



BLACK CAT SYNDICATE LIMITED

ABN 63 620 896 282

Consolidated Financial Statements
For the Period Ended 30 June 2019

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
Alex Hewlett	Non-Executive Director

Joint Company Secretaries

Mark Pitts
Dan Travers

Principal Office

Unit 6, 16 Nicholson Road
Subiaco, Western Australia 6008
Telephone 0458 007 713
Web www.blackcatsyndicate.com.au

Registered Office

Unit 5, 16 Nicholson Road
Subiaco, Western Australia 6008
Telephone 0458 007 713
Web www.blackcatsyndicate.com.au

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 2019.

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 a director of Western Australia based explorer, Encounter Resources Limited (ASX:ENR) and Dreadnought Resources Limited (ASX:DRE) and resigned as non-executive director of Brazilian copper/gold producer Avanco Resources Limited (ASX:AVB) on 10 August 2018 following a successful takeover by OZ Minerals Limited.

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 is the founding Managing Director of ASX listed Silver Lake Resources Limited (ASX:SLR).

Alex Hewlett (Non-Executive Director) *B.Sc, MAusIMM (Appointed 4 August 2017)*

Alex has a degree in Earth Science from the University of Western Australia and is a member of the Australian Institute of Mining and Metallurgy. Alex is Chairman of ASX listed explorer Spectrum Metals Limited (ASX:SPX) and was a director of Hammer Metals Limited until 1 October 2018.

BLACK CAT SYNDICATE LIMITED
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DIRECTORS' REPORT

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	6,385,391	811,112
G Solly	1,325,000	1,700,000
L Davis	3,500,000	2,150,000
A Hewlett	2,880,000	2,880,000

Included in the Directors' interests in Unlisted Options, there are 7,541,112 options that are vested and exercisable as at the date of signing this report, subject to other ASX and voluntary restrictions.

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held during the period ended 30 June 2019, and the number of meetings attended by each Director are as follows:

Director	Board of Directors' Meetings	
	Eligible to Attend	Attended
P Chapman	9	9
G Solly	9	9
L Davis	9	9
A Hewlett	9	8

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial period was mineral exploration at the Company's Bulong Gold Project in Western Australia.

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

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DIRECTORS' REPORT

RESULTS OF OPERATIONS

Financial Position and Performance

The consolidated net loss after income tax for the financial period was \$1,131,029 (2018: \$749,702).

At the end of the financial period the Group had \$2,708,539 (2018: \$3,878,872) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at the end of the financial year was \$4,592,835 (2018: \$1,862,294).

REVIEW OF ACTIVITIES

Exploration

Activities for the financial period have been focussed at the Company's Bulong Gold Project ("Bulong") near Kalgoorlie, Western Australia. These activities have resulted in resource estimates at a number of prospects at Bulong (refer ASX announcement 23 September 2019) whilst undertaking various exploration programs targeting future resource growth and commencing a feasibility study to assess Bulong's economic potential.

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.

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

As at the date of this report 17,341,112 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
14,791,112	20 cents	25 January 2023
400,000	22 cents	31 July 2022
1,450,000	40 cents	25 June 2023
700,000	60 cents	2 August 2023

All options on issue at the date of this report are unlisted, vested and exercisable, subject to separate ASX and voluntary restrictions.

During the financial period the Company granted 1,850,000 options over unissued shares to directors and employees pursuant to shareholder approval and/or the terms and conditions of the Black Cat Syndicate Incentive Option Plan.

No options were exercised or cancelled during the financial period.

Since the end of, the financial period:

- 700,000 options exercisable at 60 cents each and expiring 2 August 2023 have been issued to employees;
- no options have been cancelled; and
- 2,668,889 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.

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DIRECTORS' REPORT

ISSUED CAPITAL

	Number of Shares on Issue	
	2019	2018
Ordinary fully paid shares	69,760,002	57,260,002

DIVIDENDS

No dividend has been paid and no dividend is recommended for the financial periods ended 30 June 2018 and 30 June 2019.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

- Subsequent to 30 June 2019 the Company entered into a farm-in and joint venture agreement with Pioneer Resources Limited to earn a 75% interest in the Balagundi Project. Pursuant to the agreement the Company issued 122,820 fully paid ordinary shares at a deemed value of \$40,000. The shares are subject to a 12 month voluntary restriction agreement.
- Since 30 June 2019 a total of 2,668,889 shares have been issued on the exercise of options by directors of the Company and/or their associates. Funds of \$533,778 were received by the Company on exercise of the options.

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 programs at its Bulong Gold Project in Western Australia.

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.

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.

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

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 \$300,000 per annum.

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.

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Black Cat Syndicate Incentive Option Plan, which was approved by shareholders on 14 October 2017.

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.

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.

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 and Alex Hewlett as Non-Executive Directors, the Company will pay each \$40,000 inclusive of statutory superannuation per annum.

Messrs Chapman, Davis and Hewlett 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 2019.

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 2018 and receives a base salary of \$220,000 per annum plus statutory superannuation 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 long term incentive plans adopted by the Board.

The Managing Director's base salary was increased to \$250,000 per annum, plus statutory superannuation following a review of executive remuneration, effective 1 July 2019. There were no other amendments to his executive service agreement.

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

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 a cash payment. 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.

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 which are subject to ASX and voluntary restrictions.

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:

	2019 \$	2018 \$
Profit/(Loss) for the period attributable to shareholders	(1,131,029)	(749,702)
Closing share price at 30 June	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.

In addition to technical and economic exploration success (including the publication of JORC compliant resources), the Board considers the effective management of safety, environmental and operational matters and the acquisition and consolidation of high quality landholdings, as more appropriate indicators of management performance.

Remuneration Disclosures

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

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

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

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

	Short Term		Post Employment	Other Long Term		
	Base Salary \$	Short Term Incentive \$	Superannuation Contributions \$	Value of Options \$	Total \$	Value of Options as Proportion of Remuneration
2019						
P Chapman	54,795	-	5,205	-	60,000	-
G Solly	220,000	-	20,900	71,084	311,984	22.8%
L Davis	36,529	-	3,471	35,542	75,542	47.0%
A Hewlett	36,529	-	3,471	-	40,000	-
Total	347,853	-	33,047	106,626	487,526	-

2018						
P Chapman	23,131	-	2,169	-	25,300	-
G Solly	110,000	-	10,450	-	120,450	-
L Davis	15,421	-	1,446	-	16,867	-
A Hewlett	15,421	-	1,446	-	16,867	-
Total	163,973	-	15,511	-	179,484	-

Details of Performance Related Remuneration

During the period no STI payments were paid to members of Key Management Personnel.

During the year ended 30 June 2019 the Company set performance targets relating to STI's for the 12 months ending 31 December 2019 (2019 STI).

There were no STI performance targets set during the prior financial period.

Pursuant to the 2019 STI the Managing Director and certain senior employees of the Company may earn up to 40% of their base salary, based on the following parameters (to be measured at 31 December 2019):

% 2019 STI Payable	Au Resource (Oz's)
0%	<285,000
20%	285,000 to 300,000
30%	300,000
40%	>315,000

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Options Granted as Remuneration

The following options were issued as remuneration to Key Management Personnel during the period ended 30 June 2019:

KMP	Number of Options	Grant Date	Expiry Date	Exercise Price	Volatility	Interest Rate	Value of Options \$
Gareth Solly	500,000	26 Jun 2019	25 Jun 2023	40 cents	83.6%	1.39%	71,084
Les Davis	250,000						35,542

No options have been issued as remuneration since the end of the financial period.

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.

No options were exercised by Key Management Personnel during the financial period.

Exercise of Options Granted as Remuneration

During the year, no ordinary shares were issued in respect of the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company.

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 ¹
2019					
P Chapman	2,880,001	-	100,000 ³	2,980,001	2,980,001
G Solly	1,200,000	500,000	-	1,700,000	1,700,000
L Davis	2,400,000	250,000	-	2,650,000	2,650,000
A Hewlett	2,880,000	-	-	2,880,000	2,880,000

2018					
P Chapman	-	-	2,880,001 ²	2,880,001	2,880,001
G Solly	-	-	1,200,000 ²	1,200,000	1,200,000
L Davis	-	-	2,400,000 ²	2,400,000	2,400,000
A Hewlett	-	-	2,880,000 ²	2,880,000	2,880,000

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DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Equity Instrument Disclosures Relating to Key Management Personnel

- ¹ All options are subject to ASX or voluntary escrow restrictions at the date of this report.
- ² Options issued to Directors and included in the disclosures above for the 2018 financial period were issued as attaching securities to pre-IPO capital raisings and as such have been ascribed nil value.
- ³ Options issued to Tracey Chapman in her capacity as a Company employee. Mrs Chapman is a related party of Mr Chapman.

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
2019				
P Chapman	3,520,001	-	696,501	4,216,502
G Solly	1,200,000	-	125,000	1,325,000
L Davis	2,750,000	-	250,000	3,000,000
A Hewlett	2,880,000	-	-	2,880,000
2018				
P Chapman	-	-	3,520,001	3,520,001
G Solly	-	-	1,200,000	1,200,000
L Davis	-	-	2,750,000	2,750,000
A Hewlett	-	-	2,880,000	2,880,000

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

The Group has entered into a two year agreement with Stone Poneys Nominees Pty Ltd, an entity associated with Paul Chapman, in respect of the lease for the Group's offices. The annual cost of the lease, inclusive of variable outgoings is approximately \$26,253 per annum, further details of the lease agreement are provided in Note 24B. The lease is considered to be entered into on normal commercial terms. During the period Tracey Chapman, a related party of Paul Chapman, provided administration support services to the Group amounting to \$71,138 (2018: \$46,674) (inclusive of superannuation).

There were no other transactions with Key Management Personnel.

End of Remuneration Report

BLACK CAT SYNDICATE LIMITED
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DIRECTORS' REPORT

OFFICERS' INDEMNITIES AND INSURANCE

During the year, 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.

No proceedings have been brought or intervened in on behalf of the Company or Group with leave of the Court under Section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

During the period, Crowe Horwath 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:	2019 \$	2018 \$
Audit and review of the Company's financial statements	22,500	15,000
Other services – Investigating Accountants' Report	-	6,500
Total	22,500	21,500

The board considers any non-audit services provided during the year by the auditor and satisfies itself that the provision of any non-audit services during the year 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.

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DIRECTORS' REPORT

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 27th day of September 2019.

A handwritten signature in black ink, appearing to be 'Gareth Solly', written in a cursive style.

Gareth Solly
Managing Director

Crowe Perth

ABN 96 844 819 235

Level 5 45 St Georges Terrace

Perth WA 6000

PO Box P1213

Perth WA 6844

Australia

Main +61 (8) 9481 1448

Fax +61 (8) 9481 0152

www.crowe.com.au**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 2019, 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 27th day of September 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Perth, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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BLACK CAT SYNDICATE LIMITED
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

		Consolidated	
		Year Ended 30 June 2019 \$	Period Ended 30 June 2018 \$
	Note		
Other income	5	288	-
Interest income		25,697	20,374
Total income		25,985	20,374
Employee expenses	6	(685,056)	(250,766)
Employee expenses – share based		(235,465)	-
Employee expenses recharged to exploration		353,105	104,384
Legal and professional		(90,188)	(72,056)
Corporate advisory		(150,092)	(96,851)
Marketing and promotion		(88,801)	(9,022)
Depreciation expense	6	(10,069)	(4,344)
Share issue expenses		-	(156,328)
Administration and other expenses		(200,531)	(164,781)
Exploration costs not capitalised		(49,917)	(120,312)
Profit/(Loss) before income tax		(1,131,029)	(749,702)
Income tax benefit	7	-	-
Profit/(Loss) after tax		(1,131,029)	(749,702)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(1,131,029)	(749,702)
Earnings per share for loss attributable to the ordinary equity holders of the Company			
Basic earnings/(loss) per share	28	(1.9)	(2.1)
Diluted earnings/(loss) per share	28	(1.9)	(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 2019

	Note	Consolidated	
		2019 \$	2018 \$
Current assets			
Cash and cash equivalents	8	2,708,539	3,878,872
Trade and other receivables	9	62,066	33,928
Total current assets		2,770,605	3,912,800
Non-current assets			
Property, plant and equipment	11	36,002	46,071
Capitalised mineral exploration and evaluation expenditure	12	4,592,835	1,869,294
Total non-current assets		4,628,837	1,915,365
Total assets		7,399,442	5,828,165
Current liabilities			
Trade and other payables	14	436,900	313,729
Employee entitlements	15	42,290	12,836
Total current liabilities		479,190	326,565
Total liabilities		479,190	326,565
Net assets		6,920,252	5,501,600
Equity			
Issued capital	16	8,106,341	5,792,125
Accumulated losses		(1,880,731)	(749,702)
Share based payments reserve	18	694,642	459,177
Total equity		6,920,252	5,501,600

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

BLACK CAT SYNDICATE LIMITED
ABN 63 620 896 282

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Consolidated			
	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total \$

2018

Balance at the start of the financial period	-	-	-	-
Comprehensive income for the financial period	-	(749,702)	-	(749,702)
Movement in equity remuneration reserve in respect of options vested	-	-	459,177	459,177
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	5,792,125	-	-	5,792,125
Balance at the end of the financial period	5,792,125	(749,702)	459,177	5,501,600

2019

Balance at the start of the financial period	5,792,125	(749,702)	459,177	5,501,600
Comprehensive income for the financial period	-	(1,131,029)	-	(1,131,029)
Movement in equity remuneration reserve in respect of options vested	-	-	235,465	235,465
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	2,314,216	-	-	2,314,216
Balance at the end of the financial period	8,106,341	(1,880,731)	694,642	6,920,252

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 2019

		Consolidated	
		Year Ended 30 June 2019 \$	Period Ended 30 June 2018 \$
	Note		
Cash flows from operating activities			
Interest received		36,751	6,303
Payments to suppliers and employees		(805,790)	(381,269)
Net cash from/(used in) operating activities	27	(769,039)	(374,966)
Cash flows from investing activities			
Payments to acquire exploration assets		(9,595)	(932,500)
Payments for exploration and evaluation		(2,816,819)	(758,221)
Proceeds from government drilling grants		110,904	-
Payments for plant and equipment		-	(50,414)
Net cash used in investing activities		(2,715,510)	(1,741,135)
Cash flows from financing activities			
Proceeds from the issue of shares		2,500,000	6,650,426
Payments for share issue costs		(185,784)	(655,453)
Net cash from/(used in) financing activities		2,314,216	5,994,973
Net increase/(decrease) in cash held		(1,170,333)	3,878,872
Cash at the beginning of the financial period	8	3,878,872	-
Cash at the end of the financial period	8	2,708,539	3,878,872

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

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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 27 September 2019.

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 or future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

– ***AASB 16 Leases***

AASB 16 Leases will replace existing accounting requirements for leases under AASB 117 Leases. Under current requirements, leases are classified based on their nature as either finance leases which are recognised on the Statement of Financial Position, or operating leases, which are not recognised on the Statement of Financial Position.

Under AASB 16 Leases, the Company's accounting for operating leases as a lessee will result in the recognition of a right-of-use ("ROU") asset and an associated lease liability on the Statement of Financial Position. The lease liability represents the present value of future lease payments, with the exception of short-term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

Based on the Company's assessment to date, the adoption of AASB 16 is expected to have an immaterial impact on the financial statements of the Company due to the minimal number, if any, of non-cancellable leases currently entered into by the Company which would not fall under a short-term or low value exception.

Transition

The Company will initially apply AASB 16 on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 117, the Company can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Company is assessing the potential impact of using these practical expedients.

Based on the current assessment and conditions of the Company, it is expected that the adoption of AASB 16 will have minimal impact if any on the financial statements of the Company. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend however on future economic conditions, including the Company's borrowing rate, the composition of the Company's lease portfolio, the extent to which the Company elects to use practical expedients and recognition exemptions, and the new accounting policies, which are subject to change until the Company presents its first financial statements that include the date of initial application.

New standards and interpretations recently adopted

– *AASB 9 Financial Instruments*

The Company has adopted AASB 9 from 1 July 2018 which have resulted in changes to accounting policies and the analysis for possible adjustments to amounts recognised in the Financial Statements. In accordance with the transitional provisions in AASB 9, the reclassifications and adjustments are not reflected in the statement of financial position as at 30 June 2018 but recognised in the opening balance sheet as at 1 July 2018. The Company has not recognised a loss allowance on trade and other receivables following assessment of the impact of the new impairment model introduced by AASB 9.

Classification and Measurement

On 1 July 2018, the Company has assessed which business models apply to the financial instruments held by the Company and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Company classified financial assets and liabilities as measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. There were no changes in the measurement of the Company's financial instruments.

There was no impact on the statement of comprehensive income or the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of financial assets and liabilities.

The Company does not currently enter into any hedge accounting and therefore there is no impact to the Company's Financial Statements.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

The following table summarises the impact on the classification and measurement of the Company's financial instruments at 1 July 2018:

Presented in Statement of Financial Position	Financial Asset	AASB 139	AASB 9	Reported \$	Restated \$
Cash and cash equivalents	Bank deposits	Loans and receivables	Amortised Cost	No change	No change
Trade and other receivables	Loans and receivables	Loans and receivables	Amortised Cost	No change	No change
Trade and other payables	Loans and payables	Amortised Cost	Amortised Cost	No change	No change

Impairment

AASB 9 introduces a new expected credit loss ("ECL") impairment model that requires the Company to adopt an ECL position across the Company's financial assets from 1 July 2018. The Company's receivables balance consists of GST refunds from the Australian Tax Office and interest receivables from recognised Australian banking institutions.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Given the Company's receivables are from the Australian Tax Office and recognised Australian banking institutions, the Company has assessed that the risk of default is minimal and as such, no impairment loss has been recognised against these receivables as at 30 June 2019.

– *AASB15 Revenue from Contracts with Customers*

This standard did not have a material impact on either the recognition or disclosure requirements within the financial statements as the Group is not party to any such contracts.

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.

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.

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.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (continued)

(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 on a time proportion basis and is recognised as it accrues.

(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.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (continued)

(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.

(i) Fair Value Estimation

The nominal value less estimated credit adjustments of trade 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.

(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 other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (continued)

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.

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.

(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 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.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (continued)

(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.

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.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (continued)

(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.

(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.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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.

(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.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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.

(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.

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.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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.

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. 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 2019 the Group expensed unallocated and uncapitalised exploration expenditure of \$49,917 (2018: \$120,312).

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 17 for details of inputs into option pricing models in respect of options issued during the reporting period.

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.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Consolidated	
	Period Ended 30 June 2019 \$	Period Ended 30 June 2018 \$

Note 5 Other Income

Operating Activities

Reimbursed parking costs	288	-
	288	-

Note 6 Loss for the Year

Loss Before Income Tax Includes the Following Specific Expenses

Depreciation:		
Motor vehicles and field equipment	8,320	3,764
Office equipment	1,749	580
	10,069	4,344
Employee expenses:		
Wages and salaries	470,806	159,677
Non-Executive directors' fees	127,853	53,973
Superannuation	56,882	24,280
Movement in employee leave liability	29,455	12,836
	685,056	250,766

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Consolidated	
	Period Ended 30 June 2019	Period Ended 30 June 2018
	\$	\$

Note 7 Income Tax

a) Income Tax Expense

Current income tax:

Current income tax charge (benefit)	(1,033,768)	(470,073)
Current income tax not recognised	1,033,768	470,073

Deferred income tax:

Relating to origination and reversal of timing differences	(387,412)	(380,649)
Deferred income tax benefit not recognised	387,412	380,649
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	(1,131,029)	(749,702)
Tax at 27.5% (2018: 30%)	(311,033)	(224,911)
<i>Tax effect of permanent differences:</i>		
Non-deductible share based payments	64,753	-
Non-deductible share issue costs	-	46,898
Capital raising costs claimed	(80,327)	(40,527)
Net deferred tax asset benefit not brought to account	326,607	218,540
Tax (benefit)/expense	-	-

c) Deferred Tax – Balance Sheet

Liabilities

Accrued income	(830)	(4,221)
Capitalised exploration expenditure	(1,006,970)	(268,999)
	(1,007,800)	(273,220)

Assets

Revenue losses available to offset against future taxable income	1,502,849	470,073
Employee provisions	11,630	3,851
Accrued expenses	1,375	17,838
Deductible equity raising costs	260,007	162,107
	1,775,861	653,869

Net deferred tax asset not recognised	768,061	380,649
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BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Consolidated	
	Period Ended 30 June 2019 \$	Period Ended 30 June 2018 \$

Note 7 Income Tax (continued)

d) Deferred Tax – Income Statement

Liabilities

Prepaid expenses	3,391	(4,221)
Capitalised exploration expenditure	(737,971)	(268,999)

Assets

Deductible equity raising costs	97,900	162,107
Accruals	(16,463)	17,838
Increase in tax losses carried forward	1,032,776	470,073
Employee provisions	7,779	3,851
Deferred tax benefit/(expense) movement for the period not recognised	387,412	380,649

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 \$5,464,904 (2018: \$1,566,911) 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 2019. Subsequent to the 30 June 2019, the Group undertook a distribution of JMEI credits to qualifying shareholders which resulted in a reduction of unused tax losses by \$2,500,000.

The Company received a JMEI allocation for the financial year ending 30 June 2020 of \$1,500,000.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Consolidated	
	2019 \$	2018 \$

Note 8 Current Assets - Cash and Cash Equivalents

Cash at bank and on hand	708,539	1,878,873
Deposits at call	2,000,000	1,999,999
	<u>2,708,539</u>	<u>3,878,872</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>2,708,539</u>	<u>3,878,872</u>
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(b) Deposits at Call

Amounts classified as deposits at call are short term deposits 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.

Note 9 Current Assets – Receivables

a) Trade and Other Receivables

Other receivables	3,327	14,383
GST recoverable	58,739	19,545
	<u>62,066</u>	<u>33,928</u>

Details of fair value and exposure to interest risk are included at Note 19.

Note 10 Non-Current Assets – Investment in Controlled Entity

a) Investment in Controlled Entity

Subsidiary Company	Country of Incorporation	Ownership Interest	
		2019	2018
Black Cat (Bulong) Pty Ltd	Australia	100%	100%

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 11 Non-Current Assets – Property, Plant and Equipment

	Note	Motor Vehicles and Field Equipment \$	Office Equipment \$	Total \$
Cost at the start of the financial period		45,167	5,248	50,415
Additions		-	-	-
Cost at the end of the financial period		45,167	5,248	50,415
Accumulated depreciation at the start of the financial period		(3,764)	(580)	(4,344)
Depreciation expense for the financial period		(8,320)	(1,749)	(10,069)
Accumulated depreciation at the end of the financial period		(12,084)	(2,329)	(14,413)
Net book value at the start of the financial period		41,403	4,668	46,071
Net book value at the end of the financial period		33,083	2,919	36,002

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

	Consolidated	
	30 June 2019 \$	30 June 2018 \$

Note 12 Non-Current Assets – Capitalised Mineral Exploration and Evaluation Expenditure

In the Exploration and Evaluation Phase

Capitalised exploration costs at the start of the period	1,869,294	-
Total acquisition costs for the period (Note 13)	29,965	1,042,095
Total exploration costs for the period	2,854,397	947,511
Government drilling grants	(110,904)	-
Total unallocated exploration expensed for the period	(49,917)	(120,312)
Capitalised exploration costs at the end of the period	4,592,835	1,869,294

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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 13 Acquisition of Exploration Assets

During the comparative period the Group completed the acquisition of exploration assets pursuant to the Initial Public Offer ("IPO") in January 2018. The terms of the acquisitions were as follows:

- on 17 January 2018, the Group completed the acquisition of various mineral tenements (which comprised mining leases and exploration/prospecting licences) from the Emex Trust pursuant to an acquisition agreement for consideration of \$150,000, 1,000,000 ordinary fully paid shares and a 1% gross revenue royalty; and
- on 24 January 2018, the Group completed the acquisition of the Bulong Gold Project (which comprised a number of exploration and prospecting licences) from Bulong Mining Pty Ltd on the exercise of an option by payment of \$700,000.

In addition to the above transactions, the Group incurred further acquisition costs in respect of deposit and option fees of \$80,000, and stamp duty of \$12,095 in respect of settlement of the above agreements.

During the year ended 30 June 2019 the Company incurred a further \$29,965 in respect of stamp duty in relation to the prior period acquisition.

	Consolidated	
	30 June 2019 \$	30 June 2018 \$

Note 14 Current Liabilities – Trade and Other Payables

Trade payables and accruals	420,773	299,601
Other payables	16,127	14,128
	436,900	313,729

Liabilities are not secured over the assets of the Group. Details of fair value and exposure to interest risk are included at Note 19.

Note 15 Employee Entitlements

a) Current liabilities

Liability for annual leave	42,290	12,836
	42,290	12,836

Note 16 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.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 16 Issued Capital (continued)

		30 June 2019		30 June 2018	
	Issue Price	No	\$	No	\$

b) Share Capital

Issued share capital	69,760,002	8,106,341	57,260,002	5,792,125
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c) Share Movements During the Period

Balance at the start of the financial period	-	57,260,002	5,792,125	-	-
Shares issued on incorporation	\$1.00	-	-	1	1
Shares issued to pre-IPO investors	\$0.01	-	-	19,760,001	222,300
Share issued to brokers pursuant to IPO	\$0.01	-	-	2,500,000	28,125
Shares issued to pre-IPO investors	\$0.10	-	-	4,000,000	400,000
Shares issued pursuant to IPO	\$0.20	-	-	30,000,000	6,000,000
Shares issued to acquire exploration assets (Note 13)	\$0.10	-	-	1,000,000	100,000
Share placement	\$0.20	12,500,000	2,500,000	-	-
Less share issue costs	-	-	(185,784)	-	(958,301)
Balance at the end of the financial period		69,760,002	8,106,341	57,260,002	5,792,125

Note 17 Options and Share Based Payments

Incentive Option Plan

The establishment of the Black Cat Syndicate Limited Directors Incentive Plan ("the Plan") was last approved by shareholders of the Company on 14 October 2017.

All eligible Directors, executive officers and employees of Black Cat who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan.

As at 30 June 2019, 1,000,000 (2018: Nil) options have been issued pursuant to the terms and conditions of the Plan.

Other Options

As at 30 June 2019, 19,310,001 (2018: 17,460,001) unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
17,460,001	20 cents	25 January 2023
400,000	22 cents	31 July 2022
1,450,000	40 cents	25 Jun 2023

All options on issue at 30 June 2019 are vested and exercisable, subject to separate ASX and voluntary restrictions.

During the year ended 30 June 2019 the Company issued 1,850,000 options over unissued shares to directors and employees.

BLACK CAT SYNDICATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 17 Options and Share Based Payments (continued)

During the comparative financial period the Company granted 5,500,000 unlisted options over unissued shares to brokers and advisers to the IPO completed during the period. In addition, 11,960,001 unlisted options were issued as securities attaching to share issues prior to the IPO.

No options were exercised or cancelled during the financial year.

Since the end of, the financial period;

- 700,000 options exercisable at 60 cents each and expiring 2 August 2023 have been issued to employees;
- no options have been cancelled; and
- 2,668,889 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.

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

	2019		2018	
	No	WAEP (cents)	No	WAEP (cents)
Options outstanding at the start of the period	17,460,001	20.0	-	-
Options issued during the period	1,850,000	36.11	17,460,001	20.0
Options exercised or cancelled during the period	-	-	-	-
Options outstanding at the end of the period	19,310,001	21.54	17,460,001	20.0

Weighted Average Contractual Life

The weighted average contractual life for un-exercised options is 43 months (2018: 55 months).

Basis and Assumptions Used in the Valuation of Options

The 1,850,000 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
28 Aug 2018	400,000	22	31 Jul 2022	2.13%	78.5%	\$29,320
26 Jun 2019	1,450,000	40	25 Jun 2023	1.39%	83.6%	\$206,145

No valuation has been undertaken for the 11,960,001 unlisted options issued attaching to the pre IPO share placements and as such not considered to be provided as consideration or remuneration.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Consolidated			
	2019		2018	
	Accumulated Losses \$	Equity Remuneration Reserve (i) \$	Accumulated Losses \$	Equity Remuneration Reserve (i) \$

Note 18 Reserves and Accumulated Losses

Balance at the beginning of the year	(749,702)	459,177	-	-
Profit/(Loss) for the period	(1,131,029)	-	(749,702)	-
Movement in equity remuneration reserve in respect of options issued	-	235,465	-	459,177
Balance at the end of the year	(1,880,731)	694,642	(749,702)	459,177

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

Note 19 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, Note 2(a).

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:

	2019 \$	2018 \$
Variable rate instruments		
Cash and cash equivalents	2,708,539	3,878,872

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 19 Financial Instruments (continued)

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
2019				
Variable rate instruments	<u>27,085</u>	<u>(27,085)</u>	<u>27,085</u>	<u>(27,085)</u>
2018				
Variable rate instruments	<u>19,394</u>	<u>(19,394)</u>	<u>19,394</u>	<u>(19,394)</u>

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, Note 2(b):

Consolidated	Carrying Amount \$	Contractual Cash Flows \$	< 6 Months \$	6-12 Months \$	1-2 Years \$	2-5 Years \$	> 5 Years \$
2019							
Trade and other payables	<u>420,773</u>	<u>420,773</u>	<u>420,773</u>	-	-	-	-
	<u>420,773</u>	<u>420,773</u>	<u>420,773</u>	-	-	-	-
2018							
Trade and other payables	<u>299,601</u>	<u>299,601</u>	<u>299,601</u>	-	-	-	-
	<u>299,601</u>	<u>299,601</u>	<u>299,601</u>	-	-	-	-

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			
	2019		2018	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Cash and cash equivalents	<u>2,708,539</u>	<u>2,708,539</u>	3,878,872	3,878,872
Trade and other payables	<u>(420,773)</u>	<u>(420,773)</u>	(299,601)	(299,601)
	<u>2,287,766</u>	<u>2,287,766</u>	<u>3,479,271</u>	<u>3,479,271</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 20 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2019 or the period ended 30 June 2018.

The Company has no franking credits available as at 30 June 2019 or 30 June 2018.

Note 21 Key Management Personnel Disclosures

(a) Directors and Key Management Personnel

The following persons were directors 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
Alex Hewlett

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 2019 \$	Period Ended 30 June 2018 \$
Total short-term employment benefits	347,853	163,973
Total share based payments	106,626	-
Total post-employment benefits	33,047	15,511
	487,526	179,484

(c) Other Transactions with Key Management Personnel

The Group has entered into a two year agreement with Stone Poneys Nominees Pty Ltd, an entity associated with Paul Chapman, in respect of the lease for the Group's offices. The annual cost of the lease, inclusive of variable outgoings is approximately \$26,253 per annum, further details of the lease agreement are provided in Note 24b. The lease is considered to be entered into on normal commercial terms.

During the period Tracey Chapman, a related party of Paul Chapman, provided administration support services to the Group amounting to \$71,138 (2018: \$46,674) (inclusive of superannuation).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Year Ended 30 June 2019 \$	Period Ended 30 June 2018 \$
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Note 22 Remuneration of Auditors

Audit and review of the Company's financial statements	22,500	15,000
Other services – Investigating Accountant's Report	-	6,500
Total	<u>22,500</u>	<u>21,500</u>

Note 23 Contingencies

(i) Contingent Liabilities

There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2019 and 30 June 2018 other than:

Royalties

The Group is subject to a 1% gross revenue royalty in respect of minerals produced from the following tenements: E25/499, E25/512, E27/532, P25/2287, P25/2288, P25/2293, P25/2377 and P25/2378.

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.

(ii) Contingent Assets

There were no material contingent assets as at 30 June 2019 or 30 June 2018.

Note 24 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 commitments on tenements held by the Group have not been provided for in the financial statements and which cover the following 12 month period amount to \$298,880 (2018: \$252,560).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 24 Commitments (continued)

(b) Operating Lease Commitments

The Company has entered into a two year lease on its office Suite 6, 15 Nicholson Road, Subiaco on effective from 30 January 2018 at \$26,253 per annum, inclusive of variable outgoings (refer Note 21). Operating lease commitments are as follows:

	30 June 2019 \$	30 June 2018 \$
Due within 1 year	13,127	26,253
Due after 1 year but not more than 5 years	-	13,127
Due after more than 5 years	-	-
	13,127	39,380

(c) Contractual Commitments

There are no material contractual commitments as at 30 June 2019 or 30 June 2018 not otherwise disclosed in the Financial Statements.

Note 25 Related Party Transactions

Transactions with Directors during the period are disclosed at Note 21 – Key Management Personnel.

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

Note 26 Events Occurring After the Balance Sheet Date

- Subsequent to 30th June 2019 the Company entered into a farm-in and joint venture agreement with Pioneer Resources Limited to earn a 75% interest in the Balagundi Project. Pursuant to the agreement the Company issued 122,820 fully paid ordinary shares at a deemed value of \$40,000. The shares are subject to a 12 month voluntary restriction agreement.
- Since 30 June 2019 a total of 2,668,889 shares have been issued on the exercise of options by directors of the Company and/or their associates. Funds of \$533,778 were received by the Company on exercise of the options.

Other than the above, there has not arisen in the interval between the end of the financial year 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
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Consolidated	
	Period Ended 30 June 2019 \$	Period Ended 30 June 2018 \$

Note 27 Reconciliation of Loss After Tax to Net Cash Inflow from Operating Activities

Profit/(Loss) from ordinary activities		
after income tax	(1,131,029)	(749,702)
Depreciation	10,069	4,344
Exploration cost written off and expensed	49,917	141,088
Share based payments	235,465	-
Share issue costs expensed	-	156,328
<i>Movement in assets and liabilities:</i>		
(Increase)/decrease in receivables	(7,839)	(4,219)
(Increase)/decrease in accrued income	11,054	(14,071)
Increase/(decrease) in payables	33,869	78,430
Increase/(decrease) in employee leave liabilities	29,455	12,836
Net cash outflow from operating activities	(769,039)	(374,966)

Non-Cash Investing and Financing Activities

During the comparative reporting period the Company issued 1,000,000 ordinary fully paid shares in respect of part consideration for the acquisition of exploration assets (refer Note 13), and 5,500,000 unlisted options to the lead manager to the Initial Public Offer in part consideration for services provided (refer Note 17).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 28 Earnings Per Share

	Consolidated	
	Year Ended 30 June 2019	Period Ended 30 June 2018
a) Basic Earnings Per Share	Cents	Cents
Loss per share attributable to ordinary equity holders of the Company	<u>(1.9)</u>	<u>(2.1)</u>
b) Diluted Earnings Per Share		
Loss per share attributable to ordinary equity holders of the Company	<u>(1.9)</u>	<u>(2.1)</u>
c) Loss Used in Calculation of Basic and Diluted Loss Per Share	\$	\$
Consolidated profit/(loss) after tax from continuing operations	<u>(1,131,029)</u>	<u>(749,702)</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>58,985,139</u>	<u>35,603,274</u>
Weighted average number of shares used as the denominator in calculating diluted earnings per share	<u>58,985,139</u>	<u>35,603,274</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Note 29 Parent Entity Information

	30 June 2019 \$	30 June 2018 \$
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Financial Position

Assets

Current assets	2,701,073	3,794,863
Non-current assets	4,288,330	1,985,408
Total Assets	<u>6,989,403</u>	<u>5,730,571</u>

Liabilities

Current liabilities	69,151	100,661
Non-current liabilities	-	-
Total Liabilities	<u>69,151</u>	<u>100,661</u>

NET ASSETS

6,920,252 5,629,910

Equity

Issued Capital	8,106,341	5,792,125
Share based payments reserve	694,642	459,177
Accumulated losses	<u>(1,880,731)</u>	<u>(621,392)</u>

TOTAL EQUITY

6,920,252 5,629,910

Profit/(Loss) for the year	(1,131,029)	(621,392)
Other comprehensive income	-	-
Total comprehensive income	<u>(1,131,029)</u>	<u>(621,392)</u>

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.

Contingent Liabilities

For full details of contingencies see Note 23.

Commitments

For full details of commitments see Note 24.

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 17 to 47 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) give a true and fair view of the financial position as at 30 June 2019 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 2019.

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

Signed at Perth this 27th day of September 2019.



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 subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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 2019 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* (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. For each matter below, our description of how our audit addressed the matter is provided in that context.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Key Audit Matter	How we addressed the Key Audit Matter
Consideration of impairment of capitalised mineral exploration and evaluation expenditure	
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. This matter is considered a key audit matter due to the high degree of judgement required by the directors to assess whether impairment indicators are present for specified tenements held and due to the significance of the capitalised amount of \$4.59m at 30 June 2019. The conditions and assessment undertaken in relation to impairment are disclosed in the Group's accounting policy in Notes 1 and 12 of the financial report.	Our procedures included, but were not limited to: - Discussions with management on their assessment of the existence or otherwise of specific facts or circumstances that would indicate that the capitalized mineral exploration and evaluation expenditure should be tested for impairment; - Corroborating representations made by management with available external data and evidence obtained by us during the course of our audit; and - Considering the appropriateness of relevant disclosures in the notes to the financial statements.

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 2019, 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, International Financial Reporting 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 entity'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 in the preparation of the financial report. We also conclude, based on the audit evidence obtained whether a material uncertainty exists related to events and 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 about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial 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.

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, related safeguards.

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 pages 7 to 13 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Black Cat Syndicate Limited for the year ended 30 June 2019, 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 27th day of September 2019