \$	1-2 Years \$	2-5 Years \$	> 5 Years \$
2022							
Trade and other payables	1,688,373	1,688,373	1,688,373	-	-	-	-
Lease liabilities	132,362	153,198	30,429	37,366	85,402	-	-
Loan liabilities	<u>15,000,000</u>	<u>15,000,000</u>	-	<u>15,000,000</u>	-	-	-
	<u>16,820,735</u>	<u>16,841,571</u>	<u>1,718,802</u>	<u>15,037,366</u>	<u>85,402</u>	-	-

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 24 **Financial Instruments (continued)**

Consolidated	Carrying Amount	Contractual Cash Flows	< 6 Months	6-12 Months	1-2 Years	2-5 Years	> 5 Years
	\$	\$	\$	\$	\$	\$	\$
2021							
Trade and other payables	865,239	865,239	865,239	-	-	-	-
Lease liabilities	190,395	190,395	28,757	29,276	64,118	68,244	-
Insurance premium funding	208,745	208,745	113,861	94,884	-	-	-
	1,264,379	1,264,379	1,007,857	124,160	64,118	68,244	-

Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Consolidated			
	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Cash and cash equivalents	18,172,023	18,172,023	16,049,091	16,049,091
Trade and other receivables	466,256	466,256	-	-
Trade and other payables	(1,688,373)	(1,688,373)	(865,239)	(865,239)
Lease liabilities	(132,362)	(132,362)	-	-
Loan liabilities	(15,000,000)	(15,000,000)	-	-
	1,817,544	1,817,544	15,183,852	15,183,852

The Group's policy for recognition of fair values is disclosed at Note 1(u).

Note 25 Dividends

No dividends were paid or proposed during the financial years ended 30 June 2021 or 30 June 2022.

The Company has no franking credits available as at 30 June 2021 or 30 June 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 26 Key Management Personnel Disclosures

(a) Directors and Key Management Personnel

The following persons were considered Key Management Personnel of Black Cat during the financial year:

- (i) *Chairman – Non-Executive*
Paul Chapman
- (ii) *Executive Director*
Gareth Solly, Managing Director
- (iii) *Non-Executive Directors*
Les Davis
Philip Crutchfield

Tony Polglase
- (iv) *Senior Executives*
Michael Bourke (GM-Projects) (appointed 29 April 2022)
David Sanders (CFO)

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key Management Personnel Compensation

A summary of total compensation paid to Key Management Personnel during the year is as follows:

	Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$
Total short-term employment benefits	713,219	676,589 ^{1,2}
Total share-based payments	41,412	141,121 ^{1,2}
Total post-employment benefits	75,049	54,755
	829,680	872,465

¹ In the tables above an amount of \$50,000 was accrued in respect of short-term incentive bonus payable to the Managing Director as at 30 June 2020. This was satisfied by the payment of \$25,000 in cash in July 2020 and \$30,799 paid in the form of unlisted options in September 2020 following shareholder approval (based on the valuation of the options at the date of grant). An amount of \$30,799 has been recognised in total share-based payments, and a corresponding reduction of \$25,000 in short-term employment benefits for the year ended 30 June 2021.

² Includes \$75,000 for G Solly and \$35,210 for D Sanders in relation to the short-term incentive bonus payable at 30 June 2021, with the full amount paid in October 2021.

³ STI bonus \$19,600 and \$14,000 accrued for G Solly and D Sanders respectively at 30 June 2022.

⁴ Includes \$41,412 value of Options granted as remuneration on 16 May 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 26 Key Management Personnel Disclosures (continued)

(c) Other Transactions with Key Management Personnel

During the prior year the Company paid Stone Poneys Nominees Pty Ltd, an entity associated with Paul Chapman, in respect of the now terminated lease for the Group's offices. Lease payments for the period ended 30 June 2022 was nil. (2021: \$6,233).

During the prior year the Company employed the spouse of Paul Chapman in an administrative role. Remuneration for the period ended 30 June 2022 was \$nil (2021: \$16,151).

During the period the Company employed the spouse of Gareth Solly in an administrative role. Remuneration for the period ended 30 June 2022 was \$74,913 (2021: \$60,361).

	Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$

Note 27 Remuneration of Auditors

Audit and review of the Company's financial statements	42,250	24,250
Total	42,250	24,250

Note 28 Contingencies

(i) Contingent Liabilities

There were no material contingent liabilities not provided for as at 30 June 2021 and 30 June 2022 other than:

Royalties

Kal East Gold project

The Group is subject to a 1% gross revenue royalty in respect of minerals produced from the following tenements: E25/0499, E25/0512, E27/0532, P25/2287, P25/2288, P25/2293, P25/2377, P25/2378 and P25/2641.

The Group is subject to a 1% net smelter royalty in respect of minerals produced from the following tenements: E25/0594, P25/2685 and P25/2323.

The Group is subject to a 1.5% gross royalty in respect of minerals produced from the following tenements: P25/2324, P25/2325, P25/2326, P25/2327, P25/2328, P25/2331, P25/2357, P25/2358, P26/4117, P26/4118, P26/4119 and P26/4122.

Coyote Gold Operations

The Group is subject to a 1.75% gross royalty in respect of all minerals produced from the following tenements, with a scaled dollar/oz based on production above 300koz: E80/1737, M80/0560, M80/0561 and M80/0645.

The Group is subject to a 1.5% gross royalty in respect of minerals produced from M80/0563.

The Group is subject to a scaled dollar/oz based on production above 300koz: E80/1483, E80/3665 and M80/0559.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 28 Contingencies (continued)

Paulsens Gold Operations

The Group is subject to a 2.5% net smelter royalty in respect of all production from E08/1649, with an additional 0.75% net smelter royalty in respect of all production over 250koz.

The Group is subject to a 1.75% gross royalty in respect of all minerals produced from E08/1650.

The Group is subject to a 1% net smelter royalty in respect of minerals produced from the following tenements: M08/0191, M08/0192 and M08/0193.

In addition, there may be other historical agreements relating to certain other tenements of the Group, which may, or may not, create an obligation on the Group to pay royalties on some or all minerals derived from some tenements upon commencement of production.

Native Title and Aboriginal Heritage

Native title claims have been made with respect to certain areas which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

Contingent Consideration

Pursuant to the agreement to acquire the Coyote and Paulsens Gold Projects the Company may be liable to pay contingent consideration based on achieving production milestones from the respective projects as follows (refer Note 15):

Milestone	Contingent consideration payable A\$
Production of 5,000 ounces of gold from Coyote Gold Project	\$2,500,000
Production of 5,000 ounces of gold from Paulsens Gold Project	\$2,500,000
Production of 50,000 ounces of gold from Coyote Gold Project (inclusive of initial 5,000 ounce production milestone)	\$2,500,000
Production of 50,000 ounces of gold from Paulsens Gold Project (inclusive of initial 5,000 ounce production milestone)	\$2,500,000

Directors have determined that the fair value of the Milestone consideration is nil as at the reporting date. Production from the Paulsens and Coyote gold projects is likely to be contingent upon further exploration success and as such the timing and likelihood of commencement of mining and production activities is uncertain. The Company will continue to assess the production outlook for the Paulsens and Coyote projects and contingent consideration may be recognised in future reporting periods, if required by accounting standards (refer Note 15).

(ii) Contingent Assets

There were no material contingent assets as at 30 June 2021 or 30 June 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 29 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Group.

As at balance date, total exploration expenditure commitment on tenements held by the Group which has not been provided for in the financial statements and which cover the following 12-month period amount to \$3,802,600 (2021: \$1,608,220). This includes \$1,723,180 for Kal East, and \$2,079,420 for tenements obtained as a part of the acquisition.

(b) Contractual Commitments

There are no material contractual commitments as at 30 June 2022 or 30 June 2021 not otherwise disclosed in the Financial Statements.

Note 30 Related Party Transactions

Transactions with Directors during the period are disclosed at Note 26 – Key Management Personnel.

There are no other related party transactions, other than those already disclosed elsewhere in this financial report.

Note 31 Events Occurring After the Balance Sheet Date

Subsequent to 30 June 2022 the Company issued a total of 4,198,389 performance rights expiring 30 June 2027 to senior employees. Details of the 2022 LTI awards have been disclosed in the remuneration report.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

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NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated	
	Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$

Note 32 Reconciliation of Loss After Tax to Net Cash Inflow from Operating Activities

Profit/(Loss) from ordinary activities after income tax	(3,944,906)	(2,324,794)
Depreciation and amortisation	114,272	25,071
Profit on disposal of fixed assets	1,189	(9,485)
Exploration cost written off and expensed	87,080	386,680
Realised foreign exchange losses	(8,456)	10,873
Share based payments	402,271	416,097
<i>Movement in assets and liabilities:</i>		
(Increase)/decrease in receivables	(169,310)	(31,569)
Decrease/(increase) in rehabilitation liability	18,359	-
(Increase)/decrease in inventory	(345,254)	
Increase/(decrease) in payables	447,912	120,626
Increase/(decrease) in employee leave liabilities	92,835	107,458
Net cash outflow from operating activities	<u>(3,304,008)</u>	<u>(1,299,043)</u>

Non-Cash Investing and Financing Activities

During the financial period the Company issued shares in part consideration for the acquisition of exploration assets as follows; 8,340,000 shares (\$2,919,000) to acquire a 100% interest in the Coyote and Paulsens Gold Projects from Northern Star Resources Limited.

Refer Note 15 for further details regarding acquisitions.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Consolidated	
	Year Ended 30 June 2022	Year Ended 30 June 2021
Note 33 Earnings Per Share	Cents	Cents
a) Basic Earnings Per Share		
Loss per share attributable to ordinary equity holders of the Company	<u>(2.6)</u>	<u>(2.1)</u>
b) Diluted Earnings Per Share		
Loss per share attributable to ordinary equity holders of the Company	<u>(2.6)</u>	<u>(2.1)</u>
c) Loss for year	\$	\$
Loss used in calculation of basic and diluted loss per share	<u>(3,944,906)</u>	<u>(2,324,794)</u>
d) Weighted Average Number of Shares Used as the Denominator	No.	No.
Weighted average number of shares used as the denominator in calculating basic earnings per share	<u>149,307,744</u>	<u>113,313,442</u>
Weighted average number of shares used as the denominator in calculating diluted earnings per share	<u>149,307,744</u>	<u>113,313,442</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 34 Parent Entity Information

	30 June 2022 \$	30 June 2021 \$
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Financial Position

Assets

Current assets	18,322,746	15,935,880
Non-current assets	76,713,544	31,778,588
	<hr/>	<hr/>
Total Assets	95,036,290	47,714,468

Liabilities

Current liabilities	16,004,596	598,728
Non-current liabilities	64,118	132,362
	<hr/>	<hr/>
Total Liabilities	16,068,714	731,090

NET ASSETS

78,967,576	46,983,378
<hr/>	<hr/>

Equity

Issued Capital	86,787,812	50,435,467
Share based payments reserve	1,505,000	1,296,105
Accumulated losses	(9,325,236)	(4,748,194)
	<hr/>	<hr/>

TOTAL EQUITY

78,967,576	46,983,378
<hr/>	<hr/>

Profit/(Loss) for the year	(3,764,498)	(2,324,794)
Other comprehensive income	-	-
	<hr/>	<hr/>

Total comprehensive income	(3,764,498)	(2,324,794)
	<hr/>	<hr/>

Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiary company.

Contingencies

For full details of contingencies see Note 28.

Commitments

For full details of commitments see Note 29.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 35 Business Combinations

Black Cat Syndicate Limited completed the acquisition of 100% of the high-grade Coyote and Paulsens Gold Operations (“Coyote”, “Paulsens”, together, “the Operations”) from the seller, Northern Star Resources Limited (“NSR” or “the seller”) and its controlled entities on 15 June 2022.

Coyote: The operation is located approximately 20 km on the Western Australia (WA) side of the WA/ Northern Territory (NT) border, on the Tanami Highway. The operation consists of an open pit and an underground mine, 300,000 tpa processing facility, 180+ person camp and other related infrastructure, in addition to a well-maintained airstrip used by government and private enterprises. The operation is currently on care and maintenance and has a Resource of 3.0Mt @5.1g/t Au for 488koz with numerous high-grade targets in the surrounding area. BC8 acquired 100% of the issued shares in Black Cat (Coyote) Pty Ltd (formerly Northern Star (Western Tanami) Pty Ltd), which operates the Coyote Gold Mine, from the vendor. The business contributed revenues of \$72,986 to the Group.

Paulsens: The operation is located 180km west of Paraburdoo in WA. The operation consists of an underground mine, 450,000tpa processing facility, 110+ person camp, numerous potential open pits and related infrastructure. The operation is also currently on care and maintenance and has a Resource of 2.7Mt @2.5g/t Au for 217koz and significant exploration and growth potential. BC8, through its wholly owned subsidiary, obtained control of 100% of the legal and beneficial interest in the Paulsens Gold Mine, currently on care and maintenance, free from encumbrances (other than permitted encumbrances) from the vendor. The business contributed revenues of \$111,211 to the Group.

The Company has been unable to apply the revenue and loss contributions retrospectively on the basis it is impracticable to do so per the AASB 108 definition of ‘impracticable’. The Company does not have access to the seller’s calculations and The Company only held the Operations for two weeks prior to 30 June 2022.

The acquisition of the Operations enables BC8 to focus on significant drilling campaigns at both operations to grow and upgrade the current high-grade Resources. With these two acquisitions, BC8 controls 1,770 km² in three prime WA gold regions, being Tanami, Paraburdoo and Kalgoorlie. BC8 plans to construct a central processing facility near the Majestic Mining Centre, approximately 50km east of Kalgoorlie. The 800,000tpa processing facility is proposed to be a traditional carbon-in-leach gold plant which will be suited to BC8’s resources as well as to third party free milling ores around Kalgoorlie, WA.

The values identified in relation to the acquisition of both Coyote and Paulsens are provisional under AASB 3 Business Combinations as at 30 June 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 35 Business Combinations (continued)

Details of the acquisition are as follows:

	Coyote Fair Value \$	Paulsens Fair Value \$
Inventory	-	146,075
Plant and Equipment	534,815	173,869
Exploration – mining rights and mine development assets	1,242,286	917,030
Provision for rehabilitation	(14,774,507)	(7,153,095)
Employee benefit entitlements	(6,075)	(73,474)
Net liabilities acquired	(13,003,481)	(5,989,595)
Exploration and Evaluation Expenditure	36,778,904	14,633,172
Acquisition-date fair value of the total consideration transferred	23,775,423	8,643,577
Representing:		
Cash consideration paid to vendor	10,634,000	3,866,000
Deferred cash consideration ¹	11,000,689	3,999,311
BC8 shares issued to vendor ²	2,140,734	778,266
Milestone payments ³	-	-
	23,775,423	8,643,577
Employee expenses / reduction in recharge	283,966	103,236
Legal and professional	80,995	29,446
Corporate development	66,009	23,998
Administration and other expenses	89,828	32,657
Acquisition costs expensed to profit or loss	520,798	189,337

¹ Deferred cash consideration is payable by 30 June 2023

² 6,116,383 ordinary shares for Coyote acquisition and 2,213,237 ordinary shares for Paulsens acquisition, issued on 15 June 2022 at a price of \$0.35 per share.

³ Represents management's best estimate, based on timing and probability of commencement of operations and commercial production. Refer Note 15 for further details regarding contingent consideration

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

DIRECTORS' DECLARATION

In the opinion of the Directors of Black Cat Syndicate Limited ("the Company")

- (a) the financial statements and notes set out on pages 21 to 58 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position as at 30 June 2022 and of the performance for the period ended on that date of the Group.
- (b) the remuneration disclosures that are contained in the Remuneration Report in the Directors Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001.
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (d) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial period ended 30 June 2022.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 30th day of September 2022.



Gareth Solly
Managing Director

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF BLACK CAT SYNDICATE LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Black Cat Syndicate Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
Valuation of capitalised mineral exploration and evaluation expenditure	
<p>The consideration of impairment of the carrying value of the Group's Capitalised Mineral Exploration and Evaluation Expenditure assets was material to our audit and represented an area of significant estimate and judgement within the financial report.</p> <p>This matter is considered a key audit matter due to:</p> <ul style="list-style-type: none"> • the degree of judgement required by the Directors to assess whether impairment indicators are present; • the significance of the additions to capitalised exploration expenditure during the year of \$12.05m; • the significance of the acquisition costs during the year of \$51.4m; and • the materiality of the closing balance at year end of \$92.5m. <p>The related accounting policies, critical accounting estimates and judgements and disclosures are contained in Notes 1, 3, 14 and 15 of the financial report.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing the nature of the capitalised costs through testing on a sample basis and assessing whether the nature of the expenditure met the capitalisation criteria under <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>; • conducting discussions with Management regarding the criteria used in their impairment assessment and ensuring that this was in line with the requirements of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>; • reviewing evidence of exploration activities carried out during the year and Management's future intentions for areas of interest the Group holds and to corroborate the representations made by management during our discussions; • assessing the Group's right of tenure by obtaining and assessing third party information supporting the Group's rights to tenure; and • considering the appropriateness of the disclosures in Notes 1,3,14 and 15 to the financial statements in accordance with the relevant requirements of Australian Accounting Standards.
Business Combinations	
<p>The acquisition of the Coyote and Paulsens Gold Operations during the year was material to our audit and represented an area of significant estimate and judgement within the financial report.</p> <p>This matter is considered a key audit matter due to:</p> <ul style="list-style-type: none"> • the degree of judgement required by Management to assess the appropriate 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • reviewing the purchase/sale agreements executed between the Group and Northern Star Resources Limited, including verification of the purchase consideration; • obtaining and reviewing Management's accounting position paper on the proposed accounting treatment to be adopted, to ensure compliance with the appropriate accounting standards;

Key Audit Matter	How we addressed the Key Audit Matter
Business Combinations	
<p>accounting standards to apply to the transactions;</p> <ul style="list-style-type: none"> the degree of estimation and judgement required in determination of the appropriate fair values of the assets acquired and liabilities assumed; the significance of the cash and deferred cash consideration to be transferred under the acquisitions; and The inclusion a series of contingent payments linked to future production post-sale completion, which is subject to a significant degree of estimation uncertainty in determining the appropriate fair values and resulting accounting treatment to be applied to these contingent components of the total consideration to be transferred to the vendors. <p>The related accounting policies, critical accounting estimates and judgements and disclosures are contained in Notes 1, 3, 15 and 35 of the financial report.</p>	<ul style="list-style-type: none"> reviewing the nature and content of the work performed by Management’s Expert including a review of the competency, capability and objectivity of Management’s Expert; concluding on the sufficiency and appropriateness of the work conducted by Management’s Expert as audit evidence; and considering the appropriateness of the disclosures in Notes 1,3,15 and 35 to the financial statements in accordance with the relevant requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2022 but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Black Cat Syndicate Limited for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Crowe Perth



Cyrus Patell
Partner

Dated at Perth this 30 September 2022