



ASX ANNOUNCEMENT

29 March 2018

JUNIOR MINERAL EXPLORATION INCENTIVE UPDATE

The Board of Black Cat Syndicate Limited (“**Black Cat**”) is pleased to advise shareholders of the successful passage of the Junior Mineral Exploration Incentive (“**JMEI**”) bill through the Federal Parliament on 27 March 2018.

The JMEI will enable mineral exploration companies (with no mining income) to renounce and pass future tax deductions to their Australian resident investors. The JMEI is a vital investment in Australia’s future. Recent research indicates that as existing mines reach the end of their current lives, there will be significant reductions in mineral production and Government revenue streams.

Accordingly, Black Cat believes that the JMEI will support the development of future mines by encouraging greater greenfields mineral exploration leading to the discovery of new deposits.

As stated in the Black Cat IPO Prospectus dated 27 November 2017, if Black Cat is considered an eligible company under the JMEI, it may generate tax credits by giving up a portion of its tax losses from greenfield mineral exploration expenditure. These tax credits can then be distributed to shareholders. Australian resident shareholders that are issued with a tax credit will be entitled to a refundable tax offset or additional franking credits. Black Cat’s carry forward losses would be reduced to reflect the amount of any credits created.

Black Cat will keep shareholders updated of ongoing developments with respect to the JMEI and Black Cat’s eligibility to participate. Shareholders with specific tax questions should consult their tax adviser.

For further information, please contact:

Gareth Solly
Managing Director

INVESTMENT HIGHLIGHTS - BLACK CAT SYNDICATE LIMITED (ASX: BC8)

Black Cat controls 100% of ~82km² of the Bulong Gold Project (“the Project”) of which ~84% 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 per tonne produced to date;
- the Queen Margaret Mine was the main producer with ~96,000oz @ >1oz per tonne. Despite the mine’s high grade production record, average depth of drilling has only been 39m with 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.

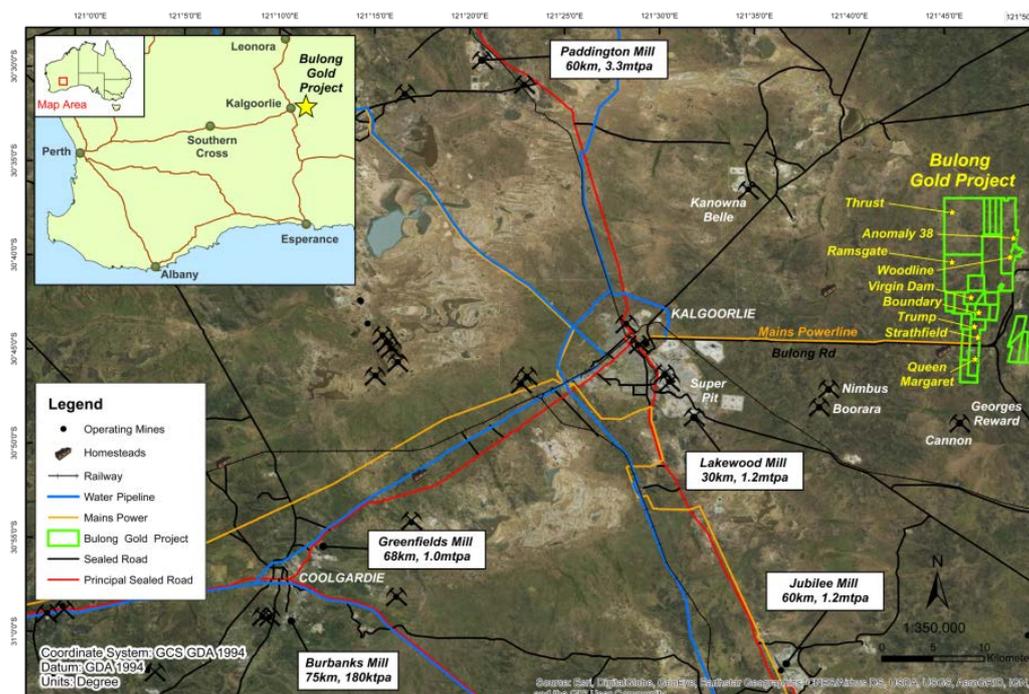


Figure 1: Regional map of Kalgoorlie showing the location of the Black Cat Bulong tenements and nearby infrastructure.

Note: Information on historical results outlined in this announcement together with JORC Table 1 information, is contained in the Independent Geologists Report within Black Cat’s Prospectus dated 27 November 2017. 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.