

# COMMENCEMENT OF DIAMOND DRILLING

ASX Announcement  
4 October 2018

Black Cat  
Syndicate



Black Cat Syndicate Limited (“Black Cat”) is pleased to announce that diamond drilling has commenced at the Bulong Gold Project (“Bulong”).

## QUEEN MARGARET

The first of four diamond drill holes has begun at Queen Margaret for a total program of ~1,400m (Figure 1). This deeper drilling will be 50% funded (up to \$138,000) under the WA Government Exploration Incentive Scheme (“EIS”).

Pre-WW1 mining at Queen Margaret (Figure 2) was focused on the high grade hangingwall contact of a mineralised felsic porphyry. To date, Black Cat drilling has focused on the unmined footwall to the historic workings which extend to ~240m below surface (Figure 3). This will be the deepest drilling ever at Queen Margaret, testing 60m below the old workings.

In addition, shallow geotechnical and metallurgical diamond holes (~480m) will also be drilled at Queen Margaret at the conclusion of the deeper drilling. The results of this drilling will be used for resource modelling.



Figure 1: Deep drilling below the historic Queen Margaret Mine has commenced

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### DIRECTORS

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

### CORPORATE STRUCTURE

Ordinary shares on issue: 57.3M  
Market capitalisation: A\$10.3M  
(Share price A\$0.18)  
Cash (30 June 2018): A\$3.9M



## BOUNDARY

Diamond drilling is scheduled for the Boundary deposit in November 2018 (~600m including RC precollars).

The Boundary deposit (Figure 2) was originally drilled in 1991, however the extent of mineralisation was never fully understood. Recent RC drilling by Black Cat (see announcements on 16 and 28 August 2018) has proven that thick high grade mineralisation remains open at depth and in an offset position to the south with results including: 11m @ 2.46 g/t Au from 106m (18BORC014) and 12m @ 4.17 g/t Au from 67m (18BORC015).

Diamond drilling will provide core for structural analysis and metallurgical characterisation of the Boundary mineralisation.

## TRUMP

Diamond drilling is also expected to commence on the Trump deposit during November 2018 (~392m).

The Trump deposit lies to the west of both the Myhree-Boundary and Queen Margaret Corridors (Figure 2). Recent RC drilling by Black Cat (see announcement on 20 September 2018) has shown that mineralisation is open to the north and at depth with results including 8m @ 4.13 g/t Au from 44m (18TRRC003).

Diamond drill testing will be undertaken to assist in understanding of the geology and mineralisation controls.

The total ~2,600m diamond drilling program has been awarded to DDH1 Drilling Pty Ltd and is expected to be completed by the end of November 2018.

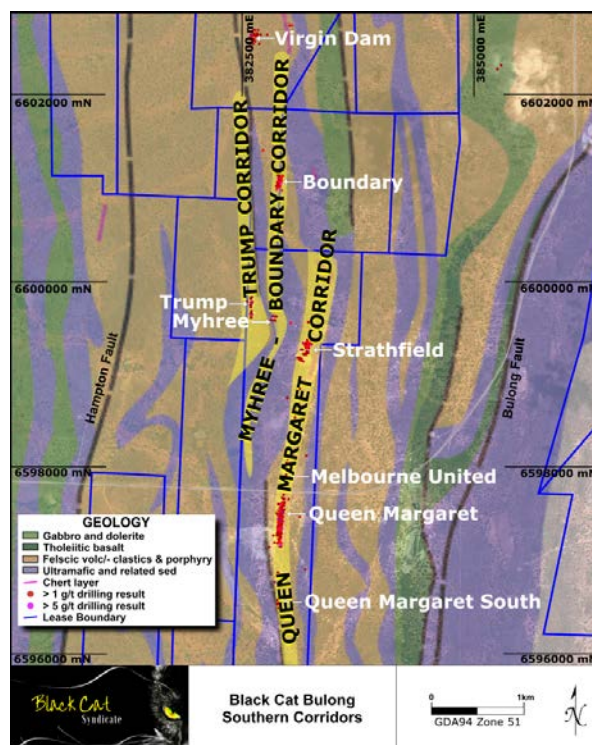


Figure 2: Schematic plan showing the three southern corridors

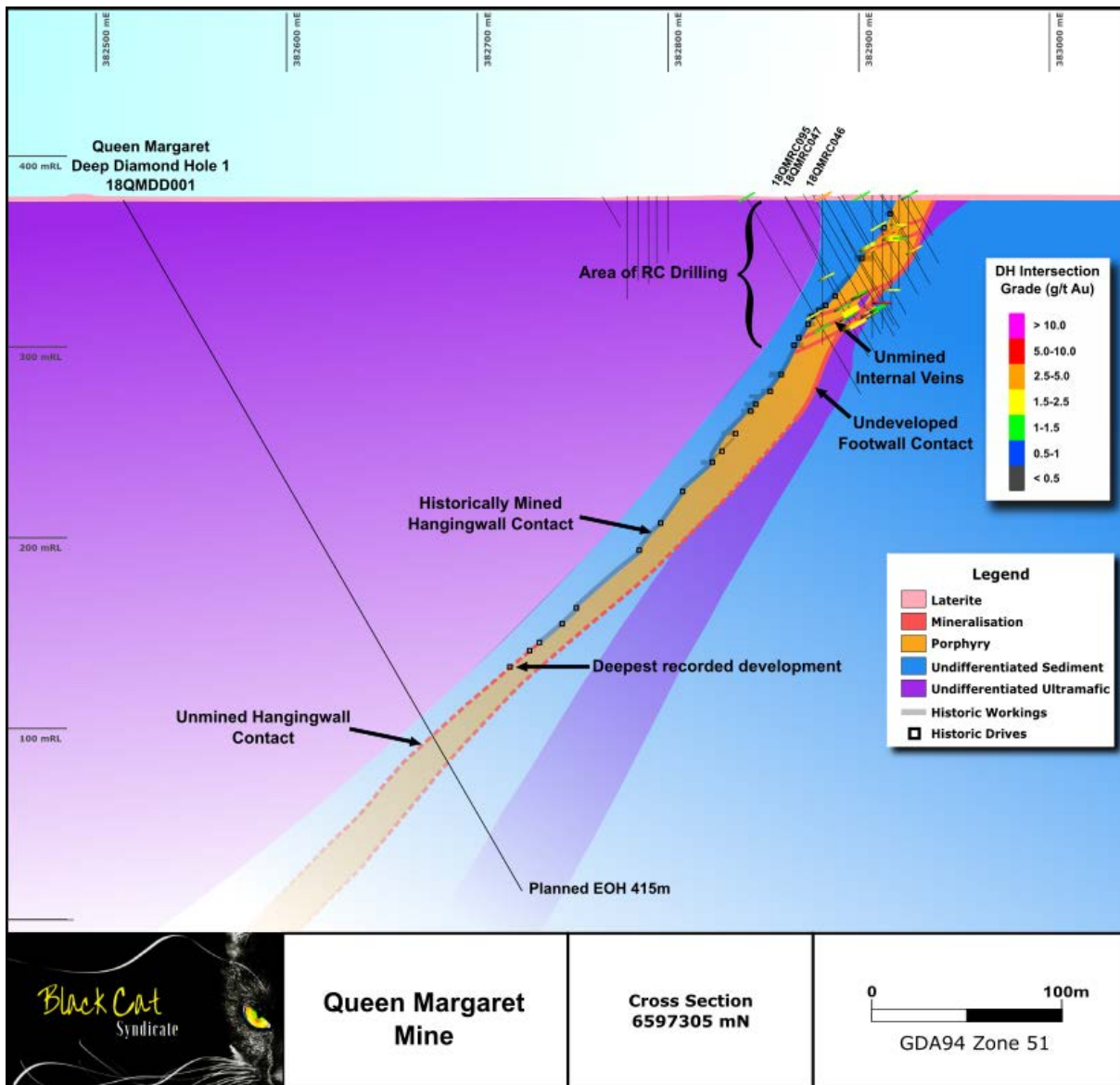


Figure 3: Interpreted cross section showing the historic workings on the hangingwall contact of the porphyry with the planned EIS hole trace

## NEAR TERM ACTIVITIES

- Extensional RC drilling along the Myhree-Boundary Corridor (RC rig on site).
- Initial RC drilling at Anomaly 38 (location on Figure 4).
- Follow up RC drilling at Trump.
- Diamond drilling, targeting depth extensions below the historic Queen Margaret Mine.
- Resource estimation work at Queen Margaret.
- Announcement of drilling results on an ongoing basis as each program is completed and interpreted.



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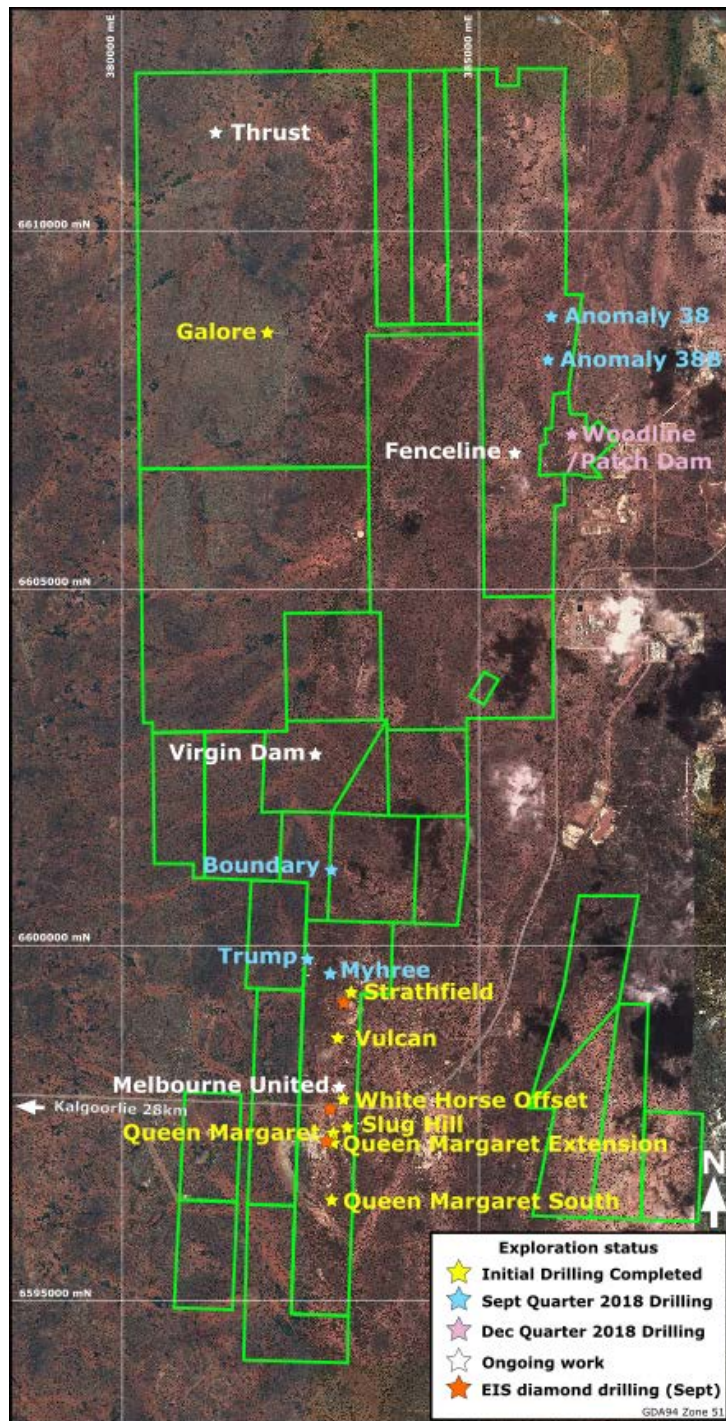


Figure 4: Map showing planned drilling locations at the Bulong Gold Project

For further information, please contact:

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## INVESTMENT HIGHLIGHTS

Black Cat controls 100% of ~84km<sup>2</sup> of the Bulong Gold Project (“the Project”) of which ~89% of tenements are granted. In addition, there are numerous targets on mining leases meaning low barriers to exploration and production hence strong expected news flow.

The Project is situated just 25km east of Kalgoorlie by sealed road. Mains power runs through the Project with five regional mills, support services and a residential workforce nearby.

The Project has a history of complex, unconsolidated ownership and small scale, high grade production:

- mine production in the Project area ceased in the early 1910s with a total of ~152,000oz @ >1oz/t produced to date;
- the Queen Margaret mine was the main producer with ~96,000oz @ >1oz/t. Despite the mine’s high-grade production record there has been no effective drilling below the old workings;
- despite encountering mineralised lodes in a 200m deep drive to the east of Queen Margaret, minimal drilling for parallel lodes has been undertaken;
- prospectors have seen high specimen and nugget production with multiple +100oz nuggets discovered; and
- the complex and unconsolidated ownership structures have hampered exploration and mining at the Project.

Black Cat has now consolidated the Project bringing together a number of high-grade, near term, underground production targets along with shallow open cut positions. Black Cat initial focus is to drill and study the economics of developing an open cut mine at Queen Margaret then declining from the open cut into footwall and eastern zones and developing across to historic workings while assessing backfill volumes and grade.

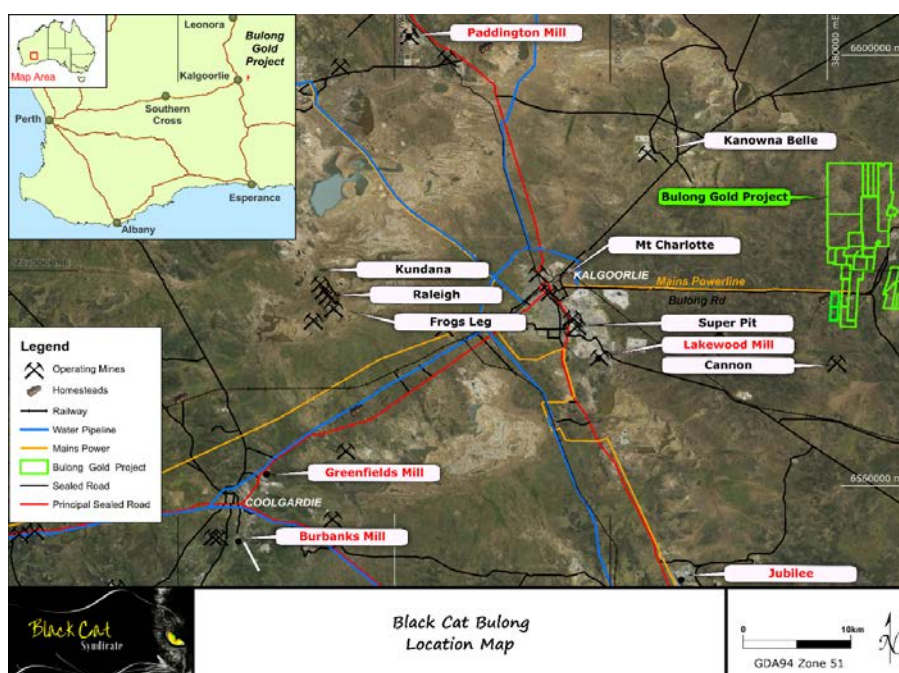


Figure 5: Regional map of Kalgoorlie showing the location of the Black Cat Bulong tenements and nearby infrastructure

## COMPETENT PERSON'S STATEMENT

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

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