

# Major Steps Forward on Processing Facility

Black Cat  
Syndicate

ASX Announcement  
26 November 2020

Black Cat Syndicate Limited (“**Black Cat**” or “**the Company**”) is pleased to announce a number of major steps forward in establishing a readily expandable 500,000tpa processing facility as part of the Company’s transition to production.

## HIGHLIGHTS

Black Cat plans to construct a processing facility during 2021 (*refer scoping study announcement dated 26 November 2020*). The processing facility is expected to be located near the Imperial/Majestic deposits, ~50kms east of Kalgoorlie. This location is well suited for a processing facility and sits central to, and within a short haulage distance of the bulk of the Black Cat’s Resources. The processing facility is of a conventional design and capable of processing typical free milling ores common around the Kalgoorlie region.

Key achievements to date include:

- Appointment of Laurie Mann as our Project Manager. Laurie has over 50 years’ experience in areas including metallurgy, process plant design and commissioning in the gold industry and has also held Process and Registered Manager roles with a variety of large and small organisations;
- Appointment of Como Engineering Pty Ltd to provide a detailed design package, capital and operating cost estimates and a construction schedule by the end of January 2021;
- Conducting a tender and shortlisting 3 suppliers for a complete ball mill package, all with nominal 30 week delivery - final decision expected in early December 2020; and
- Acquisition of six reconditioned Carbon-In-Leach (“**CIL**”) adsorption tanks for \$190,000 delivered (saving of ~\$590,000).



Figure 1: Black Cat’s Carbon-In-Leach adsorption tanks, located in Kalgoorlie, WA

Black Cat’s Managing Director, Gareth Solly said: “Our +60,000m drilling program continues to support our goal of defining 1 million ounces of Resource and at least three years of Ore Reserves. Accordingly, we have taken a number of major steps towards realising our initial production objective of 500,000tpa in 2022. We are also incorporating a layout that enables the processing facility to be readily expandable on the back of ongoing growth in Resources and Ore Reserves.”

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## DIRECTORS

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

## CORPORATE STRUCTURE

Ordinary shares on issue: 110.3M  
Market capitalisation: A\$71M  
(Share price A\$0.645)  
Cash (30 Sept 2020): A\$10.4M

## Kal East Gold Processing Facility (M25/350) 100%

Black Cat is well advanced with its plans to construct a 100% owned processing facility with an initial 500,000tpa capacity, incorporating a layout that enables the facility to be easily expanded.

The processing facility is designed to be a traditional gravity and CIL gold plant which is ideally suited to Black Cat's Resources as well as to any third party free milling ores.

Based on initial considerations such as access to infrastructure, topography, water, permitting and haulage cost differentials, the processing facility is expected to be located adjacent to the Imperial/Majestic deposits.

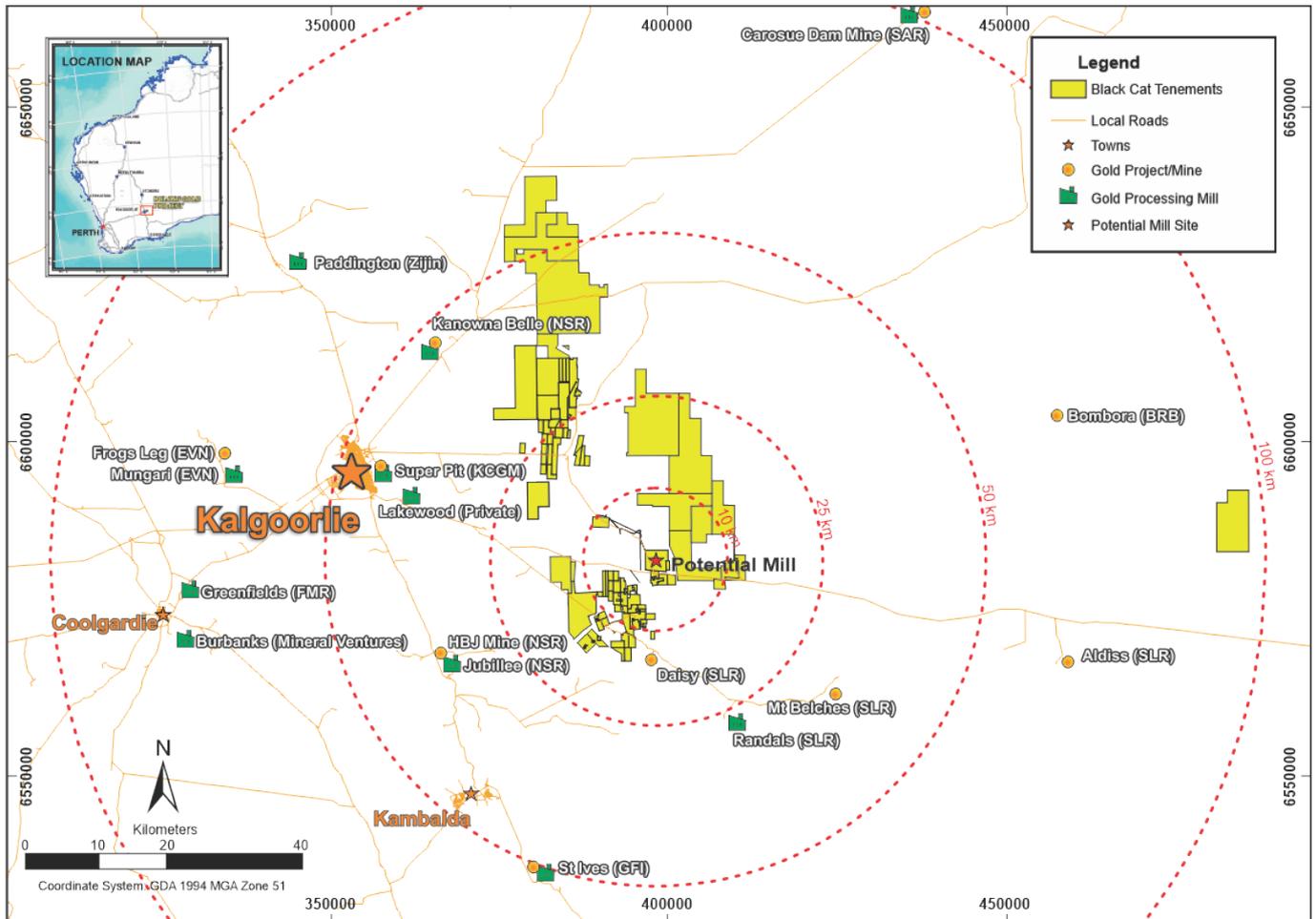


Figure 2: Proposed location of the Kal East Gold Processing Facility in relation to Black Cat's 756km<sup>2</sup> tenement package

In order to ensure that an appropriate facility is constructed on time and on budget, technical expertise is being provided by:

- Tony Polglase (non-Executive Director): Successfully transitioned Avanco Resources Limited from explorer to producer after discovering Antas, one of the world's highest-grade copper deposits in Brazil. Under Tony's guidance, Avanco went on to develop the Antas mine and mill on-time and on-budget.
- Laurie Mann (Project Manager): Significant experience in design, construction, commissioning and management of gold processing facilities.
- Como Engineering Pty Ltd: A well-known WA engineering team with a proven history in gold processing facility design and construction. Como Engineering are currently completing design drawings as part of a detailed design package suitable for tendering the plant construction phase.

Black Cat has also undertaken a tender of long lead items including an all new ball mill. A shortlist of suppliers has been identified and detailed tender terms are being finalised. The cost of the ball mill landed in Fremantle will be approximately \$2 million. Timing of delivery is ~30 weeks from the contract date.

Como Engineering has estimated the capital cost of the 500,000tpa processing facility to \$32.5 million (see Table 1) including a contingency of \$6.0 million. This assumes that Black Cat outsources crushing and elution activities. Additional capital of \$6.9 million would be required if these activities were conducted in-house. Estimated construction costs are shown in Table 1.

<b>Cost Area</b>	<b>\$M</b>
Engineering, Procurement, Construction, Management	4.2
General	2.5
Electrical	5.0
Earthworks	0.1
Grinding, Classification & Gravity Concentrator	6.2
Leaching	4.5
Services	1.4
Reagents	1.4
Buildings	1.2
<b>Capital assuming Crushing &amp; Elution contracted out</b>	<b>26.5</b>
Primary Crushing	3.8
Elution, Gold Room, Regeneration	3.1
<b>Capital assuming Crushing &amp; Elution conducted in-house</b>	<b>6.9</b>
Contingency	6.0
<b>Total Capital with Contingency assuming Crushing &amp; Elution conducted in-house</b>	<b>39.2</b>

*Table 1: Como Engineering capital cost estimate (+/-25% accuracy)*

The above cost estimate includes the following:

- 6 reconditioned CIL adsorption tanks already acquired for \$190,000 (cost includes delivery to site);
- All new ball mill landed in Fremantle for ~\$2 million;
- All new equipment, although good quality, pre-owned equipment may be substituted where appropriate; and
- Installation of a layout allowing for the capacity of the processing facility to be readily expanded. This layout has been incorporated in the cost of the design and in the estimated costs shown in Table 1. Further details regarding the expansion potential of the plant will be provided at such time the Company has sufficient production targets to support the increased throughput consistent with the current ASX guidance.

Decisions relating to using owner operator or contract crushing (\$3.8M) and contact elution (\$3.1M) services, both of which are readily available around Kalgoorlie, are still to be made.

Como Engineering has estimated an operating cost of \$28.62 per tonne (+/-25% accuracy) based on an annual throughput of 500,000tpa (including planned down time) and a Bond Work Index of 17kWh/t as shown in Table 2.

Cost Area	\$ per tonne
Site Administration	1.08
Personnel Transport	0.51
Process & Maintenance Labour	10.49
Reagents & Operating Consumables	8.22
Power	6.38
Maintenance	1.94
<b>Estimated Operating Cost</b>	<b>28.62</b>

Table 2: Processing operating costs (+/-25% accuracy)

In addition, a number of other studies are underway including tailings storage, road access, process water and mining proposals for various deposits. These studies have been estimated to +/-30% accuracy, as shown below:

Cost Area	\$M
Tailing Storage Facility	3.0
Access Road	1.1
Water Treatment Plant	0.3
Power Station Set-up	0.3
Raw Water Supply & Storage	0.3
Communications & IT	0.3
Onboarding Personnel	0.1
Diesel During Construction	0.3
First Fills & Critical Spares	2.6
<b>Estimated Total Ancillary Works</b>	<b>8.3</b>

Table 3: Capital cost estimate (+/-30% accuracy)

## RECENT AND PLANNED ACTIVITIES

Black Cat continues to be extremely productive with upcoming activities to include:

**December 2020:** decision on ball mill

**December 2020 quarter:** continuing RC and diamond drilling with 3 rigs currently operating at various sites

**December 2020 quarter:** ongoing release of drilling results and Resource upgrades

**January 2021 quarter:** completion of processing plant engineering, design and long lead time item procurement

**January - June 2021:** ongoing drilling as part of Black Cat's +60,000m drilling program including:

- Infill drilling at Fingals Fortune and Imperial/Majestic
- Extensional drilling at Rowe's Find and Wombola
- Regional drilling including at Bulong and Black Hills

**January 2021:** updated Resources and Study for Fingals Fortune

**February 2021:** updated Resources and Study for Imperial/Majestic

**January - June 2021:** ongoing release of drilling results and Resource/Ore Reserve upgrades

**March 2021 quarter:** mining and processing plant approvals

For further information, please contact:

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This announcement has been approved for release by the Board of Black Cat Syndicate Limited.

## COMPETENT PERSON'S STATEMENT

The information in this release that relates to the geology, exploration results, and estimation and reporting of Mineral Resources has been compiled by Mr Iain Levy. Mr Levy is a holder of shares and options in, and is a full-time employee of, the Company. Mr Levy is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities 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 (The JORC Code)". Mr Levy consents to the inclusion in this report of the contained technical information relating the Mineral Resource Estimation in the form and context in which it appears.

The information in this report that relates to the processing cost estimate is based on information compiled by Mr Alisdair Finnie. Mr Finnie is a member of the Australian Institute of Geoscientists and is a full-time employee of Como Engineers Pty Ltd. Mr Finnie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). Mr Finnie consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Black Cat has concluded it has a reasonable basis for providing the forward looking statements that relate to the scoping study and pre-feasibility study that are included in this announcement.

The detailed reasons for that conclusion are outlined in ASX announcement dated 26 November 2020, which has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Production Targets and Forecast Financial Information contained in the scoping study in this announcement are preliminary in nature as the conclusions are based, in part, on low-level technical and economic assessments, and the scoping study components are insufficient to support the estimation of Ore Reserves or to provide an assurance of economic development at this stage.

There is a low level of geological confidence associated with Inferred Mineral Resources (comprising 30% of the combined scoping study) used in this report and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

The stated Production Target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

The Company confirms that all material assumptions underpinning the production target and forecast financial information contained in the Company's ASX announcement released on 26 November 2020 continue to apply and have not materially changed.

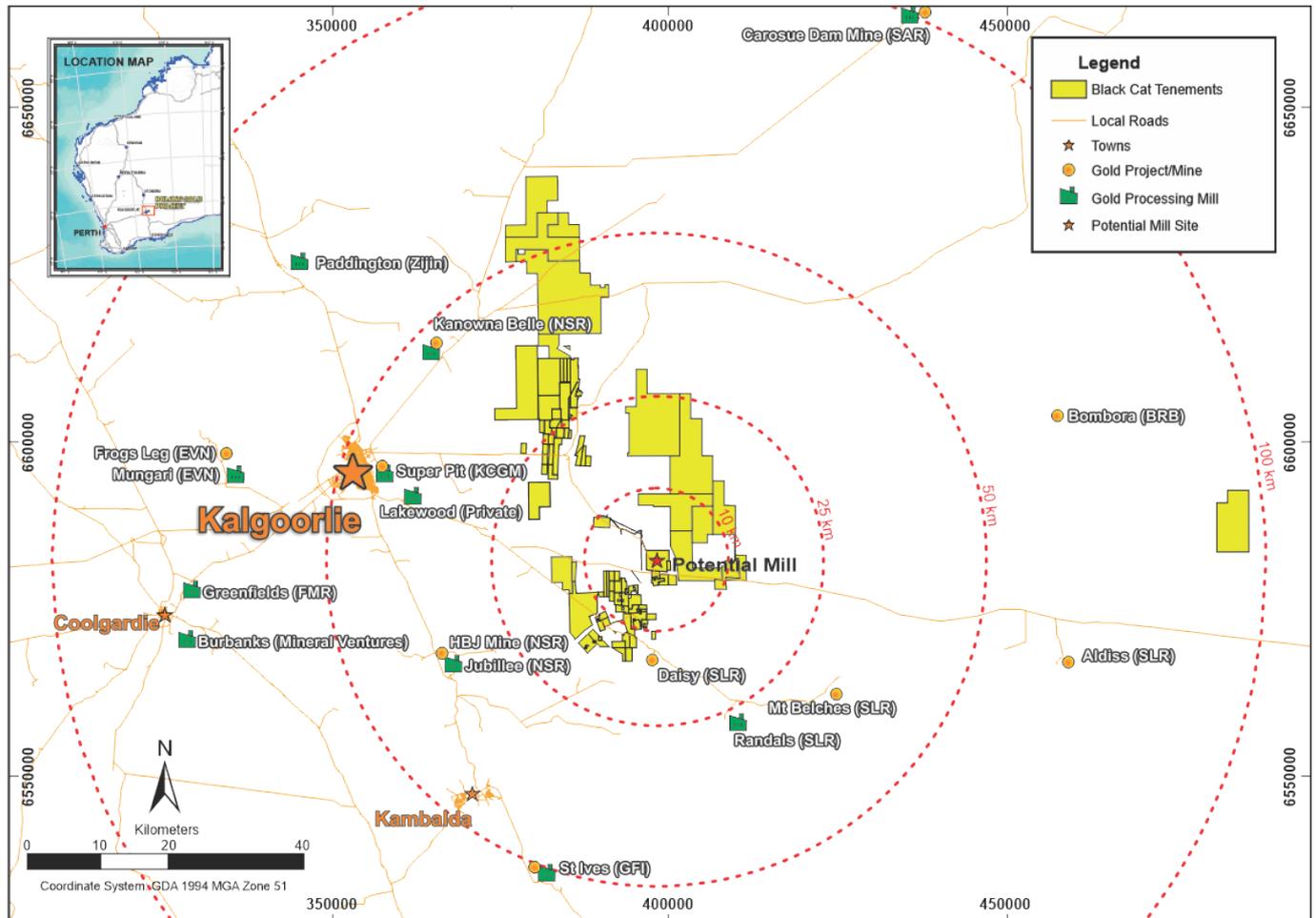
## ABOUT BLACK CAT SYNDICATE (ASX: BC8)

Black Cat's **Kal East Gold Project** comprises **756km<sup>2</sup> of highly prospective tenements** to the east of the world class mining centre of Kalgoorlie, WA. These tenements contain a combined JORC 2012 Mineral Resource of **11.8Mt @ 2.3 g/t Au for 884,000oz**.

Black Cat plans to construct a central processing facility for the Kal East Gold Project during 2021. The processing facility is expected to be located near the Imperial/Majestic deposits, ~50kms east of Kalgoorlie. This location is well suited for a processing facility and sits within a short haulage distance of the bulk of the Black Cat's Resources. The processing facility is designed to be a traditional Carbon-In-Leach gold plant which is ideally suited to Black Cat's Resources as well as to third party free milling ores located east of Kalgoorlie.

Black Cat's extensive tenement package contains a pipeline of projects spanning from exploration targets on new greenstone belts to Resource extensions around historic workings to new Ore Reserves approved for mining.

Black Cat has a near-term target of 1 million ounces of Resources and a readily expandable 500,000tpa processing facility with at least three years of Ore Reserves ahead of it. A 60,000m drilling program is underway and delivering results.



Regional map of Kalgoorlie showing the location of the Kal East Gold Project tenements as well as nearby infrastructure.

## APPENDIX A

### JORC 2012 RESOURCE TABLE – Black Cat (100% owned)

The current in-situ, drill-defined and developed Resources for the Kal East Gold Project are listed below.

Deposit	Measured Resource			Indicated Resource			Inferred Resource			Total Resource		
	Tonnes ('000s)	Grade (g/t Au)	Metal ('000s)	Tonnes ('000s)	Grade (g/t)	Metal ('000s)	Tonnes ('000s)	Grade (g/t Au)	Metal ('000s)	Tonnes ('000s)	Grade (g/t Au)	Metal ('000s)
<b>Kalgoorlie East Gold Project</b>												
Queen Margaret OP	-	-	-	36	2.2	3	154	1.7	9	190	1.8	12
Queen Margaret UG	-	-	-	-	-	-	72	2.4	6	72	2.4	6
Melbourne United OP	-	-	-	-	-	-	67	2.8	6	67	2.8	6
Melbourne United UG	-	-	-	-	-	0	29	3.0	3	29	3.0	3
Boundary OP	-	-	-	270	1.9	17	227	1.7	13	497	1.9	30
Boundary UG	-	-	-	39	2.6	3	91	2.4	7	130	2.4	10
Trump OP	-	-	-	61	2.4	5	392	1.9	24	453	2.0	28
Trump UG	-	-	-	-	-	-	225	2.9	21	225	2.9	21
Myhree OP	-	-	-	633	3.0	61	73	1.7	4	706	2.9	65
Myhree UG	-	-	-	191	5.0	31	494	4.0	64	685	4.3	95
Anomaly 38 OP	-	-	-	-	-	-	295	1.5	14	295	1.5	14
Anomaly 38 UG	-	-	-	-	-	-	13	11.7	5	13	11.7	5
Strathfield OP	-	-	-	-	-	-	171	1.7	9	171	1.7	9
Strathfield UG	-	-	-	-	-	-	13	3.0	1	13	3.0	1
Majestic OP	-	-	-	991	2.0	62	495	1.6	25	1,486	1.8	87
Majestic UG	-	-	-	682	3.7	80	294	3.5	33	976	3.6	113
Imperial OP	-	-	-	400	2.3	30	148	1.6	7	548	2.1	37
Imperial UG	-	-	-	104	4.3	14	69	3.0	7	173	3.8	21
Fingals Fortune OP	-	-	-	157	2.1	11	1,816	1.9	110	1,973	1.9	121
Fingals Fortune UG	-	-	-	-	-	-	172	2.4	13	172	2.4	13
Wombola Dam OP	13	3.2	1	164	2.6	14	120	3.0	12	297	2.8	27
Hammer and Tap OP	-	-	-	-	-	-	350	2.4	27	350	2.4	27
Trojan OP	-	-	-	1,356	1.8	79	760	1.5	36	2,115	1.7	115
Rowe's Find OP	-	-	-	148	3.5	17	148	3.5	17	148	3.5	17
<b>TOTAL RESOURCE</b>	<b>13</b>	<b>3.2</b>	<b>1</b>	<b>5,084</b>	<b>2.5</b>	<b>410</b>	<b>6,688</b>	<b>2.2</b>	<b>473</b>	<b>11,784</b>	<b>2.3</b>	<b>884</b>

The preceding statements of Resources conforms to the 'Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves (JORC Code) 2012 Edition'. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Notes on Resource table for Bulong, Fingals and Rowe's Find:

1. Data is rounded to thousands of tonnes and thousands of ounces gold. Discrepancies in totals may occur due to rounding.
2. The Resource estimates are produced in accordance with the 2012 Edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (the "2012 JORC Code").
3. All tonnages are reported in dry metric tonnes.
4. Resources have been reported as both open pit and underground with varying cut-offs based off a number of factors discussed in the corresponding Table 1 which can be found with the original ASX announcements for each Resource.
5. The announcements containing the Table 1 Checklists of Assessment and Reporting Criteria relating for the 2012 JORC compliant Resources are:
  - a. Queen Margaret – Black Cat ASX announcement on 18 February 2019 "Robust Maiden Mineral Resource Estimate at Bulong";

- b. Melbourne United – Black Cat ASX announcement on 18 February 2019 “Robust Maiden Mineral Resource Estimate at Bulong”;
- c. Boundary – Black Cat ASX announcement on 9 October 2019 “Strong Resource Growth Continues including 53% Increase at Fingals Fortune”;
- d. Trump – Black Cat ASX announcement on 9 October 2019 “Strong Resource Growth Continues including 53% Increase at Fingals Fortune”;
- e. Myhree – Black Cat ASX announcement on 9 October 2019 “Strong Resource Growth Continues including 53% Increase at Fingals Fortune”;
- f. Anomaly 38 – Black Cat ASX announcement on 31 March 2020 “Bulong Resource Jumps by 21% to 294,000 oz”;
- g. Strathfield – Black Cat ASX announcement on 31 March 2020 “Bulong Resource Jumps by 21% to 294,000 oz”;
- h. Majestic – Black Cat ASX announcement on 28 May 2020 “Significant Increase in Resources – Strategic Transaction with Silver Lake”;
- i. Imperial – Black Cat ASX announcement on 28 May 2020 “Significant Increase in Resources – Strategic Transaction with Silver Lake”;
- j. Fingals Fortune – Black Cat ASX announcement on 9 October 2019 “Strong Resource Growth Continues including 53% Increase at Fingals Fortune”;
- k. Wombola Dam – Black Cat ASX announcement on 28 May 2020 “Significant Increase in Resources – Strategic Transaction with Silver Lake”;
- l. Hammer and Tap – Black Cat ASX announcement on 10 July 2020 “JORC 2004 Resources Converted to JORC 2012 Resources”;
- m. Trojan – Black Cat ASX announcement on 7 October 2020 “Black Cat Acquisition adds 115,000oz to the Fingals Gold Project”; and
- n. Rowe’s Find – Black Cat ASX announcement on 10 July 2020 “JORC 2004 Resources Converted to JORC 2012 Resources”.