



General Meeting Notice and Proxy Form

15 July 2024

Dear Shareholder,

GENERAL MEETING – NOTICE AND PROXY FORM

Black Cat Syndicate Limited's (Black Cat or the Company) General Meeting of Shareholders is scheduled to be held in Perth, Western Australia on Wednesday 14 August 2024 at 10.00am (AWST) (**Meeting**).

In accordance with the *Corporations Amendments (Meetings and Documents)* Act 2022 which came into effect on 1 April 2022, the Company will not be sending physical copies of the Notice of Meeting, and accompanying Explanatory Memorandum, to shareholders who have not previously opted in to receiving electronic copies (unless physical copies are specifically requested). Instead, a copy of the Notice will be available under the "ASX announcements" section of the Company's website at <https://bc8.com.au/investor-centre/#asx-announcements> and the ASX Company's Announcement Platform at asx.com.au (ASX:BC8).

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience.

The Directors **strongly encourage all shareholders to lodge a directed proxy form prior to the Meeting and appoint the Chair as their proxy** in accordance with the instructions set out in the proxy form. All voting at the Meeting will be conducted by poll.

You may submit your Proxy Form online at www.investorvote.com.au (enter Control ID: 183893). You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

If Shareholders do not attend the Meeting in person, they will be able to participate by:

- a) voting their Shares prior to the Meeting by lodging the enclosed proxy form by no later than 10.00am (AWST) on Monday 12 August 2024; and
- b) lodging questions in advance of the meeting by emailing the questions to the Chairman at admin@bc8.com.au by no later than Monday 12 August 2024.

Should the arrangements for the Meeting change, the Company will update shareholders by way of announcement on ASX and the details will also be made available on our website at www.bc8.com.au.

If you have any difficulties obtaining a copy of the Meeting Materials, please contact the Company Secretary on +61 (0) 458 007 713.

Black Cat shareholders who wish to update their details to be able to receive communications and notices electronically can do so by visiting the Company's share registry website at www.computershare.com.au/easyupdate/BC8.

Sincerely,

Gareth Solly
Managing Director

BLACK CAT SYNDICATE LIMITED
ACN 620 896 282
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00am (WST)
DATE: 14 August 2024
PLACE: Quest Hotel
54 Kings Park Road
PERTH WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (WST) on 12 August 2024.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF ISSUE OF SUBSCRIPTION SHARES TO SUNDY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 133,333,334 Shares to Sundy Services Group Co. Ltd on the terms and conditions set out in the Explanatory Statement, which, in addition to the issue of up to 40,000,000 Shares on the conversion of Convertible Notes already issued and approved will result in the voting power of Sundy Services Group Co. Ltd increasing from 0% to up to 31.45% in the capital of the Company."

A voting prohibition and voting exclusion statement applies to this Resolution. Please see below.

Associates: As set out in the Explanatory Statement attaching to this Notice of Meeting, Sundy does not currently have any relevant associates that have an interest in any securities in the Company or that are intended to invest or participate in the issue of securities in the Company.

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 (Item 7) of the Corporations Act. The Independent Expert's Report opines on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company.

The opinion of the Independent Expert is that the issue of the Shares to Sundy and the resulting increase in the voting power of in the Company is not fair and not reasonable to the non-associated Shareholders.

Voting Prohibition Statements

Resolution 1 – Approval of issue of Subscription Shares to Sundry

No votes may be cast in favour of this Resolution by:

- (a) the person proposing to make the acquisition and their associates; or
- (b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by or on behalf of Sundry.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Approval of issue of Subscription Shares to Sundry

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Sundry and any other person who will obtain a material benefit as a result of the Resolution being passed, except a benefit solely by reason of being the holder of Shares in the Company.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed;
- undirected proxies given to the Chair will be voted **AGAINST** the Resolution.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 458 007 713.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES TO SUNDY

Resolution 1 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act for the issue of 133,333,334 Subscription Shares to Sundy, which, when amalgamated with the up to 40,000,000 Shares that may be issued to Sundy upon the conversion of 9,000,000 Convertible Notes already held by Sundy would see the voting power of Sundy in the Company increase to up to a maximum of 31.45%.

1.1 Background

On 10 January 2024, the Company announced to ASX that it had issued 9,000,000 Convertible Notes to Sundy under a terms sheet (**Convertible Note Term Sheet**). Under the terms of the Convertible Notes, subject to the satisfaction of certain conditions, Sundy could elect to convert the Convertible Notes into Shares in the Company at \$0.225 per Share, meaning the Company could issue up to 40,000,000 Shares upon the conversion of the Convertible Notes. Interest on the Convertible Notes is charged at 10% per annum and is payable in cash when the Convertible Notes are converted. The issue of those Convertible Notes was subsequently ratified by Shareholders of the Company at a Shareholder meeting held on 30 April 2024.

The Company then announced on 15 March 2024 that it had entered into new financing arrangements with Sundy pursuant to which it would terminate existing financing arrangements that it had in place with Fuyang Mingjin New Energy Development Co., Ltd and Southeast Mingqing Supply Chain (Fuyang) Co., Ltd and replace those arrangements with:

- (a) an additional \$6 million in Convertible Notes from Sundy (subject to Shareholder approval); and
- (b) a placement of 133,333,334 Shares at \$0.225 per Share to raise \$30 million.

Although Shareholders approved the issue of the additional 6,000,000 Convertible Notes at the Shareholder meeting on 30 April 2024, the Convertible Note agreement referred to in (a) above was subsequently mutually terminated by the Company and Sundy on 31 May 2024 without the issue of any of those Convertible Notes.

1.2 Current status of the Sundy funding arrangements

As at the date of this Notice of Meeting, the only current agreements between the Company and Sundy are:

- (a) the 9,000,000 Convertible Notes issued to Sundy on the terms summarised in Schedule 1; and
- (b) the agreement to issue the 133,333,334 Shares the subject of Resolution 1 on the terms and conditions summarised in Schedule 1 (**Sundy Placement**).

1.3 Conditions to issue of Shares to Sundy

The issue of any Shares to Sundy under the Sundy Placement is subject to the satisfaction of the following outstanding conditions precedent on or before 15 August 2024:

- (a) the Company's shareholders approving by resolution the issue of the Shares to Sundy (or its nominee) for the purposes of ASX Listing Rule 7.1 and section 611, item 7 of the Corporations Act and for all other purposes;
- (b) the occurrence of one of the following:
 - (i) notice in writing being issued by or on behalf of the Treasurer to the effect that in accordance with the FIRB Act the Commonwealth Government does not object to Sundy being issued the Shares under the Sundy Placement and on conversion of the Convertible Notes;
 - (ii) after Sundy gives notice of its intention to subscribe for the Shares to the Treasurer under section 26 of the FIRB Act, the Treasurer not making a decision under section 18 or an order under section 22 of that Act prohibiting the proposed acquisition within the period of 40 days after the date on which the Treasurer receives the notice; or
 - (iii) if the Treasurer makes an order under sections 18 or 22 of the FIRB Act 1975, the Treasurer subsequently revoking that order;
- (c) all relevant approval and consents (including but not limited to approval from the PRC regulatory authorities and completion of the Outbound Direct Investment(ODI) filing from the related PRC regulatory authorities) in relation to the subscription under the Sundy Placement having been obtained by Sundy and the Company;
- (d) the Company obtaining any other third-party approvals or consents required by the Company to complete its obligations under this Agreement, as determined by the Company acting reasonably; and
- (e) the Company complying with all the requirements under the ASX Listing Rules in connection with the Subscription;
- (f) Sundy delivering to the Company a signed counterpart of the Restriction Deed, to be held by the Company in escrow until completion of the subscription under the Sundy Placement;
- (g) Sundy being satisfied that the representations and warranties made by the Company under Sundy Placement Agreement remain true, accurate and not misleading in all material respects; and
- (h) this Sundy Placement Agreement, the subscription and the transactions contemplated hereunder have been approved by the Shareholders at the extraordinary general meeting of Sundy in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time (if necessary).

1.4 Subsequent Placement

On 4 June 2024, the Company announced that it had completed a two-tranche placement to raise \$36 million at \$0.27 per Share (**June Placement**). The first tranche of Shares under this Placement were issued on 13 June 2024 raising \$18.7 million (before costs). The second tranche of the placement is subject to the approval of the Company's Shareholders at a meeting to be held on 25 July 2024. Sundy is not a participant in this June Placement.

The \$36 million received under the June Placement is intended to replace the \$6 million in Convertible Notes that Sundy did not subscribe for, and to de-risk Sundy not being able to subscribe for its Shares under the Sundy Placement.

1.5 Capital structure

The Company's capital structure as at the date of this Notice of Meeting and after the issue of Shares under Resolution 1 is as set out below¹:

	As at the date of this Notice of Meeting	After issue of the Sundy Agreement Placement Shares	After the conversion of the Convertible Notes
Shares	377,870,219 ^{1,2}	511,203,553	551,203,553
Options	22,543,455	22,543,455	22,543,455
Performance Rights	7,314,434	7,314,434	7,314,434
Convertible Notes	9,000,000	9,000,000	Nil

Notes:

1. The Company has convened a Shareholder meeting to be held on 25 July 2024 pursuant to which the Company has proposed resolutions seeking to approve the issue of a total of 59,044,337 Shares for the purpose of tranche 2 of the June Placement and Director participation in the June Placement.
2. The Company is in the process of completing tranche 1 of the June Placement which will see an additional 5,555,556 shares issued to sophisticated investors. The issue of these additional Shares will see the maximum voting power held by Sundy reduced by a further 3.3%.

1.6 Item 7 of section 611 of the Corporations Act

(a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%,

(Prohibition).

(b) **Voting power**

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **Sundy's holding in the Company**

As at the date of this Notice of Meeting, Sundy does not currently hold Shares. Following the issue of the Shares to Sundy under the Sundy Placement and the conversion of the Convertible Notes into Shares, the shareholding of Sundy and resulting voting power in the Company could be up to 31.45%.

Where Shares under tranche 2 of the June Placement are approved by Shareholders at the Shareholder meeting convened for 25 July 2024 and issued, the voting power of Sundy in the Company would be reduced below 31.45% to 28.44% (assuming all Shares are issued to Sundy and the Convertible Notes are converted into Shares).

(d) **Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- (i) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example, where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

The Company understands that no associate of Sundy currently holds any Shares in the Company.

(e) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%; or
- (ii) a body corporate that the person controls.

1.7 Reason section 611 approval is required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

If all of the Shares are issued to Sundry under the Sundry Placement and all of the Convertible Notes are converted into Shares, Sundry would be issued 173,333,334 Shares. This would increase the voting power of Sundry up to 31.45% (assuming that no other Shares are issued – refer section 1.5).

Accordingly, this Resolution seeks Shareholder approval for the purpose of item 7 of section 611 and all other purposes to enable the Company to issue the Shares to Sundry under the Sundry Placement and to enable its voting power to increase up to 31.45% if all of the Convertible Notes are also converted into Shares.

1.8 Specific Information required by section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd annexed to this Explanatory Statement.

(a) **Identity of the Acquirer and its Associates**

As noted in above, the Shares will be issued to Sundry.

Sundry is a China-based investment holding company. Through its subsidiaries, Sundry mainly provides property management services and corresponding value-added services, hotel business and long-term rental apartment services. Sundry is listed on the Main Board of The Stock

Exchange of Hong Kong (HKEX:9608). Together with its subsidiaries, it is a reputable integrated property management provider with greater than 600 employees and 58 projects under management covering more than 9 million square metres.

As outlined above, Sundy does not currently have any relevant associates that have an interest in any securities in the Company or that are intended to invest or participate in the issue of securities in the Company.

None of the Company's existing Directors have any interest in the Sundy Placement Agreement or any interest in the passing of the Resolution.

(b) **Relevant interest and voting power**

(i) **Relevant interest**

The relevant interests of Sundy in the voting shares in the capital of the Company (both current, and following the issue of the Subscription Shares to Sundy, as contemplated by this Notice) are set out in the table below:

Relevant Interest as at the date of this Notice	Relevant Interest after the issue of the Sundy Placement Agreement Shares	Relevant interest after conversion of Convertible Notes
Nil	133,333,334	173,333,334

(ii) **Voting power**

The voting power of Sundy (both current, and following the issue of the Subscription Shares to Sundy, as contemplated by this Notice) is set out in the table below:

Voting power as at the date of this Notice	Voting power after the issue of the Sundy Placement Agreement Shares	Voting power after conversion of Convertible Notes
0.00%	26.08%	31.45%

Further details on the voting power of Sundy are set out in the Independent Expert's Report prepared by BDO.

(iii) **Summary of increases**

From the above chart it can be seen that the maximum relevant interest that Sundy will hold after completion of the issue of the Sundy Placement Agreement Shares and the conversion of its Convertible Notes is 173,333,334 Shares, and the maximum voting power that Sundy will hold is 31.45%. This represents a maximum increase in voting power of 31.45%.

(iv) **Assumptions**

Note that the following assumptions have been made in calculating the above:

- (A) the Company has 377,870,219 Shares on issue as at the date of this Notice of Meeting;
- (B) the remaining Shares under tranche 1 and tranche 2 of the June Placement are not approved by Shareholders and are therefore not issued. Where those tranche 1 and 2 Shares are approved by Shareholders and issued, the voting power of Sundy will be reduced to approximately 28.17%;
- (C) the Company does not issue any additional Shares prior to the date of the Meeting; and
- (D) Sundy does not acquire any additional Shares prior to the date of the Meeting.

(c) **Reasons for the proposed issue of the Subscription Shares**

The background of the proposed issue of Shares to Sundy is set out in Section 1 above. The Shares will be issued pursuant to agreements entered into with Sundy, being the Sundy Placement Agreement and the Convertible Notes. The Company has already received \$9 million from the Convertible Notes and will receive another \$30 million if the Sundy Placement Shares are issued. The conversion of the Convertible Notes is not subject to the approval of Resolution 1.

There are not other agreements between the Company and Sundy (or any of its associates) that are conditions upon the approval of Resolution 1, other than the Sundy Placement Agreement referred to in this Notice of Meeting and summarised in Schedule 1.

(d) **Date of proposed issue of the Shares**

The Sundy Placement Shares will be issued ten business days after the date the last of the conditions precedent to the Sundy Placement Agreement are satisfied. Those conditions precedent need to be satisfied by 15 August 2024. If those remaining conditions precedent are not satisfied (or potentially waived in some instances), then the Sundy Placement Shares will not be issued.

The Shares on conversion of the Convertible Notes can be issued any time up to the maturity date of the Convertible Notes, being 31 March 2027.

It is likely that between the date of the General Meeting and that maturity date, the Company will issue additional Shares to other parties either to raise additional capital or for other purposes. The issue of additional Shares would have the effect of reducing the voting power of Sundy if the Convertible Notes were converted into Shares.

(e) **Material terms of proposed issue of the Shares**

The Company is proposing to issue 133,333,334 Subscription Shares to Sundy at an issue price of \$0.225 per Share under the Sundy Placement Agreement. The key terms of the Sundy Placement Agreement are set out in Schedule 1.

All Shares issued under the Sundy Placement Agreement or on conversion of the Convertible Notes will rank *pari passu* with the existing Shares of the Company.

(f) **The intentions of Sundy**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that Sundy:

- (i) has no present intention of making any significant changes to the business of the Company;
- (ii) may elect to nominate two candidates to be appointed Directors of the Company pursuant to the terms of the Sundy Placement Agreement and the Convertible Note Term Sheet;
- (iii) has no present intention to inject further capital into the Company other than as set out in the Agreement;
- (iv) has no present intention of making changes regarding the future employment of the present employees of the Company;
- (v) does not intend to redeploy any fixed assets of the Company;
- (vi) does not intend to transfer any property between the Company and Sundy (or any of their associates); and
- (vii) has no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to Sundy and its associates at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

As at the date of this Notice of Meeting, Sundy has not provided the Company with any indication as to whether it would appoint any nominee Directors to the Company, or who those nominees would be. Any appointment of any Director is subject to that person having applied for an Australian Director Identification Number, providing adequate

evidence that they are a fit and proper person to act as a Director of an Australian public company and be suitable for Company. On the basis that the Independent Expert has opined that the approval of Resolution 1 is not fair and not reasonable to the Company's non-associated Shareholders and that the Directors recommend that Shareholders vote against the Resolution (see (g) below), the Company also considers it unlikely that Sundy will meet the criteria to earn the right to appoint any nominees to the Company Board.

(g) **Interests and recommendations of Directors**

None of the current Board members have a material personal interest in the outcome of this Resolution.

At the time of entering into the Convertible Note Term Sheet and the subsequent Sundy Placement Agreement in early 2024, the Directors considered that the terms available were the best terms then available to them.

Through the passage of time, the Company has witnessed a strengthening in the global gold price and an appreciation in the Company's Share price, whereby the Company's Shares are now trading at a premium to the issue price of the Shares under the Sundy Placement Agreement and the conversion of the Shares under the Convertible Notes.

In addition, the Company has recently been able to place Shares in the Company at \$0.27 per Share to potentially raise \$36 million (subject to the receipt of final approvals at the Shareholder meeting on 25 July 2024), which is higher than the price that the Shares would be issued under the Sundy Placement Agreement. Together with a planned secured debt facility, the \$36 million raised recently ensures that the Company has sufficient working capital to execute its previously stated business plan in the event that no Shares are issued to Sundy under the Sundy Placement Agreement.

The Directors have also noted the opinion of the Independent Expert in relation to the proposed issuing of Shares, who have opined that as at the date of their Report, the transaction the subject of Resolution 1 is **not fair and not reasonable** to the non-associated Shareholders of the Company.

At the time of entering into the Sundy Placement Agreement and the Convertible Note Term Sheet earlier this year, the Directors would have recommended that Shareholders vote in favour of Resolution 1 to enable Sundy to acquire a voting power greater than 20% in the Company. However, given the change in circumstances of the Company and the global gold markets since that time, the Directors have had to reconsider their duties to Shareholders in terms of making a recommendation. Albeit that the Company is contractually obligated to put this Resolution to Shareholders, **the Directors consider that it is no longer in the best interests of Shareholders to vote in favour of Resolution 1**. Furthermore, the Directors have indicated that they will not be voting any Shares over which they have control in favour of Resolution 1.

The Directors note that if Resolution 1 is not passed, no Shares will be issued to Sundy under the Sundy Placement Agreement. However, Sundy will still be entitled to convert its Convertible Notes into Shares in the Company. The number of Shares issuable to Sundy under the Convertible Notes

(40,000,000 Shares) would not give Sundy a voting power in the Company greater than 20%, instead, its voting power would be closer to 9.57%. Therefore, approval of Resolution 1 is not required for Sundy to convert its Convertible Notes alone where it is not receiving any other Shares in the Company.

Advantages

The Directors consider that the advantages of approving Resolution 1 are as follows:

- (i) the Company will receive a further \$30 million in the event that completion under the Sundy Placement Agreement occurs and the Shares are issued to Sundy. These funds can be utilised by the Company as working capital or to repay or be substituted for a planned secured debt facility;
- (ii) the Sundy Placement Agreement Shares are escrowed until 30 September 2027;
- (iii) if the Sundy Placement Agreement Shares are issued, then the Convertible Notes will be capable of being converted into Shares and will not need to be repaid back, reducing the Company's debt by \$9 million (plus accruing interest); and
- (iv) if the Sundy Placement Agreement Shares are issued, and the Convertible Notes are not converted into Shares then part of the \$30 million from the Sundy Placement Agreement, can be used to reduce the Company's debt by \$9 million (plus accruing interest).

Disadvantages

The Directors consider the disadvantages of approving Resolution 1 are as follows:

- (i) the issue price of the Sundy Placement Agreement Shares is below the most recent price at which the Company has raised capital, being \$0.27;
- (ii) the issue price of the Sundy Placement Agreement Shares is below the most recent price at the time of issuing this Notice, being \$0.30 (closing price as at 1 July 2024);
- (iii) the issue of the Sundy Placement Agreement Shares will dilute other Shareholders;
- (iv) the issue of the Sundy Placement Agreement Shares will create a dominant shareholder with between 28.44% and 31.45% ownership with the right to appoint two directors and Sundy's present stated intentions may change;
- (v) as at the date of this Notice the financial ability of Sundy to complete the transaction is unclear on the basis that Sundy has only recently been re-instated to trading after a lengthy suspension of trading on The Hong Kong Stock Exchange due to Sundy failing to publish the 2023 Annual Results in accordance with the Listing Rules;

- (vi) as at the date of this Notice it is unclear on whether Sundy has or will receive the necessary Australian and Chinese regulatory approvals to complete the transaction;
- (vii) the opinion of the Independent Expert is that the issue of the Subscription Shares and the resulting increase in the voting power of in the Company is not fair and not reasonable to the non-associated Shareholders; and
- (viii) together with a planned secured debt facility, the \$36 million raised recently ensures that the Company has sufficient working capital to execute its previously stated business plan and hence the funds raised under the Sundy Placement Agreement are surplus to requirements.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this Resolution.

(h) **Capital structure**

The Company's capital structure following the issue of the Shares is set out in Section 1.5 above.

1.9 Independent Expert's Report

The Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transaction contemplated by this Resolution is **not fair and not reasonable** to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transaction contemplated by this Resolution is **not fair and not reasonable** to the non-associated Shareholders of the Company.

The Independent Expert notes that the key advantages of the proposal raised in this Resolution to the Company and existing Shareholders are as follows:

- the Sundy Placement would strengthen the Company's balance sheet;
- the Sundy Placement does not increase the risks of default for the Company;
- it aligns the interests of the Company with Sundy; and
- the Sundy Placement will reduce some of the risks associated with the Company not being able to continue as a going concern.

The key disadvantages noted by the Independent Expert are as follows:

- the issue price of the Sundy Placement of \$0.225 is lower than the recent June Placement issue price of \$0.27;
- the Sundy Placement dilutes the interests of other Shareholders; and
- the presence of a large cornerstone investor may reduce the possibility of a takeover offer being received in the future.

1.10 Pro forma balance sheet

A pro-forma balance sheet of the Company post the issue of the Subscription Shares is set out in Schedule 3 of this Notice.

1.11 ASX Listing Rules

Pursuant to the ASX Listing Rules, because approval is being sought for the issue of the Shares to Sundry under section 611 (item 7) of the Corporations Act, approval for the issue is not required under Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Black Cat Syndicate Limited (ACN 620 896 282).

Constitution means the Company's constitution.

Convertible Notes means the convertible notes issued to Sundy on the terms and conditions set out in Schedule 2.

Convertible Note Term Sheet has the meaning given to that term in Section 1.1 for the issue of the Convertible Notes.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Sundy means Sundy Service Group Co Ltd (HK:09608).

Sundy Placement Agreement means the placement agreement entered into between the Company and Sundy on the terms summarised in Schedule 1.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF SUNDY PLACEMENT AGREEMENT

A summary of the material terms and conditions of the Sundry Placement Agreement are set out below.

Conditions Precedent	The Agreement and the obligations of the parties under the Agreement are subject to and conditional upon: (a) the Company's Shareholders approving by resolution the issue of the Subscription Shares to Sundry (or its nominee) for the purposes of ASX Listing Rule 7.1 and section 611, item 7 of the Corporations Act and for all other purposes; (b) the occurrence of one of the following: (i) notice in writing being issued by or on behalf of the Treasurer to the effect that in accordance with the FIRB Act the Commonwealth Government does not object to Sundry being issued the Subscription Shares; (ii) after Sundry gives notice of its intention to subscribe for the Subscription Shares to the Treasurer under section 26 of the FIRB Act, the Treasurer not making a decision under section 18 or an order under section 22 of that Act prohibiting the proposed acquisition within the period of 40 days after the date on which the Treasurer receives the notice; or (iii) if the Treasurer makes an order under sections 18 or 22 of the FIRB Act 1975, the Treasurer subsequently revoking that order; (c) all relevant approval and consents (including but not limited to approval from the PRC regulatory authorities and completion of the Outbound Direct Investment filing from the related PRC regulatory authorities) in relation to the subscription having been obtained by Sundry and the Company; (d) the Company obtaining any other third-party approvals or consents required by the Company to complete its obligations under the Agreement, as determined by the Company acting reasonably; and (e) the Company complying with all the requirements under the ASX Listing Rules in connection with the subscription; (f) Sundry delivering to the Company a signed counterpart of the voluntary restriction deed, in respect of the Voluntary Escrow (defined below); (g) Sundry being satisfied that the representations and warranties made by the Company under the Agreement remain true, accurate and not misleading in all material respects;
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		(h) the Agreement, the subscription and the transactions contemplated thereunder have been approved by the shareholders at the extraordinary general meeting of Sundy in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time (if necessary)
Voluntary restriction	escrow	Sundy acknowledged and agreed that the Subscription Shares will be subject to voluntary escrow restriction until 30 September 2027 (Voluntary Escrow).
Board structure		From completion of the subscription, Sundy and the Company agree that the Board shall be comprised as follows: (a) the Board shall consist of six (6) Directors; (b) Sundy shall have the right to nominate two (2) proposed Directors to join the Board, each of those nominees to be of good fame and character, have applied for an Australian Director Identification Number and be appropriately skilled for serving as a director of an Australian listed company; and (c) the Company will ensure that the number of non-independent directors does not exceed the number of independent directors.

SCHEDULE 2 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES

Issuer	Black Cat Syndicate Limited.
Subscriber	Sundy Service Group Co Ltd.
Maturity Date	31 March 2027.
Principal Amount	9,000,000 Convertible Notes @ \$1 face value \$1 per Convertible Note.
Interest	10% per annum (including interest withholding tax): - capitalised until 31 March 2025; and - thereafter payable monthly in arrears.
Conversion Conditions	Conversion of the Convertible Notes is subject to satisfaction of the following conditions: (a) the Issuer receiving shareholder approval to increase placement capacity; (b) the Subscriber receiving approval from the Foreign Investment Review Board (FIRB) to acquire an equity interest in the Issuer, or the Subscriber confirming in writing that approval from FIRB for the conversion is not required; (c) the Subscriber obtaining the Hong Kong Stock Exchange approval for the conversion of the Convertible Notes or the Subscriber confirming in writing that such approval is not required; and (d) the Subscriber obtaining shareholder approval for the conversion of the Convertible Notes or the Subscriber confirming in writing that such approval is not required.
Conversion Price	Convertible into fully paid ordinary shares at \$0.225.
Conversion Shares	Upon satisfaction of the Conversion Conditions, the Subscriber may at any time prior to the Maturity Date, elect to convert all or part of the amount outstanding into Conversion Shares.
Conversion Shares to Rank Equally	Conversion Shares issued on conversion of the Convertible Notes will rank equally in all respects with existing fully paid ordinary shares.
Security	The Convertible Notes are unsecured.
Quotation	The Convertible Notes will not be quoted on the ASX. The Conversion Shares will be quoted on the ASX.
Redemption	Convertible Notes will be automatically redeemed on the Maturity Date if not already converted.
Repayment	The Issuer is entitled to repay all or part of any Amount Outstanding to the Subscriber prior to the Maturity Date without penalty by giving not less than 14 days' notice.
Issues and Reconstructions	If the Issuer issues shares under a bonus issue or makes a rights issue or (with the exception of a share purchase plan) offers to issue Shares to shareholders generally; or reorganises or reconstructs its capital (including consolidation, subdivision, reduction or return), at any time when there is an Amount Outstanding, then the Face Value will be amended to the

	extent applicable and allowable to place the Subscriber in substantially the same position as the Subscriber would have been had no such event occurred.
Voting Rights	The Convertible Notes carry no voting rights.
Event of Default	It is an event of default if, whether or not it is within the control of the Company: (a) failure to pay: the Company fails to pay or repay any material amount under the Agreement within 5 business days of its due date; (b) non-remediable failure: the Company fails to perform or observe any other material undertaking, obligation or agreement expressed or implied in the Agreement (including entering into a prohibited transaction, including: (i) the creation of any debt liability (monies borrowed or raised) by the Company (or any wholly owned subsidiary of the Company) after the execution of this Agreement including any loan, bill, bond, debenture, note or similar instrument other than in the ordinary course of business with trade creditors; and (ii) the granting of any security or encumbrance over all or part of the assets and undertakings of the Company after the execution of the Agreement, and that failure is not reasonably remediable); (c) remediable failure: the failure is reasonably remediable, and the Company does not remedy the failure within 14 (fourteen) days, or a longer period determined by the Investor, after receipt by the Company of a notice from the Investor specifying the failure and requiring rectification; (d) misrepresentation: any warranty, representation or statement by the Company is or becomes false, misleading or incorrect in a material respect when made or regarded as made by the Company under the Agreement; (e) receiver: a receiver, receiver and manager, official manager, trustee, administrator or similar official is appointed, or steps taken for such appointment, over any of the assets or undertaking of the Company; (f) insolvency: the Company is or becomes unable to pay its debts when they are due; (g) arrangements: the Company enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them otherwise than while solvent and with the prior written consent of the Investor; (h) administrator: an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to the Company; or

	(i) winding up: an application or order is made for the winding-up or dissolution of the Company, which application is not dismissed or withdrawn within 21 (twenty one) days or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the Company otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Investor.
Escrow	The Conversion Shares will be subject to a voluntary escrow until 30 September 2027.

SCHEDULE 3 – PRO FORMA BALANCE SHEET

	Consolidated	Adjustments		Consolidated	
	31-May-24	(a)	(b)	Proforma 31-May-24 incl adjustments (a)	Proforma 30-May-24 incl adjustments (a) and (b)
	\$000s	\$000s	\$000s	\$000s	\$000s
Current assets					
Cash and cash equivalents	2,944	12,097	30,000	15,041	45,041
Trade and other receivables	768			768	768
Inventory	305			305	305
Other current assets	262			262	262
Total current assets	4,280	12,097	30,000	16,377	46,377
Non-current assets					
Security deposits	65			65	65
Property, plant and equipment	8,669			8,669	8,669
Exploration and evaluation expenditure	129,883			129,883	129,883
Total non-current assets	138,617	0	0	138,617	138,617
Total assets	142,897	12,097	30,000	154,993	184,993
Current liabilities					
Trade and other payables	-7,872			-7,872	-7,872
Employee entitlements	-567			-567	-567
Financial liabilities	0			0	0
Provisions	0			0	0
Total current liabilities	-8,439	0	0	-8,439	-8,439
Non-current liabilities					
Financial liabilities	-14,392	5,500	8,892	-8,892	0
Provision for rehabilitation	-18,868			-18,868	-18,868
Total non-current liabilities	-33,260	5,500	8,892	-27,760	-18,868
Total liabilities	-41,700	5,500	8,892	-36,200	-27,308
Net assets	101,197	17,597	38,892	118,794	157,686
Equity					
Issued capital	114,656	17,597	38,892	132,252	171,144
Reserves	1,221			1,221	1,221
Accumulated losses	-14,680			-14,680	-14,680
Total equity	101,197	17,597	38,892	118,794	157,686

- (a) These adjustments include the receipt of funds from the June Placement and the repayment of amounts owing to Northern Star Resources Limited as at 30 June 2024;
- (b) These adjustments include the receipt of \$30 million from Sundry under the Sundry Placement and the conversion of the Convertible Notes into Shares in the Company.

BLACK CAT SYNDICATE LIMITED

Independent Expert's Report

2 July 2024



Financial Services Guide

2 July 2024

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Black Cat Syndicate Limited ('Black Cat', 'BC8' or 'the Company') to provide an independent expert's report on the proposed \$30 million equity placement ('Proposed Placement') to Sundry Service Group Co Ltd ('Sundy'). Sundy has also provided a \$9 million Convertible Note facility to Black Cat (the 'Convertible Notes'). As set out in the Notice of Meeting our report accompanies, Black Cat is seeking Shareholder approval for Sundy to increase its interest in the Company to a maximum of 31.45%, which accounts for the Proposed Placement and the conversion of the principal portion of the Convertible Notes into equity ('the Resolution'). You are being provided with a copy of our report because you are a shareholder of Black Cat and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Black Cat to assist you in deciding on whether or not to approve the Resolution.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of



the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$105,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Black Cat.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Black Cat for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority ('AFCA') which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au
Interpreter Service:	131 450

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2 July 2024

The Directors
Black Cat Syndicate Limited
3/52 Kings Park Road
WEST PERTH WA 6005

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 26 September 2023, Black Cat Syndicate Limited ('**Black Cat**' or '**the Company**') announced that it was in discussions for a \$60 million funding package to restart the Company's Paulsens Gold Operation in the Pilbara ('**Paulsens**'). The terms and parties involved in the funding package were subsequently revised as announced on 27 December 2023 and then revised again on 15 March 2024 and 31 May 2024. Under the revised funding package, Black Cat will undertake a \$30 million placement ('**Proposed Placement**') to Sundy Service Group Co Ltd ('**Sundy**') and has received \$9 million under an unsecured convertible note facility with Sundy (the '**Convertible Notes**').

The Proposed Placement will involve the issue of 133,333,334 Black Cat shares to be issued at \$0.225 per share. Following completion of the Proposed Placement, Black Cat will increase its Board seats to five (following the resignation of a director effective 25 July 2024) and Sundy will have the right to nominate two candidates for consideration as directors.

As the Proposed Placement will result in Sundy's interest in Black Cat increasing from below 20% to more than 20%, approval from Black Cat shareholders not associated with Sundy ('**Shareholders**') is required for the Company to conduct the Proposed Placement. As set out in Resolution 1 of the Notice of Meeting that this Independent Expert's Report ('**our Report**') accompanies, Black Cat is contractually obligated to seek Shareholder approval for Sundy to increase its interest in the Company to a maximum of 31.45%, which accounts for the Proposed Placement and the conversion of the principal portion of the Convertible Notes into equity ('**the Resolution**'). We note that if the Resolution is not approved, Sundy is still entitled to convert the Convertible Notes into Black Cat shares, as this would not cause its voting power in the Company to increase above the 20% threshold.

Subsequent to the announcement of the Proposed Placement, on 4 June 2024, the Company announced it had received firm commitments for a two-tranche, \$36 million placement (before costs) to institutional and sophisticated investors at \$0.27 per share ('**June 2024 Placement**'). Sundy is not a participant of this June 2024 Placement. As at the date of our Report, proceeds from the first tranche of the June 2024 Placement have already been received by Black Cat. Further details on the prior funding packages leading up to the Proposed Placement, the Proposed Placement itself and the June 2024 Placement, are outlined in Section 4 of our Report.

All figures are quoted in Australian dollars ('**AUD**', '**\$**' or '**A\$**') unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The directors of Black Cat have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an Independent Expert's Report to express an opinion as to whether the Resolution is fair and reasonable to Shareholders.

Our Report is prepared pursuant to item 7 of section 611 of the Corporations Act 2001 Cth ('Corporations Act' or 'the Act') and is to be included in the Notice of Meeting for Black Cat to assist the Shareholders in their decision whether to approve the Resolution.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Resolution as outlined in the body of this report. We have considered:

- How the value of a Black Cat share prior to the approval of the Resolution on a control basis, compares to the value of a Black Cat share following the approval of the Resolution on a minority interest basis. For the value of a Black Cat share prior to the approval of the Resolution, we have assumed two scenarios: **Scenario A** which adopts a notional equity raising price of between \$0.216 and \$0.255, and **Scenario B** which adopts a notional equity raising price of \$0.270 (being the June 2024 Placement price). Further information on the scenarios is set out in Section 10 of our Report.
- The likelihood of an alternative proposal being made to Black Cat.
- Whether a premium for control is being offered in relation to the issue of Black Cat shares and whether this is appropriate.
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Resolution.
- The position of Shareholders should the Resolution not proceed.

2.3 Opinion

We have considered the terms of the Resolution as outlined in the body of this report and have concluded that the Resolution is not fair because, under both the scenarios considered, although there is overlap between the two valuation ranges, the low, preferred and high points of the value of a Black Cat share following the approval of the Resolution (minority basis) are lower than their equivalents for Black Cat's value per share range prior to the approval of the Resolution (control basis), while the value of the Company's mineral assets does not change as a consequence of approving the transaction. Furthermore, even if the range of values following approval of the Resolution were higher than the range of values prior to the approval of the Resolution, we would still consider the Resolution to be not fair as there is a superior alternative available to Shareholders in the form of the June 2024 Placement.

We also consider the Resolution to not be reasonable as the disadvantages outweigh the advantages. In particular, the issue price for shares under the Proposed Placement is lower (\$0.225 per share) compared to the issue price for shares under the June 2024 Placement (\$0.270 per share), which is for a larger amount and which the directors state is sufficient to execute the Company's business plan.

2.4 Fairness

In Section 12 we determined that the value of a Black Cat share prior to the approval of the Resolution (under both Scenarios A and B) compares to the value of a Black Cat share following the approval of the Resolution, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Black Cat share prior to the approval of the Resolution on a control basis - Scenario A	10.3	0.298	0.397	0.500
Value of a Black Cat share prior to the approval of the Resolution on a control basis - Scenario B	10.3	0.306	0.403	0.503
Value of a Black Cat share following the approval of the Resolution on a minority basis	11.3	0.204	0.274	0.350

Source: BDO analysis

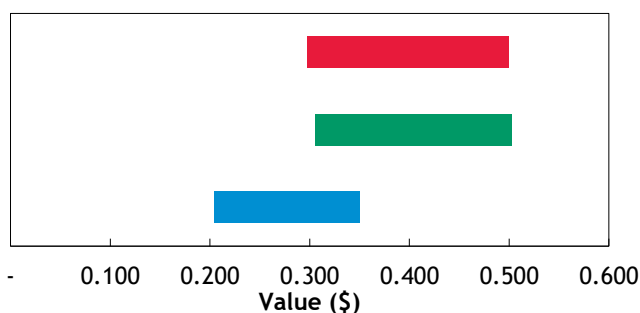
The above valuation ranges are graphically presented below:

Valuation Summary

Value of a Black Cat share prior to the approval of the Resolution (controlling interest) - Scenario A

Value of a Black Cat share prior to the approval of the Resolution (controlling interest) - Scenario B

Value of a Black Cat share following the approval of the Resolution (minority interest)



The above pricing indicates that, in the absence of any other relevant information, the Resolution is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both

- advantages and disadvantages of the Resolution; and
- other considerations, including the position of Shareholders if the Resolution does not proceed and the consequences of not approving the Resolution.

In our opinion, the position of Shareholders if the Resolution is approved is more disadvantageous than the position if the Resolution is not approved. Accordingly, in the absence of any other relevant information we believe that the Resolution is not reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	The Proposed Placement will strengthen Black Cat's balance sheet	13.5	The issue price under the Proposed Placement of \$0.225 is lower than the recent June 2024 Placement issue price of \$0.270
13.4	The Proposed Placement does not increase the risks of default for the Company	13.5	Dilution of Shareholders' interests
13.4	Alignment of interests with Sundy	13.5	Presence of a large cornerstone investor may reduce the possibility of a takeover offer being received in the future
13.4	The Proposed Placement will reduce some risks associated with the Company not being able to continue as a going concern		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Practical level of control
13.3	Consequences of not approving the Resolution

3. □ Scope of the Report

3.1 □ Purpose of the Report

Section 606 of the Corporations Act ('**Section 606**') expressly prohibits the acquisition of further shares by a party if the party acquiring the interest does so through a transaction and because of the transaction, that party (or someone else's voting power in the company) increases from 20% or below to more than 20%. Following the Proposed Placement, Sundy's interest in the Company will increase from below 20% to more than 20%. We note that even if the Resolution is not approved, the conversion of the Convertible Notes into Black Cat shares may still occur, although it would not increase Sundy's interest in Black Cat above the 20% threshold.

Section 611 of the Corporations Act ('**Section 611**') provides exceptions to the Section 606 prohibition and item 7 Section 611 ('**item 7 s611**') permits such an acquisition if the shareholders of Black Cat have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party.

Item 7 Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution Black Cat can commission an Independent Expert's Report.

The directors of Black Cat have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Resolution is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the approval of the Resolution is a control transaction as defined by RG 111 and we have therefore assessed the Resolution as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- ☐ A comparison between value of a Black Cat share prior to the approval of the Resolution (on a control basis) and the value of a Black Cat share following the approval of the Resolution (on a minority interest basis) (fairness - see Section 12 'Is the Resolution Fair?'); and
- ☐ An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Resolution Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. □ Outline of the Resolution

On 26 September 2023, Black Cat announced it was in discussions for a \$60 million funding package to restart Paulsens with wholly owned subsidiaries of Fuyang Mingjin New Energy Development Co., Ltd (**‘Mingjin’**) and Southeast Mingqing Supply Chain (Fuyang) Co., Ltd (**‘Southeast Mingqing’**). This funding package (the **‘Initial Package’**), before costs, comprised:

- Equity placements totalling \$45 million with Mingjin and Southeast Mingqing for approximately 200 million Black Cat shares at an issue price of \$0.225 each, escrowed until 31 March 2027
- A \$15 million secured debt facility from Mingjin to be provided on competitive terms with payments of principal and interest blended with expected production start-up and cashflows.

Subsequently, on 27 December 2023, Black Cat announced a restructure of the Initial Package (the **‘First Revised Package’**). Under the First Revised Package, the initial \$45 million equity placement from the Initial Funding Package was reduced by \$9 million, but was offset by the introduction of a \$9 million, unsecured, convertible note facility with Sundry.

The \$9 million Convertible Notes facility attracts an interest rate of 10% per annum (including interest withholding tax), with the interest capitalised until 31 March 2025 and thereafter payable monthly in arrears. Subject to shareholder and regulatory approvals, the Convertible Notes are (at Sundry’s election) convertible into Black Cat shares at \$0.225 each and will be redeemed on the maturity date of 31 March 2027 if not already converted. The Company has since received \$9 million from the Convertible Notes. Under the First Revised Package, the \$15 million secured debt facility with Mingjin was to remain unchanged.

On 15 March 2024, Black Cat announced a variation to the First Revised Package which resulted in the **‘Second Revised Package’**. Under the Second Revised Package, the \$45 million equity placements with Mingjin and Southeast Mingqing were terminated and replaced by:

- A \$6 million increase in the Convertible Notes from \$9 million to \$15 million (although, as discussed below, this upsize was subsequently mutually terminated)
- The Proposed Placement with Sundry for \$30 million.

Shares issued to Sundry as part of the Proposed Placement and any shares that subsequently convert from the Convertible Notes, are subject to a voluntary escrow until 30 September 2027 (**‘the Voluntary Escrow’**).

Black Cat also terminated the \$15 million secured debt facility from Mingjin, citing that component of the Initial Package had caused delays in Chinese regulatory approvals required for Chinese companies to invest overseas (**‘ODI approval’**).

The Proposed Placement is conditional upon the satisfaction, or waiver if agreed between the parties, of the following conditions prior to 15 August 2024:

- a) All necessary Black Cat shareholder approvals as required by law or the ASX’s Listing Rules
- b) If required, Sundry receiving all necessary approvals from the Australian Foreign Investment Review Board (**‘FIRB’**)
- c) Sundry receiving all required Chinese regulatory approvals, including ODI approval

- d) Black Cat receiving all necessary approvals or consents
- e) Sundry delivering a signed restriction deed pursuant to the Voluntary Escrow (this has been satisfied)
- f) Sundry being satisfied that representations and warranties remain true
- g) Sundry receiving any necessary approvals of its shareholders as required by law or the listing rules of The Stock Exchange of Hong Kong Limited ('HKEX').

As part of the Proposed Placement, Sundry will also have the right to nominate two candidates for consideration as directors onto the Board of Black Cat.

On 4 June 2024, the Company announced it had received firm commitments for the June 2024 Placement. The \$36 million placement (before costs) was made to institutional and sophisticated investors at \$0.27 per share. Sundry is not a participant of this June 2024 Placement. The June 2024 Placement involves the issue of 133,333,333 new Black Cat shares across two tranches:

- Tranche 1: Approximately 75.7 million shares to be placed in June (69.3 million of which have been issued as at the date of our Report, raising approximately \$18.72 million before costs. The Company has also advised that it has received commitments for a further 5.56 million shares which is expected to raise an additional \$1.5 million before costs).
- Tranche 2: Another 58.46 million shares to be completed following Black Cat shareholder approval in late July. Black Cat Directors have applied for an additional 0.58 million shares to be issued at the same issue price as the June 2024 Placement, again subject to shareholder approval. Including Directors' participation, Tranche 2 would raise approximately \$15.94 million before costs.

The size of the June 2024 Placement is significant, representing more than 40% of Black Cat's issued capital at the time of the announcement.

As part of the June 2024 Placement announcement, Black Cat also disclosed that the previously announced \$6 million upside to the Convertible Notes from Sundry was mutually terminated, such that the funding from Sundry now comprised the \$9 million Convertible Notes and the Proposed Placement of \$30 million. According to Black Cat, this June 2024 Placement de-risked the remaining portion of the funding receivable from Sundry, which as detailed above, is still subject to various conditions precedent. Under the June 2024 Placement, a 6% fee will be payable to the brokers and 4,000,000 unlisted options with an exercise price of \$0.50 each expiring on 29 July 2027 will be also issued to them.

The Resolution is pursuant to item 7 s611 of the Act for Sundry to increase its holding to a maximum of 31.45% of the Company's issued capital. This includes allowance for the conversion of the principal portion of the \$9 million Convertible Notes and the Proposed Placement itself, and does not include the 5,555,556 shares that are expected to be issued pursuant to Tranche 1 of the June 2024 Placement. If this tranche of shares is issued, it will only dilute Sundry's maximum interest in the Company to below 31.45%. It is noted that the issue of approximately 59 million shares under Tranche 2 of the June 2024 Placement and the Directors' participation will require shareholder approval at a meeting to be held in late July 2024. Should approval for the issue of these shares be granted, Sundry's maximum interest in the Company will be reduced to 28.40%. We note that if the Resolution is not approved, Sundry is still entitled to convert the Convertible Notes into Black Cat shares, as its voting power in the Company would not increase above the 20% threshold.

Following the Proposed Placement and the conversion of the principal component of the Convertible Notes, the shareholding of Sundry and dilution of existing Shareholders' interests, under the scenarios without and with Tranche 2 of the June 2024 Placement (including the Directors' participation in the

placement) are set out in the tables below. The calculations below do not include the additional 5,555,556 shares expected to be issued pursuant to Tranche 1 of the June 2024 Placement:

Without Tranche 2 of the June 2024 Placement

Capital structure	Without Tranche 2 of the June 2024 Placement		
	Sundry	Shareholders	Total
Shares currently on issue	-	377,870,219	377,870,219
% of shares on issue prior to the approval of the Resolution	0.00%	100.00%	100.00%
Proposed Placement	133,333,334	-	133,333,334
Issued Shares following the Proposed Placement	133,333,334	377,870,219	511,203,553
% following the Proposed Placement	26.08%	73.92%	100.00%
Conversion of the Convertible Notes (principal only)	40,000,000	-	40,000,000
Issued Shares following approval of the Resolution (after conversion of the Convertible Notes)	173,333,334	377,870,219	551,203,553
% following the approval of the Resolution (after conversion of the Convertible Notes)	31.45%	68.55%	100.00%

Source: BDO analysis

With Tranche 2 of the June 2024 Placement (including Directors' participation)

Capital structure	With Tranche 2 of the June 2024 Placement		
	Sundry	Shareholders	Total
Shares currently on issue	-	377,870,219	377,870,219
% of shares on issue prior to the approval of the Resolution	0.00%	100.00%	100.00%
Tranche 2 of the June 2024 Placement (including Directors participation)	-	59,044,336	59,044,336
Issued Shares following Tranche 2 of the June 2024 Placement	-	436,914,555	436,914,555
% following Tranche 2 of the June 2024 Placement	0.00%	100.00%	100.00%
Proposed Placement	133,333,334	-	133,333,334
Issued Shares following the Proposed Placement	133,333,334	436,914,555	570,247,889
% following the Proposed Placement	23.38%	76.62%	100.00%
Conversion of the Convertible Notes (principal only)	40,000,000	-	40,000,000
Issued Shares following approval of the Resolution (after conversion of the Convertible Notes)	173,333,334	436,914,555	610,247,889
% following the approval of the Resolution (after conversion of the Convertible Notes)	28.40%	71.60%	100.00%

Source: BDO analysis



5. □ Profile of Black Cat

5.1 □ Overview

Black Cat is an ASX-listed gold exploration and development company with operations located in Western Australia ('WA'). The Company owns a 100% interest in Paulsens, Kal East Gold Project ('Kal East') and Coyote Gold Operation ('Coyote') which are strategically positioned in the Eastern Pilbara, Eastern Goldfields, and Tanami gold region, respectively. Black Cat was incorporated in 2017 and listed on the ASX in 2018. The Company is headquartered in West Perth, WA.

The current board of directors of Black Cat are:

- □ Paul Chapman - Non-Executive Chairman
- □ Gareth Solly - Managing Director
- □ Les Davis - Non-Executive Director
- □ Tony Polglase - Non Executive Director (resigning on 25 July 2024).

5.2 □ Paulsens

Pulsens is located in the Ashburton Basin in the Eastern Pilbara region of WA. Pulsens consists of an underground mine, a 450,000 tonne per annum ('tpa') processing facility, a 128-person camp and ancillary infrastructure. Pulsens was mined from 2005 to 2009 by Intrepid Mines Limited and then by Northern Star Resources Limited ('Northern Star') until 2017, when the project was placed on care and maintenance. Pulsens was acquired by Black Cat in June 2022 from Northern Star.

Black Cat commenced its first drill program at Pulsens in November 2022, hoping to grow the resource base near the existing underground workings, and identify new deposits. Black Cat released an updated Joint Ore Reserve Committee ('JORC') 2012 Mineral Resource Estimate ('MRE') for Pulsens in July 2023 and again in October 2023.

The Company also undertook drilling at Belvedere, a high-grade deposit located five kilometres ('km') southeast of Pulsens. Belvedere was historically mined in the early 1900's. Northern Star undertook limited drilling at Belvedere and had studies for a potential open pit. Currently Belvedere has a 30,000 oz at 3.9 g/t Au Resource.

On 10 July 2023, Black Cat announced the completion of the Pulsens Restart Study. The study contemplated the refurbishment of the existing processing facility, recommencement of underground mining, and development of an initial open pit at Belvedere. The study supported a 136,000 oz base case production target over an initial three-year period.

Following a comprehensive review of the Restart Study, a revised Restart Study was released in November 2023, reflecting increased production, improved recoveries, and lower upfront costs. The revised Restart Study contemplates:

- a 176,500 oz base case over an initial mine life of 4.2 years;
- production sourced from Pulsens underground mine and additional feed from an underground operation at Belvedere (rather than open pit mining which was contemplated in the initial Restart Study);
- a 26-week schedule for refurbishment of the crusher and processing facility;
- Underground mining commencing 18 weeks into the refurbishment period;
- Owner operator underground mining using readily available dry hire equipment; and
- Processing at a steady state throughput rate of 369,000 tpa.

In late 2023 to early 2024, the Company announced that it had secured a funding package (the Initial Package and subsequently the First Revised Package and Second Revised Package) that would allow it to accelerate the restart of the Project. Specifically, the Company would begin to secure long lead time items for the processing facility refurbishment and would commence the ramp up of the processing facility refurbishment.

In February 2024, the Company announced that refurbishment works had begun on the Paulsens processing facility, and that it was advancing the procurement of long lead items. The announcement also noted that third parties were currently renting the Paulsens camp, providing additional income during the refurbishment period.

On 8 May 2024, Black Cat announced an update to the previously announced Paulsens Restart Studies (the '**May 2024 Restart Study**'). Primarily the May 2024 Restart Study updated the gold price used in the prior studies from \$2,900/oz to \$3,500/oz and reduced the plant refurbishment costs slightly. The announcement also disclosed that the May 2024 Restart Study is a subset of an Internal Operating Plan, a mining plan which includes additional mining areas that do not meet requirements for public release as it incorporates additional selective mining of veins outside of the current MRE. The May 2024 Restart Study and the Internal Operating Plan will be used as a base case and an upside case to obtain debt funding, respectively.

As announced on 29 May 2024, Black Cat appointed Cream Mining Pty Ltd ('**Cream Mining**') as the mining contractor to selectively mine developed veins within the aforementioned Internal Operating Plan at Paulsens. This is part of the Company's strategy to build a high-grade stockpile for immediate processing once the processing facility is commissioned on low-grade existing stockpiles. This high-grade stockpile strategy is excluded from Paulsen's May 2024 Restart Study as it includes additional mining areas that do not meet the requirements for public release. On 25 June 2024, Black Cat announced that Cream Mining had commenced mobilisation to site to undertake selective mining with processing targeted in December 2024.

Further information on Paulsens can be found in the Independent Technical Report and Valuation prepared by ERM Australia Consultants Pty Ltd ('**ERM**') (the '**ERM Report**') included in Appendix 6 of our Report.

5.3 **Kal East Gold Project**

Kal East is located roughly 50km east of Kalgoorlie in the Eastern Goldfields and comprises approximately 1,015 square kilometres ('**km²**') of tenements. These tenements were acquired by Black Cat over several years as the Company looked to consolidate its position in the area. Kal East has four main mining centres, being, Myhree, Fingals, Majestic and Trojan.

During 2022, Black Cat relocated and commenced refurbishment of two ball mills (capable of a combined throughput of 1.5Mtpa) and associated infrastructure. Although some of the tenements have historically produced gold on a small scale, the primary focus at Kal East was on exploration. The Company has prioritized the restart of Paulsens, given the lower capital costs required, and is yet to make a final investment decision for Kal East.

The Company released the results of a Preliminary Feasibility Study ('**PFS**') on 3 June 2022. The PFS contemplated the construction of a 0.8 million tonne per annum ('**Mtpa**') processing facility (carbon-in-leach gold plant) and base case production of 302,000 oz from open pit and underground mines over an initial 5.5-year period. On 14 July 2023, an updated PFS was released, with more up-to-date cost and pricing assumptions.

On 9 May 2024, Black Cat announced an update to the previously announced June 2022 Kal East PFS. As part of its update, the Company included two additional underground mines in the life of mine plan, made adjustments to costs and updated the gold price used in the study to \$3,500/oz. The announcement also disclosed that this updated May 2024 study could be included in its debt negotiations to optimise funding terms and expedite approvals.

On 20 May 2024, the Company announced a turn-key funding, development and processing package in relation to the Myhree and Boundary open pits which form part of Kal East. These arrangements are detailed below:

- **Ore Sale Agreement with Paddington Gold Pty Ltd ('PGPL'):** Under an agreement with PGPL, the owner of the Paddington processing facility, 850kt of open pit ore will be delivered and sold to PGPL commencing in the September 2024 quarter, with the ore processed at the Paddington processing facility. The revenue to Black Cat will be calculated based on the Perth Mint spot prices on the date of gold pours with adjustments for grade, metallurgical recovery and moisture, agreed processing costs and State royalties.
- **Executed Term Sheet with Mineral Mining Services Pty Ltd ('MMS'):** Black Cat also executed a term sheet for the development of the Myhree and Boundary open pits and the trucking of ore to Paddington for processing with MMS. MMS will provide all funding to develop and haul ore from Myhree and Boundary open pits for processing at Paddington, noting that the underground portion of Kal East's Resource is excluded from this. Mining is planned to commence in July 2024 with first ore hauled in September 2024, with the arrangement expected to continue for a period of approximately 18 months. Following recovery of start-up costs by MMS, the first \$30 million of cashflow generated will be received by Black Cat and profits thereafter will be shared between the two parties.

Further information on Kal East can be found in the ERM Report included in Appendix 6 of our Report.

5.4 Coyote Gold Operation

Coyote is located in the Tanami gold region. Black Cat acquired Coyote, together with Paulsens, from Northern Star in June 2022. At the time of the acquisition, Coyote was in care and maintenance. Prior to Northern Star's ownership of Coyote, it had been owned by Tanami Gold NL who had commenced production at the mine's open pit in 2006. Production at Coyote was ceased in 2013, and after Northern Star purchased the project in 2017, only minor exploration activities were conducted on site, with the project remaining under care and maintenance until Black Cat's acquisition. Coyote consists of multiple open pits, an underground mine, a 300,000 tpa processing facility, a 180-person camp and ancillary infrastructure.

Black Cat commenced reverse circulation and diamond drill programs at Coyote in June and July 2022. On 16 January 2023, the Company released an updated JORC 2012 Mineral Resource for Coyote.

In July 2023, the Company announced the completion of a Scoping Study, which demonstrated initial open pit and underground mining potential. The study contemplated a five-year mine life for Coyote Central. The principal activities outlined in the study included the installation of the already owned 700,000 tpa mill, refurbishment of the processing facility and initial mine development.

On 15 May 2024, Black Cat announced an update to the previously announced July 2023 Coyote Scoping Study. Similar to its other announcements in May 2024 for the updates to the Paulsens and Kal East Restart and PFS studies, respectively, Black Cat updated the Coyote Scoping Study to reflect a \$3,500/oz gold price and current market conditions. As a result of these updates, the maximum cash drawdown was reduced from the prior study.

Further information on Coyote can be found in the ERM Report included in Appendix 6 of our Report.

5.5 Recent corporate actions

Paulsens and Coyote Acquisition

On 19 April 2022, Black Cat announced it had entered into a binding agreement with Northern Star to acquire Paulsens and Coyote. As consideration for the acquisitions, Black Cat agreed to provide Northern Star with:

- an initial cash payment of \$14.5 million;
- an additional \$15 million payment (the '**Northern Star Deferred Consideration**') to be made on or by 30 June 2023 which was subsequently varied in November 2022 to be paid in instalments (see below);
- 8,340,000 fully paid ordinary shares in Black Cat (subject to voluntary escrow until 30 June 2023); and
- production-based milestone payments amounting to up to \$10 million (the '**Northern Star Production Payments**').

The Northern Star Production Payments is a contingent liability not currently recognised on the Company's balance sheet and has the following milestone payments:

- \$2.5 million upon the production of 5,000 ounces of gold from Coyote
- \$2.5 million upon the production of 50,000 ounces of gold from Coyote (inclusive of the initial 5,000 ounce production milestone above)
- \$2.5 million upon the production of 5,000 ounces of gold from Paulsens
- \$2.5 million upon the production of 50,000 ounces of gold from Paulsens (inclusive of the initial 5,000 ounce production milestone above).

To fund the acquisition, Black Cat raised \$35 million by way of a placement to institutional and sophisticated investors at an issue price of \$0.55 per share. The transaction was completed on 15 June 2022. This price represented a 19% discount to the last close at the time of the announcement. The placement was undertaken in two tranches. The first tranche was issued on 28 April 2022 and the second tranche of shares were issued following receipt of shareholder approval at the Company's shareholder meeting on 31 May 2022.

On 8 November 2022, the Company announced a change to the timing of the Northern Star Deferred Consideration. Northern Star agreed to reduce the scheduled payment due by 30 June 2023 from \$15 million to \$5 million, and to defer the \$10 million balance into two separate \$5 million payments on 30 June 2024 (which has been paid) and 30 June 2025, respectively. The 30 June 2024 and 30 June 2025 repayments accrue interest at the fixed rate of 10% per annum payable quarterly in arrears or capitalised at Northern Star's election.

Kingfisher Tenements Acquisition

On 4 December 2023, Black Cat announced it had agreed to acquire a 100% interest in five tenements strategically surrounding Paulsens, from Kingfisher Mining Limited ('**Kingfisher**'). The tenements, which are prospective for gold and copper, cover an area of approximately 700km² and increases the Paulsens area to approximately 1,650km². As consideration for the acquisition, Black Cat issued 2,000,000 fully paid ordinary shares at \$0.280 per share and a 0.5% net smelter royalty on copper and gold production from the acquisition tenements to Kingfisher (which Black Cat retains the right to purchase).

Recent capital raisings

On 19 April 2022, Black Cat announced it had received firm commitments for a \$35 million placement (before costs) at an issue price of \$0.55 per share, to fund the acquisition of Coyote and Paulsens as discussed above.

On 19 January 2023, the Company announced a \$17 million placement to institutional and sophisticated investors at a placement price of \$0.40 per share. This price represented an 11.1% discount to the last close and a 6.9% premium to the 30-day Volume Weighted Average Price ('VWAP') at the time of the announcement. Funds raised from the placement were used to further advance the Coyote and Paulsens restarts, with an immediate focus to accelerate extension and discovery drilling at Paulsens. The placement was completed on 31 March 2023.

On 29 August 2023, Black Cat announced it had received firm commitments for a \$8.3 million placement to institutional and sophisticated investors at \$0.225 per share, a 15.1% discount to the last close and a 23.2% discount to the 5-day VWAP at the time of the announcement. Proceeds were used to expand drilling and evaluation activities at Paulsens. As part of the placement, the Company also issued 18,444,445 attaching options, on the basis of one attaching option for every two shares issued under the placement. These options, which are the listed options set out in Section 5.8, are exercisable at \$0.3375 per option, being 1.5x the price of the placement and expire 24 months from issue. The placement completed later in 2023.

On 4 June 2024, the Company announced the two-tranche \$36 million June 2024 Placement to institutional and sophisticated investors at \$0.27 per share, representing a 12% discount to the 30-day VWAP. As at the date of our Report, part of Tranche 1 of the June 2024 Placement has already completed through the issue of approximately 69.32 million shares to raise \$18.72 million (before costs). The Company expects a further 5,555,556 shares to be issued as part of Tranche 1, which would raise an additional \$1.5 million (before costs). Tranche 2 of the June 2024 Placement is subject to shareholder approval. In the announcement, Black Cat also disclosed that the previously announced \$6 million upsize to the Convertible Notes from Sundy was mutually terminated, such that the funding from Sundy now comprised the \$9 million Convertible Notes (already received) and the Proposed Placement of \$30 million.

5.6 □ Historical Consolidated Statement of Financial Position

Consolidated Statement of Financial Position	Reviewed as at 31-Dec-23 \$	Audited as at 30-Jun-23 \$	Audited as at 30-Jun-22 \$
CURRENT ASSETS			
Cash and cash equivalents	8,031,413	4,656,945	18,172,023
Trade and other receivables	1,243,229	384,974	466,257
Inventory	426,593	337,776	491,328
Other current assets	427,041	56,843	-
TOTAL CURRENT ASSETS	10,128,276	5,436,538	19,129,608
NON-CURRENT ASSETS			
Security deposits	64,920	64,920	64,920
Property, plant and equipment	7,488,790	7,117,409	7,588,098
Exploration and evaluation expenditure	125,346,013	115,562,095	89,311,116
Right of use assets	-	-	127,787
TOTAL NON-CURRENT ASSETS	132,899,723	122,744,424	97,091,921
TOTAL ASSETS	143,027,999	128,180,962	116,221,529
CURRENT LIABILITIES			
Trade and other payables	5,862,557	3,945,078	3,213,156
Employee entitlements	457,471	561,726	494,517
Financial liabilities	5,614,928	5,074,144	15,000,000
Provisions	-	1,639,274	68,244
TOTAL CURRENT LIABILITIES	11,934,956	11,220,222	18,775,917
NON-CURRENT LIABILITIES			
Financial liabilities	12,360,761	5,000,000	-
Provision for rehabilitation	18,801,133	18,486,160	18,370,160
Provision for lease liabilities	-	-	64,118
TOTAL NON-CURRENT LIABILITIES	31,161,894	23,486,160	18,434,278
TOTAL LIABILITIES	43,096,850	34,706,382	37,210,195
NET ASSETS	99,931,149	93,474,580	79,011,334
EQUITY			
Issued capital	113,540,191	105,793,996	86,787,812
Reserves	1,146,722	1,327,037	1,505,000
Accumulated losses	(14,755,764)	(13,646,453)	(9,281,478)
TOTAL EQUITY	99,931,149	93,474,580	79,011,334

Source: Black Cat's audited financial statements for years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

We note that the Company's auditor highlighted a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, in its audit report for the year ended 30 June 2023 and its review report for the half-year ended 31 December 2023. The Company's auditor outlined that the ability to continue as a going concern is dependent on securing future debt and equity funding at a level satisfactory to enable ongoing operations and future developments to be completed.

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents decreased from \$18.2 million as at 30 June 2022 to \$4.7 million as at 30 June 2023. The decrease was primarily the result of payments for exploration and evaluation of \$22.5 million as well as a \$5.0 million payment to Northern Star in connection with acquisition of Paulsens and Coyote. This was partially offset by funds raised from share placements of \$18.8 million and site recoveries of \$1.8 million. Cash and cash equivalents subsequently increased to \$8.0 million as at 31 December 2023. The increase was primarily the result of proceeds from share placements and borrowings of \$8.3 million and \$7.4 million respectively. This was partially offset by payments for

exploration and evaluation activities of \$9.5 million and payments to suppliers and employees of \$1.1 million.

- □ Property, plant and equipment of \$7.1 million as at 31 December 2023 primarily related to capital work in progress of \$6.9 million. Capital work in progress are assets which are not installed and ready for use at the balance date.
- □ Exploration and evaluation assets increased from \$115.6 million as at 30 June 2023 to \$125.3 million as at 31 December 2023. This increase was primarily the result of the capitalisation of costs of \$9.8 million. From 1 July 2022, the Company revised the accounting treatment for exploration and evaluation expenditure, requiring all costs to be capitalised.
- □ The Company's current financial liabilities of \$5.6 million at 31 December 2023 largely related to the current portion of the Northern Star Deferred Consideration for the acquisition of Paulsens and Coyote.
- □ The Company's non-current financial liabilities balance as at 31 December 2023 of \$12.4 million consisted of the non-current portion of the Northern Star Deferred Consideration of \$5.3 million and \$7.1 million owing under the Convertible Notes.

5.7 □ Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-23 \$	Audited for the year ended 30-Jun-23 \$	Audited for the year ended 30-Jun-22 \$
Other income	842,933	907,062	144,667
Interest income	17,375	182,580	18,372
Total income	860,308	1,089,642	163,039
Administrative expenses:			
Corporate administration	(1,583,682)	(5,317,761)	(3,879,339)
Depreciation	(12,149)	(111,817)	(17,056)
Amortisation	-	(61,116)	(66,671)
Finance costs	(795,283)	(156,269)	(15,362)
Loss on foreign exchange movements	(4,387)	-	-
Other expenses	(213,846)	(242,211)	(85,758)
Total expenses	(2,609,347)	(5,889,174)	(4,064,186)
Loss before income tax	(1,749,039)	(4,799,532)	(3,901,147)
Income tax expense	-	-	-
Loss after tax	(1,749,039)	(4,799,532)	(3,901,147)
Other comprehensive income			
Total comprehensive loss for the year	(1,749,039)	(4,799,532)	(3,901,147)

Source: Black Cat's audited financial statements for years ended 30 June 2022 and 30 June 2023 and reviewed financial statements for the half year ended 31 December 2023.

We note that the Company's auditor highlighted a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern in its audit report for the year ended 30 June 2023 and its review report for the half-year ended 31 December 2023. The Company's auditor outlined that the ability to continue as a going concern is dependent on securing future debt and equity funding at a level satisfactory to enable ongoing operations and future developments to be completed.

Commentary on historical statement of profit or loss and other comprehensive income

- Other income for the year ended 30 June 2023 and the half year ended 31 December 2023 primarily related to camp rental income received from third parties who utilise site facilities at Paulsens.
- Corporate administration costs for the year ended 31 December 2023 primarily comprised employee expenses of \$0.9 million and corporate administration costs of \$0.5 million. Employee expenses includes share-based payments, fees, salaries, superannuation and other employee related expenditure and stated net of employee costs capitalised for exploration and evaluation expenditure.
- The increase in finance costs for the half year ended 31 December 2023 compared to the prior full year period ended 30 June 2023 was primarily driven by interest on the Convertible Notes.

5.8 Capital Structure

The share structure of Black Cat as at 24 June 2024 is outlined below:

	Number
Total ordinary shares on issue	377,870,219
Top 20 shareholders	153,157,990
Top 20 shareholders - % of shares on issue	40.53%

Source: Share registry information from Black Cat

The range of shares held in Black Cat as at 24 June 2024 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	200	106,160	0.03%
1,001 - 5,000	997	2,853,422	0.76%
5,001 - 10,000	648	5,207,929	1.38%
10,001 - 100,000	1,666	59,553,844	15.76%
100,001 - and over	466	310,148,864	82.08%
Total	3,977	377,870,219	100.00%

Source: Share registry information from Black Cat

The ordinary shares held by the most significant shareholders as at 24 June 2024 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
JP Morgan Nominees Australia Pty Ltd	21,349,979	5.65%
Others	356,520,240	94.35%
Total ordinary shares on issue	377,870,219	94.35%

Source: Share registry information from Black Cat

Black Cat's options and performance rights on issue as at 24 June 2024 are outlined below:

Description	No. of Options/Rights	Exercise price (\$)	Expiry Date
Options on issue			
Listed options expiring 14 November 2025 with an exercise price of \$0.3375 each	18,444,455	0.3375	14-Nov-25
Unlisted options expiring 21 February 2027 with an exercise price of \$0.55 each	710,000	0.55	21-Feb-27

Description	No. of Options/Rights	Exercise price (\$)	Expiry Date
Unlisted options expiring 28 March 2025 with an exercise price of \$1.00 each	330,000	1.0000	28-Mar-25
Unlisted options expiring 8 February 2028 with an exercise price of \$0.32 each	1,430,000	0.32	08-Feb-28
Unlisted options expiring 8 November 2025 with an exercise price of \$0.83 each	80,000	0.83	08-Nov-25
Unlisted options expiring 10 December 2024 with an exercise price of \$0.98 each	202,000	0.98	10-Dec-24
Unlisted options expiring 18 April 2028 with an exercise price of \$0.405 each	300,000	0.405	18-Apr-28
Unlisted options expiring 21 March 2027 with an exercise price of \$0.52 each	300,000	0.52	21-Mar-27
Unlisted options expiring 21 July 2024 with an exercise price of \$1.20 each	129,000	1.20	21-Jul-24
Unlisted options expiring 28 July 2026 with an exercise price of \$0.51 each	618,000	0.51	28-Jul-26
Number of listed and unlisted options	22,543,455		

Performance Rights on issue			
Rights expiring 30 June 2027 that vest upon achieving a sustained production rate of 40,000 to 45,000 ounces per annum at the Coyote Gold Project	2,253,337	-	30-Jun-27
Rights expiring 30 June 2027 that vest upon achieving a sustained production rate of 60,000 to 70,000 ounces per annum at the Paulsens Gold Project	2,253,337	-	30-Jun-27
Rights expiring 30 June 2027 that vest upon achieving a sustained production rate of 50,000 to 60,000 ounces per annum at the Kal East Gold Project	2,253,337	-	30-Jun-27
Rights expiring 30 June 2028 that have already vested but remain unexercised	554,423	-	30-Jun-28
Number of performance rights	7,314,434		
Total number of options and performance rights	29,857,889		

Source: Share registry information from Black Cat

In respect of Black Cat's listed options with an expiry date of 14 November 2025 and an exercise price of \$0.3375 each, the largest holders are summarised below:

Name	No. of Listed Options	Percentage of Listed Options (%)
Sandhurst Trustees Ltd <Collins St Value Fund A/C>	2,355,556	12.77%
Lempip Nominees Pty Ltd <Lempip Super Fund A/C>	1,333,333	7.23%
Mr Philip David Crutchfield	1,111,111	6.02%
Citicorp Nominees Pty Limited	1,076,218	5.83%
Subtotal	5,876,218	31.86%
Others	12,568,237	68.14%
Total listed options on Issue	18,444,455	100.00%

Source: Option registry information from Black Cat

6. □ Profile of Sundy

Sundy is a Chinese investment holding company that listed on the Hong Kong Stock Exchange in 2021. Its subsidiaries specialise in both residential and non-residential property management services. Mingjin and Southeast Mingqing, the parties involved in Black Cat's original equity funding package, hold an interest in Sundry of 8.85% and 7.81% respectively. Sundry was founded in 1995 and is headquartered in Hangzhou, China. Prior to its name change in 2017, Sundry was formerly known as Sundry Huidu Limited.

As at 30 June 2023, Sundry provided property management services to 58 properties across China, managing a total gross floor area of approximately 9 million square metres. Sundry undertakes property management services such as security, ancillary, and repair and maintenance services. It also carries out construction and property development consultancy, sales assistance services such as marketing, and pre-delivery services, such as pre-delivery cleaning and inspection other, primarily to property developers. Sundry also operates Atour Hotel Hangzhou West Lake Hefang Street, facilitating all accommodation and hospitality tasks associated with the hotel.

The current directors of Sundry are:

- Yun Yu - Executive Chairman
- Yihua Zhu - Chief Executive Officer and Executive Director
- Zhenjiang Zhang - Executive Director
- Congyue Zhu - Executive Director
- Qian Ye - Independent Non-Executive Director
- Haoxian Zhu - Independent Non-Executive Director
- Enze Huang - Independent Non-Executive Director

We note that Sundry's Executive Director, Zhenjiang Zhang, graduated with a major in geological exploration and is currently an engineer registered by the National Bureau of Metallurgical Industry. He has over 30 years' experience in geological exploration and geotechnical engineering, having worked in China, Indonesia, Laos, Mongolia and Zimbabwe across different technical roles with Chinese mining companies.

In its announcements on the Hong Kong Stock Exchange on 15 March 2024, Sundry disclosed its reasons for subscribing to the Convertible Notes and the Proposed Placement which included diversification of its earnings and, in light of the current interest rate environment, it considered the interest income on offer from the Convertible Notes to be attractive. Sundry also highlighted that recent regulatory measures have adversely impacted the Chinese real estate industry, and it had been exploring opportunities to diversify away from the property industry. It also cited that the Proposed Placement would be funded using the proceeds from the potential subscription of new Sundry shares. As at the date of our Report, Sundry has yet to complete such a placement of new shares.

Shares in Sundry have been suspended from trading by the Hong Kong Stock Exchange since 28 March 2024 due to Sundry failing to publish its annual results for the year ended 31 December 2023 in accordance with the exchange's listing rules. As at the date of our Report, its shares continue to remain suspended from trading.

Further information on Sundry is available in the Notice of Meeting that our Report accompanies.



7. Economic analysis

Black Cat is primarily exposed to the risks and opportunities of the Australian market through its listing on the ASX and the geographical location of its main projects in Western Australia. As such, we have presented an analysis of the Australian economy to the extent that it relates to considerations for our assessment.

Australia

At the June 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') left the cash rate target unchanged at 4.35%. Prior to the June meeting, the Board of the RBA ('the RBA Board') has held interest rates steady since a 25-basis point increase made in November 2023. This is aimed at returning inflation to the RBA's target of 2-3% within a reasonable timeframe and facilitating ongoing moderate growth in employment. Following its peak in December 2022 at 7.8%, inflation has fallen substantially as higher interest rates have helped to bring aggregate demand and supply closer to balance. However, recent data shows a slower pace of decline, with inflation still above the midpoint of the target range. Over the year to April 2024, the monthly consumer price index ('CPI') indicator rose by 3.6% in headline terms, and by 4.1% excluding volatile items and holiday travel, which was similar to its pace in December 2023.

The central forecast published by the RBA in May 2024 predicted inflation would return to the target range in the second half of 2025, and to the midpoint in 2026. However, since then, there have been indications that economic activity is weakening, including slow Gross Domestic Product ('GDP') growth, a rise in the unemployment rate, and slower-than-expected wage growth.

Recently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. Additionally, dwelling investments have demonstrated weakness due to continuous increases in housing prices nationwide. However, real disposable incomes have recently stabilised and are expected to grow later in 2024, aided by lower inflation and tax cuts.

Since the beginning of 2024, equity prices in Australia have reached a record high, similarly experienced in the advanced economies of the United States and Japan, due to recent declines in bond yields. The rise in equity prices likely indicates growing market confidence in the potential for inflation to align with central bank targets, with minimal adverse impact on future earnings.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. In Australia, as in many advanced economies, high inflation and energy prices have weighed on demand. For 2024, it is anticipated that GDP growth in Australia's key trading partners will remain substantially below historical norms. In China, growth is expected to slow over the next two years as the post-pandemic rebound in services consumption fades and the property sector remains weak.

Labour market conditions are gradually easing, although remain tight. In March 2024, the unemployment rate stood at 3.8%. With economic growth forecast below trend, employment is predicted to expand at a slower pace than the labour force, leading to a gradual rise in the unemployment rate to around 4.40% by June 2025. Additionally, wage growth has also increased over the past year, but has peaked with indications it will moderate over the year ahead.

Outlook

The economic outlook remains uncertain, and according to the RBA Board, recent data indicates that the process of returning inflation to target is unlikely to be smooth. To date, medium-term inflation expectations have been consistent with the inflation target and the RBA Board emphasised the importance

of this remaining the case. Inflation is easing but at a slower pace than previously expected and remains high. Returning inflation to target within a reasonable timeframe remains the RBA Board's highest priority, however, they expect it will take some time. Services price inflation remains high, as observed overseas. However, it is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with labour market easing.

Economic growth in Australia is forecast to remain subdued as earlier interest rate hikes and inflation continue to weigh on consumption. Growth is expected to gradually increase from late 2024 as inflation declines and household income pressure eases. However, the full impact of policy tightening on household consumption is uncertain. The squeeze on household finances could result in prolonged subdued household consumption, which may put more downward pressure on labour demand and wages and see an earlier return to the inflation target than forecast. This could also occur if economic growth among Australia's trading partners is slower than anticipated. However, there remains a high level of uncertainty around the Chinese economic outlook and the implications of the conflicts in Ukraine and the Middle East, which may have implications for supply chains.

Source: www.rba.gov.au Statement by the Reserve Bank Board: Monetary Policy Decision dated 18 June 2024 and prior periods, www.rba.gov.au Statement on Monetary Policy May 2024 and prior periods, and BDO analysis

8. Industry analysis

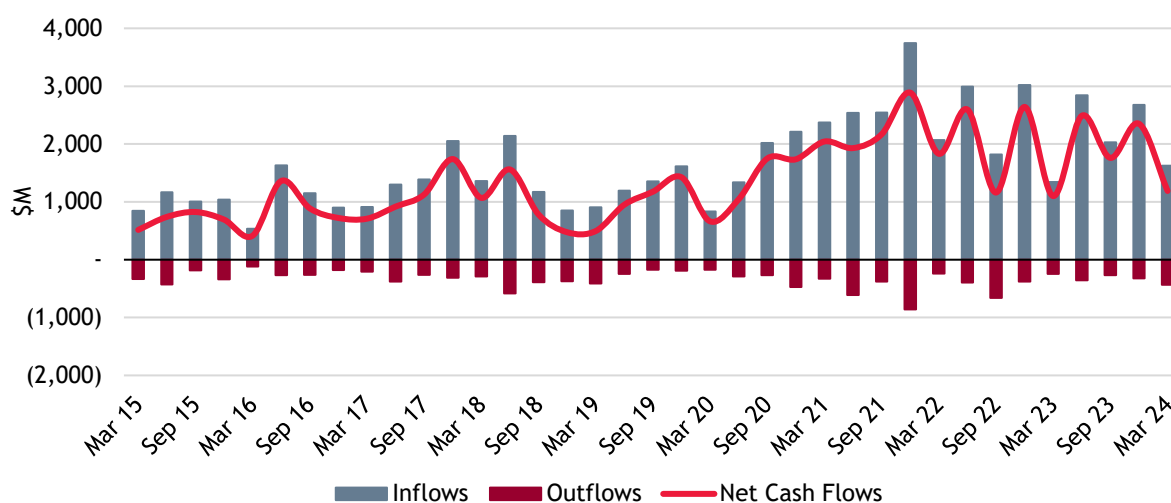
Black Cat Syndicate is a gold mining and exploration company listed on the ASX. As such, we have presented an overview of the exploration sector as well as the gold mining industry to the extent that it relates to considerations for our assessment.

Exploration sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the March quarter of 2024 suggests a slowdown in activity by explorers during a period of market stabilisation. However, despite lingering economic uncertainties, explorers were supported by strong commodity prices, particularly in the uranium sector, and the continued high demand for minerals essential to the global energy transition.

In the March 2024 quarter, financing cash inflows fell to \$1.62 billion, representing a 39% decrease to the \$2.68 billion of funds raised in the previous quarter. In addition, financing inflows averaged \$2.08 million per company, which is 29% lower than the two-year average of \$2.92 million (since March 2022). The decrease in financing inflows, coupled with a 34% increase in financing cash outflows, resulted in a 49% decrease in net financing cash flows from the December 2023 quarter. While we acknowledge the influence of seasonality on this trend, with the March 2024 quarter often being a quiet period for capital raises, interest rate increases and elevated inflation has contributed to a softening in capital markets, resulting in reduced funding availability, particularly for smaller explorers.

ASX Explorers' Financing Cash Flows (\$M)

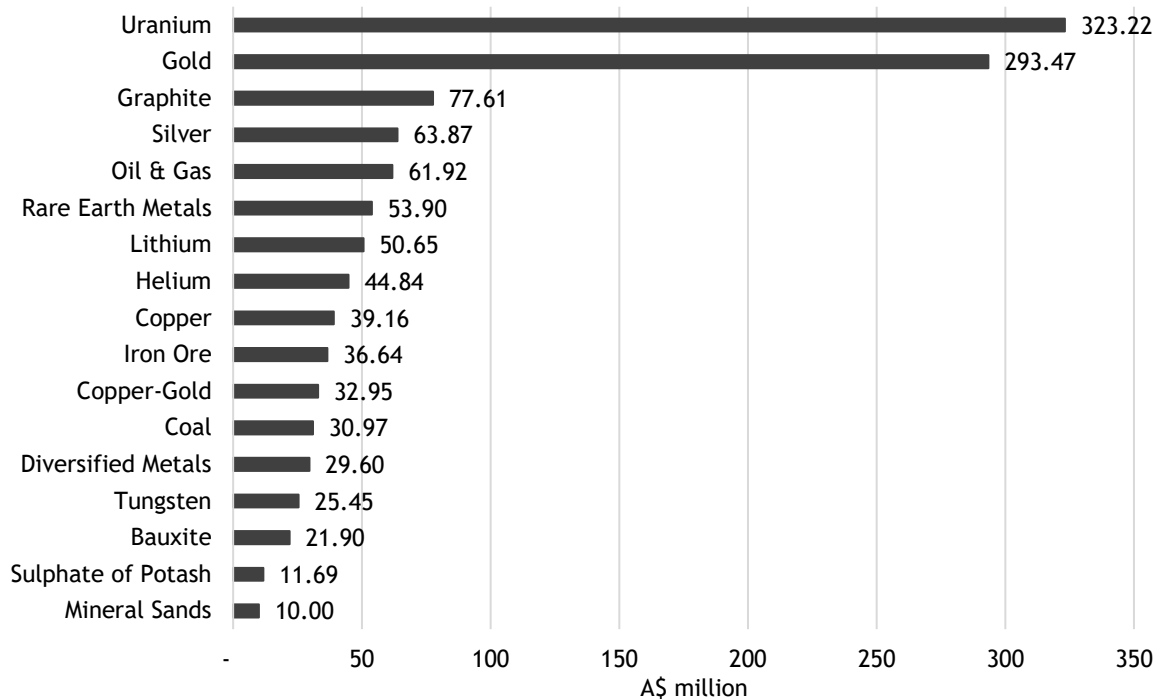


The number of companies which raised capital exceeding \$10 million (which we have termed ‘**Fund Finders**’) reduced in the March 2024 quarter with 38 companies raising \$1.21 billion compared to the 43 companies raising \$2.01 billion in the December 2023 quarter. On average, the Fund Finders of the March 2024 quarter raised \$31.8 million each and contributed to 74% of the total financing inflows in the March 2024 quarter.

Uranium explorers raised the most funds over the March 2024 quarter, with seven uranium companies accounting for 27% of funds raised during the quarter, raising a total of \$323.22 million. This marked a 50% increase from the previous quarter, which featured only two uranium companies. Uranium prices have doubled over the past twelve-month period, hitting a 16-year high of US\$106 per pound early in the quarter. The key factors driving this price shift were supply chain disruptions, sparked by geopolitical tensions with Russia, which is projected to hold 42% of the world’s enrichment capacity by 2025, coupled with renewed interest, which indicates there are both demand and supply factors driving investment in uranium.

Gold, previously dominant since June 2022, was overtaken by lithium in late 2023. Despite falling behind uranium this quarter, gold remains popular, with the gold price hitting a record high of US\$2,230 in March 2024, and accounting for 24% of the \$1.21 billion raised by Fund Finders. Graphite explorer Syrah highlighted graphite’s importance in the advancement of battery technology during the quarter, securing the commodity a podium finish in the Fund Finder analysis. And interestingly, lithium fundraising dropped to \$50.65 million in the March 2024 quarter, reflecting a 93% decrease from the previous quarter’s \$756.39 million.

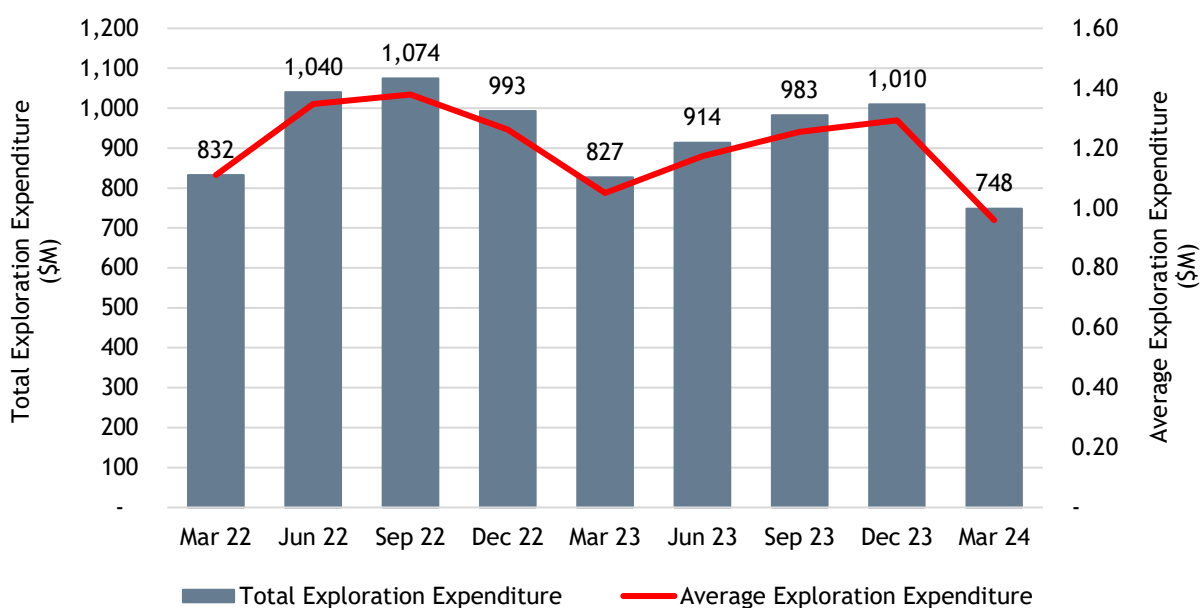
Financing Inflow by Commodity - Top 38 Explorers March Quarter 2024



Following a large December 2023 quarter in terms of activity, total exploration spending dropped by 26% to \$748 million in the March 2024 quarter, hitting a two-year low not seen since March 2022. Additionally, the average exploration spend per company reached a new low of \$0.96 million, the lowest since the average in March 2021 of \$0.83 million. This decline in exploration activity was primarily driven by explorers adopting a cash preservation strategy in response to the softening capital markets and therefore the uncertainty around when explorers can next achieve a capital raise.

The top 10 exploration spends, totalling \$179 million, comprised four lithium companies, three oil and gas companies, two gold companies and one copper-gold company. Typically, gold and oil and gas constitute the largest portion of the top 10 exploration spends. However, similar to the previous quarter, we have observed growth in exploration spending for lithium. Notably, lithium players such as Galan Lithium Limited (who recorded the second largest exploration spend of \$25 million), Loneer Limited, Latin Resources Limited and Delta Lithium Limited have collectively spent \$62 million on exploration during the March 2024 quarter.

Total Exploration Expenditure - Last Two Years (\$M)



The results from the March 2023 quarter show that despite the noticeable industry wide slowdown due to deteriorating global macroeconomic conditions and softening capital markets, the sector remained resilient, supported by strong commodity prices and sustained demand for minerals critical to the clean energy transition. Uranium has emerged as the top Fund Finder of the quarter for the first time since our analysis began in 2014, with funds raised by uranium explorers increasing by 50% on the December 2023 quarter.

Source: BDO Explorer Quarterly Cash Update: March 2024 and prior releases.

Gold mining industry

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years. More recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine, and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The mining and mineral processing techniques applied to gold is determined by the nature of the ore deposit. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2017	2018	2019	2020	2021	2022	2023
Mine production	3,576	3,656	3,596	3,482	3,589	3,625	3,644
Net producer hedging	(26)	(12)	6	(39)	(7)	(13)	17
Recycled gold	1,112	1,132	1,276	1,293	1,136	1,140	1,237
Total supply	4,662	4,776	4,878	4,736	4,718	4,752	4,899

Source: World Gold Council Statistics, 31 January 2024

The World Gold Council expects gold to remain supported with the development of new mines in North America, Asia and Australia scheduled for 2024. Heightened geopolitical tension during a key election year for many major economies and ongoing financial uncertainty from weakening global economic conditions should see gold experience persisting strong demand. Continued purchases by major central banks and concerns about a global recession is anticipated to offer further backing for the commodity. However, the risk of tighter monetary policy or an economic soft landing, particularly concerning the USA economy, could result in gold divestment.

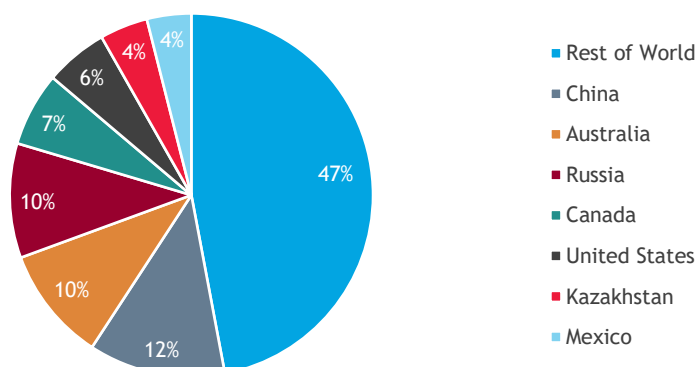
Gold ore mining is a capital intensive and high-cost process, which becomes increasingly difficult and more expensive as the quality of ore reserves diminish. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing, and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the United States Geological Survey ('USGS'), total estimated global gold ore mined for 2023 was approximately 3,000 metric tonnes. The charts below illustrate the estimated global gold production and reserves by country for 2023.

Gold production and reserves

The USGS estimates that overall global gold production in 2023 remained relatively unchanged from 2022 as production decreases in Peru and Mali were more than offset by production increases in Kazakhstan, South Africa and Tanzania.

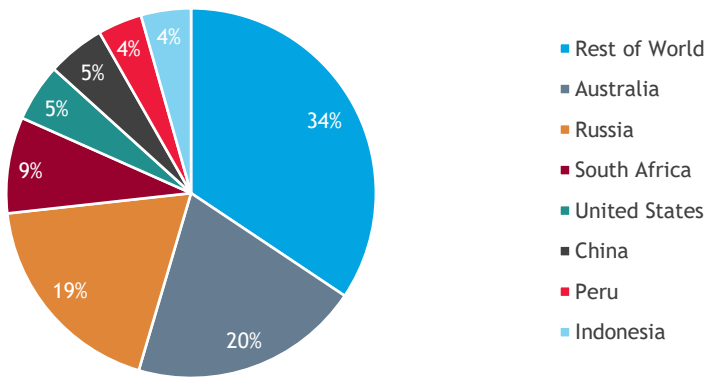
Gold Production by Country, 2023



Source: U.S. Geological Survey, January 2024

Despite China leading global gold production in 2023, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 48% of global gold reserves.

Gold Reserves by Country, as at January 2024



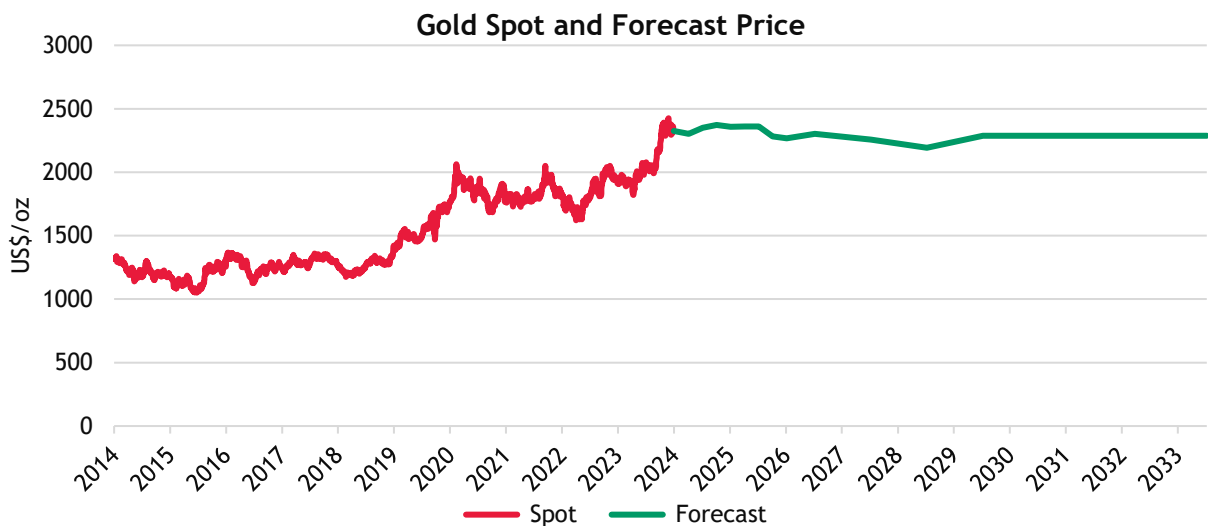
Source: U.S. Geological Survey, January 2024

According to USGS, Australia’s gold reserves amount to 12,000 tonnes, representing over 20% of global reserves and the largest held by any one country.

Australian gold producers

The Australian gold mining industry exhibits a moderate concentration comprising several large producers such as Newmont Corporation (Australia), Gold Fields and Northern Star Resources Limited, as well as many mid-tier gold producers.

Gold prices



Source: Bloomberg and Consensus Economics Survey dated 17 June 2024

The figure above illustrates the historical fluctuations in the gold spot prices from June 2014 to June 2024 and the consensus economics forecast for gold prices for the rest of 2024 through to 2033.

Over the period from 2014 through to 2019, the gold price fluctuated primarily between US\$1,100/oz and US\$1,400/oz. Throughout 2020, gold prices fluctuated significantly. Demand for gold increased in response to the uncertainty created by the pandemic, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst growing uncertainty. Gold spot prices fell to a yearly low of US\$1,471/oz, before rallying in late July and early August to exceed US\$2,000/oz. COVID-19 was the primary driver of the increase in gold price, as central banks injected billions of dollars into financial markets and investors flocked to safe asset. Additionally, the prevailing low interest rate environment at the time increased access to capital, which further spurred investment in gold.

Through to early January 2021, the price of gold increased due to further fallout from the US Election, climbing back over US\$1,900/oz after remaining in the US\$1,800s/oz through most of December 2020. For the rest of 2021, the price of gold traded between US\$1,600/oz and US\$1,900/oz as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of the Delta Variant of COVID-19 increased gold's appeal as a safe-haven asset. The price of gold exceeded US\$1,800/oz in early July 2021. However, this was quickly reversed in the following months as the US Federal Reserve signalled policy tightening, which coming sooner than anticipated, drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices strengthened following the US Federal Reserve's announcement to reduce purchases of Government bonds, as well as the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices climb above US\$1,900/oz and peak at US\$2,039/oz during March, in response to several economic sanctions on Russia and the release of US inflation data which indicated an annualised inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800/oz following the US Federal Reserve's aggressive monetary tightening to control rising inflation. The gold price continued to decline until September 2022, before it staged a recovery driven by a combination of slowing US inflation, depreciation of the US dollar, and increased gold demand by central banks for reserve diversification.

In the first quarter of 2023, several financial institutions, such as the Credit Suisse Group AG and the Silicon Valley Bank, faced liquidity and investor confidence issues. A lack of confidence in some parts of the banking sector supported the gold price. Early April 2023 saw gold prices surpass US\$2,000/oz as investors speculated a nearing of the end of interest rate tightening in the US.

During January and February of 2024, gold continued to largely trade above US\$2,000/oz. However, in March, the gold price rapidly increased to over US\$2,400/oz in May, reaching a record high. The rise in the gold price was attributed to several factors including geopolitical instability from conflicts in Ukraine and the Middle East, global inflation, and an increased holding in gold by central banks in developing countries. Although the price of gold in June retreated from its highs set in May, it continues to remain resilient, supported by US economic data which support the case for interest rate cuts.

Consensus Economics forecasts the gold price to continue to trade around current levels in the near term before gradually weakening over 2026 to 2028. From 2026 to 2028, the gold price is expected to range between around US\$2,250/oz and US\$2,300/oz. The long term (2029-2033) nominal forecast is broadly within this range, at approximately US\$2,288/oz.

Source: Bloomberg, Consensus Economics, IBISWorld, World Gold Council and Reuters

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- Net asset value ('NAV'); and
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Black Cat shares we have chosen to employ the following methodologies:

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above. The component parts are then aggregated to arrive at a value of the company.

9.1 Value of Black Cat prior to the approval of the Resolution

In our assessment of the value of a Black Cat share prior to the approval of the Resolution, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated. The value derived from this methodology reflects a control value.
- QMP as our secondary methodology, representing the value that a Shareholder may receive for a share if it were sold on market. The value derived from this methodology reflects a minority interest value.

In our Sum-of-Parts valuation, the value of Kal East is made up of two components: the Myhree and Boundary open pits (also referred to as the Bulong deposit in the ERM Report) and the remaining mineral resources of Kal East.

Kal East's Myhree and Boundary open pits

The value of mineral assets from the Myhree and Boundary open pits which are mined and processed under the MMS Term Sheet and PGPL Ore Sale Agreement (as announced on 20 May 2024 and outlined in Section 5.3) are valued separately from the rest of Kal East's mineral assets. A DCF approach has been used to value this portion of Kal East based on a financial model provided by Black Cat (the 'Turn-key Model'). We reviewed the Turn-key Model and applied our assessed economic inputs and discount rate to it, along with any changes to technical inputs advised by ERM to arrive at an adjusted model (the 'Adjusted Turn-Key Model'), which is then used to assess the DCF value of this project.

□

Kal East's remaining mineral assets

We considered the use of a DCF valuation to value the remaining mineral assets of Kal East based on a Kal East financial model provided by Black Cat (the '**Kal East Model**'). We reviewed the Kal East Model and applied BDO's assessed economic inputs to it. In addition, we adjusted the Kal East Model to reflect any changes to the technical inputs as advised by ERM. The adjustments made to the Kal East Model include:

- Adjusting the gold pricing used in the model to reflect BDO's assessed forecast gold pricing and AUD:USD exchange rate assumptions as set out in Section 10.1.1;
- Converting the model's real cash flows to nominal cash flows using our assessed forecast inflation over the life of the mine;
- Applying the discount rate assessed in Appendix 5; and
- Adjusting the technical assumptions underpinning the cash flows to reflect ERM's recommendations (if any).

After making these adjustments to the Kal East Model, we arrived at an adjusted model (the '**Adjusted Kal East Model**').

The net present value of the cash flows derived from the Adjusted Kal East Model was lower than the value ascribed by ERM to the remaining mineral assets of Kal East, which was performed using alternative valuation methodologies, as contained in the ERM Report in Appendix 6. Therefore, the highest and best use values for this portion of Kal East is derived from employing a market-based valuation, which represents a value that could be obtained in the market by selling the project as a resource with associated infrastructure.

It is not uncommon for a market-based approach, such as comparable transaction multiples, to result in a valuation higher than the present value of cash flows derived under a DCF approach. This is largely because a DCF valuation represents forecast cash flows using forecast inputs as at the valuation date. In the context of an IER, the expert must have reasonable grounds in accordance with Regulatory Guide 170 Prospective Financial Information ('**RG 170**') and Information Sheet 214 Mining and resources - Forward-looking statements ('**IS 214**') for the assumptions underpinning a DCF valuation.

Therefore, whilst we have considered the DCF approach, we have not relied on it to inform our view of the value of the remaining mineral assets of Kal East outside of the Boundary and Myhree open pits. Our preferred approach is to rely on the valuations performed by ERM in valuing this portion of Kal East, with the various valuation approaches detailed in the ERM Report in Appendix 6.

Consequently, we have employed the Sum-of-Parts methodology in estimating the fair market value of Black Cat prior to the approval of the Resolution by aggregating the estimated fair values of its underlying assets and liabilities, having consideration for:

- The value of Paulsens and the Myhree and Boundary open pits, applying the DCF methodology.
- The value of Black Cat's other mineral assets, including Coyote and the rest of Kal East, and any mineral resources outside of the Paulsens model (collectively termed '**Black Cat's Other Mineral Assets**'), having reliance on the valuations carried out by the independent technical specialist, ERM.
- The notional funding required in order to realise the DCF value of Paulsens. In assessing the funding requirements, we have accounted for the shares in Tranche 1 of the June 2024 Placement which have been or are expected to be issued at the date of our Report, and, to be consistent with our valuation of Black Cat following the approval of the Resolution (see Section 9.2), we have also assumed conversion of the Convertible Notes. This is because, even if the Resolution is not

approved, Sundy would still (subject to Chinese regulatory and FIRB approvals) be able to convert the Convertible Notes into shares. We note that in our valuations prior to and following approval of the Resolution, we have not assumed the completion of Tranche 2 of the June 2024 Placement, as this portion remains subject to shareholder approval. Furthermore, under the Resolution, the maximum interest that Sundy will have in the Company occurs in the scenario whereby Tranche 2 of the June 2024 Placement does not occur.

- The value of Black Cat's other assets and liabilities, adjusting to fair market value under the NAV methodology.
- The present value of Black Cat's expected corporate overhead costs which is based on an analysis of the corporate costs incurred by comparable ASX-listed companies while also having consideration for the Company's historical corporate costs.

We have chosen these methodologies for the following reasons:

- We have valued Paulsens using a DCF valuation approach as the Company has completed a restart feasibility study (updated in May 2024), has a declared Mineral Resource including an Ore Reserve and has entered into financing discussions to partly fund the capital expenditure required for mine development. Therefore, we consider that we have a reasonable basis under RG 170 and IS 214 to apply the DCF methodology for use of a DCF valuation. We have also engaged ERM to act as independent technical specialist to perform a review of the technical project assumptions contained in the Paulsens cash flow model prepared by the Company. We note that the Company's announcement to selectively mine developed veins within the aforementioned Internal Operating Plan at Paulsens has not been included in our valuation as it includes additional mining areas that are not currently within the MRE and do not meet the requirements for public release. Accordingly, we do not have reasonable grounds to include them in our valuation.
- The independent technical specialist, ERM, has valued the residual resources not included in the DCF valuation of Paulsens using alternative valuation methodologies, as contained in the ERM Report in Appendix 6.
- The value of Kal East's Myhree and Boundary open pits also using the DCF valuation approach, for similar reasons outlined for Paulsens above. The Company has entered into the turn-key funding, development and processing package which does not require funding from Black Cat. Furthermore, the commencement of mining is imminent, rendering this approach more suitable than a market approach such as a resource multiple.
- ERM has also valued the Coyote and the rest of Kal East using the comparable transactions approach. Further detail on ERM's valuation approach can be found in its report in Appendix 6. We have considered the work performed by ERM as well as the methodologies used and consider them to be in accordance with industry practices and compliant with the requirements of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) ('**Valmin Code**'). A copy of the ERM Report is attached in Appendix 6.
- We have valued Black Cat's other assets and liabilities using the cost approach as they reflect the assets and liabilities which are not included in the DCF methodology and are not income generating in themselves.
- The QMP basis is a relevant methodology to consider because Black Cat's shares are listed on the ASX. This means there is a regulated and observable market where Black Cat's shares can be traded, therefore reflecting the value that a Shareholder will receive for a share sold on the market. However, in order for the QMP methodology to be considered appropriate, the listed

shares should be liquid and the market should be fully informed of the Company's activities. An analysis of the liquidity of the Company's shares is detailed in Appendix 3 of our Report.

- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. Further, the FME methodology is not considered appropriate for valuing finite life assets, such as mining assets. Therefore, we do not consider the application of the FME approach to be appropriate.

9.2 Value of Black Cat following approval of the Resolution

As approval of the Resolution will only change the funding available to Black Cat compared to the notional funding assumed prior to the approval of the Resolution, the valuation approach adopted for valuing the Company following the approval of the Resolution is consistent with that set out in Section 9.1 above.

We have adopted:

- the Sum-of-Parts as our primary valuation methodology assuming the completion of the Proposed Placement and the conversion of the Convertible Notes, while the fair value of the Company's other assets and liabilities remain unchanged. The value derived from this methodology reflects a control value, to which we then apply a minority interest discount
- QMP as a secondary methodology, using an analysis of the price of a Black Cat share following the announcement on 15 March 2024. The value derived from this methodology reflects a minority interest value.

Our reasons for selecting these valuation methodologies are consistent with those set out in Section 9.1 above.

In our Sum-of-Parts valuation for Black Cat both prior to and following approval of the Resolution, the value of Black Cat's mineral assets have been assessed via a combination of the income approach (DCF valuation) and ERM's valuations which are set out in Appendix 6. This is summarised in the table below.

Project	Valuation approach
Paulsens	A portion of Paulsens' mineral resource (including its ore reserve) has been valued using the DCF valuation methodology while ERM has valued the remnant resources not included in the DCF valuation.
Kal East	The value of Kal East's Myhree and Boundary open pits under the contract mining and processing arrangement has been valued using the DCF valuation approach, while the rest of Kal East's resources have been valued by ERM.
Coyote	ERM has valued the entire Coyote project.

10. Valuation of Black Cat prior to the approval of the Resolution

10.1 Sum-of-Parts valuation of Black Cat prior to the approval of the Resolution

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Black Cat share on a controlling interest basis prior to the approval of the Resolution, by aggregating the estimated fair market values of Black Cat's underlying assets and liabilities, having consideration of the following:

- □ Value of Paulsens, applying the DCF methodology
- □ Notional funding required for the restart of Paulsens
- □ Value of Kal East's Myhree and Boundary open pits under the MMS and PGPL arrangements, applying the DCF methodology
- □ Value of Black Cat's Other Mineral Assets comprising the value of residual resources not included in the DCF valuation of Paulsens, and the value of the rest of Kal East and Coyote, having reliance on the valuation performed by ERM
- □ Present value of Black Cat's expected corporate costs based corporate costs of comparable gold producers listed on the ASX while also having regard to the Company's own historical costs
- □ Value of Black Cat's other assets and liabilities, adjusting to fair market value under the NAV methodology
- □ Number of shares on issue in Black Cat prior to the approval of the Resolution.

We have conducted our analysis based on two scenarios:

- **Scenario A:** assuming the equity raising component of the notional funding (detailed in Section 10.1.2) is conducted at a discount to our post-announcement pricing analysis (resulting in an assumed issue price of between \$0.216 and \$0.255).
- **Scenario B:** assuming the notional equity raising component is conducted at the June 2024 Placement price of \$0.270 per share. As a result of the higher placement price assumed, fewer shares are issued as part of this notional equity raising, resulting in a higher value per share. Apart from this, there are no differences between the two scenarios.

Our Sum-of-Parts valuations for the two scenarios are set out below:

Scenario A) Notional equity raising at discount to post-announcement pricing

Sum-of-Parts Valuation of Black Cat prior to the approval of the Resolution	Ref	Low \$'000s	Preferred \$'000s	High \$'000s
DCF valuation of Paulsens	10.1.1	68,000	83,000	99,000
Cash raised through notional equity raising (net of costs)	10.1.2	12,000	12,000	12,000
Value of Black Cat's Other Mineral Assets	10.1.3	100,947	126,975	153,002
Present value of Black Cat's corporate costs	10.1.4	(26,700)	(22,200)	(17,800)
Value of Black Cat's other assets and liabilities	10.1.5	(11,326)	(11,326)	(11,326)
Notional debt facility fee	10.1.6	(625)	(625)	(625)
Total value of Black Cat prior to the approval of the Resolution (control)		142,296	187,824	234,250
Adjusted number of Black Cat shares on issue prior to the approval of the Resolution - Scenario A	10.1.7	477,526,297	473,006,759	468,487,220
Value of a Black Cat share prior to the approval of the Resolution (\$) (control)		0.298	0.397	0.500

Source: BDO analysis

Under Scenario A, we have assessed the value of a share in Black Cat on a controlling interest basis, prior to the approval of the Resolution, to be in the range of \$0.298 to \$0.500 with a preferred value of \$0.397.

Scenario B) Notional equity raising at June 2024 Placement price of \$0.270

Sum-of-Parts Valuation of Black Cat prior to the approval of the Resolution	Ref	Low \$'000s	Preferred \$'000s	High \$'000s
DCF valuation of Paulsens	10.1.1	68,000	83,000	99,000
Cash raised through notional equity raising (net of costs)	10.1.2	12,000	12,000	12,000
Value of Black Cat's Other Mineral Assets	10.1.3	100,947	126,975	153,002
Present value of Black Cat's corporate costs	10.1.4	(26,700)	(22,200)	(17,800)
Value of Black Cat's other assets and liabilities	10.1.5	(11,326)	(11,326)	(11,326)
Notional debt facility fee	10.1.6	(625)	(625)	(625)
Total value of Black Cat prior to the approval of the Resolution (control)		142,296	187,824	234,250
Adjusted number of Black Cat shares on issue prior to the approval of the Resolution - Scenario B	10.1.7	465,705,966	465,705,966	465,705,966
Value of a Black Cat share prior to the approval of the Resolution (\$) (control)		0.306	0.403	0.503

Source: BDO analysis

Under Scenario B, we have assessed the value of a share in Black Cat on a controlling interest basis, prior to the approval of the Resolution, to be in the range of \$0.306 to \$0.503 with a preferred value of \$0.403.

10.1.1. Value of Paulsens

We have elected to use the DCF approach in valuing Paulsens. The DCF approach estimates the fair market value of Paulsens by discounting the future cash flows arising from them to their net present value ('NPV'). Performing a DCF valuation requires the determination of:

- The future cash flows that Paulsens is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the operations to convert them to their present value equivalent.

The value that we have ascribed to Paulsens is based on adjusting any technical inputs to the model as advised by ERM and applying our view of future economic assumptions, all of which are derived from information available at the time of the ERM Report and our Report respectively. The technical and economic factors may change in the future, which may change the DCF value of Paulsens.

The management of Black Cat has prepared a detailed corporate-level cash flow model for Paulsens ('the Paulsens Model'). The Paulsens Model estimates the future cash flows expected from gold produced from the project's underground mine and Belvedere underground. The Paulsens Model depicts forecasts of real, pre-tax cash flows over an approximately five year life, on a monthly basis, beginning from 1 January 2024.

BDO has made certain adjustments to the Paulsens Model where it was considered appropriate to arrive at an adjusted model ('the Adjusted Paulsens Model'). In particular, we have adjusted the Paulsens Model to:

- remove care and maintenance costs associated with Coyote, given this project is valued separately by ERM outside of the DCF valuation. This is on the basis that an acquirer would factor in the expected care and maintenance costs in its determination of the price it is willing to pay to acquire the assets, therefore these costs are reflected in the assessed multiple used to value the project;
- remove corporate costs as these are considered separately in our Sum-of-Parts valuation;
- reflect any changes to technical assumptions as a result of ERM's review;

- reflect any changes to the economic and other input assumptions from our research;
- include the modelling of taxes (incorporating the Company's available tax losses); and
- adopt a valuation date of 31 May 2024.

From its review of the technical assumptions, ERM assessed the technical inputs used in the Paulsens Model to be reasonable, hence no adjustments were recommended. Further details of ERM's assessment is set out in the ERM Report, included in Appendix 6.

The Paulsens Model was prepared based on estimates of the Company's mining and production profile, operating costs and capital expenditure, specifically at the Paulsens underground mine and Belvedere satellite pit. Cashflows in the model were prepared on an Australian Dollar basis and therefore the NPV calculated is in Australian Dollar terms. The main assumptions underlying the Adjusted Paulsens Model include:

- mining and milling volumes;
- operating costs;
- capital expenditure (including costs of refurbishing the mill);
- rehabilitation and closure costs (both mine and plant closure);
- royalties;
- gold prices;
- foreign exchange rates;
- corporate taxes; and
- discount rate.

BDO has undertaken an analysis of the Paulsens Model which has involved:

- appointing ERM as a technical specialist to review, and where required, provide suggested changes to the technical assumptions underpinning the Paulsens Model;
- analysing the Paulsens Model to confirm its integrity and mathematical accuracy;
- conducting independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation and the discount rate applicable to the future cash flows of Paulsens;
- holding discussions with Black Cat's management regarding the preparation of the forecasts in the Paulsens Model and its views; and
- performing sensitivity analyses on the value of Paulsens as a result of flexing certain assumptions and inputs.

The Adjusted Paulsens Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Standards on Assurance Engagement ASAE 3450 'Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information' and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Paulsens Model has been based have not been prepared on a reasonable basis.

Appointment of technical expert

ERM was engaged to prepare the ERM Report which includes a technical assessment of the assumptions underlying the Paulsens Model. ERM's assessment involved the review and provision of an opinion on the reasonableness of the assumptions adopted in the Paulsens Model, including but not limited to:

- the Mineral Resources and Reserves included in the Paulsens Model;
- mining physicals (including volume mined, recovery and grades);
- processing assumptions (including mill utilisation and metallurgical recovery rates);
- operating costs (including mining, processing and site administration costs);
- capital expenditure;
- royalties;
- rehabilitation and closure costs; and
- other relevant assumptions.

The ERM Report is included in Appendix 6.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Paulsens Model, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions used in the DCF valuations of Paulsens and Kal East's Myhree and Boundary open pits

Inflation

As Black Cat's assets are based in Western Australia, we have applied the forecast Australian inflation rate to the costs (including operating and capital expenditure) within the respective DCF models.

In forming our assessment of the forecast inflation rate, we have had regard to consensus views of forecast inflation as sourced from Bloomberg, as well as consideration of the recent trend of inflation in Australia. The inflation assumptions we have adopted are outlined in the table below, with long-term inflation from FY2027 and beyond assumed to be flat at 2.5% per annum, consistent with the Reserve Bank of Australia's long-term inflation target of between 2% to 3%.

Australian inflation rate	FY2024*	FY2025	FY2026	FY2027+
Average inflation rate	3.4%	3.1%	2.7%	2.5%

*FY2024 reflects partial fiscal year beginning 1 June 2024 and ending 30 June 2024

Source: Bloomberg and BDO analysis

Gold prices

In assessing the forecast gold price, we have considered the Consensus Economics price forecasts as at June 2024. The average commodity prices applied are shown in the table below. We note that Consensus Economics provides long-term nominal gold pricing over 2029 to 2023 which we have adopted as our nominal pricing from January 2029 onwards.

Commodity prices	FY2024*	FY2025	FY2026	FY2027	FY2028	Jan-29+
Gold price (US\$/oz)	2,325	2,345	2,320	2,280	2,225	2,290

*FY2024 reflects partial fiscal year beginning 1 June 2024 and ending 30 June 2024

Source: Bloomberg, Consensus Economics and BDO analysis

Exchange rates

Metal prices obtained from our research are quoted in nominal USD terms. We have converted the metal prices from USD to AUD at the following forecast exchange rates:

AUD:USD Exchange Rate	FY2024*	FY2025	FY2026	FY2027	FY2028	FY2029+
Average AUD:USD	0.665	0.681	0.725	0.730	0.735	0.740

*FY2024 reflects partial fiscal year beginning 1 June 2024 and ending 30 June 2024

Source: Bloomberg and BDO analysis

In our assessment of foreign exchange rates, we have considered historical exchange rates as well as forecasts prepared by economic analysts and other publicly available information, including broker consensus, to arrive at our foreign exchange rate assumptions. We have assumed the exchange rate remains constant beyond FY2029, give the long-term difference in inflation between the Australian and US economies is minimal.

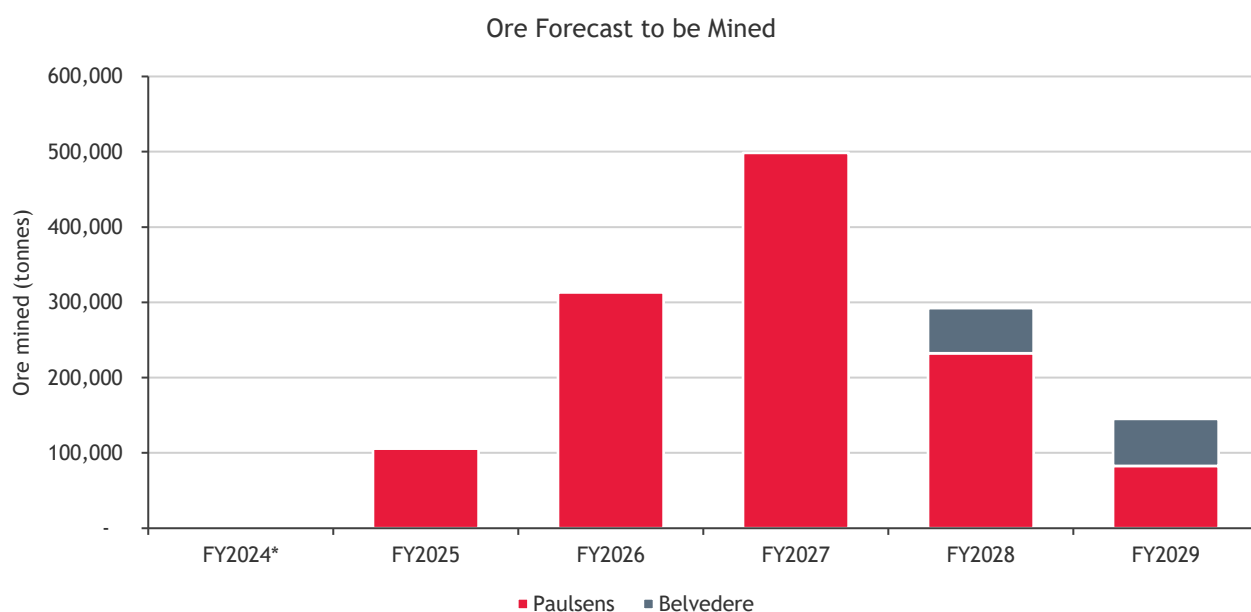
Mining physicals

Mining at Paulsens is forecast to commence in late 2024 and the Adjusted Paulsens Model contemplates a forecast period of approximately five years, beginning from the valuation date of 31 May 2024 through to end February 2029. ERM have reviewed the mining and processing physicals in the model and have found them to be reasonable, therefore no adjustments were required.

Further details of ERM's procedures can be found in the ERM Report attached as Appendix 6.

ERM has also advised that there are Residual Resources not accounted for in the Paulsens Model, which could extend the life of mine beyond the forecast period. ERM has provided a valuation for these Residual Resources, which we have accounted for outside of the DCF valuation of Paulsens, separately in our Sum-of-Parts valuation.

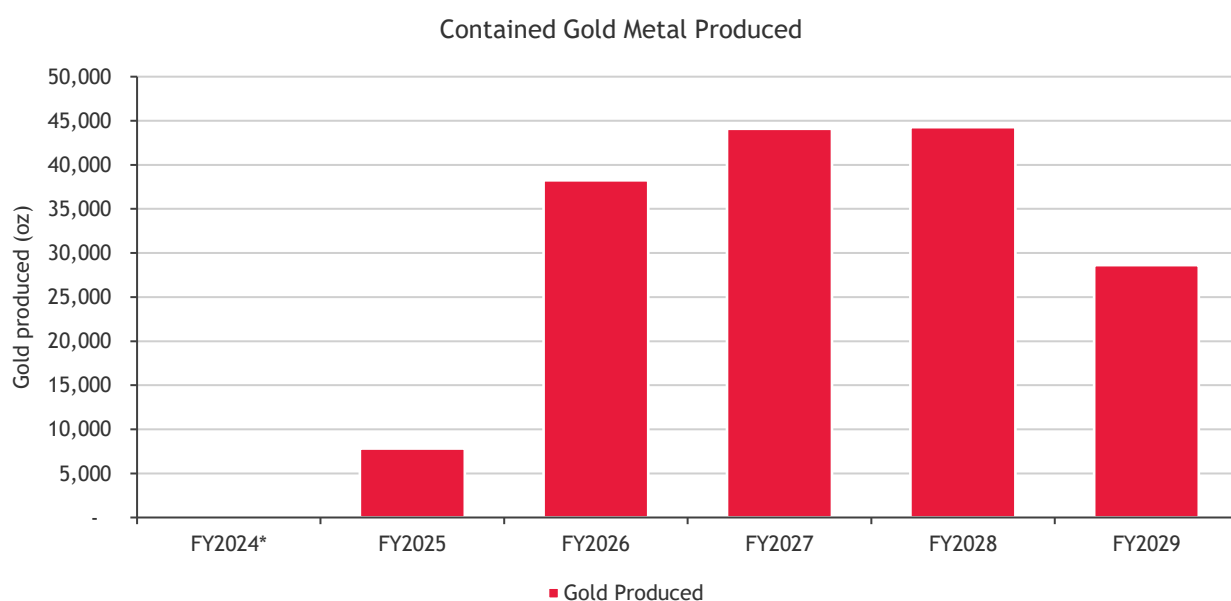
The graph below shows the forecast ore to be mined over the life of mine of Paulsens. The periods in the charts below are in financial years beginning 1 July and ending 30 June of each year. The exception to this is for FY2024, which represents a partial period due to our adopted valuation date of 31 May 2024.



*FY2024 reflects partial fiscal year beginning 1 June 2024 and ending 30 June 2024

Source: Adjusted Paulsens Model

The ore that is mined is processed into gold resulting in the following production profile.



*FY2024 reflects partial fiscal year beginning 1 June 2024 and ending 30 June 2024

Source: Adjusted Paulsens Model

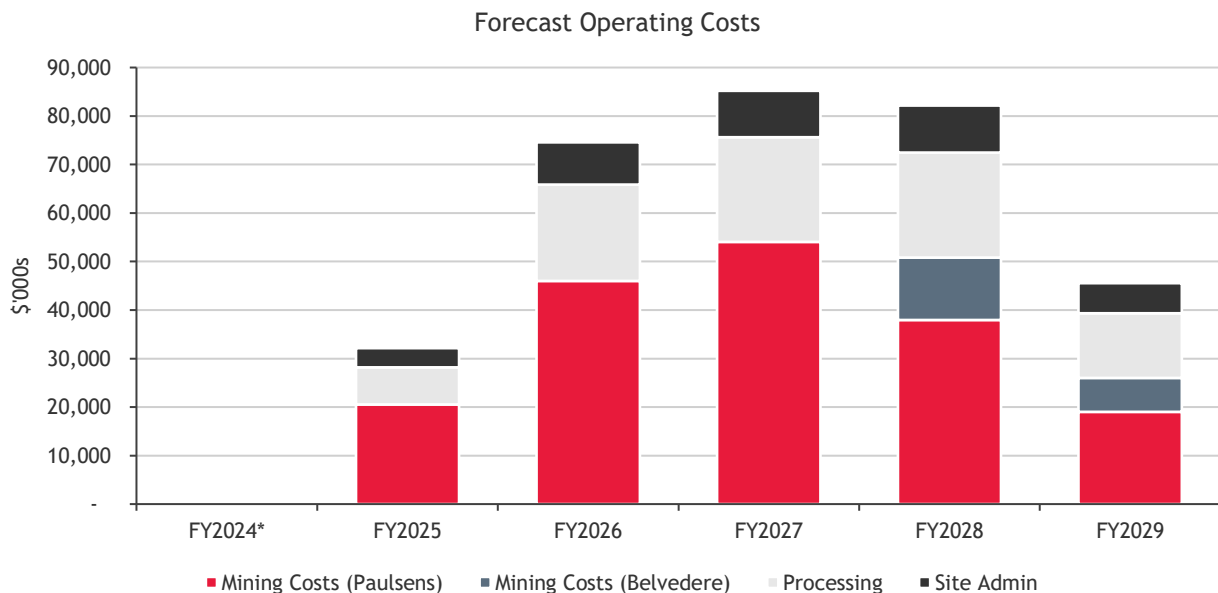
Operating costs

The operating costs forecast in the Paulsens Model include mining, processing, site administration, royalties and corporate costs. These costs are calculated on a real basis within the model. In preparing the Adjusted Paulsens Model, we have removed corporate costs (as we account for these separately in our Sum-of-Parts valuation) and have applied our inflation assumptions to the remaining operating costs, where applicable.

ERM has assessed the forecast capital expenditure cost assumptions in the model and considered them to be reasonable, therefore no adjustments were required.

Further details of ERM's procedures can be found in the ERM Report attached as Appendix 6.

The forecast operating costs for Paulsens, incorporating ERM's technical input assumptions and BDO's macroeconomic assumptions, are illustrated in the charts below.



*FY2024 reflects partial fiscal year beginning 1 June 2024 and ending 30 June 2024

Source: Adjusted Paulsens Model

Royalties

Royalties within the Adjusted Paulsens Model are in addition to the costs outlined above and comprise:

- Puutu Kunti Kurrama People and Pinikura People ('PKKP') royalties - being 0.75% of the value of the contained metal from gold production.
- State royalties - being 2.5% of the value of the contained metal from gold production.

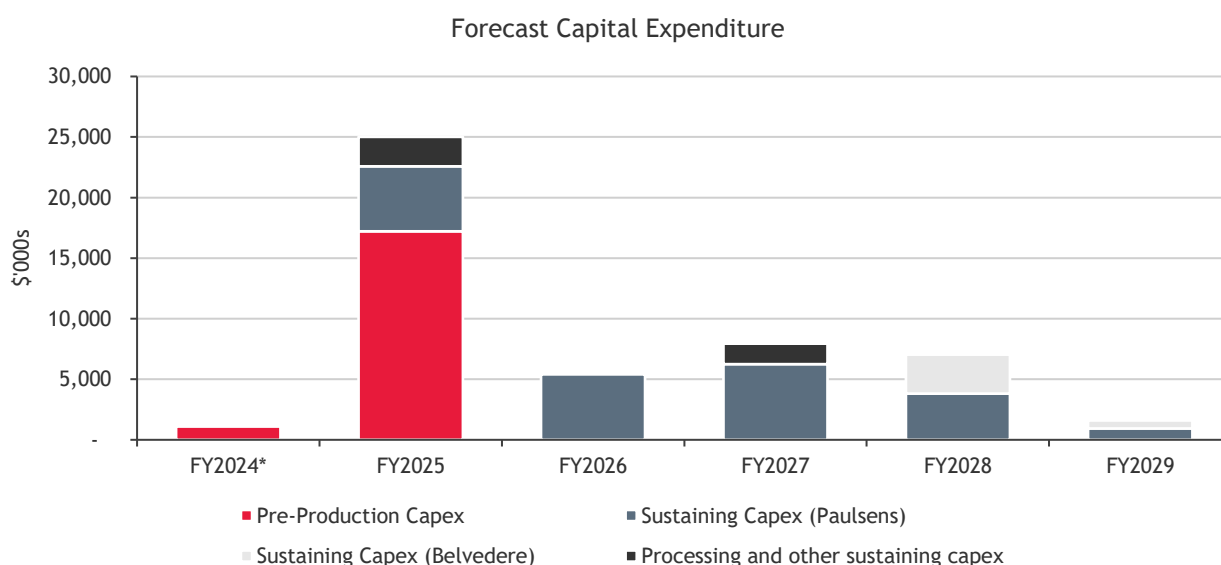
These rates are consistent with those outlined in the ERM Report and therefore we have adopted them for the purposes of our DCF valuation.

Capital expenditure

The capital expenditure requirements for Paulsens relate to pre-production restart capital expenditure and ongoing sustaining capital expenditure. ERM has assessed the forecast capital expenditure cost assumptions in the model and considered them to be reasonable, therefore no adjustments were required.

Further details of ERM's procedures can be found in the ERM Report attached as Appendix 6.

As set out below, most of the forecast capital expenditure is expected to be incurred in FY2025 and relates to pre-production capital expenditure.



*FY2024 reflects partial fiscal year beginning 1 June 2024 and ending 30 June 2024

Source: Adjusted Paulsens Model

Taxation

We have modelled taxes within the Adjusted Paulsens Model incorporating the available carried forward tax losses as at 31 December 2023 of approximately \$99.07 million, as disclosed in the Company's half-year financial report. In modelling taxes, we have reflected our assumptions on financing and corporate costs, as well as depreciation and amortisation of plant and equipment and mining assets, when assessing taxable income. The Australian corporate tax rate of 30% is then applied in the calculation of taxes payable.

Based on our modelling, there is no tax forecast to be paid over the forecast period, largely due to the Company's substantial tax losses available.

Trade receivables and trade payables

The Adjusted Paulsens Model assumes all payments are made to suppliers and revenue is received from sales within each of the forecast months.

Ore inventory

Ore is mined and processed based on the available capacity of the mill. When the mill is at capacity, any mined ore is stockpiled and is eventually processed over the remaining forecast period.

Discount rate

We have calculated the NPV of Paulsens excluding financing cash flows. In our assessment of an appropriate discount rate to apply to the cash flows of the Adjusted Paulsens Model, we consider the most appropriate discount rate to be Black Cat's post-tax weighted average cost of capital ('WACC').

For the DCF valuation of Paulsens, we have selected a nominal post-tax discount rate in the range of 10.4% to 12.0% with a preferred rounded midpoint of 11%. We have used our preferred rounded midpoint to discount the cashflows in the Adjusted Paulsens Model.

In selecting our range of discount rates we considered the following:

- the rate of return for comparable ASX-listed Australian gold mining companies; and
- the risk profile of Paulsens as compared to the comparable companies identified.

A detailed consideration of how we arrived at the adopted post-tax nominal discount range is discussed in Appendix 5.

Sensitivity analysis

We have analysed the key assumptions to the Adjusted Paulsens Model and have prepared sensitivities on the post-tax NPV. The sensitivity analysis considers the value of Paulsens under various pricing scenarios, and in applying:

- a relative change of +/- 10% to the gold price;
- a relative change of +/- 10% to operating costs;
- a relative change of +/- 10% to capital costs;
- a relative change of +/- 10% to the AUD:USD exchange rate;
- a discount rate in the range of 10.0% to 12.0%; and
- an absolute change of +/- 1% to the rate of inflation rate assumed.

These sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of Paulsens if our base case assumptions change.

In \$'000s		Sensitivity Analysis of Paulsens			
% Relative Flex	Gold Price	Operating Costs	Capital Costs	AUD:USD Rate	
+10.0%	115,958	59,263	79,360	50,173	
+8.0%	110,472	64,104	80,182	56,340	
+6.0%	104,956	68,946	81,004	62,738	
+4.0%	98,122	73,787	81,826	69,383	
+2.0%	90,796	78,629	82,649	76,289	
-	83,471	83,471	83,471	83,471	
-2.0%	76,145	88,312	84,293	90,946	
-4.0%	68,820	93,154	85,115	98,732	
-6.0%	61,494	97,996	85,937	106,013	
-8.0%	54,169	102,837	86,760	112,384	
-10.0%	46,844	106,765	87,582	118,985	

Source: BDO analysis and the Adjusted Paulsens Model

Sensitivity Analysis of Paulsens to the discount rate					
Discount rate	10.0%	10.5%	11.0%	11.5%	12.0%
Value (\$'000s)	86,368	84,905	83,471	82,065	80,687

Source: BDO analysis and the Adjusted Paulsens Model

Sensitivity Analysis of Paulsens to the inflation rate					
% Absolute Flex on Inflation Rate	-1.0%	-0.5%	-	+0.5%	+1.0%
Value (\$'000s)	89,029	86,264	83,471	80,648	77,797

Source: BDO analysis and the Adjusted Paulsens Model

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of Paulsens to changes in pricing and other assumptions.

Conclusion on DCF valuation of Paulsens

Based on the above analysis, we consider the value of Paulsens to be in the range of \$68 million to \$99 million with a preferred value of \$83 million. Our assessed valuation range was formed having consideration to sensitivities around a +/-5% relative change in the AUD:USD exchange rate and a circa +/-5% relative change in the gold price, given the sensitivity of the NPV to these assumptions.

10.1.2. Notional funding of Paulsens

RG 111.15 states that funding requirements for a company that is not in financial distress (e.g., capital that is required to develop a project) should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology.

Paulsens requires funds to cover the capital expenditure and working capital requirements for its restart before the project becomes cash flow positive. Including Tranche 2 of the June 2024 Placement, our assessment indicates that Black Cat has sufficient funds to restart Paulsens, even in the absence of the Proposed Placement. However because Tranche 2 of the June 2024 Placement (and the additional Directors participation on the same terms) is still subject to shareholder approval, we have not assumed its completion in our assessment. Furthermore, under the Resolution, the maximum interest that Sundy will have in the Company occurs in the scenario whereby Tranche 2 of the June 2024 Placement does not occur.

The Convertible Notes (which mature in March 2027) may be converted into Black Cat shares by Sundy even if the Resolution is not approved by Shareholders, assuming the remaining conditions precedent are achieved before 15 August 2024. Given the conversion of the Convertible Notes is not dependent upon Shareholder approval of the Proposed Placement, we have assumed they convert in August 2024 (with any interest accrued paid then).

In assessing the funding requirements, we have accounted for:

- the corporate costs expected to be incurred by Black Cat
- the Northern Star Deferred Consideration payments (a tranche has been paid in June 2024 and another tranche is due June 2025)
- the cash received from shares issued as part of Tranche 1 of the June 2024 Placement as at the date of our Report and the Company's existing cash balance of \$2.94 million at 31 May 2024
- the cash received from the Myhree and Boundary open pit mining and processing arrangements with MMS and PGPL (which is valued separately in Section 10.1.3).

Black Cat has advised us that there are still 5,555,556 shares to be issued pursuant to Tranche 1 of the June 2024 Placement, which is expected to raise an additional \$1.5 million before costs. As these shares have not been issued at the date of our Report, we have excluded them from the existing funds available to the Company (noting that their inclusion would not be material to our opinion).

We note that the Paulsens funding requirement includes the pre-production capital expenditure and mining costs incurred over the initial months of the restart period, with sustaining capital expenditure to be covered by operating cash flows over the life of Paulsens.

In the absence of the Proposed Placement, we have considered the next best alternatives available to Black Cat to fund the restart of Paulsens. We have assumed that all of the Company's existing cash reserves would be available for use towards the restart of Paulsens, repayment of any interest on the Convertible Notes and to fund the Northern Star Deferred Consideration payments.

The remainder could then be funded by a mix of debt and equity funding. The notional funding that we have assumed will be sourced by Black Cat for the purposes of the restart of Paulsens is detailed in the following sections.

We note that we have accounted for the funding requirements separately to the value of Paulsens itself. As such, the funding requirements are not considered in the Adjusted Paulsens Model and therefore are not included in our DCF valuation of Paulsens as determined in the previous section.

10.1.2.1. □ Notional debt funding

Senior debt facility

We understand that since 2023 and in anticipation of Paulsen's restart, Black Cat has been in negotiations with various debt providers including local banks, local funds and overseas investors, for a project based debt financing facility. Black Cat advised that some of these parties provided non-binding indicative proposals for such a facility. The Company has also appointed Leeuwin Capital Partners ('Leeuwin') as its debt advisors and, as announced on 4 June 2024, expects to enter into a secured debt facility in July 2024.

Based on our discussions with management and our research of comparable company debt, we consider a reasonable debt facility size for Paulsens to be around \$20 to \$30 million, and have assumed a \$25 million notional debt facility. We have not disclosed the specific terms of any potential debt arrangements as Black Cat has only received non-binding indicative proposals at this juncture, and disclosing any terms may impede the negotiation process.

We have modelled such a debt facility having regard to the interest rate and tenor set out in the non-binding indicative proposals, which do not appear unreasonable based on our understanding of debt facilities for similar mining companies entering production. Based on our analysis and research of comparable company debt, an interest rate of between 13% and 15% would be reasonable for such a facility. We have adopted the midpoint of this range at 14% for our modelling purposes. We consider the above debt funding assumptions to be reasonable in the context of comparable company debt as well as the \$15 million debt facility initially offered by Mingjin and announced as part of the Initial Package (which was subsequently terminated).

We note that a senior debt facility would give rise to an asset and liability of equal amounts to the Company. Therefore, no financial adjustment is necessary for the notional senior debt facility of \$25 million for the purposes of our valuation, apart from the recognition of upfront financing costs associated with establishing such a debt facility. Based on our discussions with Black Cat and our experience with other mining companies seeking project financing, we consider an upfront fee of between 2% and 3% of

the total debt facility to be reasonable. We have assumed an upfront fee of 2.5% applies to the notional debt funding and accounted for it separately in Section 10.1.6.

After modelling the cash flows associated with the notional debt facility (including fees, interest and principal repayments), there remains a shortfall of approximately \$12 million which we have assumed to be satisfied through a notional equity raising, detailed in the section below.

10.1.2.2. □ Notional equity raising

The funding shortfall for the restart of Paulsens (after considering the notional senior debt facility and existing cash reserves) is approximately \$12 million. Therefore, we have included a notional equity raising to fulfil Black Cat's remaining funding requirements. Separately, we note that Tranche 2 of the June 2024 Placement and the additional Directors' participation on the same terms is expected to raise almost \$16 million (before costs), subject to Black Cat shareholder approval.

To determine the required amount to be raised, we have grossed up the funding shortfall to reflect the costs likely to be incurred in conducting the capital raising. Noting that the fees associated with the Proposed Placement is up to 6% of the value of equity raised, we have assessed the costs of a capital raising to be approximately 6% of the total funds raised. Therefore, the total notional equity raising Black Cat will be required to raise is set out in the table below:

Cash raised through notional equity raising	\$'000
Equity funding required	12,000
Placement fee	766
Notional equity raising (net of costs)	12,766

Source: BDO analysis

Number of shares issued under Scenario A

To determine the likely price at which Black Cat would have to place its shares to a third party or to current shareholders under a notional capital raising to fulfil the funding shortfall, we considered the VWAP of Black Cat's shares and the discount at which shares have been issued by ASX-listed companies when compared to the respective companies' 30-day VWAP prior to the announcement of the respective placement.

We considered the discount at which shares have been issued by ASX-listed companies to raise capital over the last three years. A summary of our results is set out in the table below:

	Placement size: \$10 to \$50 million	Placement as % of market cap. (10%-40%)	Market cap <\$150m	All companies
All ASX				
Number of Placements	273	825	1,192	1,545
Mean discount	18.72%	21.00%	23.17%	21.84%
Median discount	13.51%	16.36%	17.42%	15.94%
ASX Mining				
Number of Placements	128	499	716	844
Mean discount	21.54%	20.63%	22.32%	22.15%
Median discount	15.36%	16.85%	17.43%	16.95%

Source: Bloomberg and BDO analysis

Based on our analysis, the mean discount for ASX-listed mining companies was 22.15%. Given that the discounts are positively skewed, we have also considered the median of 16.95% as this represents a better measure of central tendency.

We note that the size of the notional equity raising would be approximately 10% of Black Cat's current market capitalisation. Therefore, we consider that a discount would be required to provide investors sufficient incentive to participate in any raising that Black Cat conducts. Therefore, we have analysed discounts for equity raisings in which the amount raised was between 10% and 40% of the company's market capitalisation at the time of the raising and found that the median placement discount for ASX-listed mining companies and all ASX-listed companies was 16.85% and 16.36%, respectively.

We have also assessed the discounts of capital raisings for companies with market capitalisations of less than \$150 million. The mean and median discount across all ASX-listed companies in this band was 23.17% and 17.42% respectively. For ASX-listed mining companies in this band, the statistics were similar, with a mean and median discount of 22.32% and 17.43% respectively.

Given the above analysis and the size of the notional equity raising, we consider a placement discount in the range of 15% to 20% will be required to provide investors sufficient incentive to participate in the notional equity raising.

In Section 11.2 of our Report, we assess the quoted market price of Black Cat shares following the announcement on 15 March 2024. From this analysis, we assessed the value of a Black Cat share to be between A\$0.270 and A\$0.300, on a minority interest basis. Applying a discount in the range of 15% to 20% to the assessed value of a Black Cat share prior to the announcement of the Proposed Placement, results in an assumed notional equity raising price of between A\$0.216 and A\$0.255 per share.

Therefore, as summarised in the table below, in order to raise sufficient equity capital to fulfil the funding shortfall, Black Cat will need to issue additional shares at a discounted capital raising share price:

Number of shares issued under notional equity raising	Low	High
Cash required to be raised through notional equity raising, net of costs (\$'000)	12,766	12,766
Quoted market price (minority) (\$/share)	\$0.270	\$0.300
<i>Assessed placement discount</i>	<i>20.0%</i>	<i>15.0%</i>
Capital raising price (\$/share)	\$0.216	\$0.255
Number of shares issued under notional equity raising	59,101,655	50,062,578

Source: Bloomberg and BDO analysis

We note that the number of shares issued under the notional equity raising have been included in the adjusted total number of Black Cat shares on issue for the purposes of our valuation of a Black Cat share prior to the approval of the Resolution (see Section 10.1.7) under Scenario A. With no preference for either end of the range, our preferred number of shares issued under the notional equity raising is the midpoint of the low and high ends.

Number of shares issued under Scenario B

Under Scenario B, we have assumed that the notional equity raising is conducted at the June 2024 Placement price of \$0.270. As a result of this higher issue price, the number of shares issued under a notional equity raising is lower compared to Scenario A.

Number of shares issued under notional equity raising	Low	High
Cash required to be raised through notional equity raising, net of costs (\$'000)	12,766	12,766
Capital raising price (\$/share)	\$0.270	\$0.270
Number of shares issued under notional equity raising	47,281,324	47,281,324

Source: BDO analysis

10.1.3. □ Value of Black Cat's Other Mineral Assets

Black Cat's other mineral assets comprise the residual resources not accounted for in the Adjusted Paulsens Model, Kal East (comprising the Myhree and Boundary open pits subject to the turn-key mining and processing package and the rest of Kal East's mineral assets), and Coyote. Apart from the Myhree and Boundary open pits, Black Cat's Other Mineral Assets have been valued by ERM.

DCF Valuation of Kal East's Myhree and Boundary open pits

We have elected to use the DCF approach in valuing the Myhree and Boundary open pits.

Black Cat has prepared a detailed cash flow model for the mining and processing of ore at the Myhree and Boundary open pits having consideration for the turn-key development and funding package announced on 20 May 2024. The Turn-key Model depicts forecasts of pre-tax cash flows over an approximate 22-month period, on a monthly basis based on the agreements between PGPL, MMS and Black Cat.

Revenue within the Turn-key Model is based on sale of 850kt of ore, to be delivered in approximately 45kt per month stockpiles over 18 months. Operating costs and capital costs within the Turn-Key Model include a forecast of the costs to be incurred by MMS. Ore processing costs and royalties contemplated in the PGPL Ore Sale Agreement are also modelled. We have not disclosed specifics of the operating and capital costs included within the MMS Term Sheet and PGPL Ore Sale Agreement as this is confidential to the parties of those agreements. Upon recovery of the project costs, the profits generated from the project are first allocated to Black Cat, up to \$30 million. The remaining profits will then be shared between Black Cat and MMS.

We have reviewed the Turn-Key Model for its mathematical accuracy and integrity, as well as the material assumptions that underpin it. We have conducted our review by cross checking the Turn-key Model against the MMS Term Sheet, PGPL Ore Sale Agreement and through discussions with Black Cat.

BDO has appointed ERM to assess the technical inputs to the Turn-key Model, which includes the mining and processing physicals and costs. From its review of the technical inputs, ERM has assessed that the technical assumptions of the Turn-key Model are reasonable. Further details of ERM's assessment is set out in Appendix 6.

We have applied our forecast economic assumptions set out in Section 10.1.1 of our Report to the Adjusted Turn-key Model and have adopted a valuation date of 31 May 2024. We have also considered taxes payable by Black Cat, however due to the substantial tax losses available the company (per Section 10.1.1 of our Report), we do not forecast any tax payments by Black Cat for the project.

The cash flows to be received by Black Cat have been discounted using a cost of equity of 11.5%. We consider the cost of equity to be an appropriate discount rate as the turn-key development and funding package does not require any funding from Black Cat. Details of our assessed cost of equity are set out in Appendix 5.

We note that the NPV of cash flows to Black Cat is sensitive to the forecast gold price and forecast AUD:USD exchange rate. In order to assess a range of values for the project, we have applied a +/- 10% adjustment to the forecast gold price and forecast AUD:USD exchange rate as shown in the table below. Given the short time frame contemplated in the Adjusted Turn-key Model, the NPV of Myhree and Boundary is not sensitive to changes to the discount rate or the inflation rate. Therefore we have not presented sensitivities to these inputs. Further, since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Turn-key Model, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

In \$m	Sensitivity Analysis of Myhree and Boundary	
%Relative Flex	Gold Price	AUD:USD FX Rate
10.00%	27.37	19.03
7.50%	26.53	21.69
5.00%	25.81	24.42
2.50%	25.73	25.54
-	25.65	25.65
-2.50%	25.54	25.74
-5.00%	24.13	25.82
-7.50%	21.04	26.73
-10.00%	17.84	27.74

Source: BDO analysis

Based on a range of around +/- 5% change to the gold price and exchange rate, we conclude that the present value of cash flows to Black Cat ranges from a low of \$24 million to a high of \$26 million, with a mid-point of \$25 million.

ERM's Valuation of the remaining mineral assets

For the value of Paulsens' residual resources not included in the Adjusted Paulsens Model, the value of Kal East's resources outside of the Myhree and Boundary open pits, and the value of Coyote's resources, ERM has considered comparable transactions and industry yardsticks to inform its valuation range. This is summarised below with further details in the ERM Report attached as Appendix 5.

Value of Black Cat's Other Mineral Assets	Low \$'000	Preferred \$'000	High \$'000
DCF value of Kal East's Myhree and Boundary open pits	24,000	25,000	26,000
<u>ERM's valuations</u>			
Value of Paulsens' Residual Resources	13,132	17,510	21,889
Value of Kal East's Remaining Resources	40,021	52,737	65,452
Value of Coyote's Resources	23,794	31,728	39,661
	76,947	101,975	127,002
Value of Black Cat's Other Mineral Assets (\$'000s)	100,947	126,975	153,002

Source: The ERM Report and BDO analysis

Based on the above, the total value of Black Cat's Other Mineral Assets is between \$100.95 million to \$153.00 million, with a preferred value of \$126.98 million.

10.1.4. □ Present value of Black Cat's corporate costs

Corporate costs have been excluded from the Adjusted Paulsens Model. Corporate costs consist of all corporate administration costs that cannot be directly attributable to operations.

As part of our analysis, we have considered the corporate costs that Black Cat has incurred historically. Set out below are the corporate costs incurred by Black Cat for the years ended 30 June 2022, 30 June 2023 and the annualised corporate costs for the half year ended 31 December 2023. Our Sum-of-Parts valuation assumes Paulsens is brought to commercial production and therefore we would expect the corporate costs to increase above those levels incurred by Black Cat historically.

Black Cat's historical corporate costs	Annualised to year ended 30-Jun-24 \$'000	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000
Administrative expenses	3,192*	5,491	3,963

*Annualised based on the half-year ended 31 December 2023

Source: Black Cat's audited financial statements for the years ended 30 June 2022, 30 June 2023 and reviewed financial statement for the half-year ended 31 December 2023.

We have also considered the corporate costs incurred by ASX-listed companies with a similar size and scale of operations to Black Cat assuming the successful restart of Paulsens. We have analysed ASX-listed gold mining companies, whilst considering other company characteristics such as total assets, revenue, production guidance, and market capitalisation, as proxies for the size and scale of operations.

Our analysis of the corporate costs for the identified ASX-listed companies is set out below.

Company Name	Revenue annualised* to the year ended 30-Jun-24 \$'000	Market cap. as at 14-Mar-24 \$'000	Corporate costs annualised* to the year ended 30-Jun-24 \$'000	Corporate costs for the year ended 30-Jun-23 \$'000	Corporate costs for the year ended 30-Jun-22 \$'000
Black Cat Syndicate Ltd	-	64,200	3,192	5,491	3,963
Spartan Resources Ltd	-	591,900	5,451	7,163	8,552
Ora Banda Mining Ltd	192,708	490,300	17,084	15,639	10,748
Calidus Resources Ltd	132,286	161,200	8,382	7,420	6,451

*annualised based on the companies' respective half-year reports to 31 December 2023

Source: Respective companies' half-year and annual reports, S&P Capital IQ and BDO analysis

The companies selected above are all gold producers with assets in Australia. We note that although Spartan Resources Limited's mines were placed under care and maintenance for the half-year to 31 December 2023, the company was in production in the prior two financial years ended 30 June 2023 and 30 June 2022.

Based on the above analysis of corporate costs incurred by comparable ASX-listed companies and having consideration for the corporate costs incurred by Black Cat historically, we have assessed the corporate costs of Black Cat to be in the range of \$6 million and \$9 million per annum, in real terms, for the purposes of our valuation of Black Cat assuming the successful restart of Paulsens. This is broadly supported by the corporate costs of Spartan Resources Limited, Ora Banda Mining Limited, and Calidus Resources Limited.

We have applied our assessed forecast inflation rates as set out in Section 10.1.1 of our Report to the corporate costs over the forecast period and have discounted these cash flows at our assessed WACC of Black Cat of 11%, as detailed in Section 10.1.1 of our Report.

Based on the above analysis, we have assessed the present value of the corporate costs to be in the range of \$17.80 million to \$26.70 million. We have selected a rounded preferred value of \$22.20 million, being the rounded midpoint between the low and high values as there is no reason for us to select a preferred value on either end of the above assessed range.

10.1.5. □ Black Cat's other assets and liabilities

The other assets and liabilities of Black Cat represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussion with Black Cat and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Other assets and liabilities	Notes	Reviewed as at 31-Dec-23 \$	Adjusted value Low \$	Adjusted value Preferred \$	Adjusted value High \$
CURRENT ASSETS					
Cash and cash equivalents	a	8,031,413	20,536,985	20,536,985	20,536,985
Trade and other receivables	b	1,243,229	768,388	768,388	768,388
Inventory	b	426,593	305,182	305,182	305,182
Other current assets	b	427,041	261,919	261,919	261,919
TOTAL CURRENT ASSETS		10,128,276	21,872,474	21,872,474	21,872,474
NON-CURRENT ASSETS					
Security deposits		64,920	64,920	64,920	64,920
Property, plant and equipment	c	7,488,790	-	-	-
Exploration and evaluation expenditure	c	125,346,013	-	-	-
TOTAL NON-CURRENT ASSETS		132,899,723	64,920	64,920	64,920
TOTAL ASSETS		143,027,999	21,937,394	21,937,394	21,937,394
CURRENT LIABILITIES					
Trade and other payables	b	5,862,557	2,350,666	2,350,666	2,350,666
Employee entitlements		457,471	457,471	457,471	457,471
Financial liabilities		5,614,928	5,614,928	5,614,928	5,614,928
TOTAL CURRENT LIABILITIES		11,934,956	8,423,065	8,423,065	8,423,065
NON-CURRENT LIABILITIES					
Financial liabilities	d	12,360,761	6,039,511	6,039,511	6,039,511
Provision for rehabilitation	e	18,801,133	18,801,133	18,801,133	18,801,133
TOTAL NON-CURRENT LIABILITIES		31,161,894	24,840,644	24,840,644	24,840,644
TOTAL LIABILITIES		43,096,850	33,263,709	33,263,709	33,263,709
NET ASSETS		99,931,149	(11,326,315)	(11,326,315)	(11,326,315)

Source: Black Cat's reviewed financial statements for the half-year ended 31 December 2023, the Company's unaudited management accounts for the period ended 31 May 2024 and BDO analysis.

We have not undertaken a review of Black Cat's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of Black Cat since 31 December 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed

position at 31 December 2023 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to Black Cat's other assets and liabilities:

Note a) Cash and cash equivalents

Black Cat's management has provided us with its management accounts for 31 May 2024, which we have verified the cash balance of \$2.94 million against bank statements provided by Black Cat. We have also adjusted this balance to reflect the issue of 69,316,774 shares from Tranche 1 of the June 2024 Placement (as announced on the ASX on 13 June 2024), reduced by a 6% capital raising fee.

Cash and cash equivalents	\$
Unaudited as at 31 May 2024	2,944,388
Add: Tranche 1 of the June 2024 Placement (69,316,774 shares issued)	18,715,529
Less: Tranche 1 capital raising fees	(1,122,932)
Total adjusted non-current financial liabilities	20,536,985

Source: Black Cat's unaudited management accounts for 31 May 2024, ASX announcements and BDO analysis

Note b) Trade and other receivables, inventory, other current assets and trade and other payables

As we consider these balances to be working capital in nature, we have adjusted these balances to reflect their unaudited 31 May 2024 balances. We have been provided with supporting workings that enable us to adopt these unaudited balances.

Note c) Property, plant and equipment and exploration and evaluation expenditure

We have adjusted the book value of these items to nil as we consider them to already be reflected in the DCF valuation of Paulsens as well as the value of Black Cat's Other Mineral Assets.

Although a portion of the property, plant and equipment relates to Black Cat's corporate offices, most of it relates to the operational business and we consider any corporate-related amounts to already be accounted for elsewhere in our Sum-of-Parts valuation.

Note d) Non-current financial liabilities

The non-current portion of Black Cat's financial liabilities relates to the non-current portion of the Northern Star Deferred Consideration as well as the Convertible Notes. We have adjusted the value of the Northern Star Deferred Consideration to the balance per the 31 May 2024 management accounts as this reflects the additional interest which has accrued since the reviewed 31 December 2023 position.

In assessing the fair value of the Convertible Notes, we have discounted the future expected payments associated with them at a market rate of debt. In determining a market rate of debt for Black Cat, we have had regard to the indicative debt financing proposals obtained by the Company (as discussed in Section 10.1.2.1) as well as considered the cost of debt for comparable gold mining companies facing similar risks. Based on our analysis we have adopted a market rate of debt of 14%.

We have assumed the Convertible Notes convert at the end of August 2024, with any capitalised interest on the Convertible Notes also paid then. As the principal portion is assumed to be converted into Black Cat shares (resulting in an increase in the number of shares outstanding as set out in Section 10.1.7), the adjusted fair value of the Convertible Notes in this section reflects the interest payable adjusted for the time value of money. Based on this and applying our adopted market rate of debt, we have adjusted the value of the Convertible Notes to \$622,844.

The impact of these adjustments are summarised in the table below:

Non-current financial liabilities	Reviewed as at 31-Dec-23 \$	Adjusted value \$
Northern Star Deferred Consideration	5,250,000	5,416,667
Convertible Notes	7,110,761	622,844
Total adjusted non-current financial liabilities	12,360,761	6,039,511

Note e) Provision for rehabilitation

The provision for rehabilitation of \$18.80 million at 31 December 2023 relates to provisions for the rehabilitation of Black Cat's mineral assets. As these costs are not accounted for elsewhere in our valuation, we have left this figure unadjusted from the 31 December 2023 reviewed position. ERM has reviewed this balance and considered it to be reasonable in the context of Black Cat's mineral assets.

10.1.6.□ Notional debt facility fee

As discussed in Section 10.1.2.1, a notional upfront debt fee of between 2% and 3% of the face value of the debt is considered reasonable. We have assumed a 2.5% notional debt facility fee for the \$25 million notional debt, which results in a reduction to the Sum-of-Parts value of \$625,000.

10.1.7.□ Adjusted number of Black Cat shares on issue prior to the approval of the Resolution

In calculating the number of Black Cat shares on issue prior to the approval of the Resolution, we have reflected the following adjustments to the Company's current number of shares on issue:

- the conversion of Black Cat's existing performance rights which have already vested but are yet to be exercised (refer to Section 5.8)
- the shares issued as part of the notional equity raising assumed in Section 10.1.2.2
- the shares issued assuming the conversion of the Convertible Notes.

We have presented the calculation for the number of shares under both Scenario A and Scenario B below.

Scenario A) Notional equity raising at discount to post-announcement pricing

Adjusted number of Black Cat shares on issue prior to the approval of the Resolution	Low	Preferred	High
Number of Black Cat shares on issue prior to the approval of the Resolution	377,870,219	377,870,219	377,870,219
Performance rights already vested but not yet exercised (see Section 5.8)	554,423	554,423	554,423
Shares issued through notional equity raising (see Section 10.1.2.2)	59,101,655	54,582,117	50,062,578
Shares issued following the conversion of the Convertible Notes	40,000,000	40,000,000	40,000,000
Total adjusted number of shares on issue	477,526,297	473,006,759	468,487,220

Source: BDO analysis

Scenario B) Notional equity raising at June 2024 Placement price of \$0.270

Adjusted number of Black Cat shares on issue prior to the approval of the Resolution	Low	Preferred	High
Number of Black Cat shares on issue prior to the approval of the Resolution	377,870,219	377,870,219	377,870,219
Performance rights already vested but not yet exercised (see Section 5.8)	554,423	554,423	554,423
Shares issued through notional equity raising (see Section 10.1.2.2)	47,281,324	47,281,324	47,281,324
Shares issued following the conversion of the Convertible Notes	40,000,000	40,000,000	40,000,000
Total adjusted number of shares on issue	465,705,966	465,705,966	465,705,966

Source: BDO analysis

We note that based on the Adjusted Paulsens Model, the production-based milestone for Paulsens attached to 2,066,883 of the performance rights as set out in Section 5.8 (achieving a sustained production rate of 60,000 to 70,000 ounces per annum) is not fulfilled over the forecast period. Therefore we have not assumed the vesting of these performance rights in the calculations above.

10.2 Quoted Market Prices for Black Cat's Securities prior to the announcement of the Proposed Placement

To provide a comparison to the valuation of Black Cat in Section 10.1, we have also assessed the quoted market price for a Black Cat share prior to the announcement of the Proposed Placement on 15 March 2024 (including a control premium). This analysis, which is set out in Appendix 3, is summarised in the table below.

QMP valuation of a Black Cat share prior to the announcement of the Proposed Placement (control basis)	Low \$/share	Preferred \$/share	High \$/share
QMP valuation of a Black Cat share prior to the announcement of the Proposed Placement (minority basis)	0.220	0.230	0.240
Control premium assessed	30%	35%	40%
QMP value of a Black Cat share prior to the announcement of the Proposed Placement (including a control premium)	0.286	0.311	0.336

It is noted that our analysis in Appendix 3 indicated that there was a liquid and active market for the trading of Black Cat's securities in the period prior to the announcement of the Proposed Placement.

10.3 Assessment of the value of a Black Cat share prior to the approval of the Resolution

The results of the valuations performed are summarised in the table below:

Value of a Black Cat share prior to the approval of the Resolution	Ref	Low \$/share	Preferred \$/share	High \$/share
Sum-of-Parts valuation of a Black Cat share prior to the approval of the Resolution (control basis) - Scenario A	10.1	0.298	0.397	0.500
Sum-of-Parts valuation of a Black Cat share prior to the approval of the Resolution (control basis) - Scenario B	10.1	0.306	0.403	0.503
QMP valuation of a Black Cat share prior to the announcement of the Proposed Placement (including a control premium)	10.2	0.286	0.311	0.336

Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate methodology to value Black Cat as the core value of the Company lies in Paulsens, which has been valued using the DCF methodology, and its other mineral assets (which include Coyote and Kal East), which have been independently valued by ERM, an independent technical specialist, in accordance with VALMIN, and, for Kal East's Myhree and Boundary open pits, using the DCF methodology too. Notwithstanding this, we consider the QMP approach to be relevant for the purposes of a broad cross-check to our valuation under the Sum-of-Parts approach. Based on the values above, we consider the valuation under the QMP approach to be broadly supportive of the valuation under the Sum-of-Parts approach.

The QMP valuation above was performed prior to the announcement on 15 March 2024. Since then, the price of gold has strengthened which has improved the sentiment for gold mining companies as discussed in our post-announcement pricing analysis in Appendix 3. Black Cat has also since announced the June 2024 Placement which has an issue price of \$0.270/share, a price higher than the assessed QMP range. We note that shares issued under Tranche 1 of the June 2024 Placement as at the date of our Report have been accounted for in our Sum-of-Parts valuation above. Combined with the macroeconomic and technical assumptions made by BDO and ERM in assessing the value of Paulsens and the other mineral assets of Black Cat (including Coyote and Kal East), which may be more optimistic than those made by the market, this results in our Sum-of-Parts valuation being higher than the QMP valuation.

Based on the results above we consider the value of a Black Cat share prior to the approval of the Resolution (on a controlling basis) to be as follows under the various scenarios:

- Scenario A: in the range of \$0.298 to \$0.500, with a preferred value of \$0.397
- Scenario B: in the range of \$0.306 to \$0.503, with a preferred value of \$0.403.

11. Valuation of Black Cat following approval of the Resolution

11.1 Sum-of-Parts valuation

In assessing the value of a Black Cat share following the approval of the Resolution (on a minority interest basis), we consider the only differences to the value of Black Cat prior to the approval of the Resolution (on a controlling basis) to be:

- The impact of the Proposed Placement which provides funding for the restart of Paulsens and eliminates the need for any notional equity raising
- The application of a minority interest discount following approval of the Resolution.

Consistent with our valuation of Black Cat prior to the approval of the Resolution in Section 10.1, we have also assumed the conversion of the Convertible Notes in August 2024, for our valuation of Black Cat following approval of the Resolution.

Our analysis indicates that, assuming the same notional debt facility discussed in Section 10.1.2.1 is available and accounting for the Company's existing cash balance (including proceeds received from Tranche 1 of the June 2024 Placement as at the date of our Report), funds from the Proposed Placement would more than satisfy the funding requirements required for Paulsens' restart. Accordingly, no further notional equity raising has been assumed. We also note that we have not included Tranche 2 of the June 2024 Placement in our analysis below, as the maximum interest Sundry can obtain should the Resolution be approved occurs in the scenario whereby Tranche 2 of the June 2024 Placement does not occur.

The other components of our Sum-of-Parts prior to the approval of the Resolution remain unchanged, including the notional debt facility fee and the value of Black Cat's Other Mineral Assets. For this reason, as summarised in the table below, several of the components to the Sum-of-Parts valuation following the approval of the Resolution are identical to those set out in Section 10.1.

Sum-of-Parts Valuation of Black Cat following the approval of the Resolution	Ref	Low \$'000s	Preferred \$'000s	High \$'000s
DCF valuation of Paulsens	10.1.1	68,000	83,000	99,000
Value of Black Cat's Other Mineral Assets	10.1.3	100,947	126,975	153,002
Present value of Black Cat's corporate costs	10.1.4	(26,700)	(22,200)	(17,800)
Value of Black Cat's other assets and liabilities	10.1.5	(11,326)	(11,326)	(11,326)
Notional debt facility fee	10.1.6	(625)	(625)	(625)
Cash raised from the Proposed Placement (net of costs)	11.1.1	28,200	28,200	28,200
Total value of Black Cat following the approval of the Resolution (control)		158,496	204,024	250,450
Adjusted number of Black Cat shares on issue following the approval of the Resolution	11.1.2	551,757,976	551,757,976	551,757,976
Value of a Black Cat share following the approval of the Resolution (\$) (control)		0.287	0.370	0.454
<i>Minority discount</i>	11.1.3	29%	26%	23%
Value of a Black Cat share following the approval of the Resolution (\$) (minority)		0.204	0.274	0.350

Source: BDO analysis

We have assessed the value of a share in Black Cat on a minority interest basis, following the approval of the Resolution, to be in the range of \$0.204 to \$0.350 with a preferred value of \$0.274.

11.1.1.□ Cash raised from the Proposed Placement (net of costs)

As a result of the Proposed Placement, Black Cat will receive \$28.20 million in funds, which is net of the 6% fee payable to Richlink Capital Pty Ltd for corporate and advisory services (equivalent to \$1.80 million).

Cash raised from the Proposed Placement (net of costs)	\$'000
Cash raised from the Proposed Placement	30,000
Less: Fees associated with the Proposed Placement	(1,800)
Cash raised from the Proposed Placement (net of costs)	28,200

11.1.2.□ Adjusted number of Black Cat shares on issue following approval of the Resolution

In calculating the number of Black Cat shares on issue following the approval of the Resolution, we have reflected the following adjustments to the Company's current number of shares on issue:

- the conversion of Black Cat's existing performance rights which have already vested but are yet to be exercised (refer to Section 5.8)
- the shares issued pursuant to the Proposed Placement
- the shares issued following conversion of the Convertible Notes.

This is summarised in the table below.

Adjusted number of Black Cat shares on issue following the approval of the Resolution	Low	Preferred	High
Number of Black Cat shares currently on issue	377,870,219	377,870,219	377,870,219
Performance rights already vested but not yet exercised (see Section 5.8)	554,423	554,423	554,423
Shares issued as part of the Proposed Placement	133,333,334	133,333,334	133,333,334
Shares issued following the conversion of the Convertible Notes	40,000,000	40,000,000	40,000,000
Total adjusted number of shares on issue following the approval of the Resolution	551,757,976	551,757,976	551,757,976

Source: BDO analysis

11.1.3.□ Minority discount

The value of Black Cat derived under the Sum-of-Parts approach is reflective of a controlling interest. As outlined in Section 3.3 of our Report, in assessing fairness we have compared the value of a Black Cat share prior to the approval of the Resolution on a control basis to the value of a Black Cat share following the approval of the Resolution on a minority interest basis, as we are required by RG 111.

A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - (1 \div (1 + \text{control premium}))$. Based on our analysis in Appendix 4, we consider an appropriate control premium to be in the range of 30% to 40% with a midpoint of 35%. This assessed control premium range gives rise to a rounded minority discount in the range of 23% to 29%, with a rounded midpoint of 26%.

11.2□ Quoted Market Prices for Black Cat's Securities following the announcement of the Proposed Placement

To provide a comparison to the valuation of Black Cat in Section 11.1, we have also assessed the quoted market price for a Black Cat share following announcement of the Proposed Placement. This analysis, which is set out in Appendix 3 and summarised in the table below, was performed over the period

following the announcement of the Proposed Placement on 15 March 2024, and includes the impact of Tranche 1 of the June 2024 Placement. We note that the QMP value is already reflective of a minority interest and therefore no further minority discount is required.

	Low \$/share	Preferred \$/share	High \$/share
QMP valuation of a Black Cat share following the announcement of the Proposed Placement (minority basis)	0.270	0.285	0.300

It is noted that our analysis in Appendix 3 indicated that there was a liquid and active market for the trading of Black Cat's securities in the period following the announcement of the Proposed Placement.

11.3 ☐ Assessment of the value of a Black Cat share following the approval of the Resolution

The results of the valuations performed are summarised in the table below:

Value of a Black Cat share following the approval of the Resolution	Ref	Low \$/share	Preferred \$/share	High \$/share
Sum-of-Parts valuation of a Black Cat share following the approval of the Resolution (minority basis)	11.1	0.204	0.274	0.350
QMP valuation of a Black Cat share following the announcement of the Proposed Placement (minority basis)	11.2	0.270	0.285	0.300
Concluded value of a Black Cat share following the approval of the Resolution (minority basis)		0.204	0.274	0.350

Source: BDO analysis

As the only change arising from approval of the Resolution is the source of funding, consistent with Section 10.3, we consider the Sum-of-Parts approach to be the most appropriate methodology to value Black Cat for the same reasons set out in that section. Notwithstanding this, based on the values above, we consider the valuation under the QMP approach to be broadly supportive of the valuation under the Sum-of-Parts approach.

The different results of our valuation approaches may be explained by the macroeconomic and technical assumptions adopted by BDO and ERM in assessing the value of Paulsens and the other mineral assets of Black Cat (including Coyote and Kal East), which may be more optimistic than those made by the market.

Based on the results above we consider the value of a Black Cat share following the approval of the Resolution (on a minority basis) to be in the range of \$0.204 to \$0.350, with a preferred value of \$0.274.

12. Is the Resolution fair?

The value of a Black Cat share prior to the approval of the Resolution on a controlling interest basis (for both Scenario A and Scenario B) is compared to the value of a Black Cat share following the approval of the Resolution on a minority interest basis below:

	Ref	Low \$	Preferred \$	High \$
Value of a Black Cat share prior to the approval of the Resolution on a control basis - Scenario A	10.3	0.298	0.397	0.500
Value of a Black Cat share prior to the approval of the Resolution on a control basis - Scenario B	10.3	0.306	0.403	0.503
Value of a Black Cat share following the approval of the Resolution on a minority basis	11.3	0.204	0.274	0.350

Source: BDO analysis

We note from the table above that although there is overlap between the valuation ranges, the low, preferred and high points of the value of a Black Cat share following the approval of the Resolution (on a minority basis) are lower than their equivalents for Black Cat's value per share range prior to the approval of the Resolution (on a control basis), under both Scenario A and Scenario B. Further, we note that the value of the Company's mineral assets does not change as a consequence of approving the Resolution. Therefore, we consider that the Resolution is not fair.

Additionally, even if the range of values following approval of the Resolution were higher than the range of values prior to the approval of the Resolution, we would still consider the Resolution to be not fair as there is a superior alternative available to Shareholders in the form of the June 2024 Placement. This point is discussed further in Section 13.1 below.

13. Is the Resolution reasonable?

13.1 Alternative proposal

Prior to the announcement of funding from Sundy, Black Cat had undertaken a process to identify the different forms of funding available to it, as part of its plans to restart operations at Paulsens. This included approaching local debt providers and engaging with brokers to source equity in parallel with the debt discussions. At the time, the Company was not able to identify a more appropriate source of funding than the funding offered by Sundy (comprising the Convertible Notes and the Proposed Placement).

Since then however, Black Cat has announced the \$36 million June 2024 Placement which will be placed at a premium compared to the \$30 million Proposed Placement (\$0.270 versus \$0.225 per share). The Company was able to achieve this higher price because of the stronger gold price environment, which has seen the Black Cat share price appreciate in the last few months. The June 2024 Placement is also slightly larger in size and provides more funding than the Proposed Placement, and includes the ability for Black Cat's Directors to participate in the placement at the same \$0.270 issue price. Further, we note that under the Proposed Placement, Sundy will have the right to nominate two candidates for consideration as directors to the Board of Black Cat, whereas there will be no changes to the Board as a result of the June 2024 Placement.

Notwithstanding that Tranche 2 of the June 2024 Placement remains subject to Black Cat shareholder approval, the Proposed Placement is conditional on Sundy shareholder and regulatory approvals (including FIRB and ODI approvals) which are required to be fulfilled by 15 August 2024. Furthermore, there is some

uncertainty as to whether Sundry has the requisite funds required for the Proposed Placement. In Sundry's initial announcement pursuant to the Proposed Placement on 15 March 2024, it cited that the funds would be sourced from proceeds from a potential subscription of new shares. As at the date of our Report, Sundry has yet to complete such a placement of its shares and Sundry continues to be suspended from trading. Accordingly, the June 2024 Placement represents a superior proposal that offers the Shareholders of Black Cat a premium over the value resulting from the Proposed Placement.

13.2 Practical level of control

As set out in Section 4, if the Resolution is approved then Sundry will hold an interest of between approximately 23.38% (with Tranche 2 of the June 2024 Placement) and 26.08% (without Tranche 2 of the June 2024 Placement) in Black Cat immediately following the Proposed Placement. Assuming the Convertible Notes are converted into shares in Black Cat, Sundry's interest will increase up to between approximately 28.40% (with Tranche 2 of the June 2024 Placement) and 31.45% (without Tranche 2 of the June 2024 Placement) in the Company. In addition, pursuant to the Proposed Placement, Sundry will have the right to nominate two candidates for consideration as directors onto the Board of Black Cat.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution requires 75% of shares on issue to be voted in favour to approve a matter. If the Resolution is approved then, assuming the conversion of the Convertible Notes, Sundry would be able to block special resolutions with or without Tranche 2 of the June 2024 Placement. However, if Sundry does not convert the Convertible Notes, then it would only have sufficient interest in the Company to be able to block special resolutions in the scenario where Tranche 2 of the June 2024 Placement does not occur.

Following the resignation of Black Cat's non-executive director, Mr Tony Polglase (effective 25 July 2024), Black Cat's Board will comprise three directors. Sundry will have the ability to nominate two additional directors which will take Black Cat's Board to five directors. This means that Sundry-nominated directors will make up 40% of the Board.

Sundry's control of Black Cat following approval of the Resolution will be significant when compared to all other shareholders. It would have some influence at the Board level via its two nominated directors, and, under some scenarios, it would be able to block special resolutions.

13.3 Consequences of not approving the Resolution

Consequences

If the Resolution is not approved, the Proposed Placement cannot occur, new shares would not be issued to Sundry and Black Cat will not receive the \$30 million (before costs). As discussed in Section 10.1.2, our analysis of the Company's funding requirements indicate that, including Tranche 2 of the June 2024 Placement, Black Cat has sufficient funds to restart Paulsens, even in the absence of the Proposed Placement. However because Tranche 2 of the June 2024 Placement is still subject to shareholder approval, we have not assumed its completion in our fairness assessment.

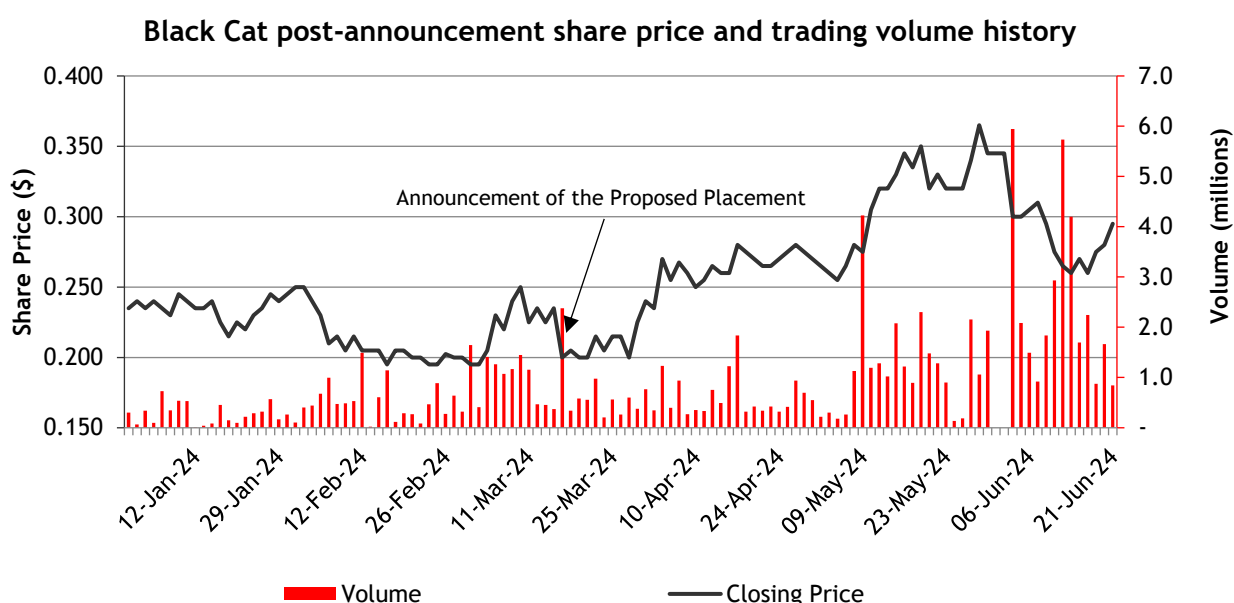
In the absence of Tranche 2 of the June 2024 Placement and the Proposed Placement, the Company would need to source alternative funds to completely fund the restart of Paulsens. This could include re-engaging with local debt providers for a larger facility, although the Company would not have the benefit of having completed the Proposed Placement, which would have strengthened its balance sheet and therefore provide additional comfort to lenders.

All else being equal it is reasonable to assume that Shareholders would approve Tranche 2 of the June 2024 Placement in preference to the Proposed Placement given their comparative pricing. Black Cat could also undertake another equity raise, although, if Tranche 2 of the June 2024 Placement were not approved, it is likely that this alternative equity raise would need to be conducted at a higher price than \$0.270.

As previously discussed, if the Resolution is not approved, Sundry would still be able to convert the Convertible Notes into Black Cat shares (subject to regulatory approvals and approval from its own shareholders).

Potential impact on the share price

We have analysed movements in Black Cat's share price since the Proposed Placement was announced. A graph of Black Cat's share price and trading volume leading up to and following the announcement on 15 March 2024 is set out below.



Source: Bloomberg and BDO Analysis

The closing price of a Black Cat share from 2 January 2024 to 21 June 2024 ranged from a low of \$0.195 on 1 March 2024 to a high of \$0.365 on 29 May 2024.

The Proposed Placement was announced on 15 March 2024. On that day, the share price closed at \$0.200, down approximately 14.89% from a closing price of \$0.235 on the previous day. On that day, 2.38 million shares were traded, representing approximately 0.77% of Black Cat's issued capital at the time.

We note that there are other market factors which may influence the Black Cat share price following the 15 March 2024 announcement, such as industry changes, commodity prices, significant corporate actions and other market factors. As such, we have also conducted an analysis in Appendix 3 of movements in the ASX All Ordinaries Index, as a proxy for the market and the S&P/ASX All Ordinaries Gold index as a proxy for Black Cat's industry.

The analysis, outlined in Appendix 3, demonstrates that despite a fall in share price immediately subsequent to the 15 March 2024 announcement, Black Cat's share price recovered from late March 2024 (in line with movements in the gold index) and by early April, prices had rebounded and returned to trade at pre-announcement levels. As discussed in Appendix 3, the subsequent rise in the share price throughout

May was likely driven by the strong news flow and supportive gold price environment (in Australian Dollar terms, around the \$3,500/oz level), while the decline during the first half of June is influenced by the announcement of the June 2024 Placement.

Given the time that has elapsed since the announcement on 15 March 2024 and the updates on the company's progress at its projects (particularly in May), it is difficult to assess what impact not approving the Resolution would have on the Company's share price. Notwithstanding this, and noting that the price of a Black Cat share has appreciated substantially since the time of the announcement, it is likely that the Black Cat share price would fall to reflect the dilutionary impact from the Proposed Placement, should the Resolution be approved. This is particularly since the issue price under the Proposed Placement (\$0.225) is below the June 2024 Placement price (\$0.270), and the latter was for a larger amount. Accordingly, it is likely that the share price would continue to trade around current levels or potentially even rise slightly if the Resolution is not approved.

13.4 Advantages of approving the Resolution

We have considered the following advantages when assessing whether the Resolution is reasonable.

Advantage	Description
The Proposed Placement will strengthen Black Cat's balance sheet	The Proposed Placement will provide additional funding that could be utilised to accelerate development of the Company's mineral assets, be used to substitute the planned secured debt facility, and/or be used to repay the Convertible Notes (including any accrued interest). As discussed in Section 13.3, the additional funds would bolster the Company's balance sheet and potentially help with negotiations with debt providers, if required. However, we note that if Tranche 2 of the June 2024 Placement is approved by shareholders that the Company will have sufficient funds to execute its business plan.
The Proposed Placement does not increase the risks of default for the Company	As the Proposed Placement is in the form of equity rather than debt, the Proposed Placement does not increase the risk of default for the Company and therefore is an advantage compared to if funding were to be obtained entirely from debt sources.
Alignment of interests with Sundry	If the Resolution is approved, Sundry will become a substantial shareholder in Black Cat and its interests would be aligned with the Company's existing Shareholders'. This alignment of interest could also open up opportunities for Sundry to provide further funding to Black Cat in the future, should it be required as part of the development of Kal East and/or Coyote.
The Proposed Placement will reduce some risks associated with the Company not being able to continue as a going concern	Black Cat's auditor outlined the existence of a material uncertainty relating to the going concern assumption in its most recent financial statements (refer to Sections 5.6 and 5.7 for more information). As disclosed in the Company's reviewed financial statements for the half year ended 31 December 2023, Black Cat's ability to continue as a going

Advantage	Description
	concern is dependent upon its ability to complete certain fundraising activities such as the issuing of further debt or the raising of capital. However, we note that if Tranche 2 of the June 2024 Placement is approved by shareholders that the Company will have sufficient funds to execute its business plan Notwithstanding this, completion of the Proposed Placement would further reduce some of the risks raised by Black Cat's auditors and increases the likelihood of the Company being able to operate as a going concern.

13.5 Disadvantages of approving the Resolution

If the Resolution is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
The issue price under the Proposed Placement of \$0.225 is lower than the recent June 2024 Placement issue price of \$0.270	The Proposed Placement's issue price of \$0.225 is lower than the \$0.270 per share price pursuant to the June 2024 Placement. Accordingly on a per share basis, the Proposed Placement is more dilutive compared to the recent June 2024 Placement that Black Cat has been able to obtain. We note that the higher issue price of the June 2024 Placement is likely supported by the current higher gold price environment compared to when the Proposed Placement was initially negotiated. Further, the funds that will be received under the June 2024 Placement will be sufficient for the Company to execute its business plan.
Dilution of Shareholders' interests	If the Resolution is approved, Black Cat will issue 133,333,334 shares to Sundry pursuant to the Proposed Placement and a further 40,000,000 once the Convertible Notes are converted. As a result of the Proposed Placement and assuming conversion of the Convertible Notes, Shareholders' interests will be diluted from holding 100% of the Company prior to between 68.55% and 71.60% following the approval of the Resolution (depending on the outcome of the Tranche 2 June 2024 Placement). Further details are set out in Section 4 of the Report.
Presence of a large cornerstone investor may reduce the possibility of a takeover offer being received in the future	If the Resolution is approved and the Convertible Notes are converted, Sundry will own between 28.40% and 31.45% of the total shares outstanding in Black Cat. This may reduce the chance of Shareholders receiving a takeover offer for their investment without the support of Sundry. In particular, Sundry will have the ability to block the approval of a change of control transaction via a scheme of arrangement which requires the passing of a special resolution of shareholders (75% approval, see Section 13.2 for further details).

14. Conclusion

We have considered the terms of the Resolution as outlined in the body of this report and have concluded that the Resolution is not fair because, under both the scenarios considered, although there is overlap between the two valuation ranges, the low, preferred and high points of the value of a Black Cat share following the approval of the Resolution (minority basis) are lower than their equivalents for Black Cat's value per share range prior to the approval of the Resolution (control basis), while the value of the Company's mineral assets does not change as a consequence of approving the transaction. Furthermore, even if the range of values following approval of the Resolution were higher than the range of values prior to the approval of the Resolution, we would still consider the Resolution to be not fair as there is a superior alternative available to Shareholders in the form of the June 2024 Placement.

We also consider the Resolution to not be reasonable as the disadvantages outweigh the advantages. In particular, the issue price for shares under the Proposed Placement is lower (\$0.225 per share) compared to the issue price for shares under the June 2024 Placement (\$0.270 per share), which is for a larger amount and which the directors state is sufficient to execute the Company's business plan.

15. Sources of information

This report has been based on the following information:

- ☐ Draft Notice of General Meeting and Explanatory Statement on or about the date of this report
- ☐ Audited financial statements of Black Cat for the years ended 30 June 2023 and 30 June 2022
- ☐ Reviewed financial statements of Black Cat for the half-year ended 31 December 2023
- ☐ Unaudited management accounts of Black Cat for the period ended 31 May 2024
- ☐ Independent Technical Report and Valuation of Black Cat's mineral assets performed by ERM Australia Consultants Pty Ltd
- ☐ Subscription agreement between Black Cat and Sundry pursuant to the Proposed Placement
- ☐ Agreement between Black Cat and Sundry pursuant to the Convertible Notes
- ☐ The Paulsens Model provided by Black Cat
- ☐ The Turn-key Model provided by Black Cat
- ☐ The Kal East Model provided by Black Cat
- ☐ Black Cat's internal workpapers and non-binding indicative offers for debt financing
- ☐ Draft Terms Sheet between MMS and Black Cat in relation to Kal East's Myhree and Boundary open pits
- ☐ Ore Sale Agreement between PGPL and Black Cat in relation to ore from Kal East's Myhree and Boundary open pits
- ☐ Share and option registry information
- ☐ Bloomberg
- ☐ S&P Capital IQ
- ☐ Reserve Bank of Australia
- ☐ United States Geological Survey
- ☐ Consensus Economics forecasts
- ☐ Information in the public domain
- ☐ Discussions with Directors and Management of Black Cat.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$105,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Black Cat in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Black Cat, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Black Cat and Sundy and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Black Cat and Sundy and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Black Cat, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Black Cat and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 700 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance

Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Black Cat for inclusion in the Notice of Meeting which will be sent to all Black Cat Shareholders. Black Cat engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the Resolution.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Sundry. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Black Cat and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Resolution, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Black Cat, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Black Cat.

The valuer engaged for the mineral asset valuation, ERM Australia Consultants Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

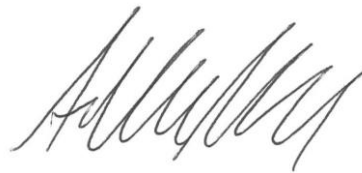
The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
\$ or A\$	Australian dollars
The Act	The Corporations Act 2001 Cth
Adjusted Kal East Model	The Kal East Model with adjustments made by BDO
Adjusted Paulsens Model	The Paulsens Model with adjustments made by BDO
Adjusted Turn-Key Model	The Turn-Key Model with adjustments made by BDO
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
AUD	Australian dollars
BC8	Black Cat Syndicate Limited
BDO	BDO Corporate Finance (WA) Pty Ltd
Black Cat	Black Cat Syndicate Limited
Black Cat's Other Mineral Assets	Coyote, Kal East (without the Myhree and Boundary open pits) and residual mineral resources outside of the Paulsens model
CAPM	Capital Asset Pricing Model
The Company	Black Cat Syndicate Limited
Convertible Notes	The \$15 million Convertible Note facility provided by Sundy to Black Cat
Corporations Act	The Corporations Act 2001 Cth
Coyote	Coyote Gold Operation
CPI	Consumer Price Index
Cream Mining	Cream Mining Pty Ltd
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ERM	ERM Australia Consultants Pty Ltd
ERM Report	Independent Technical Report & Valuation prepared by ERM
FIRB	Australian Foreign Investment Review Board
First Revised Package	A restructure of the Initial Package announced by Black Cat on 27 December 2023
FME	Future Maintainable Earnings
FSG	Financial Services Guide
GDP	Gross Domestic Product
HKEX	The Stock Exchange of Hong Kong Limited
Initial Package	Black Cat's \$60 million funding package with Mingjin and Southeast Mingqing to restart Paulsens as first announced on 26 September 2023

Reference	Definition
IS 214	Information Sheet 214 Mining and Resources - Forward-looking statements
Item 7 s611	Item 7 Section 611 of the Corporations Act
JORC	Joint Ore Reserve Committee
June 2024 Placement	Black Cat's two-tranche, \$36 million placement to investors at \$0.27 per share as first announced on 4 June 2024
Kal East	Kal East Gold Project
Kal East Model	Detailed cash flow model for Kal East prepared by the management of Black Cat with the assistance of advisors
Kingfisher	Kingfisher Mining Limited
Km	Kilometres
Km ²	Square kilometres
Leeuwin	Leeuwin Capital Partners
May 2024 Restart Study	An update to the Paulsens Restart Studies announced on 8 May 2024
Mingjin	Fuyang Mingjin New Energy Development Co., Ltd
MMS	Mineral Mining Services Pty Ltd
MRE	2012 Mineral Resource Estimate
Mtpa	Million tonne per annum
NAV	Net Asset Value
Northern Star	Northern Star Resources Limited
Northern Star Deferred Consideration	A deferred payment of \$15 million to be made by Black Cat to Northern Star as part of the consideration for acquiring Paulsens and Coyote
Northern Star Production Payments	Production-based milestone payments amounting to up to \$10 million from Black Cat to Northern Star as part of the considerations for acquiring Paulsens and Coyote
NPV	Net Present Value
ODI Approval	Chinese regulatory approvals required for Chinese companies to invest overseas
Our Report	This Independent Expert's Report prepared by BDO
Ours	BDO Corporate Finance (WA) Pty Ltd
Paulsens	Paulsens Gold Operation in the Pilbara
The Paulsens Model	Detailed cash flow model for Paulsens prepared by the management of Black Cat with the assistance of advisors
PFS	Preliminary Feasibility Study
PGPL	Paddington Gold Pty Ltd
PKKP	Puutu Kunti Kurrama and Pinikura People
Proposed Placement	The proposed \$30 million equity placement by Black Cat to Sundy
QMP	Quoted market price
RBA	Reserve Bank of Australia
The RBA Board	The Board of the RBA
The Resolution	Collectively the Proposed Placement and the conversion of the Convertible Notes into Black Cat shares
RG 74	Acquisitions approved by Members (December 2011)

Reference	Definition
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective Financial Information (March 2011)
Second Revised Package	The funding package announced on 15 March 2024 which is a variation of the First Revised Package
Section 606	Section 606 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Black Cat not associated with Sundry
Southeast Mingqing	Southeast Mingqing Supply Chain (Fuyang) Co., Ltd
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Sundry	Sundry Service Group Co Ltd
Tpa	Tonnes per annum
Turn-Key Model	Detailed cash flow model for the Myhree and Boundary open pits at Kal East prepared by the management of Black Cat with the assistance of advisors
Us	BDO Corporate Finance (WA) Pty Ltd
USGS	United States Geological Survey
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
The Voluntary Escrow	A voluntary escrow until 30 September 2027 on shares issued to Sundry as part of the Proposed Placement and any shares that subsequently convert from the Convertible Notes
VWAP	Volume Weighted Average Price
WA	Western Australia
WACC	Weighted Average Cost of Capital
We	BDO Corporate Finance (WA) Pty Ltd

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 ☐ **Net asset value**

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- ☐ Orderly realisation of assets method
- ☐ Liquidation of assets method
- ☐ Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 ☐ **Quoted market price basis**

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 ☐ **Capitalisation of future maintainable earnings**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4□ Discounted future cash flows

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5□ Market-based assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb/oz of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Quoted Market Price for Black Cat's Securities

We have assessed the quoted market price for a Black Cat share prior to and following the announcement relating to the Proposed Placement (on 15 March 2024), to provide a comparison to the valuation of Black Cat in Sections 10.1 and 11.1, respectively.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

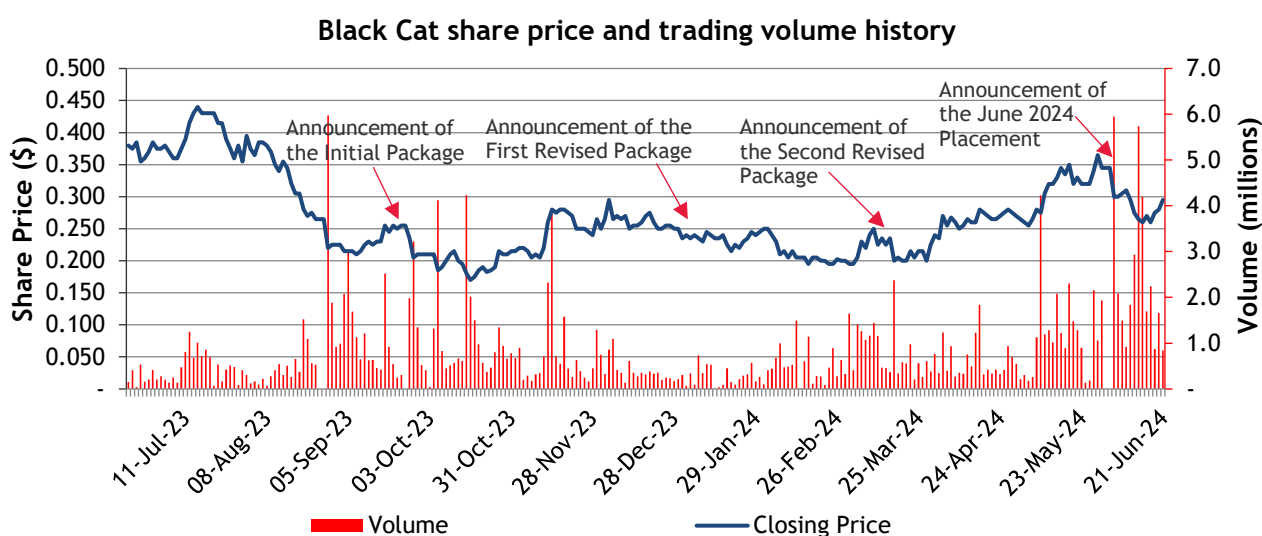
RG 111.43 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- ☐ control over decision making and strategic direction;
- ☐ access to underlying cash flows;
- ☐ control over dividend policies; and
- ☐ access to potential tax losses.

Whilst Sundy will not be obtaining 100% of Black Cat, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

Therefore, our calculation of the quoted market price of a Black Cat share prior to the approval of the Resolution includes a premium for control, which has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control. As our valuation of a Black Cat share following the approval of the Resolution is assessed on a minority interest basis, there has been no premium for control applied to the quoted market price valuation based on post-announcement pricing.

The following chart provides a summary of the share price movement over the 12 months to 21 June 2024 to encapsulate the share price movements prior to and following each of the announcements relating to funding for the restart of Paulsens on 26 September 2023 (the Initial Package), 27 December 2023 (the First Revised Package), 15 March 2024 (the Second Revised Package including the Proposed Placement) and 4 June 2024 (the June 2024 Placement which disclosed the termination of the previously announced \$6 million upsize to the Convertible Notes).



Source: Bloomberg, BDO analysis

Over the entire one-year period our analysis was conducted, the daily price of Black Cat shares from 21 June 2023 to 21 June 2024 has ranged from a low of \$0.170 on 17 October 2023 to a high of \$0.440 on 14 July 2023. The highest single trading day over the assessed period was 29 August 2023, where 5,975,406 shares were traded, representing approximately 1.58% of Black Cat’s current number of shares on issue.

An analysis of the volume of trading in Black Cat shares for the twelve months prior to 21 June 2024 is set out below. A similar analysis for the period prior to the announcement of the Proposed Placement and following the announcement of the Proposed Placement is set out in the respective sections below.

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.290	\$0.295	842,952	0.22%
10 Days	\$0.245	\$0.320	22,945,406	6.07%
30 Days	\$0.245	\$0.365	51,595,651	13.65%
60 Days	\$0.200	\$0.365	72,523,569	19.19%
90 Days	\$0.180	\$0.365	94,105,646	24.90%
180 Days	\$0.160	\$0.365	153,666,660	40.67%
1 Year	\$0.160	\$0.460	207,718,951	54.97%

Source: Bloomberg, BDO analysis

This table indicates that Black Cat’s shares are liquid, with 54.97% of the Company’s current issued capital being traded in the twelve month period prior to 21 June 2024. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a ‘liquid and active’ market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- ☐ Regular trading in a company’s securities;
- ☐ Approximately 1% of a company’s securities are traded on a weekly basis;
- ☐ The spread of a company’s shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- ☐ There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Black Cat, over the entire one year period, we consider the shares to be liquid and active, on the basis that greater than 1% of the Company's issued capital being traded on average on a weekly basis over the assessed twelve-month period. Furthermore, of the 52 weeks in which our analysis is based on, there were 19 weeks for which more than 1% of Black Cat's securities had been traded.

QMP prior to the announcement of the Proposed Placement

Our analysis of the quoted market price of a Black Cat share prior to the announcement of the Proposed Placement incorporates pricing analysis prior to each of the three announcements relating to funding for the restart of Paulsens on 26 September 2023 (the Initial Package), 27 December 2023 (the First Revised Package), and 15 March 2024 (the Second Revised Package). Although the announcements on 26 September 2023 and 27 December 2023 did not specifically include the Proposed Placement, they both relate to the funding for the restart of Paulsens and therefore have been included in our analysis of the quoted market price of Black Cat shares prior to the announcement of the Proposed Placement on 15 March 2024.

Over the period from the start of our analysis to the last trading day before the announcement of the Proposed Placement (being 14 March 2024), the daily price of Black Cat shares has ranged from a low of \$0.170 on 17 October 2023 to a high of \$0.525 on 8 May 2023. The highest single trading day over the assessed period was 29 August 2023, where 5,975,406 shares were traded, representing approximately 1.94% of Black Cat's current number of shares on issue.

During the period prior to the announcement of the Proposed Placement up to 14 March 2024, a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
23/03/2023	Gabbro Veins Continue to Extend Up Plunge	0.360	▲	5.9%	0.395	▲	9.7%
28/03/2023	Paulsens Corridor Exploration Update - Cu-Ag-Au Potential	0.395	▲	2.6%	0.455	▲	15.2%
31/03/2023	Mt Clement Update and Regional Consolidation	0.455	▲	3.4%	0.455	►	0.0%
17/04/2023	Numerous Mineralised Veins in Paulsens Main Zone	0.465	▼	1.1%	0.430	▼	7.5%
28/04/2023	High-Grade Gabbro Veins Continue to Grow	0.430	▼	4.4%	0.470	▲	9.3%
28/04/2023	Quarterly Activities Report and Appendix 5B	0.430	▼	4.4%	0.470	▲	9.3%
02/05/2023	High grades up to 197g/t gold in the Paulsens Main Zone	0.445	▲	1.1%	0.490	▲	10.1%
08/05/2023	Double Digit Gold Grades Continue in Gabbro Veins	0.525	▲	7.1%	0.450	▼	14.3%
10/05/2023	Strong Resource Growth at Paulsens Underground	0.495	▼	2.0%	0.420	▼	15.2%
23/05/2023	Paulsens Gabbro Veins Extended	0.380	▼	1.3%	0.375	▼	1.3%
06/06/2023	More High-Grade Extensional Results at Paulsens	0.375	▲	2.7%	0.375	►	0.0%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
16/06/2023	More Exciting Au, Sb, Cu-Pb-Zn Regional Targets - Paulsens	0.390	▲	4.0%	0.380	▼	2.6%
27/06/2023	BC8 Strengthens Relationship with PKKP AC - Paulsens	0.360	▲	1.4%	0.375	▲	4.2%
03/07/2023	Paulsens Strike Length Increased by 100m	0.375	►	0.0%	0.360	▼	4.0%
10/07/2023	Robust Restart Plan for Paulsens	0.375	▲	4.2%	0.430	▲	14.7%
14/07/2023	Kal East 302koz Study Update	0.440	▲	2.3%	0.430	▼	2.3%
17/07/2023	Paulsens Main Zone Extended 175m Down Plunge	0.430	▼	2.3%	0.430	►	0.0%
18/07/2023	Positive Scoping Study for Growing Coyote Gold Operation	0.430	►	0.0%	0.415	▼	3.5%
31/07/2023	Quarterly Activities Report and Appendix 5B	0.355	▼	6.6%	0.365	▲	2.8%
04/08/2023	Paulsens Extending in Multiple Directions	0.385	▲	5.5%	0.370	▼	3.9%
21/08/2023	Bonanza Grades - Paulsens Main Zone	0.280	▼	8.2%	0.265	▼	5.4%
25/08/2023	Trading Halt	0.265	►	0.0%	0.225	▼	15.1%
29/08/2023	Placement to Fund Exploration & Maximise Cashflow	0.220	▼	17.0%	0.225	▲	2.3%
04/09/2023	More Bonanza Grades Show Near-Term Growth	0.215	▼	4.4%	0.210	▼	2.3%
14/09/2023	Large Scale Au-Cu Results - Paulsens	0.230	▲	2.2%	0.245	▲	6.5%
18/09/2023	Further Promising Paulsens Assays	0.255	▲	10.9%	0.250	▼	2.0%
25/09/2023	Trading Halt	0.255	►	0.0%	0.210	▼	17.6%
26/09/2023	\$60m Funding Package to Drive Black Cats Vision	0.235	▼	7.8%	0.210	▼	10.6%
06/10/2023	Near Mine Growth Drilling Delivers	0.190	▲	2.7%	0.215	▲	13.2%
10/10/2023	Paulsens Surface Drilling Program	0.210	▲	5.0%	0.195	▼	7.1%
16/10/2023	Recovery Improvement Program Update	0.180	▼	7.7%	0.185	▲	2.8%
18/10/2023	Extensional Results Demonstrate Further Growth	0.175	▲	2.9%	0.183	▲	4.3%
23/10/2023	\$60m Funding Package - Formal Agreements Executed	0.183	▼	3.9%	0.215	▲	17.8%
24/10/2023	Main and Footwall Gabbro Zones - High-Grade Growth	0.185	▲	1.4%	0.210	▲	13.5%
26/10/2023	Bonanza Grades at Paulsens - 0.27m @ 1,370g/t Au	0.215	▲	13.2%	0.215	►	0.0%
30/10/2023	Quarterly Activities Report and Appendix 5B	0.210	►	0.0%	0.220	▲	4.8%
31/10/2023	24% Resource Increase Paulsens Underground 406koz@9.5g/t Au	0.215	▲	2.4%	0.220	▲	2.3%
06/11/2023	Prospectus - Options	0.215	▼	2.3%	0.205	▼	4.7%
10/11/2023	RC Drilling Commences - Eastern Zone and Belvedere	0.220	▲	7.3%	0.275	▲	25.0%
13/11/2023	Resource Upside Opportunities and Exploration Target	0.260	▲	18.2%	0.280	▲	7.7%
20/11/2023	Surface Exploration Update - Paulsens	0.275	▼	1.8%	0.250	▼	9.1%
21/11/2023	Improved Restart Plan for Paulsens	0.270	▼	1.8%	0.250	▼	7.4%
29/11/2023	RC Surface Drill Program Extended	0.265	▲	10.4%	0.295	▲	11.3%
04/12/2023	Cu-Au Acquisition Consolidates Paulsens	0.295	▲	11.3%	0.265	▼	10.2%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
27/12/2023	\$9m of Funding to Accelerate Paulsens Restart	0.255	►	0.0%	0.235	▼	7.8%
25/01/2024	New Regional Geology Model and Targets - Coyote	0.245	▲	4.3%	0.250	▲	2.0%
31/01/2024	Quarterly Activities Report and Appendix 5B	0.250	▲	2.0%	0.230	▼	8.0%
09/02/2024	Paulsens Refurbishment Off to a Strong Start	0.215	▲	4.9%	0.205	▼	4.7%
12/02/2024	Extension of \$51m Funding Package	0.205	▼	4.7%	0.195	▼	4.9%
01/03/2024	Belvedere Lookalike at Grey Goose	0.195	►	0.0%	0.220	▲	12.8%

Source: Black Cat's ASX announcements and Bloomberg

On 29 August 2023, Black Cat announced that it had received commitments from institutional and sophisticated investors for an \$8.3 million placement to fund exploration activities at Paulsens. The placement price of \$0.225 per share represented a 15.1% discount to the last close share price prior to the announcement and a 23.2% discount to the 5-day volume weighted average price at the time. The placement also included the issuance of 1 new option for every 2 shares issued, exercisable at \$0.3375 per Option, which represented 150% of the placement price. On the date of the announcement, Black Cat's share price decreased by 17.0% to close at \$0.220. The share price increased by 2.3% over the subsequent three-day trading period to close at \$0.225.

On 26 September 2023, Black Cat announced the Initial Package with intent to restart Paulsens. The Initial Package for \$60 million included an equity placement of \$45 million at \$0.225 per Black Cat share from Mingjin and Southeast Mingqing collectively, along with a \$15 million secured debt facility from Mingjin. On the date of the announcement, the Company's share price decreased by 7.8%, closing at \$0.235. In the subsequent three-day trading period, the Company's share price fell by 10.6%, closing at \$0.210.

On 23 October 2023, Black Cat announced the execution of formal agreements relating to the Initial Package from Mingjin and Southeast Mingqing. On the date of the announcement, the Company's share price decreased by 3.9%, closing at \$0.183. In the subsequent three-day trading period, the Company's share price increased by 17.8% to close at \$0.215.

On 10 November 2023, Black Cat provided an update on surface exploration activities nearby Paulsens, where surface drilling had commenced in the Eastern Zone and Belvedere. The Company's intent to focus on exploration in these districts was emphasised. On the date of the announcement, the Company's share price increased by 7.3%, closing at \$0.220. In the subsequent three-day trading period, the Company's share price increased by 25.0%, closing at \$0.275, although we note this was largely driven by the one day share price increase of 18.2% on 13 November 2023 following the announcement below.

On 13 November 2023, Black Cat provided an update on recent activities at Paulsens. The update included some drill results which suggested parts of the Paulsens project area were underexplored and had the potential to be future mining targets. On the day of the announcement, Black Cat's share price rose 18.2% to close at \$0.260, and over the next three trading days, it rose a further 7.7% to close at \$0.280.

On 4 December 2023, Black Cat announced the acquisition of five tenements which surround the Company's Mt Clement and Paulsens projects from Kingfisher. On the date of the announcement, the Company's share price increased by 11.3%, closing at \$0.295. However, over the subsequent three-day trading period, the share price decreased by 10.2%, closing at \$0.265.

On 27 December 2023, Black Cat announced the First Revised Package. The variation entailed a change to the funding structure, where the equity placement for \$45 million from Mingjin and Southeast Mingqing was reduced to \$36 million, and a \$9 million unsecured, convertible note facility was entered into with Sundy. On the date of the announcement, there was no movement in the Company's share price, closing at \$0.255. In the subsequent three-day trading period, the Company's share price decreased by 7.8% closing at \$0.235.

To provide further analysis of market prices for a Black Cat share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 25 September 2023, 26 December 2023, and 14 March 2024, being the last trading day prior to the announcements of the Initial Package, First Revised Package and Second Revised Package, respectively.

VWAPs prior to the announcement of the Initial Package

Share Price per unit	25-Sep-23	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.255				
Volume weighted average price (VWAP)		\$0.242	\$0.238	\$0.283	\$0.300

Source: Bloomberg, BDO analysis

VWAPs prior to the date of the announcement of the First Revised Package

Share Price per unit	26-Dec-23	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.255				
Volume weighted average price (VWAP)		\$0.257	\$0.268	\$0.226	\$0.228

Source: Bloomberg, BDO analysis

VWAPs prior to the date of the announcement of the Second Revised Package which includes the Proposed Placement

Share Price per unit	14-Mar-24	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.235				
Volume weighted average price (VWAP)		\$0.229	\$0.215	\$0.222	\$0.239

Source: Bloomberg, BDO analysis

All of the above weighted average prices are prior to the date of the final announcement on the 15 March 2024 to avoid the influence of any increase in price of Black Cat shares that has occurred since the Proposed Placement was announced. Our assessment is that a range of values for Black Cat shares based on market pricing, after disregarding post announcement pricing, is between \$0.220 and \$0.240. This range has been assessed having consideration to the three periods outlined above, although we have given more weight to the period immediately prior to the announcement of the Second Revised Package as this was the first time the Proposed Placement was announced and it is also the most recent period of the three.

An analysis of the volume of trading in Black Cat shares for the twelve months up to 14 March 2024 is set out below.

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 Day	\$0.230	\$0.235	370,982	0.12%
10 Days	\$0.195	\$0.265	9,216,995	2.99%
30 Days	\$0.180	\$0.265	21,076,117	6.83%
60 Days	\$0.180	\$0.275	29,347,851	9.51%

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
90 Days	\$0.180	\$0.315	50,013,876	16.21%
180 Days	\$0.160	\$0.460	127,478,729	41.31%
1 Year	\$0.160	\$0.535	177,243,432	57.44%

Source: Bloomberg, BDO analysis

This table indicates that, for the period prior to the announcement on 15 March 2024, Black Cat's shares were liquid, with 57.44% of the Company's issued capital at the time being traded in the twelve month period prior to 14 March 2024. Over the entire one year period, we consider the shares to be liquid and active, on the basis that greater than 1% of the Company's issued capital being traded on average on a weekly basis over the assessed twelve-month period. Furthermore, of the 52 weeks in which our analysis is based on, there were 23 weeks for which more than 1% of Black Cat's securities had been traded.

The quoted market price per share reflects the value to minority interest shareholders. In order to value a Black Cat share prior to the approval of the Resolution on a control basis, we have added a control premium that is based on our analysis set out in Appendix 4.

Applying a control premium to Black Cat's quoted market share price results in the following quoted market price value including a premium for control:

QMP including control premium	Ref	Low	High
QMP		0.220	0.240
Control premium	Appendix 4	30%	40%
QMP valuation including a premium for control (rounded)		\$0.286	\$0.336

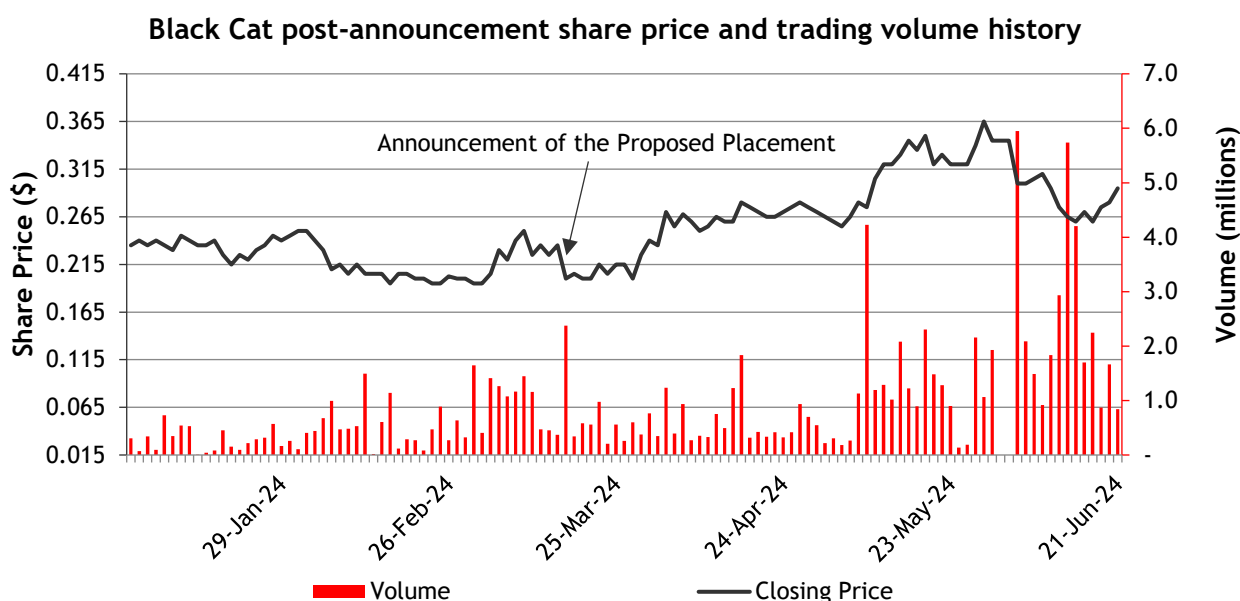
Source: BDO analysis

Therefore, our valuation of a Black Cat share prior to the approval of the Resolution based on the quoted market price method and including a premium for control is between \$0.286 and \$0.336, with a rounded midpoint value of \$0.311.

QMP following the announcement of the Proposed Placement

We have also considered the market price of Black Cat following the announcement of the Proposed Placement as an alternative valuation methodology to our Sum-of-Parts valuation in Section 11.1.

The market price of Black Cat shares in the period following the announcement of the Proposed Placement is considered to be an indicator of the value of a share in the Company because market participants are fully informed as to the terms of the Proposed Placement, with the price reflecting the market's view of value based on its expectations of the Proposed Placement occurring.



Source: Bloomberg and BDO analysis

The Proposed Placement was announced on 15 March 2024. On that day, the share price closed at \$0.200, down approximately 14.89% from a closing price of \$0.235 on the previous day. On that day, 2.38 million shares were traded, representing approximately 0.77% of Black Cat’s issued capital at the time.

To provide further analysis of the market prices for a Black Cat Share following the announcement, we have also considered the weighted average market price for the below periods from the date following the announcement up to 21 June 2024:

Share Price per unit	21-Jun-24	10 Days	30 Days	60 Days	66 Days to 18-Mar
Closing price	\$0.295				
Volume weighted average price (VWAP)		\$0.275	\$0.300	\$0.290	\$0.286

Source: Bloomberg, BDO analysis

We have also analysed the liquidity of Black Cat shares, as proxied by the volume traded as a percentage of the number of shares on issue, over the post announcement period up to 21 June 2024. We conduct this analysis in order to determine whether we consider Black Cat shares to be liquid and active in the period following the announcement.

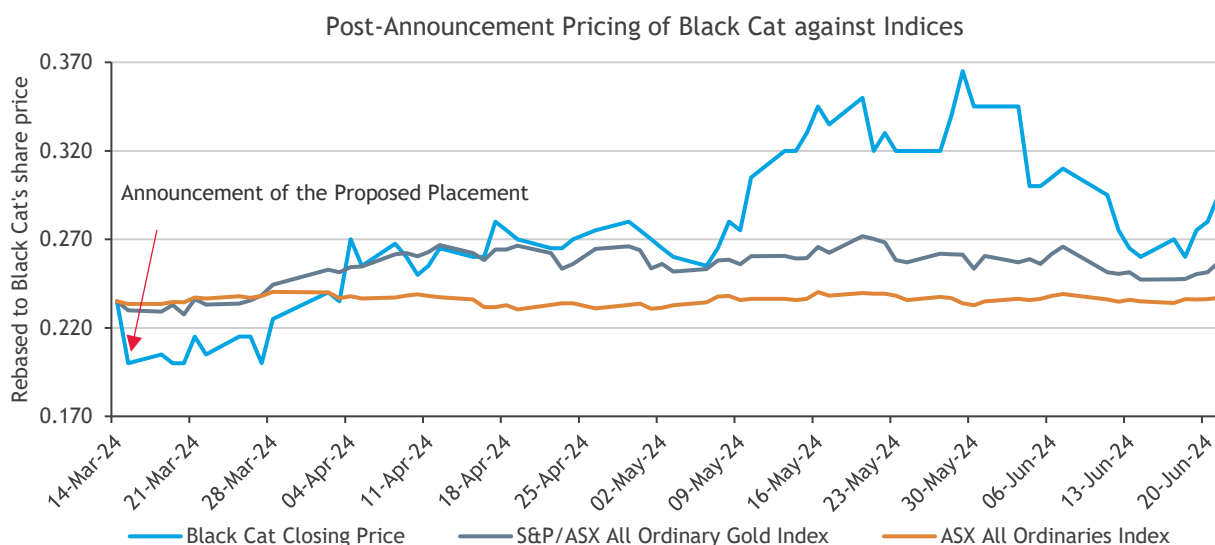
Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.290	\$0.295	842,952	0.22%
10 Days	\$0.245	\$0.320	22,945,406	6.07%
30 Days	\$0.245	\$0.365	51,595,651	13.65%
60 Days	\$0.200	\$0.365	72,523,569	19.19%
66 Days	\$0.195	\$0.365	75,745,787	20.05%

Source: Bloomberg, BDO analysis

We consider the trading following the announcement of the Scheme to continue to show high levels of liquidity with 20.05% of Black Cat’s shares being traded in the period (66 trading days to 21 June 2024) following the announcement. However, we consider the share price over the period following the announcement on 15 March 2024 to display high levels of volatility, with the closing share price ranging

from \$0.200 to \$0.365 in the period up to 21 June 2024, reflecting an 83% movement in the closing share price.

We note that there are other market factors which may influence the Black Cat share price following the announcement on 15 March 2024, such as industry changes, commodity prices, significant corporate actions and other market factors. As such, we have also conducted an analysis of movements in the ASX All Ordinaries Index, as a proxy for the market and the S&P/ASX All Ordinaries Gold index as a proxy for Black Cat's industry, one day pre-announcement through to the immediate post-announcement period. Our analysis is depicted in the graph below, with each of the indices rebased to Black Cat's share price at the start of the period in order to illustrate the relative performance of the indices to Black Cat.



Source: Bloomberg, BDO analysis

On the day of the announcement of the Proposed Placement, Black Cat's share price experienced a 14.89% decrease and closed at \$0.200 on the day. However, the share price then rebounded over the subsequent weeks through to end of April to trade around the \$0.270 level. It is noted that the gold index outperformed the broader ASX All Ordinaries Index over this period, helped by a rising gold price.

In May, the Black Cat share price rose sharply to a high of \$0.365 on 29 May. Although the gold index remained relatively flat throughout the month, Black Cat released several announcements in May which may explain the uptick in its share price. During May, the Company announced study updates for Paulsens (8 May 2024), Kal East (9 May 2024), Coyote (15 May 2024) and the turn-key funding, development and processing package for Myhree and Boundary open pits (20 May 2024). Later in the month it also provided a progress update for Paulsens (27 May 2024) and its intentions to pursue the high grade stockpile strategy at Paulsens (29 May 2024). This strong news flow, together with the gold price (in Australian Dollar terms) which continued to trade around the \$3,500/oz level, may have been supportive factors for Black Cat's share price in May.

On 4 June 2024, the Company announced the June 2024 Placement to issue 133,333,333 shares at \$0.270 each. As discussed in Section 4, the announced placement was significant in size, representing more than 40% of the Company's issued capital at the time of the announcement. This placement likely contributed to the subsequent decline in the price of a Black Cat share, which declined to \$0.260 in mid-May, although we note that this decline was also mirrored in the gold index, albeit not to the same magnitude. Over the last few days of our analysis, both the gold index and Black Cat's shares retraced some of its earlier losses.

Based on the above analysis, we consider there to be sufficient liquidity in Black Cat's shares in order to utilise the post-announcement pricing as an approach to assessing the value of a Black Cat share following the Proposed Placement. We also note the high volatility in the Black Cat share price over the post-announcement period may have been driven by factors such as the rising gold price and the announcement of the June 2024 Placement.

Considering the above, our assessment of QMP valuation for Black Cat's shares based on post-announcement market pricing is between \$0.270 and \$0.300 with a preferred value being a rounded midpoint of \$0.285 as we have no reason to select either end of the range.

Appendix 4 - Minority Discount

In order to determine an appropriate minority interest discount, we first need to assess an applicable control premium for the transaction. This is because the minority discount is based on the inverse of the control premium and is calculated using the formula $1 - (1/[1+\text{control premium}])$.

The concept of a premium for control reflects the additional value that is attached to a controlling interest. We have reviewed control premiums on completed transactions, paid by acquirers of gold mining companies, general mining companies and all ASX-listed companies over the ten-year period to February 2024.

In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium). We have also excluded transactions with an assessed paid premium of over 100%, as we consider it likely that the acquirer in these transactions would have paid for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, and not specific strategic value to the acquirer. We have summarised our findings below.

ASX-listed gold mining companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	-	-	-
2023	4	184.59	25.33
2022	4	3,792.50	17.46
2021	4	1,520.22	35.98
2020	1	2,748.89	10.10
2019	1	219.98	56.41
2018	2	31.26	21.77
2017	2	13.74	41.04
2016	4	23.31	47.88
2015	3	48.26	57.90
2014	6	124.78	43.96

Source: Bloomberg, BDO analysis

ASX-listed general mining companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	1	69.12	42.66
2023	14	162.16	30.31
2022	9	1,929.90	22.67
2021	6	1,235.14	29.89
2020	5	592.06	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2014	11	75.02	39.42

Source: Bloomberg, BDO analysis

All ASX-listed companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	1	69.12	42.66
2023	35	421.28	27.41
2022	39	3,199.03	23.39
2021	28	1,095.24	35.17
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	32	522.73	35.39

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions from 2014 onwards for ASX-listed gold mining companies, ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire data set metrics	ASX-listed gold mining		ASX-listed general mining		All ASX-listed companies	
	Deal value (\$m)	Control premium (%)	Deal value (\$m)	Control premium (%)	Deal value (\$m)	Control premium (%)
Mean	867.37	36.65	445.24	37.23	1,467.10	32.56
Median	46.12	36.83	54.48	30.68	127.26	28.47

Source: BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined as 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium paid by acquires of ASX-listed gold mining companies, ASX-listed general mining companies and all ASX listed companies is approximately

36.65%, 37.23% and 32.56%, respectively. However, in assessing the transactions included in the table above, we noted that control premiums appear to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 36.83% for ASX-listed gold mining companies, 30.68% for ASX-listed general mining companies and 28.47% for all ASX listed companies.

Based on our analysis, we consider an appropriate premium for control to be between 30% and 40%, with a midpoint of 35%. This assessed control premium range gives rise to a rounded minority discount in the range of 23% to 29% with a rounded midpoint of 26%.

Appendix 5 - Discount rate

Determining the correct discount rate, or cost of capital, for a business (or project) requires the identification and consideration of a number of factors that affect the returns and risks of the business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cashflows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' WACC, the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

We consider the most appropriate discount rate to be the post-tax nominal WACC for Paulsens. This is because the NPV assessment for Paulsens has been performed on pre-financing cash flows. However, for the DCF valuation of Kal East's Myhree and Boundary open pits, we consider the most appropriate discount rate to be the post-tax nominal cost of equity. This is because, for the turn-key mining and processing package associated with these tenements, Black Cat is not required to provide any funding. Accordingly, we have used the cost of equity determined as part of our WACC determination of Paulsens below, as the discount rate in the Adjusted Turn-Key Model.

Cost of equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
K_e	$= R_f + B \times (R_m - R_f)$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
B	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (Rf)

The risk free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received.

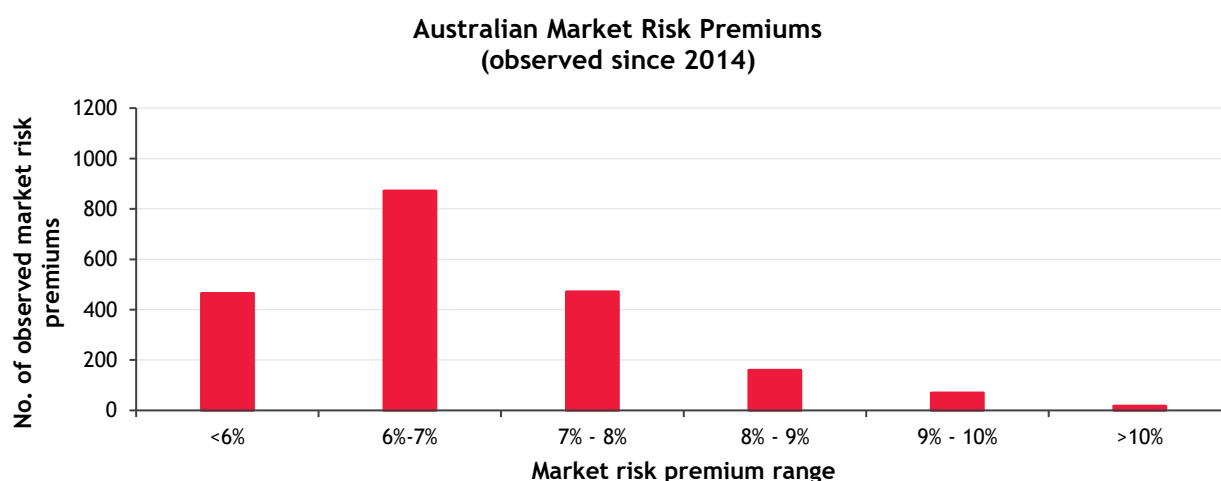
In the Adjusted Paulsens Model, Paulsens is forecasted to generate cash flows over a period of approximately five years. Consequently, we apply a risk free rate for an equivalent term in our assessment of a discount rate for Paulsens.

In determining an appropriate five-year bond rate to use as a proxy for the risk free rate we have given consideration to the five-year Australian Government Bond rate around the date of our Report, as well as the forecast five-year Australian Government Bond rate. Based on this analysis, we have used a risk free rate in the range of 3.00% to 4.00% in our analysis.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in Australia, we have analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last ten years.

The market risk premium is derived on the basis of capital weighed average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian market risk premiums lie in the range of 6% to 8%. This is supported by the long term historical average market risk premium of between 6% and 8%, which is commonly used in practice.

In addition to the above historical analysis, we maintain a database of market risk premiums adopted by other valuation practitioners. This database indicates that 6% is the median market risk premium adopted by reputable valuation practitioners in Australia, with the mean being 6.1%.

Based on the above analysis, and our professional judgement, we have used a market risk premium of 6% in our assessment.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market. A beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by 'ungearing' the equity beta to derive an asset beta (B_a) by applying the following formula:

Asset beta (B_a)	
B_a	$= B / (1 + (D/E \times (1-t)))$
Where:	
B_a	= ungeared or asset beta
B	= equity beta
D	= value of debt
E	= value of equity
t	= corporate tax rate

Selected Beta (B)

In order to assess the appropriate equity beta for Paulsens, we have had regard to the equity beta of ASX-listed gold explorers, developers and early producers with assets primarily located in Australia. Given the current status of Paulsens, a project which is currently under care and maintenance but has historically produced gold, our comparable companies comprise a mix of producers and developers, in order to represent the market risks faced by Paulsens.

The betas have been assessed over a three-year period using weekly returns, against the S&P/ASX All Ordinaries Index.

The list of companies we selected are set out below, alongside Black Cat. We note the mean and median statistics in the table below exclude Black Cat.

Company	Market Capitalisation as at 18-Jun-24 (A\$m)	Gearred Beta (B)	Gross D/E (%)	Ungearred Beta (B_a)	R ²
Black Cat Syndicate Ltd	98.25	1.46	0%	1.46	0.11
Spartan Resources Ltd	883.67	1.14	11%	1.06	0.05
Ora Banda Mining Ltd	705.51	1.58	88%	0.98	0.08
Calidus Resources Ltd	93.80	1.12	51%	0.83	0.04
Brightstar Resources Ltd	68.55	1.04	1%	1.04	0.02
Barton Gold Holdings Ltd	62.32	1.08	2%	1.06	0.08
Mean	362.77	1.19	31%	0.99	0.05
Median	93.80	1.12	11%	1.04	0.05
Mean excl Ora Banda Mining Ltd	277.08	1.10	16%	1.00	0.05

Source: Bloomberg data as at 18 June 2024 and BDO analysis

In selecting the appropriate beta for Paulsens, we have considered the similarities and differences of the comparable companies as set out above. The comparable similarities and differences noted are:

- ☐ the comparable companies are all exposed to the Australian-headquartered gold mining industry, with flagship assets mostly located in Western Australia (excluding Barton Gold Holdings, whose flagship project is based in South Australia)
- ☐ Ora Banda Mining Limited and Calidus Resources Limited are already producing gold, while the remaining comparable companies are in the exploration and development phase, or in the case of Spartan Resources Limited, currently under care and maintenance
- ☐ Similar to Black Cat, Spartan Resources Limited's Dalgara project has historically produced and is currently under care and maintenance as the company investigates pathways to its restart
- ☐ Based on market capitalisations at 18 June 2024, the producers Spartan Resources Limited and Ora Banda Mining Limited are comparatively larger than Black Cat, while the rest of the group are of a more similar size
- ☐ We have presented the mean excluding Ora Banda Mining Limited as well given the debt-to-equity ratio of that company was an outlier, compared to the rest of the peer group.

As set out in the table above, the ungeared beta for the list of comparable companies, based on the three-year period, ranges from 0.83 to 1.06 with a mean and median of 0.99 and 1.04, respectively. In selecting an appropriate ungeared beta for Paulsens, we have considered the ungeared betas of the companies listed and the factors discussed above. Based on our analysis, and having consideration for Black Cat's own ungeared beta (which is notably higher than the rest of the peer group), we consider an appropriate ungeared beta to be in the range of 1.15 to 1.25.

Gearing

Before a discount rate can be determined, the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period must be determined. Our assessment on the appropriate level of debt and equity funding for Paulsens has consideration of the gearing observed from the comparable companies above (excluding Ora Banda Mining Limited, which as noted previously, appears to be an outlier from a financing structure point of view). Based on our analysis, we consider a debt-to-equity ratio of 15% would be appropriate.

Regeared Beta

Applying the above 15% debt-to-equity ratio to the ungeared beta range calculated previously results in a regeared beta range of between 1.27 and 1.38.

Cost of Equity

We have assessed the post-tax cost of equity of Paulsens to be in the range of 10.62% to 12.29%, with a rounded midpoint of 11.5% (rounded to the nearest 0.5%).

Input	Value adopted	
	Low	High
Risk free rate	3.00%	4.00%
Equity market risk premium	6.00%	6.00%
Beta (regeared)	1.27	1.38
Cost of Equity	10.62%	12.29%

Source: The Reserve Bank of Australia, Bloomberg, and BDO analysis

Tax Rate

We have adopted a tax rate of 30% based on Australia's corporate tax rate.

WACC (Post-Tax)

The WACC represents the market return required on the total assets of the undertaking by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds. Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security and risk attributable to the investment.

In calculating WACC there are a number of different formulae which are based on the definition of cash flows (i.e. pre-tax or post-tax), the treatment of the tax benefit arising through the deductibility of interest expenses (included in either the cash flow or discount rate), and the manner and extent to which they adjust for the effects of dividend imputation. The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is detailed in the below table:

WACC	
WACC	$= \frac{E}{E+D} K_e + \frac{D}{D+E} K_d (1 - t)$
Where:	
K_e	= expected return or discount rate on equity
K_d	= interest rate on debt (pre-tax)
t	= corporate tax rate
E	= market value of equity
D	= market value of debt
$(1 - t)$	= tax adjustment

Cost of Debt

As detailed in Section 10.1.2.1, Black Cat has advised that it has received non-binding indicative proposals relating to debt financing for Paulsens. We have not disclosed specific terms of any potential debt financing given the confidential nature of such discussions, however based on our understanding of current discussions and our assessment of comparable companies' cost of debt, we consider a reasonable pre-tax cost of debt to fall within the range of 13% and 15% (equivalent to 9.10% and 10.50% on a post-tax basis respectively, assuming the statutory 30% Australian corporate tax rate).

Discount Rate Conclusion

Using the inputs discussed above, we have calculated the WACC for Paulsens as set out in the table below. We have assessed the WACC of Paulsens to be in the range of 10.43% to 12.05%, with a rounded midpoint of 11.0% (rounded to the nearest 0.5%).

WACC	Value Adopted	
	Low	High
Cost of Equity (K_e)	10.62%	12.29%
After-tax cost of debt (K_d) ($1-t$)	9.10%	10.50%
Proportion of Equity ($E/(E+D)$)	86.96%	86.96%
Proportion of Debt ($D/(E+D)$)	13.04%	13.04%
WACC	10.43%	12.05%

Source: Bloomberg, BDO analysis

Set out below are the company descriptions we considered in our comparable company analysis.

Company Name	Business Description
Spartan Resources Limited (ASX:SPR)	Spartan Resources Limited engages in the exploration, evaluation, and development of gold projects. Its flagship project is the Dalgaranga gold project, which covers an area of 500 square kilometers located to the north-west of Mt Magnet in Western Australia. The company was formerly known as Gascoyne Resources Limited and changed its name to Spartan Resources Limited in August 2023. Spartan Resources Limited was incorporated in 2009 and is headquartered in West Perth, Australia.
Ora Banda Mining Limited (ASX:OBM)	Ora Banda Mining Limited engages in the exploration, operation, and development of mineral properties in Australia. The company explores for gold, nickel, copper, lithium, and base metal deposits, as well as sells gold. It holds 100 % interest in the Davyhurst Gold project that comprises 92 tenements covering an area of approximately 1,200 square kilometers located in North-West of Kalgoorlie, Western Australia. Its production deposits also include the Riverina, Sand King, Missouri, Waihi, Callion, Lady Ida, Mulline, and Golden Eagle projects. The company was formerly known as Eastern Goldfields Limited and changed its name to Ora Banda Mining Limited in June 2019. Ora Banda Mining Limited was incorporated in 2002 and is based in Subiaco, Australia.
Calidus Resources Limited (ASX:CAI)	Calidus Resources Limited engages in the exploration and exploitation of gold minerals in Australia. It holds interests in the Warrawoona gold project covering an area of approximately 662 square kilometers located in the East Pilbara district of the Pilbara Goldfield in Western Australia; and the Blue Spec project situated in the Pilbara Goldfield in Western Australia. The company also holds interest in Spear Hill project located in Pilbara, Western Australia. Calidus Resources Limited was incorporated in 1986 and is headquartered in West Perth, Australia.
Brightstar Resources Limited (ASX:BTR)	Brightstar Resources Limited, together with its subsidiaries, explores for and develops mineral properties in Australia. The company primarily explores for gold deposits. It holds interests in the Alpha, Beta, and Cork Tree Well (Delta) Deposit located in Western Australia. The company was formerly known as Stone Resources Australia Limited and changed its name to Brightstar Resources Limited in December 2020. The company was incorporated in 2002 and is based in Subiaco, Australia.
Barton Gold Holdings Limited (ASX:BGD)	Barton Gold Holdings Limited engages in the exploration of gold projects in South Australia. It holds 100% interests in the Challenger, Tarcoola, and Tunkillia projects. The company was incorporated in 2019 and is headquartered in Adelaide, Australia.

Source: S&P Capital IQ

Appendix 6 - The ERM Report



Independent Technical Specialists Report on the Mineral Assets of Black Cat Syndicate Limited

PREPARED FOR



Black Cat Syndicate Limited

DATE

1st July 2024

REFERENCE

PROJECT 0732122

REPORT R179.2024



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Cover image: Aerial view, Paulsens 450 ktpa processing facility and other infrastructure (Black Cat Syndicate, July 2023)



Independent Technical Specialists Report on the Mineral Assets of Black Cat Syndicate Limited

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1. EXECUTIVE SUMMARY

ERM Australia Consultants Pty Ltd (ERM) was engaged by Black Cat Syndicate Limited (ASX:BC8) to prepare an independent technical review and valuation for the Paulsens, Coyote and Kal East gold projects in Western Australia. This required:

- Independent review of studies and financial models prepared for the company's Paulsens, Coyote and Kal East gold projects in Western Australia;
- Reviewing key inputs to income-based valuation opinions for the Paulsens and Kal East projects being undertaken by BDO Corporate Finance (WA) (BDO), and;
- Preparing a valuation opinion for Mineral Resources not included in Ore Reserves for the Kal East project, and for the Coyote project where Ore Reserves have yet to be estimated but Mineral Resources have been publicly reported.

A review of market values with technical value opinions for recent Australian gold project transactions was also undertaken to provide insight into the potential market value of BC8's projects to assist in their investment decision process.

For the Paulsens project, ERM's technical and market value opinions specifically relate to publicly reported Ore Reserves and Mineral Resources that are exclusive of ore to be mined in the financial model for the project prepared by BC8. For Kal East, ERM's technical and market value opinions are for publicly announced Ore Reserves and Mineral Resources that exclude ore to be mined from the Myhree and Boundary open pits during the contract mining phase of the project recently announced by BC8 and represented in the latest financial model for the project. Mineralisation represented in the financial models for Paulsens and Kal East will be valued using an income-based approach by BDO.

ERM was provided access to project development studies completed by BC8 including resource and reserve estimates, mining studies and studies focussed on refurbishing existing gold plants at Paulsens and Coyote that have been on care and maintenance for some years and developing a new gold plant for the Kal East project, to process ore from a number of satellite open cut and underground mines. All the ore sources to be utilised by each project have been previously mined by a mixture of open cut and underground methods. This will, however, lead to the processing of new ore types, and different mixtures of oxide, transitional and fresh mineralisation than was processed historically.

The geology and controls on mineralisation distribution at each deposit are considered to be well understood. Each of the deposits contain gold mineralisation that exhibit high coefficients of variation that pose challenges for resource estimation. The approach used will need to be revised following the collection of additional drilling and sampling data.

Mining proposals for the three projects are considered by ERM to be essentially robust.

Most of the issues identified by ERM as requiring further work are related to ore processing. There are several areas where additional metallurgical test work is needed. Undertaking sensitivity studies is recommended, and input parameters to the income-based valuations being prepared by BDO need to be considered.

These issues are discussed throughout this report and collated in the report recommendations.

VALUATION SUMMARY

Valuation opinions obtained using the Rule of Thumb (Yardstick) and Comparable Transactions approaches for each of the three projects follow. The valuation approaches are considered to

provide guidance as to Technical and Market Value respectively. The approach followed to use of each approach is discussed in Section 1.11, on page 8 of this report.

Summary valuation opinions for each project are provided in the following table.

The valuations discussed in the Report are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Deposit	Res. Class	Rule of Thumb (Yardstick) (A\$'000)			Comparable Transactions (A\$'000)		
		Low	Preferred	High	Low	Preferred	High
Paulsens							
Paulsens Underground	Ind + Inf	6,757	10,136	13,514	8,879	11,839	14,799
Belvedere Underground	Inferred	128	192	256	269	359	448
Paulsens “Satellite” Resources	Ind+Inf	2,097	3,146	4,194	4,216	5,622	7,028
Paulsens Total	Ind+Inf	8,925	13,404	17,884	13,132	17,510	21,889
Coyote							
Coyote Central Open Pit	Ind+Inf	2,268	3,402	4,536	2,730	3,640	4,550
Coyote Central Underground	Ind+Inf	9,440	14,161	18,881	13,133	17,512	21,890
Bald Hill Open Pit	Ind+Inf	2,866	4,298	5,731	4,169	5,558	6,948
Bald Hill Underground	Ind+Inf	1,547	2,321	3,094	3,136	4,181	5,227
Stockpiles	Ind.	598	897	1,195	627	836	1,045
Coyote Project Total	Ind+Inf	16,719	25,078	33,437	23,794	31,728	39,661
Kal East Project,							
Kal East Ore Reserves – Open Pit	Probable	8,925	10,710	12,495	4,033	5,041	6,049
Kal East Ore Reserves – Underground	Probable	7,754	9,305	10,856	3,504	4,380	5,256
Bulong Open Pit	Inf	1,389	2,083	2,778	2,914	3,886	4,858
Bulong Underground	Inf	1,881	2,822	3,762	3,947	5,263	6,579
Mt Monger Open Pit	Ind+Inf	9,966	14,949	19,933	15,824	21,100	26,377
Mount Monger Underground	Ind+Inf	7,511	11,266	15,022	9,799	13,066	16,333
Kal East Reserves + Resources Total	Prob+ Ind+Inf	37,426	51,136	64,845	40,021	52,737	65,452

KEY FINDINGS

The following chapter contains key findings and recommendations regarding parameters used in developing income-based valuation models for the Paulsens and Kal East projects.

GENERAL

The following general key findings are made:

- The resource estimation approach used by BC8 for all three projects is considered by ERM to provide robust estimates of global resources for each of the three deposits at the current level of geological information availability and study. More detailed geological information will be required to better understand the distribution of high-grade gold and appropriate resource estimation approaches adopted to meet the requirements of higher-level studies, detailed mine design and production control.
- ERM's valuations use a June 2024 projected gold price published by Consensus Economics, 17 June 2024 of US\$2,320 (A\$3,516) per ounce. (Consensus Economics, 2024).
- A US\$:A\$ exchange rate of 0.6599 at 17 June 2024 published by S&P Capital IQ Pro (S&P Capital IQ Pro, 2024) has been used throughout this report.
- The three projects (Paulsens, Coyote and Kal East) are held under a combination of Exploration (E), Mining (M), Miscellaneous (L) and Prospecting (P) licences in which BC8 holds, with few exceptions, a 100% interest. An independent legal review of the tenements was not sought, nor considered required, by ERM for the purposes of this report. ERM's experience is that DMIRS online records are an accurate and current source of Western Australian exploration and mining tenement information.
- Several exploration licences in the Paulsens, Coyote and Kal East project areas have recently expired, or will expire during 2024 unless renewed. BC8 is aware of this and is in the process of renewing the affected licences.
- The tenement packages for all three projects include several tenement applications that have yet to be processed by DMIRS but for which no objections have been recorded. ERM has no reason to conclude that these applications will not be granted by DMIRS.
- The valuations discussed in the Report are opinions as to likely values, not absolute values, which can only be tested by going to the market.

PAULSENS

The following key findings and recommendations are made regarding the Paulsens project:

- BC8 used a gold price of A\$2,900 per ounce as the basis for the initial Paulsens pre-feasibility study to provide a conservative price relative to the prevailing spot gold price in November 2023. Design and schedule iterations in this study to estimate Ore Reserves used a more conservative gold price of A\$2,500 per ounce. These are more conservative than the A\$3,516 per ounce gold price used for the valuation opinions presented in this report.
- Unmined ore close to the existing Paulsens workings occurs in lateral extensions to the Paulsens orebody which has been mined previously over its full vertical extent. Potential for additional mineralisation could be recognised by infill drilling to update confidence in Inferred Mineral Resources which account for just over 25% of currently identified resources and testing the potential for additional mineralisation forming lateral extensions to the known mineralised zones. Whilst this represents upside potential for the project that is worth noting, this additional potential cannot be included in a valuation until this potential is investigated by drilling and sampling, and new data incorporated in updated Mineral Resource and Ore Reserve estimates for the project.

- Indicated and Inferred Mineral Resources have been estimated by BC8 for four satellite deposits in the Paulsens area: Belvedere, Electric Dingo, Mt Clement and Northern Anticline. Belvedere is recognised as having the greatest development potential due to its high-grade.
- Planned production in the Paulsens financial model prepared by BC8 uses Ore Reserves and a large proportion of the Mineral Resources (Measured, Indicated and Inferred) identified at Paulsens and Belvedere. Inferred Resources are estimated by ERM to account for 32% of all material mined at Paulsens, consistent with the estimate reported by BC8. BC8 consider Proved and Probable Ore Reserves for the basis of a viable project, without relying on mining of Inferred Mineral Resources. These may be upgraded to Measured + Indicated Resources in the future by further drilling and studies. As noted above, this potential cannot be reflected in an income-based valuation approach until this work has been completed. The exploration value approaches used in this assignment include value for Inferred Resources.
- ERM does not recommend changes to Ore Reserve inputs to the Paulsens financial model being developed by BDO.
- The mining method proposed to be used at Paulsens is not described in detail in BC8's current restart plan for the project (Black Cat Syndicate, 2023c). Subsequent announcements confirm, however, that specialised, selective, narrow-vein mining will be employed. Mining costs in the financial model are considered consistent with this approach.
- Planned development rates exceed the expected productivity of mining equipment specified for the project in Year 3, but this may be managed by re-scheduling development activities without adversely affecting planned production.
- No allowance has been made for the use of incremental haulage costs from deeper portions of the proposed 8,400 m decline. Haulage costs proposed in the financial model are considered to be appropriate for use for this assignment, but consideration should be given to examining the use of incremental haulage costs in future studies due to the haulage distance from parts of the mine.
- No specific allowance appears to have been made for ventilation of scattered groups of stopes, which may require refrigerated ventilation in deeper parts of the proposed mine to maintain safe working conditions. Current mining costs are considered appropriate by ERM, with this issue noted for improvement of future, more detailed studies.
- Schedules developed for both Paulsens and Belvedere by BC8 are considered achievable by ERM.
- The estimated operating and capital costs included in the financial model are based on contractors' rates and are in line with similar operations in Australia. No material issues were identified in the documentation provided by BC8 and ERM sees no reason to make changes to the mining, scheduling or cost parameters. Potential additional mining costs discussed herein by ERM are, however, risks faced by the project.
- The Paulsens mill has been on care and maintenance since 2017.
- The Financial Model and November 2023 Restart Study are underpinned by the prevailing definition of a 96 % availability of the Processing Facility which leads to a Process Plant Throughput Feed rate of 46.19 tph based on the installed capacity of a 1000 kW ball mill motor power. The Improved Restart Plan (Nov 23) indicates there is potential for recovery improvements via leach feed decreased grind size (75 μ m). The ore feed characteristics will

play a key part in determining the ultimate throughput of the plant and whether any potential upside is possible.

- ERM suggests that a prudent approach to any brownfields restart commence with a lower utilisation factor. The mill "availability" figure plays no part in the financial model with the 91.2 % "utilisation" being the key operating driver determining plant run hours. The first 4 months of production have been capped to a day shift only operation for plant ramp-up and optimisation. ERM agree the approach prudent and 91.2 % a suitable and standard measure for CIL processing to dictate operational run-time.
- A financial model processing tonnage rate of 46.1 tph is proposed by ERM, which is lower than the average 55 tph presented in the Paulsens restart study. At 46 tph the process plant can be expected to achieve the finest grind size and maximum leach residence time, thus promoting high gold recovery.
- ERM believes that the targeted 92.43% recovery from the "new" Paulsens underground operation will require specific and careful plant management to achieve, and the "potential" opportunity mentioned for greater recovery via grind size reduction is not entirely real as it will only reduce the throughput of the plant in which it is obtained. The 1000 kW mill and the tank residence will always be the key limiting factors to obtaining more through the particle size vs residence throughput constraints. The initial design capability of 450,000 tpa per annum is likely not achievable due to ore hardness and other properties.
- The inclusion of gabbro material in run-of-mine (ROM) ore introduces a new "unprocessed" material type that is key to the production profile and improved gold recovery projections that are based on historical processing of quartz vein ore.
- Further metallurgical test work is required to confirm that the 92% gold recovery proposed for Belvedere is reasonable. The 92% gold recovery assumption in current studies should be used until this work has been completed.
- ERM sees no need to alter or change any of the process operating cost figures as the inputs utilised likely represent closer to long term future prices (next 5 years) as opposed to spot market conditions at the time of this report.
- ERM are not able to fully qualify the capital allocated for BC8's refurbishment of a mothballed 2017 60 tph, nameplate gold processing facility without the warrant of a site visit from a qualified mechanical and electrical inspection. Having said this, the current budget allocation for the "re-vamp" of a standard 60 tph CIL process plant of total \$ AU 19.36 million should be adequate to return the facility to peak performance. ERM proposes that unless catastrophic failures are encountered (Electrical, MCC, Incomer, severe ground alteration, Ball Mill and Tank failure etc.) in respect to key components, the budget allocated by BC8 for the refurbishment, and restart of the processing facility should be adequate.

COYOTE

The following key findings and recommendations are made regarding the Coyote project:

- Coyote was placed on care and maintenance in 2013 and acquired by BC8 in 2022.
- Studies by BC8 have identified opportunities for both an open pit cutback and subsequent underground operation.
- Ore would be initially be mined from both the Coyote mine and the nearby Sandpiper deposit, with the potential to identify additional satellite deposits.
- Coyote, for the purposes of this study, is being valued as an exploration project. Ore Reserves have yet to be publicly announced for the project by BC8.
- BC8 have reported an Indicated and Inferred Mineral Resource of 3.66 Mt at 5.5 g/t Au (645,000 oz Au) for the Coyote project. A number of exploration targets have been identified that are being examined by BC8.
- Project tenements include four granted mining leases.

KAL EAST

The following key findings and recommendations are made regarding the Kal East project:

- A recently announced contract mining plan for the Myhree and Boundary open pits producing ore for processing at the Paddington mill has potential to produce 849 kt at 2.2 g/t Au.
- There were no fatal flaws found in the mine design and layout.
- The equipment fleet is sufficient to achieve target production.
- The mining capital cost estimates were developed by mining contractors and are considered consistent with industry norms by ERM.
- A disconnect was evident between the Myhree cost model and the technical report, which reported gold recovered of 70 koz compared to 88.5 koz in the model. The latter value agreed with the EPS schedule. ERM assumed that the cost model had been updated. One assumed that the cost model had been updated and but not the report.
- The Ore Reserve is based on a production schedule that mined only Indicated Resources. Inferred Resources represent upside that could be brought into Ore Reserves with further drilling.
- There were no material issues found in the underground projects and ERM sees no reason to make any changes to the mining, scheduling or cost parameters.
- The Kal East project comprises many ore sources to be processed at the "Central Bulong" location via conventional CIL processing. The intent is to process carbon off site via Toll Treatment to recover gold with only the gravity recoverable component to be processed to doré bar on site.
- Extensive testing has been performed on Myhree ore. Boundary ore was tested in a manner that would identify processing differences to Myhree ore.
- Kal East ore was interpreted to be quite sensitive to grind size with any deviation away from the selected 106 µm sizing associated with a rapid decrease in recovery.
- Recovery varies according to both ore type (oxide, fresh, transitional) and source. It is unclear how the 92% recovery proposed for the project was derived.

- ERM cannot refute the 92% average gold recovery calculated in the financial model, but proposes a sensitivity be run at lower "potential" recoveries of 90% and 88% overall to determine how metallurgical recovery impacts the project's NPV.
- ERM confirms the input parameters pertaining to the operating costs in the Financial Model are acceptable.
- ERM have compared the estimated plant capital cost to the available database, and given recent full plant builds in the order of A\$ 68 million-A\$75 million can be referenced (that include elution columns, expanded gold rooms and increased reagent requirements and systems), the capital costs seem prudent and appropriate.

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Acronyms and Abbreviations

Acronyms	Description
A\$	Australian dollar
AIG	Australian Institute of Geoscientists
AISC	All-in sustaining cost
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Ltd
Au	gold
Capex	capital expenditure
CIL	CI is a process of continuous leaching of gold from ore to liquid and counter-current adsorption of gold from liquid to carbon particles in a series of tanks
CIP	CIP (carbon-in-pulp) gold extraction process is a method of adding activated carbon to the cyanide slurry, adsorbing the dissolved gold to the activated carbon, and extracting gold from the activated carbon.
DMIRS	Western Australia Department of Department of Energy, Mines, Industry Regulation and Safety.
Due diligence	Due diligence is a process or effort to collect and analyse information before deciding or conducting a transaction, so a party is not held legally liable for any loss or damage. The term applies to many situations but most notably to business transactions.
Feasibility Study	a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
Gold doré	Gold doré refers to a bar composed of a mixture of precious metals, though these bars generally contain gold and silver. A doré bar is usually produced as part of the mining and refining process but can also be created from scrap gold. It is a very imprecise term that is applied to numerous forms of partially refined gold. On average, a doré bar contains 50-75% pure gold. These bars require further refining before the metal can be used as raw material for producing gold items. Gold doré bars are therefore neither ore nor bullion, but simply metal bars with a high gold content.
ha	hectare
Indicated Mineral Resource	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.
Inferred Mineral Resource	that part of a Mineral Resource for which quantity and grade (or quality) are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity
JORC	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia, responsible for the continuous development of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)
km	kilometre

Acronyms	Description
km ²	square kilometre
kt	kilo tonnes (thousands of tonnes)
ktpa	kilo tonnes per annum
koz	Thousand (troy) ounces
kozpa	Thousands of (troy) ounces per annum
kWh	Kilowatt hour
LBMA	The LBMA Gold and Silver Price benchmarks are the global benchmark prices for unallocated gold and silver delivered in London, and are administered by ICE Benchmark Administration Limited.
LoM	Life of Mine
Measured Mineral Resource	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
ML	Mining lease
MRE	Mineral Resource estimate
Mt	million tonnes
Opex	Operating expenditure
Ore Reserve	the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors.
oz	Gold content, troy ounce (equivalent to 31.1035 grams)
PMHMP	Principal Mining Hazard Management Plan
Pre-feasibility Study	a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
Scoping Study	an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.
t	tonnes
tpa	tonnes per annum
tpm	tonnes per month
US\$	United States dollar
VALMIN	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code. The latest revision of the code was published in 2015.

1. INTRODUCTION

1.1 CONTEXT

ERM Australia Consultants Pty Ltd (ERM) was engaged by Black Cat Syndicate Limited (ABN 63 620 896 282, ASX:BC8) (BC8) to prepare an independent technical review and valuation for the Paulsens, Coyote and Kal East gold projects in Western Australia (Figure 1). The scope of work comprises preparation of an independent technical report and valuation for the three projects.

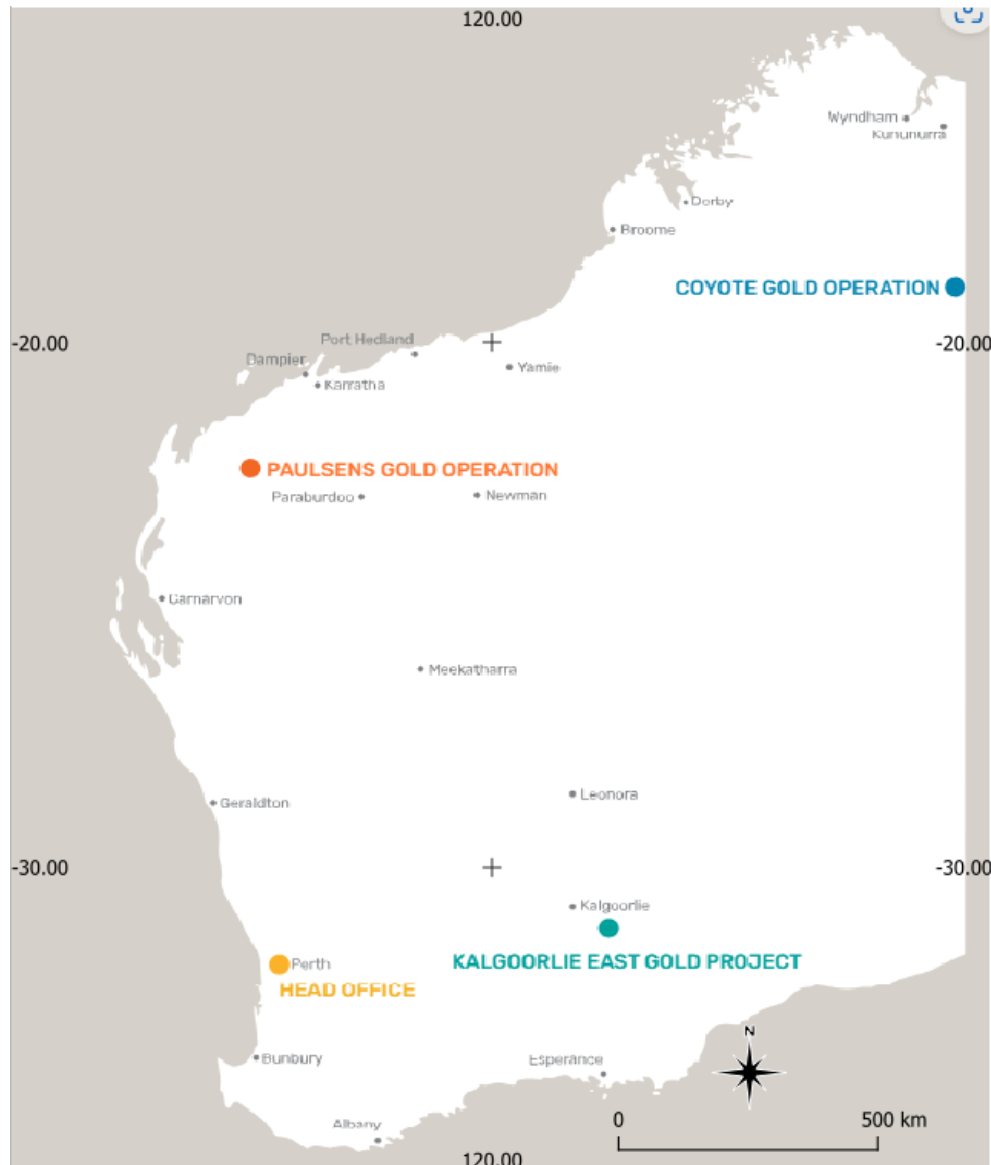


Figure 1. Black Cat Syndicate Limited (BC8) project locations, Western Australia

This report examined three gold projects in Western Australia bought by BC8 at various stages of development:

1. Paulsens,
2. Coyote, and
3. Kal East.

ERM worked closely with BDO Corporate Finance (WA) Pty Ltd (BDO) who were responsible for preparation of income-based financial models for the Paulsens and Kal East projects. ERM's role

included critical analysis of inputs to the financial model for the Paulsens and Kal East projects and provision of an exploration project valuation for the Coyote project.

Preparation of an income-based model for Coyote project was considered to be inappropriate given an Ore Reserves estimate had not been prepared by BC8. An Indicated + Inferred Mineral Resource had been reported publicly (Black Cat Syndicate, 2023b). This approach avoided potential conflict with ASIC Information Sheet 214 (ASIC, 2016).

BC8's original plan was to restart Paulsens first and increase that operation's life before sequentially refurbishing and building processing facilities at Coyote and Kal East. BC8's objective was to use revenue generated by Paulsens to fund the subsequent development of Coyote and Kal East. This plan changed in May 2024 with BC8 announcing that gold production would commence at Kal East following the establishment of an Ore Sale Agreement with Paddington Gold Pty Ltd, with ore to be mined by a contractor from the Myhree and Boundary open pits (Black Cat Syndicate, 2024c). A successful capital raising to restart Paulsens was also announced by BC8 during June 2024 (Black Cat Syndicate, 2024b), but this is likely to occur subsequent to the commencement of open pit ore production at Kal East.

1.1.1 PAULSENS

The Paulsens project is located approximately 180 km west of Paraburdoo in the Pilbara region of Western Australia and is accessed by sealed roads (State Route 136) to within 7km of the project site.

Pulsens was mined from 2005 through 2009 by Intrepid Mining and then by Northern Star Resources until 2017 when the operation was put on care and maintenance. A total of 4.5 Mt at 6.9 g/t Au for 1,003 koz of gold were mined, to produce 932 koz of recovered gold, at an average of 75 kozpa (recovered). A second gold deposit, Belvedere, is located 5 km southeast of Paulsens on mining lease M08/222 and is accessed via a 10km unsealed road from the Paulsens project site. Small-scale underground mining during the 1930's extracted 454 oz of gold to a depth of 20m below surface. Northern Star Resources undertook limited drilling at Belvedere between 2011 and 2015 and conducted preliminary geotechnical and metallurgical studies for a potential open pit.

BC8 plans to refurbish the existing processing facility and recommence underground mining operations at Paulsens and Belvedere to produce gold during 2024. A restart plan and supporting study was released publicly through an ASX announcement on 21 November 2023 (Black Cat Syndicate, 2023c). An update to the project's restart study was announced on 8 May 2024 (Black Cat Syndicate, 2024g). A successful capital raising to restart Paulsens was subsequently announced to the ASX by BC8 on 4 June 2024 (Black Cat Syndicate, 2024b).

1.1.2 COYOTE

Coyote is located approximately 220 km southeast of Halls Creek in the West Kimberley region of Western Australia. The project site is accessed by the Tanami Road from Halls Creek to The Granites in the Tanami region of the Northern Territory. An unsealed airstrip also services the site.

Coyote was mined between 2006 and 2013 by Tanami Gold NL and produced a total of 1.4 Mt at 4.9 g/t Au for 211 koz at an average rate of approximately 35 kozpa recovered. The site was placed on care and maintenance in 2013. ABM Resources NL operated the processing facility briefly in 2015 under a sublease agreement and treated about 200,000 t of ore from the Twin

Bonanza mine site, located 41 km east of Coyote. The process facility was returned to care and maintenance in 2016.

Black Cat's aim is to bring Coyote into operation following the proposed restart of Paulsens.

A scoping study for Coyote was released publicly 18 July 2023 in an ASX announcement (Black Cat Syndicate, 2023b). This was followed by announcement of a study update on 15 May 2024 (Black Cat Syndicate, 2024d), which does not affect the project's publicly announced Mineral Resources or Ore Reserves.

1.1.3 KAL EAST

The Kal East project is located approximately 50 km east of Kalgoorlie. The site may be accessed via several all-weather roads. The proximity of the project to Kalgoorlie is advantageous with respect to ease of access to logistics, major suppliers, and a project workforce with relevant skills.

BC8's objective is to construct a 0.8 Mtpa processing facility, capable of treating ore from multiple, free-milling ore sources in the area.

A preliminary feasibility study for the Kal East project was released publicly in an ASX announcement on 14 July 2023 (Black Cat Syndicate, 2023a). BC8 advised that this study was to be refreshed to reflect current gold prices during April 2024. The results of this work have not been released publicly.

BC8 announced that gold production would commence at Kal East following the establishment of an Ore Sale Agreement with Paddington Gold Pty Ltd. Mining would be undertaken by a contractor from the Myhree and Boundary open pits (Black Cat Syndicate, 2024c).

1.2 PROJECT SCOPE

ERM was engaged by BC8 to undertake:

1. Preparation of an independent Technical and Market Valuations of residual resources, outside the mine plan developed for the restart of the Paulsens Mine
2. Preparation of an independent Technical and Market Valuations of in situ resources for the Coyote gold project
3. Preparation of an independent Technical and Market Valuations of both overall in situ resources and resources outside the mine plan for the Kal East project
4. Review mining cost and other assumptions used in the financial modelling of the Paulsens mine, to help BDO in developing an independent income-based valuation for the restarted operation.
5. Review mining cost and other assumptions used in the financial modelling of the proposed Kal East, to assist BDO in developing an independent income-based valuation for the project.

1.3 COMPLIANCE WITH THE VALMIN AND JORC CODES

This report has been prepared in compliance with both the VALMIN and JORC Codes (VALMIN (2015), JORC, (2012)) to ensure its suitability for potential future public release of the report by BC8.

1.4 PRINCIPAL SOURCES OF INFORMATION

This report has been prepared using publicly available information provided by BC8 and additional, publicly available information compiled by ERM and its associate consultants from other sources. The sources of information used are tabulated at the end of the report and referenced throughout the report text.

1.5 REPORT AUTHORS – QUALIFICATIONS, EXPERIENCE AND COMPETENCE

The Report has been prepared by ERM, a global consulting company that has been operating for over 50 years; with its headquarters in London U.K. with offices in more than 40 countries. ERM is the world's largest advisory firm focussed solely on sustainability, offering unparalleled expertise across business and finance. ERM's Sustainable Mining Team provides multidisciplinary services to a broad spectrum of clients across the global mining industry. These cover all stages of the mining cycle from project generation to exploration, resource estimation, project evaluation, development studies, operations assistance and corporate advice including valuations and independent technical documentation.

ERM engaged BHM Process Consultants Pty Ltd (BHM) to provide specialist gold metallurgy experience encompassing an extensive range of projects, both in Australia and overseas, required by this project.

The opinions presented in this report will be based on information compiled and valuation opinions advanced by the report authors as follows.

Mr Andrew Waltho. Consulting Director - Mining Transaction & Corporate Advisory - Sustainable Mining Services

Geology and Resources

Andrew Waltho is a full-time ERM employee, Fellow of the AusIMM, Fellow and Registered Professional Geoscientist (RPGeo) of AIG, Fellow of the Geological Society (London), and a Professional Member of SME and a Graduate Member of the Australian Institute of Company Directors (AICD). Mr Waltho has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Specialist Practitioner as defined in the 2015 Edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)".

Mr Waltho has more than 43 years' experience as a professional geoscientist spanning exploration and mining projects both in Australia and overseas, multiple commodities and deposit styles. Mr Waltho has completed many public resource estimates and valuations across varied commodities and jurisdictions. He consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

Mr Nick MacNulty, Principal Mining Engineer

Mining Engineering

Nick MacNulty is a full-time ERM employee, with 35 years' professional experience in a range of fields including optimising, planning, designing and scheduling mining operations and effective risk management. Mr MacNulty has extensive experience in due diligence, review and financial analysis of mineral projects and existing mining operations.

□

Mr Steven Hoban, Director and Principal Consultant, BHM Process Consultants Pty LtdMetallurgy, Mineral Processing

Steven Hoban has 20 years' experience in the mining industry. His primary areas of expertise are in commissioning, project design, circuit optimisation and training. Steve's experience covers crushing, grinding, beneficiation and beneficiation/mineral separation, flotation, thickening, solvent extraction/electrowinning, and smelting. He has worked all over Australia and overseas in commodities including gold, nickel, mineral sands, tin/tungsten and uranium. Steve has held many roles during his time in the mineral processing industry such as Principal Metallurgist, Process Commissioning Manager and Corporate Liaison Officer.

Steve is currently involved with system management, training, process design and business development. As well as being hands on and technically active, he also supports technical excellence within BHM by acting as project sponsor and corporate liaison across many of the consulting division's current projects.

Mr Aaron Meakin, ERM Partner, Principal Consultant, Resource GeologyTechnical Peer Review

Aaron Meakin is a full-time ERM employee with over 30 years' experience in the mining sector. Aaron is a highly experienced geologist and resource practitioner who currently leads the CSA Global Mineral Resource estimation team in the Asia Pacific region. Core competencies include resource estimation, technical review and audit, mining geology, and both project and team management. Aaron has significant mine production experience, having worked at both underground and open pit operations over 15 years. A further 15 years of consulting experience has led to broad practical and technical knowledge. Aaron has experience with many styles of mineralisation, both nationally and internationally, and can provide Competent Person sign-off for a vast array of deposits.

Mr Graham Jeffress, Partner, Operations Director (APAC), ERM Sustainable Mining ServicesTechnical Peer Review

Graham Jeffress is a full-time ERM employee and a geologist with over 30 years' experience in exploration geology and management in Australia, PNG, and Indonesia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally. He is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration. Graham has completed many independent technical reports (IGR, CPR, QPR) and valuations of mineral assets. Graham capitalised on his knowledge of exploration to undertake expert technical reviews, valuations, and independent reporting services to groups wanting improved understanding of the value, risks, and opportunities associated with mineral investment opportunities. Graham was a Federal Councillor of the Australian Institute of Geoscientists for 11 years and joined the Joint Ore Reserves Committee in 2014. He is now responsible for managing ERM's Sustainable Mining Services (SMS) operations in the Australasian region.

1.6 PRIOR ASSOCIATION AND INDEPENDENCE

This report's authors and reviewers have no previous association with BC8. Neither ERM and its sub-consultants, nor the authors and reviewer of this Report, have or have had previously, any material interest in BC8 mineral properties covered by this report.

ERM's relationship with BC8 is solely one of professional association between client and independent consultant. This Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report. ERM's fee for the preparation of this Report is approximately A\$91,800.

No employee of ERM is, or is intended to become, a director, officer, or other direct employee of BC8. There is no formal agreement between ERM and BC8 in relation to ERM conducting further work for the Company.

1.7 DECLARATION

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The Report has been compiled based on information available up to and including the date of the Report.

The opinions expressed in the Report have been based on the information compiled by ERM. The opinions in the Report are provided in response to a specific request from BC8 to do so. ERM has exercised all due care in reviewing the supplied information. Whilst ERM has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the data assembled by ERM for this Report. ERM does not accept responsibility for any errors or omissions in the information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

ERM's valuation opinions are based on public information. This information available is the product reasonable enquiries within the time available, to confirm the authenticity and completeness of the technical data and other relevant information used.

ERM considers that its opinion must be considered as a whole and that selecting portions of the analysis, or factors considered by it, without considering all factors and analyses together could create a misleading view of the process underlying the opinions presented in this report. The timing and context of an independent valuation report is complex and does not lend itself to partial analysis or selective interpretations without consideration of the entire Report.

No audit of any financial data has been conducted.

The valuations discussed in the Report are opinions as to likely values, not absolute values, which can only be tested by going to the market.

1.8 SITE VISIT

Site visits were not undertaken in the preparation of this report. ERM concluded that site inspections were unlikely to yield information material to completion of this assignment due to the length of time that Paulsens and Coyote have been on care and maintenance, and work on site by BC8 at Kal East being largely confined to exploration drilling at several of the deposits being considered for renewed mining.

Evidence of the latter was available from other sources, including recent satellite imagery of the project areas which, at Kal East showed evidence of recent exploration drilling activity around the previously mined sites that BC8 is planning to re-open, and at both Paulsens and Coyote, the presence of mine infrastructure including the process plants, waste dumps and tailings storage facilities that would be used when the mines are restarted, accommodation villages and other site infrastructure that has been on care and maintenance since mining was suspended by previous owners.

This approach is considered to have safely and effectively completed a significant proportion of what would have been site visit objectives.

1.9 GOLD PRICE

ERM's valuations use a 17 June 2024 spot gold price published by Consensus Economics, 21 June 2024 of US\$2,320 (Consensus Economics, 2024) equivalent to A\$3,516 per ounce. This compares with a three-month (September 2024) forecast gold price provided by Consensus Economics of US\$2,302 (A\$3,488).

The Australian dollar gold price has exhibited an upward trend over the past three years (Figure 2) (S&P Capital IQ, 2024).

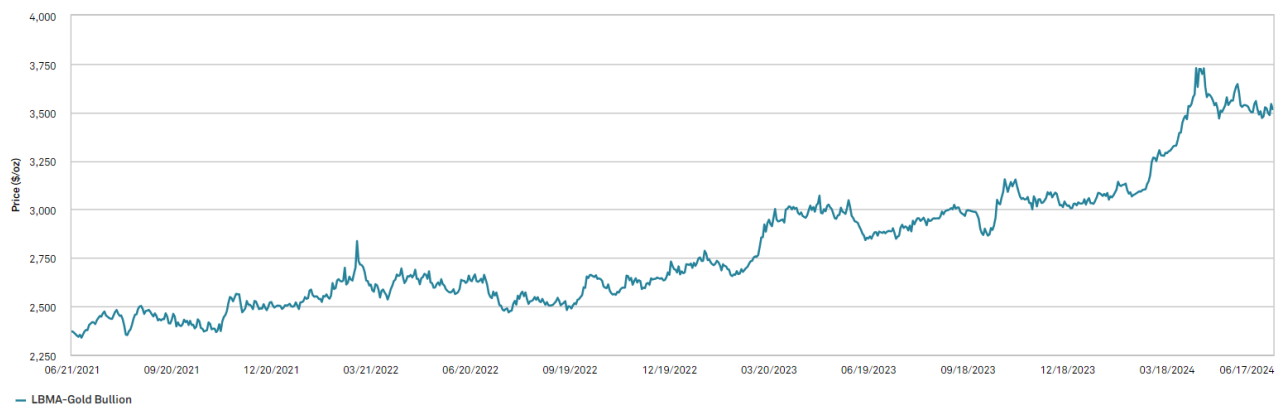


Figure 2. Australian dollar gold bullion prices for the past three years (June 2021 - June 2024).

Consensus Economics noted that the spot gold price reached a record high of US\$2,427 (A\$3,678) on 21 May 2024. Support for gold was attributed to geopolitical tensions and U.S. economic data, which strengthened the case for U.S. interest rate cuts.

The Consensus Economics gold price is higher than the A\$2,900 per ounce gold price used by BC8 in the initial Paulsens restart study (Black Cat Syndicate, 2023c) but comparable with the A\$3,500 per ounce price used the 2024 study update (Black Cat Syndicate, 2024f). The gold price used is significantly higher than the A\$2,500 per ounce gold price used by BC8 to estimate Ore Reserves for Kal East project deposits.

1.10 US\$:A\$ EXCHANGE RATE

A US\$:A\$ exchange rate of 0.6599 at 17 June 2024 published by S&P Capital IQ Pro (S&P Capital IQ Pro, 2024) has been used throughout this report.

1.11 VALUATION APPROACH

ERM employed two principal valuation approaches in valuing the mineral resource assets required by this assignment:

4. A "Rule of Thumb (Yardstick)" approach whereby Measured, Indicated and Inferred Resources, and Proved and Probable Ore Reserves estimated for individual deposits were valued on the basis of contained gold, the gold price used for this study (A\$3516 per ounce) and multipliers reflecting low and high limits for different resource classifications. Widely applied multipliers are presented in Table 1.
5. Comparable transactions in which the implied value of contained gold was derived from a publicly reported Mineral Resource or Ore Reserve estimate and the transaction value.

Table 1. "Rule of Thumb (Yardstick)" Multiples Applied in Technical Valuation of Mineral Resources and Ore Reserves

Resource/Reserve Classification Category	Yardstick Multiple	
	Low	High
Mineral Resources		
Inferred	0.5	1.0
Indicated	1.0	2.0
Measured	2.0	5.0
Ore Reserves		
Probable	5.0	7.0
Proved	7.0	10.0

The Rule of Thumb (Yardstick) method provides a simple and transparent basis for comparison of transactions, particularly those involving projects at an early stage of development. There are a range of other valuation approaches applicable to exploration projects including:

- analysis of actual transactions,
- joint venture terms,
- previous exploration expenditure and prospectivity enhancement,
- geoscience factors (Kilburn Geoscience Rating),
- metal transaction ratios, and,
- Rule of Thumb (Yardstick) method.

All involve a degree of subjectivity in establishing parameters referenced in the valuation approach. The range of approaches has been developed to provide an ability to provide opinions of asset value in a systematic manner in situations where the nature of suitable, available data for use in valuation preparation varies.

The Rule of Thumb (Yardstick) method is relevant to exploration properties where some data on tonnage and grade exist, and these properties may be valued by methods that employ the concept of an arbitrarily ascribed current in situ net value to any Ore Reserves or Mineral Resources outlined for projects (Lawrence, 1994).

The Rule of Thumb (Yardstick) method is more commonly applied to Mineral Resources, although there are a number of examples of it being effectively applied to technical valuation of Ore Reserves which recently include valuation of ASX-listed Lion Selection Group's Pani gold project (Lion Selection Group, 2020), valuation of MMG's Khoemacau copper project in Botswana (Grobler, 2024).

Comparable transactions were identified over the previous three years between Australian companies using the S&P Global Platts Capital IQ business information system (S&P Global Platts, 2024). Some 16 projects were selected from the database search results on the basis of their interpreted similarity to BC8's projects (Table 2). Most of the targets of the selected transactions are located in Western Australia.

Seven projects involved Ore Reserves. Some 13 projects involved Mineral Resources. The S&P Global - Platts database splits project value between Ore Reserves and Mineral Resources where a project includes both. Mineral Resources value is partitioned between Measured + Indicated and Inferred Resources

The transactions listed in Table 2 were identified using a detailed search of the S&P-Platts Capital IQ database, focussing on gold transactions involving publicly reported Mineral Resources completed during 2022, 2023 and 2024 by Australian companies (S&P Global Platts, 2024). A minimum resource base of 25,000 oz of contained gold was specified in the search. The search was also confined to transactions that involved complete acquisition of the target company or project, including transactions where a suitor increased an existing, minority shareholding to complete acquisition of the target.

A surprisingly broad range in effective values per ounce of contained gold for both resources and reserves were obtained, which were considered too broad to provide a meaningful basis for comparison of projects. ERM elected to address this by using the median value as the preferred value for transactions and set low and high transaction limits for analysis at $\pm 25\%$ of the median value. This provided values per ounce for valuation purposes shown in Table 3.

ERM notes that the selection of implied multiples is a subjective assessment. The range is broadly aligned with the multiples used in Rule of Thumb (Yardstick) (technical) value estimates which, in turn, are intended to reflect value multiples implied in feasibility stage transactions.

ERM's search was confined to Australian projects in an attempt to minimise the impacts of sovereign / country risks on transactions that form the basis of this analysis. Gold exploration and mining is, arguably, a global business but these risks exert considerable influence affecting the willingness of companies to invest in particular jurisdictions, competition for assets and the returns on investment required by companies in particular jurisdictions, all of which may influence the multiples obtained by analysis of comparable transactions.

Table 2. Comparable Australian gold project M&A transactions 2023-2024 (Financials)

Target/Asset	Acquirer	Effective Date	Value	Reserves		Resources		R+R in Deal	Transaction Notes
			Value A\$M	A\$/oz	Au oz '000	A\$/oz	Au oz '000	%	
Bardoc Gold Limited	St Barbara Ltd	13 Apr 22	155.78	155.38	1,006.0			6.25	St Barbara Limited has acquired Bardoc Gold Limited
Big River Gold Ltd	Aura Minerals Inc	21 Sep 22	88.22	54.79	1,610.0			2.20	
Cue Project	Rock Solid Mining Services Pty Ltd	26 Apr 23	200.00	15.39	13.0			0.55	Rock Solid Mining Services Pty Ltd has acquired Cue Project from Golden State Mining Ltd.
Dacian Gold Ltd	Genesis Minerals Ltd	20 Feb 23	98.93	284.31	435.6	49.19	251.0.	11.55	Genesis Minerals Limited has acquired a relevant interest of 80.08% in Dacian Gold Limited.
Mineral Hill Mine	Kingston Resources Ltd	17 Jan 22	21.15	242.52	98.0	41.54	546.4	9.33	Kingston Resources Limited acquired Mineral Hill mine from Quintana MH Holding Company LLC.
Mt Carlton Mine	Navarre Minerals Ltd	14 Dec 21	88.98		185.7		433.2	22.29	Navarre Minerals Ltd. has acquired Mount Carlton gold mine from Evolution Mining Ltd
Nullagine Gold Project	Calidus Resources Ltd	20 Dec 23	5.25	13.95	375.3		1159.1	0.50	Calidus Resources Limited has acquired Nullagine Gold project from Novo Resources Corp.
Silver Lake Resources Ltd	Red 5 Resources Ltd	19 Jun 24	1485.16	755.81	4153.9	558.95	6192.0	26.22	Red 5 Limited (ASX:RED) has agreed to acquire Silver Lake Resources Limited (ASX:SLR) in a merger of equals transaction for A\$1.1 billion on February 5, 2024
Big Rush Gold Project	Great Eastern Gold Ltd	30 Jan 23	0.25			0.65	385.0		
Breaker Resources Ltd	Ramelius Resources Ltd	15/5/23	157.01			78.61		2.81	Great Eastern Gold Ltd acquired Big Rush Gold Project from Great Northern Minerals Ltd
Chesser Resources Ltd	Fortuna Silver Mines Inc	20 Sep 23	66.15			98.77	86.0		Fortuna Silver Mines Inc. acquired all of issued and outstanding shares of Chesser Resources Limited.

Target/Asset	Acquirer	Effective Date	Value	Reserves		Resources		R+R in Deal	Transaction Notes
			Value A\$M	A\$/oz	Au oz '000	A\$/oz	Au oz '000	%	
Grand Port Resources Pty Ltd	Cyclone Metals Inc	17 Mar 22	3.60			16.44	219.01	0.66	Cyclone Metals Limited acquired Grand Port Resources Pty Limited.
Masterton Minerals Pty Ltd	Laneway Resources Ltd	7 Nov 22	17.45			117.15	146.60	4.71	Laneway Resources Limited acquired Masterson Minerals Pty Ltd from BCMGT Holdings Ltd.
Mount Ida Project	Red Dirt Metals Ltd	23 Sep	11.00			78.01	141.00	3.14	Red Dirt Metals Ltd. has acquired Mount Ida project from West Perth, Australia-based Ora Banda Mining Ltd., through the acquisition of Mt Ida Gold Pty Ltd
Mount Dimer Project	Beacon Minerals Ltd	22 Dec 23	3.00			35.69	82.00	1.31	Beacon Minerals Ltd. acquired Mt Dimer mining tenements from Aurumin Ltd
Westernx Pty Ltd	Metal Bank Ltd	9 Dec 21	3.39			273.83	37.43	11.02	Metal Bank Limited acquired Westernx Pty Ltd from Kingston Resources Limited.

Table 3. Comparable Transactions Low, Preferred and High Values, Australian Gold Projects 2022-2024

	Transaction Value		
	Low (Median - 25%)	Preferred (Median)	High (Median +25%)
Ore Reserves (A\$)	79.44	99.30	119.16
Mineral Resources (A\$)	36.89	49.19	61.49

2. EXPLORATION AND MINING TENEMENTS

2.1 OVERVIEW

The three projects (Paulsens, Coyote and Kal East) are held by BC8 under a combination of Exploration (E), Mining (M), Miscellaneous (L) and Prospecting (P) licences (Table 4. Exploration and Mining Tenement Summary). A complete list of tenements is included in Appendix 1.

Table 4. Exploration and Mining Tenement Summary

Project	Licence Type	Licences	Total Area	Area Units
Paulsens	Exploration Licence	26	592	sub-blocks
	Miscellaneous Licence	11	145.0	hectares
	Mining Lease	7	2,448.0	hectares
	Total			
Coyote	Exploration Licence	12	275	sub-blocks
	Miscellaneous Licence	3	1,944.0	hectares
	Mining Lease	5	5189.5	hectares
	Prospecting Licence	2	152.0	hectares
	Total			
Kal East	Exploration Licence	24	285	sub-blocks
	Miscellaneous Licence	9	177.0	hectares
	Mining Lease	36	7620.3	hectares
	Prospecting Licence	68	9632.0	hectares
	Total			

All rental and commitment costs are stated in Australian Dollars.

All tenements are beneficially controlled by BC8.

A schedule of tenements as of 16 Feb 2024 was provided by BC8 to ERM for review. ERM cross-checked this schedule with online records maintained by the Western Australia Department of Mines, Industry Regulation and Safety (DMIRS) and found no discrepancies (DMIRS, 2024).

An independent legal review of the tenements was not sought, nor considered required, by ERM for the purposes of this report. ERM's experience is that DMIRS online records are an accurate and current source of Western Australian exploration and mining tenement information.

The tenement packages for all three projects include several tenement applications that have yet to be processed by DMIRS but for which no objections have been recorded. ERM has no reason to conclude that these applications will not be granted by DMIRS in due course.

A summary of the tenement holdings for each project, including annual expenditure commitments and tenement rentals payable to the Western Australia government is presented in Table 4. Expenditure commitments were provided by BC8 and verified using DMIRS online records (DMIRS, 2024). Annual rentals were also obtained using DMIRS online resources.

BC8's tenement holdings have an expenditure commitment for 2024 of approximately A\$4.94 million, and annual rental payments of A\$757,000.

Several exploration licences in the Paulsens, Coyote and Kal East project areas have recently expired, or will expire during 2024 unless renewed. BC8 is aware of this and is in the process of renewing the affected licences. All mining leases are current.

Details of each tenement held by BC8 in the three project areas, including caveats that include royalty and mortgage agreements with third parties, are noted in Appendix 1. BC8 provided this information to ERM for the purposes of this report.

3. PAULSENS PROJECT

3.1 PROJECT HISTORY AND PREVIOUS STUDIES

The Paulsens property was mined by Intrepid Mining between 2005 and 2009, and then by Northern Star until 2017 when the site was placed on care and maintenance. The total tonnes mined was 4.5 Mt, recovering some 932 koz of gold.

BC8 purchased Paulsens during 2022 with plans to refurbish the processing facility and restart underground operations at Paulsens and the nearby Belvedere deposit.

BC8 describes the restart study for the project (Black Cat Syndicate, 2023c) as meeting the requirements of a definitive ($\pm 15\%$) feasibility study.

The Paulsens processing plant will produce doré bars that are sold directly to the Perth Mint, or ABC Refinery. Gold sales will occur at either spot prices or will be delivered into hedge contracts.

BC8 used a gold price of A\$2,900 per ounce as the basis for the initial Paulsens pre-feasibility study to provide a conservative price relative to the prevailing spot gold price in November 2023 (Black Cat Syndicate, 2023c). Design and schedule iterations in this study to estimate Ore Reserves used a more conservative gold price of A\$2,500 per ounce. BC8 observed that the gold sector has remained strong since November 2023 with the price remaining on an upward trend and consistently higher than the A\$2,900 per ounce price used in the initial financial model for the project and significantly higher than the A\$2,500 per ounce price used to estimate Ore Reserves.

3.1.1 DEVELOPMENT PROGRESS

BC8 announced a high-grade stockpiling strategy for Paulsens 29 May 2024 (Black Cat Syndicate, 2024a). The announcement confirmed the appointment of Cream Mining Pty Ltd. Cream Mining is a specialist Western Australian, narrow-vein underground mining contractor.

BC8 also announced that it had secured firm commitments for a two-tranche placement of A\$36 million from institutional and sophisticated investors at A\$0.27 per share (Black Cat Syndicate, 2024b), which represented a small (10%) discount on the company's 4 Jun 2024 ASX closing price of A\$0.30.

3.1.2 REGIONAL GEOLOGY

The Paulsens deposit occurs within rocks of the Hardey Formation of the Lower Fortescue Group: a thick sequence of Archaean mafic and felsic volcanic and associated sedimentary rocks that unconformably overlie Pilbara Craton granite and greenstones in the northwest of Western Australia. The group is divided into seven formations, which are grouped into four major tectonostratigraphic units comprising the:

1. Mount Roe Basalt and pre-Mount Roe Basalt sedimentary units, including the Bellary Formation;
2. Hardey Formation;
3. Kylena, Tumbiana, and Maddina Formations, and their lateral equivalents, the Boongal, Pyradie, and Bunjinah Formations; and,
4. Jeerinah Formation.

Uranium–lead zircon geochronology indicates that the Fortescue Group was deposited between about 2775 and 2630 Ma (Thorne & Trendall, 2001).

The Mount Roe Basalt is up to 2.5 km thick and consists largely of subaerial basaltic lavas, subaqueous basaltic (pillow) lavas, and water-lain volcanoclastic rocks. These are overlain by the Hardey Formation, which is up to 3 km thick, and consists of a wide range of sedimentary and mafic and felsic volcanic rocks laid down in a continental to shallow-marine setting. Middle to upper parts of the Fortescue Group are dominated by subaerial basaltic flows (Kylena and Maddina Formations) and coastal and nearshore-shelf sedimentary and volcanoclastic rocks (Tumbiana Formation) in the north Pilbara, and by subaqueous basaltic to komatiitic lavas and volcanoclastic rocks (Boongal, Pyradie, and Bunjinah Formations) in the south. The Jeerinah Formation, the uppermost unit within the Fortescue Group, consists largely of argillaceous rocks in the north, whereas basaltic lava and volcanoclastic rocks are abundant in the south (Thorne & Trendall, 2001).

3.1.3 ECONOMIC GEOLOGY

Gold deposits were first recognised in the Fortescue Group in 1890 (Woodward, 1891). Three principal deposit types are recognised:

1. auriferous pyritic conglomerates,
2. Paleoproterozoic (post-Wyloo Group) quartz veins, and
3. Cainozoic alluvial–colluvial deposits derived from the Fortescue Group.

Paulsens and Belvedere fall into the second category (above).

PAULSENS

Gold workings at Paulsens were first described in 1938 (Forman, 1938). Auriferous quartz veins strike approximately 310°, and dip northeast at 20–30°. They cut across basalt and sandstone, close to the contact between the Hardey Formation and the Boongal Formation, and can be traced on the surface for approximately 60 m. Evidence of secondary enrichment and an association between gold and significant pyrite were noted by early explorers (Finucane, 1939).

Paulsens is located on the northern limb of the Wyloo Dome. The prominent structural grain is defined by the trend of the regional dome, where local stratigraphy plunges 30° towards the northwest. A penetrative south-dipping axial planar fabric is typically present and is locally overprinted by a steeper, sub-parallel fabric which develops discrete and narrow shear zones with undefined origins. Towards the east of the project area, a regional brittle fault termed the “Hardey Fault” offsets stratigraphy (Thorne & Trendall, 2001).

The mine area is dominated by the Paulsens Mine Gabbro (40–60 m in width) that has intruded the sediments prior to the mineralising events. This gabbro has been offset by normal faulting, causing a plunging ‘tear’ in the unit at ~30° towards the northwest. This tear has been filled with a massive and barren quartz vein that was host to the historically mined mineralisation. Late-stage diorite dykes crosscut the mine sequence and mineralisation.

Mineralisation is concentrated on, or close to, the margins of a massive, quartz vein that fills the tear within the offset Mine Gabbro. Mineralisation is also found within the Mine Gabbro itself, forming narrower, high-nugget quartz/sulphide veins. The various mineralised veins plunge from outcropping at surface towards WNW at around -30° and are mostly constrained to either within the quartz or gabbro.

BELVEDERE

At Belvedere, 6.5 km southeast of Paulsens, gold, copper, lead, and silver mineralisation occurs in two sets of quartz veins. One, the No. 1 reef of Finucane (1939), strikes north and dips west at

approximately 45°; the other, the No. 2 reef, strikes 215° and dips northwest at 75–85°. The No. 2 reef parallels a northeast-trending fault that displaces the No. 1 reef 3–4 m to the northeast. In addition, there are numerous barren veins striking at 310°. Country rocks include mafic and felsic volcanic rock, and sandstone of the Mount Roe Basalt.

3.2 PAULSENS GEOLOGICAL MODEL AND RESOURCE ESTIMATE

3.2.1 RECENT DRILLING

Recent drilling by BC8 has been undertaken at Paulsens and Belvedere, and three additional exploration prospects in the region: Merlin, Electric Dingo and Mt Clement (Figure 3). Drill holes at Paulsens and Belvedere were drilled primarily to confirm results obtained by previous drilling and provide additional information relating to resource continuity.

3.2.2 UPDATED RESOURCE ESTIMATE

BC8 prepared the most recent resource estimate for the Paulsens Project in June 2023 (Black Cat Syndicate, 2023d). The Mineral Resource estimated by BC8 is entirely within Mining Leases M08/99 and M08/196. The Paulsens study report states that BC8 geologists used all available drilling data, underground face mapping, face sampling, photographs and structural geological observations, collected during exploration and more than 12 years of mine operations in preparing the project's Mineral Resource estimate (Black Cat Syndicate, 2023c). This data has predominantly been collected by previous owners (Figure 3, Figure 4).

All available geological data was used in the interpretation and creation of 3D wireframes of geology and mineralisation to provide domains for resource estimation. Grade interpolation was carried out using Ordinary Kriging based on 1 m downhole assay data composites within interpreted geological domains.

Resource estimation domains proposed by BC8 geologists have relatively high coefficients of variance (COV >2) due to the presence of numerous, extreme outlier composites. Grades were estimated after cutting of extreme grades by BC8 to manage their impact on estimates developed. Top cut values were determined by statistical analysis and only utilised where deemed necessary, to restrict interpolation of isolated, high-grade composites with grades between 3.5 g/t Au and more than 200 g/t Au.

A block model with 10m x 2m x 10m cells (x, y, z directions) parent blocks was prepared. The parent block size was determined using the current drill hole spacing within the deposit. Sub-blocks were allowed down to 1.25m x 0.25m x 1.25 m to conform with the domain wireframe volumes constructed for the project. Mineralisation grades were estimated into parent blocks.

Bulk density values were derived from extensive water immersion method measurements of diamond drill core samples.

Validation steps employed by BC8 included the comparison of input assay data with the modelled grades. This was completed by checking the global averages of each domain, visually checking the spatial distributions, and visually comparing the estimated grades to the composited values.

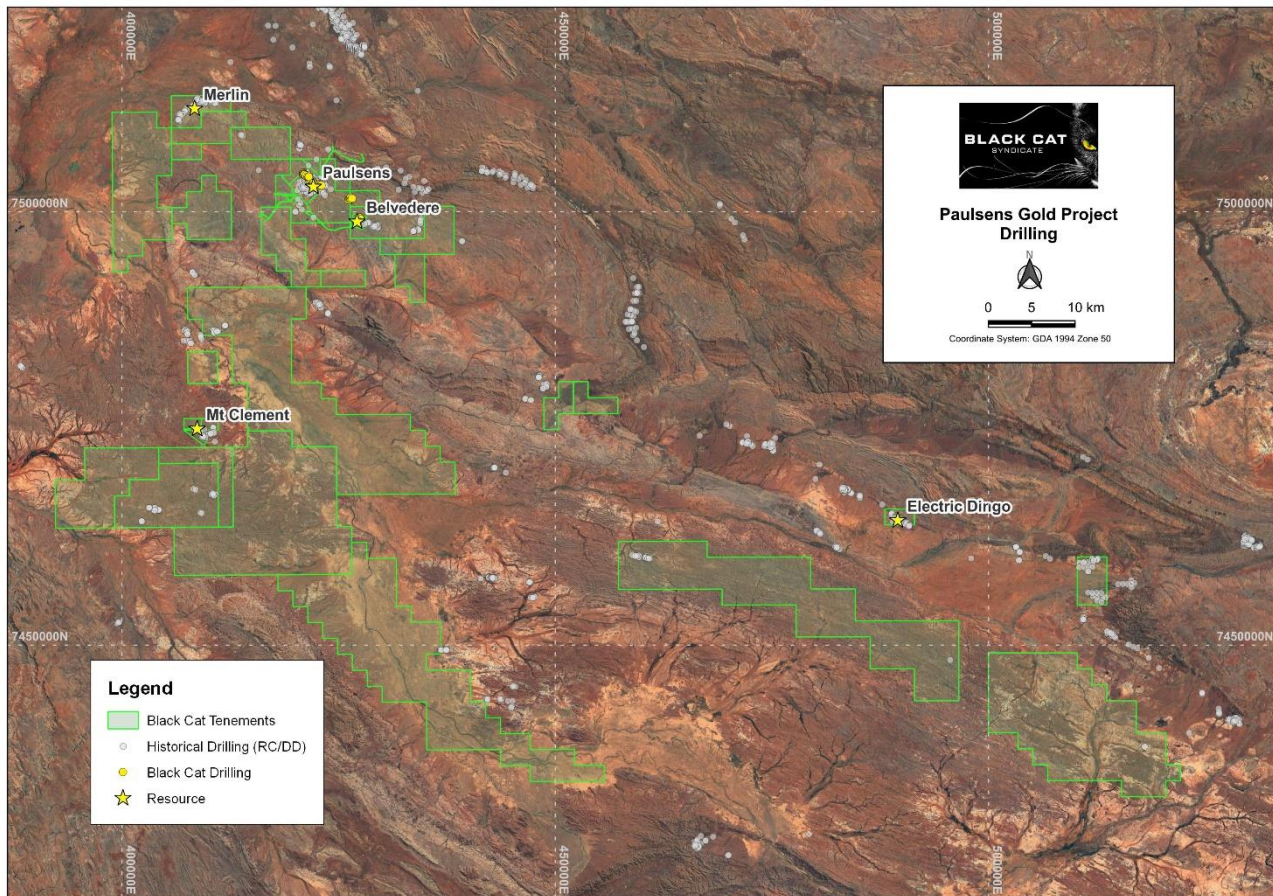


Figure 3. Paulsens Gold Project historic (white) and recent BC8 drilling (yellow)

A small quantity of low-grade mineralisation (1,000 t at 1.6 g/t Au) remains available on a stockpile at Paulsens that could be processed at an early stage of work to restart the gold recovery plant. The average grade of the stockpile is below the cut-off grade estimated for underground mining. Using this material to restart the plant could address potential for the stockpiled material to become a potential environmental liability through leaching of sulphide minerals accompanying gold in the deposit.

The Paulsens Mineral Resource estimate (MRE) announced by BC8 in July 2023 is summarised in Table 5 (Black Cat Syndicate, 2023d). This estimate was presented in an updated Restart Study dated May 2024 and included in an ASX announcement by BC8, 8 May 2024. The revised results reflect the contribution to the deposit's resource estimate completed by BC8 between July 2023 and May 2024.

3.2.3 RESOURCE ESTIMATE SUITABILITY

ERM reviewed the resource estimate preparation process for Paulsens but did not complete a detailed resource estimate audit. Estimating gold resources where high coefficients of variation are evident in composite grades is technically challenging. The process followed by BC8 is considered by ERM to provide a robust global estimate of gold resources potentially amenable to mining. Further work would be needed to determine the suitability of the resource model, and Ore Reserve estimates based on it for detailed production planning. These caveats are considered unlikely to materially affect the current valuation of the proposed Paulsens operation.

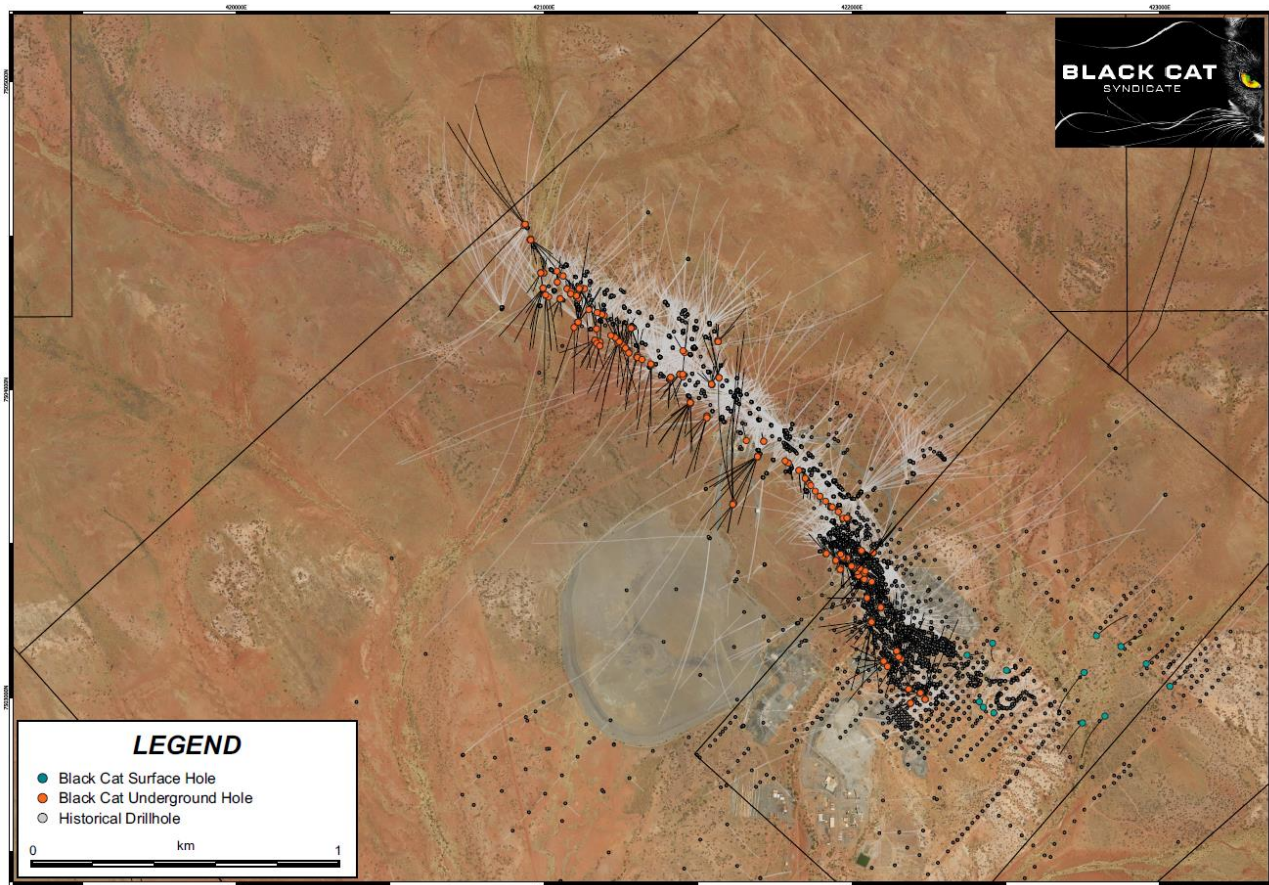


Figure 4. Historic and BC8 surface and underground drilling, Paulsens

Table 5. Paulsens Mineral Resource Estimate, 8 May 2024 (Black Cat Syndicate, 2024g)

Project	Cut-off	Resource Category	Tonnes	Grade	Contained Gold
	Au g/t		('000)	Au g/t	('000 oz)
Paulsens Underground	2.2	Measured	159	10.8	55
		Indicated	827	9.6	254
		Inferred	348	8.6	97
Stockpiles			11	1.6	1.0
Total			1,345	9.4	407

3.2.4 PAULSENS FUTURE RESOURCE POTENTIAL

Unmined ore close to the existing Paulsens workings occurs in lateral extensions to the Paulsens orebody which has been mined previously over its full vertical extent. Potential for additional mineralisation could be recognised by infill drilling to update confidence in Inferred Resources, which account for just over 25% of currently identified resources and testing the potential for additional mineralisation forming lateral extensions to the known mineralised zones. No potential for additional resources at depth is described in the project study (Black Cat Syndicate, 2023c).

3.3 SATELLITE DEPOSITS

3.3.1 FUTURE RESOURCE POTENTIAL

Indicated and Inferred Mineral Resources have been estimated for several satellite deposits in the Paulsens area: Belvedere, Electric Dingo, Mt Clement and Northern Anticline (Figure 3, Table 6).

Belvedere is recognised as having the greatest development potential due to its high-grade. The remaining deposits are larger but lower grade than Belvedere. ERM proposes that the Mt Clement underground resource reported by BC8 is too low-grade to be described as a Mineral Resource by having “reasonable prospects for eventual economic extraction” as required by the JORC Code (JORC, 2012).

Table 6. Satellite gold resources, Paulsens project area (Black Cat Syndicate, 2024g)

Project	Domain	Resource Category	Tonnes	Grade	Contained Gold
			('000)	Au g/t	('000 oz)
Belvedere	Underground	Indicated	95	5.9	18
		Inferred	44	8.3	12
	Sub-Total	Ind+Inf	139	6.6	30
Electric Dingo	Open Pit	Indicated	98	1.6	5
		Inferred	444	1.2	17
	Sub-Total	Ind+Inf	542	1.3	22
Mt Clement	Open Pit	Inferred	1,249	1.5	61
	Underground	Inferred	492	0.3	5
	Sub-Total	Inferred	1,741	1.2	66
Northern Anticline	Open pit	Inferred	523	1.4	24
Total			2945	1.5	142

3.3.2 BELVEDERE

Near surface ore forming part of the Belvedere deposit was mined up until the 1930s by underground methods.

Mineralisation forming the Belvedere deposit occurs within a sequence of mafic volcanic and sedimentary rocks of the Mount Roe Basalt. The units are folded along a moderate to steeply dipping, southwest trending axial plane with an overall shallow northwest plunge. Post-folding and shearing, the volcano sedimentary host rocks appear to be dissected by a series of northeast-trending normal faults with northwest side down displacement. The host rocks are intruded by a suite of steeply dipping, northerly striking (350°) dolerite dykes. The Belvedere Fault has been intruded by a thick dolerite dyke that, with the fault, appears to localise mineralisation. Mineralisation is hosted in and adjacent to laminated quartz veins containing Fe-carbonate and arsenopyrite ($\pm$ galena), formed within or at the margin of the dolerite dyke.

The mineralised zone at Belvedere has been intersected by both surface and underground drilling by previous owners and, more recently by BC8 (Figure 5). The deposit is interpreted to be open down plunge, and at depth (Figure 6).

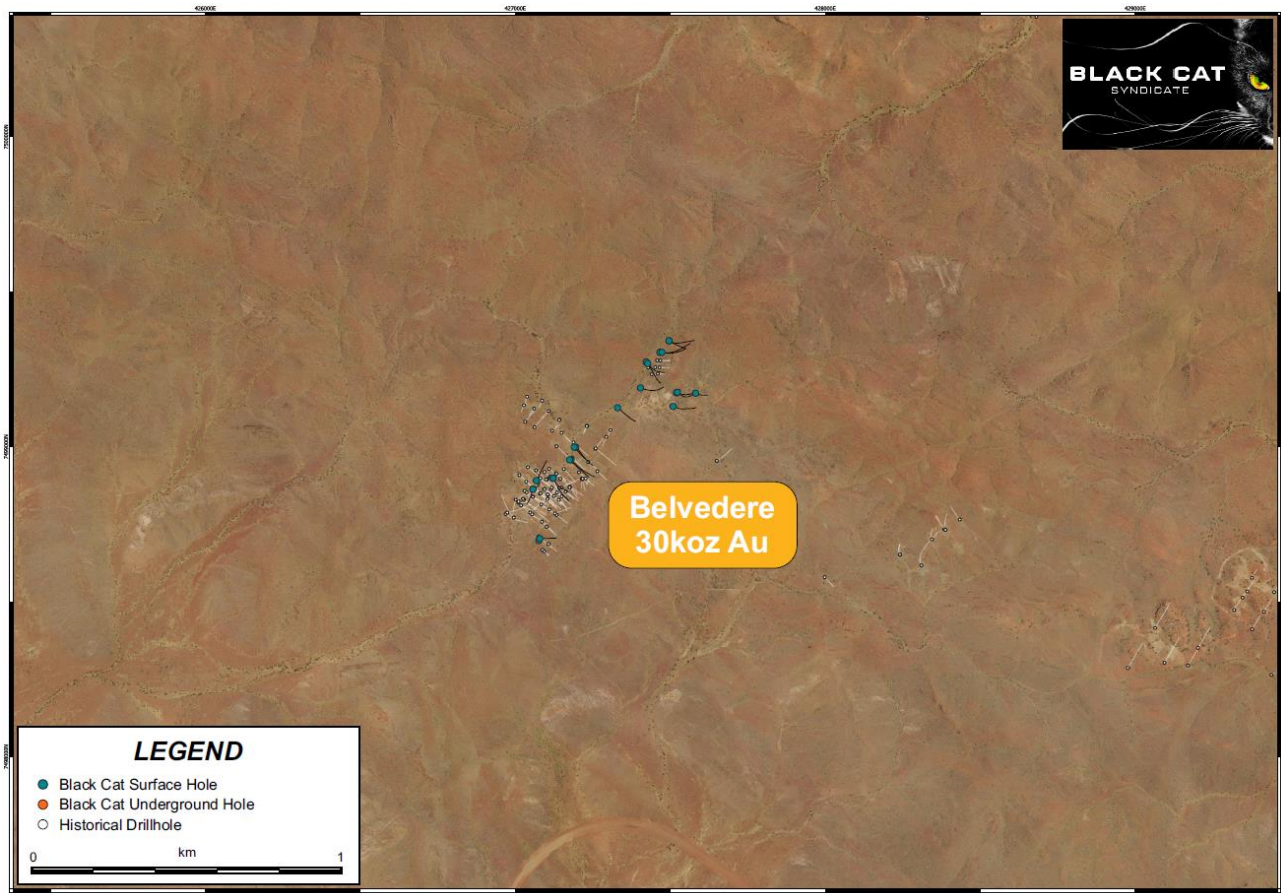


Figure 5. Surface and underground drilling by both previous owners and BC8, Belvedere

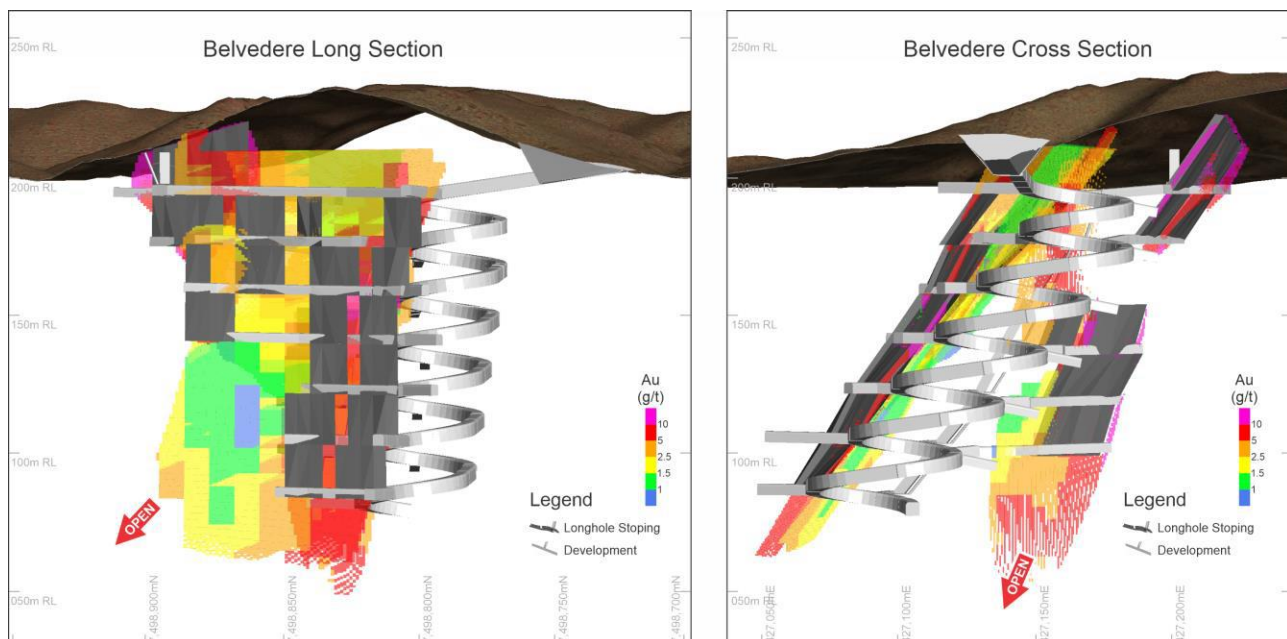


Figure 6. Log section and cross section through the Belvedere deposit showing estimated gold grades, existing development and previously mined (long-hole stopped) areas.

The main host at Belvedere is a mineralised quartz vein (defined by drilling) between 2 m and 12 m thick, dipping from near surface at 52-→280° for 180 m to a depth of around 100 m RL. The geometry of this vein appears to be analogous to the historically mined vein on the hill above it (Black Cat Syndicate, 2023b).

Drilling intersections were interpreted in cross sections that were used to develop 3D wireframes representing the mineralised zone, by outlining areas exceeding gold cut-off grade criteria applied to the resource. All available data from previous exploration and mining and recent BC8 exploration drilling was assumed to be correct and used in developing the deposit model and resource estimate. Drill hole samples were composited over 1 m intervals downhole and estimated using Ordinary Kriging into parent blocks without the application of grade cutting to reduce the impact of samples contributing to high (>2.0%) coefficients of variation in some areas. A parent block size of 5 m x 10 m x 5 m (x, y, z directions) was used to reflect the drill hole spacing. Sub-blocks down to 0.625 m x 1.25 m x 0.625 m were permitted to honour the interpreted mineralised domain outlines.

Model validation measures employed by BC8 geologists largely comprised visual comparison of composites against the estimated grades.

The Belvedere Mineral Resource has been classified as Indicated and Inferred. The Inferred portion of the resource is confined to the periphery of identified mineralisation and a thin mineralised lens in the footwall of the main mineralised zone (Figure 7).

As with Paulsens, the resource estimation process followed by BC8 for Belvedere is considered by ERM to provide a robust global estimate of gold resources potentially amenable to mining. Further work would be needed to determine the suitability of the resource model, and an Ore Reserve estimate based on it for detailed production planning.

Comparable resource estimation workflows were followed for the other satellite deposits in the Paulsens project area (Electric Dingo, Mt Clement and Northern Anticline).

3.3.3 PERMITTING

BC8 attests that most required approvals for the commencement of underground mining at Paulsens have been secured, including:

- Principal Mining Hazard Management Plan (PMHMP);
- Water Extraction Licences;
- Paulsens Underground Mining Proposal; and,
- Works Approval for mineral processing and mine dewatering (Black Cat Syndicate, 2023d).

A letter of commencement notification to DMIRS and an update to the PMHMP are required to be provided to DMIRS prior to site works recommencing. A PMHMP is a framework that identifies and manages the risks on a mine site that could lead to multiple fatalities in a single incident, or series of recurring incidents. All mine operators in Western Australia are required to implement a PMHMP implemented to stay compliant under the state's Workplace Health and Safety (WHS) Act (2020).

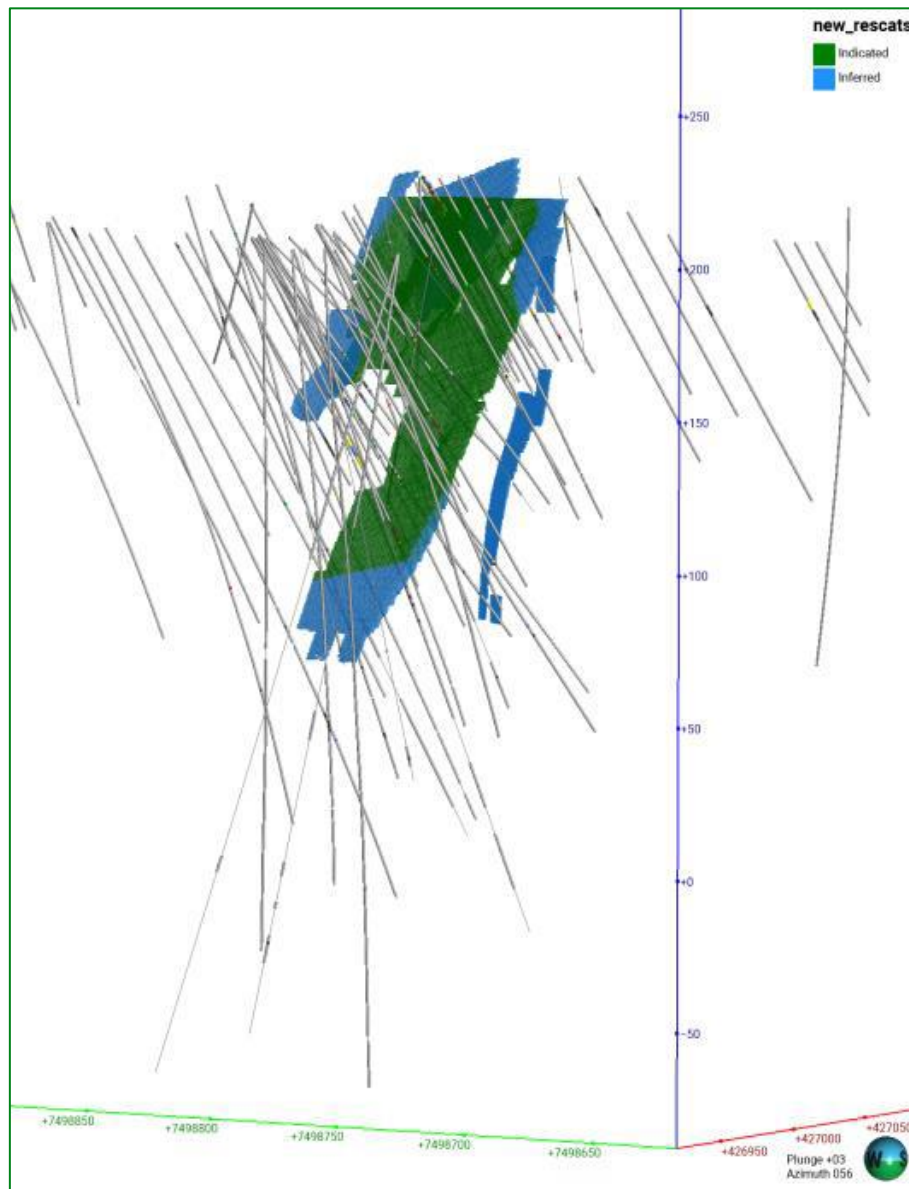


Figure 7. Oblique view of the Belvedere deposit (looking northeast) showing the steeply dipping nature of mineralisation and the distribution of Indicated (green) and Inferred (blue) mineralisation.

3.4 MINERAL RESOURCE ESTIMATE SUITABILITY

ERM proposes that the Mineral Resource estimates prepared for Paulsens and Belvedere provide a suitable basis for valuing the project. There are opportunities for improvement of the resource estimate, but these are expected to have negligible effect on the global estimate prepared by BC8 for the project. Mineral Resource estimates are invariably subject to inherent uncertainty which is considered to have been appropriately addressed in classification of reported Mineral Resources as Measured, Indicated and Inferred as specified in the JORC Code (JORC, 2012).

Note, however, that use of Inferred Mineral Resources in the production plan employs information with a lower level of confidence than is usually associated with Ore Reserves. This may adversely affect confidence in mining studies and financial analysis of forecast production.

3.5 PAULSENS PROJECT ORE RESERVES AND MINERAL RESOURCES

3.5.1 MINERAL RESOURCES AND ORE RESERVES: PAULSENS UNDERGROUND

The Paulsens mine is estimated to have Mineral Resources inclusive of Ore Reserves of 630 kt at 4.3 g/t Au (88 koz contained Au). Mineral Resources for the project are reported to comprise 1,334 Mt at 9.5 g/t (406 koz contained Au), inclusive of Ore Reserves.

ERM estimated Mineral Resources, exclusive of Ore Reserves for valuation purposes by assuming 10% ore loss incurred during mining (Table 7). ERM notes that BC8 engineers are expecting dilution of between 40 and 50% based on the grade differences between reported Proved and Measured, and Probable and Indicated Mineral Resources and Ore Reserves. The resource depletion estimate subtracted estimated contained gold +10% from resources including Ore Reserves and retained the estimated gold grades for Mineral Resources inclusive of Ore Reserves. Only Measured and Indicated Resources were depleted.

Table 7. Estimated Paulsens Project Mineral Resources (exclusive of Ore Reserves)

Category	Tonnes	Au Grade	Au oz
	('000)	g/t	('000)
Measured	114	10.8	40
Indicated	562	9.6	173
Inferred	348	8.6	97
Total	1,024	9.4	309

3.5.2 PLANNED PRODUCTION

The Paulsens project financial model includes planned production from a reopened Paulsens underground mine comprising 1,233 Mt at 3.95 g/t Au (157 oz Au contained) (Black Cat Syndicate, 2024j). This production utilises the entire Paulsens Ore Reserve and an additional 69 koz of contained gold from Mineral Resources, which was portioned proportionately between Measured and Indicated Resources. The remnant Mineral Resource remaining following proposed mining is estimated by ERM to comprise 767 kt at 9.1 g/t Au (309 koz contained Au) (Table 8).

Table 8. Estimated Paulsens Project Remnant Mineral Resources, post-proposed mining

Category	Tonnes	Au Grade	Au oz
	('000)	g/t	('000)
Measured	-	-	-
Indicated	419	9.6	144
Inferred	348	8.6	97
Total	767	9.1	309

3.5.3 MINERAL RESOURCES AND ORE RESERVES: BELVEDERE DEPOSIT

The process discussed above was repeated for the Belvedere deposit where mining of 122 kt at 5.90 g/t Au (20 koz contained gold) is proposed in the Paulsens Project financial model developed by BC8

(Black Cat Syndicate, 2024j). The proposed mining leaves a small, Inferred Mineral Resource of 27 kt at 8.3 g/t Au, 7 koz contained Au). A valuation opinion for the remnant Belvedere Mineral Resource is presented in Table 9.

Table 9. Estimated Belvedere Project Remnant Mineral Resources, post-proposed mining

Category	Tonnes	Au Grade	Au oz
	('000)	g/t	('000)
Inferred	27	8.3	7
Total	27	8.3	7

3.5.4 MINERAL RESOURCES AND ORE RESERVES – PAULSENS PROJECT SATELLITE DEPOSITS

Additional mineralisation identified by BC8 in the Paulsens project area includes:

- Low-grade stockpiles remaining from previous underground mining at Paulsens,
- Mt Clement open pit
- Mt Clement underground,
- Northern Anticline open pit, and
- Electric Dingo open pit.

Mineral Resource estimates reported by BC8 for each of these projects are presented in Table 10.

BC8 also report Mineral Resources for three polymetallic deposits in the Paulsens project area (Table 11).

Table 10. Paulsens Satellite Deposit Mineral Resources

Deposit / Prospect	Resource Category	Tonnes ('000)	Au Grade Au (g/t)	Contained Au ('000 oz)
Paulsens Low-Grade Stockpile	Measured	11	1.6	1.0
Mt Clement Open Pit	Inferred	1,249	1.5	61.0
Mt Clement Underground	Inferred	492	0.3	5
Northern Anticline	Inferred	523	1.4	24
Electric Dingo	Indicated	98	1.6	5
	Inferred	444	1.2	17
Total	Indicated	98	1.6	5.0
	Inferred	3,492	1.4	170
	Ind+Inf	3,590	1.4	175

Table 11. Paulsens Polymetallic Deposits Mineral Resources

Deposit	Category	Tonnes	Grade				Contained Metal			
		('000)	Cu %	Sb %	Ag g/t	Pb %	Cu kt	Sb kt	Ag koz	Pb kt
Western	Inferred	27	0.4	0.2	77	-	1.6	0.7	1,026	-
Central			-	-	-	-	-	-	-	-
Eastern	Inferred	794		1.7	17	2.4		13.2	434	18.7
Total		1,741					1.6	13.9	1,460	18.7

3.6 MINE DESIGN – PAULSENS

The planned underground operation is based on mining remnant resources left unmined by previous operations at Paulsens.

The underground infrastructure is extensive with mining of several orebodies, approximately striking east-west, and dipping between 30° and 40°. The final mining depth was 1,100 m below surface.

The mine design and layout use the existing infrastructure to gain access to the orebody and where necessary additional development is placed to make the connection to the orebody. As shown in Figure 8.

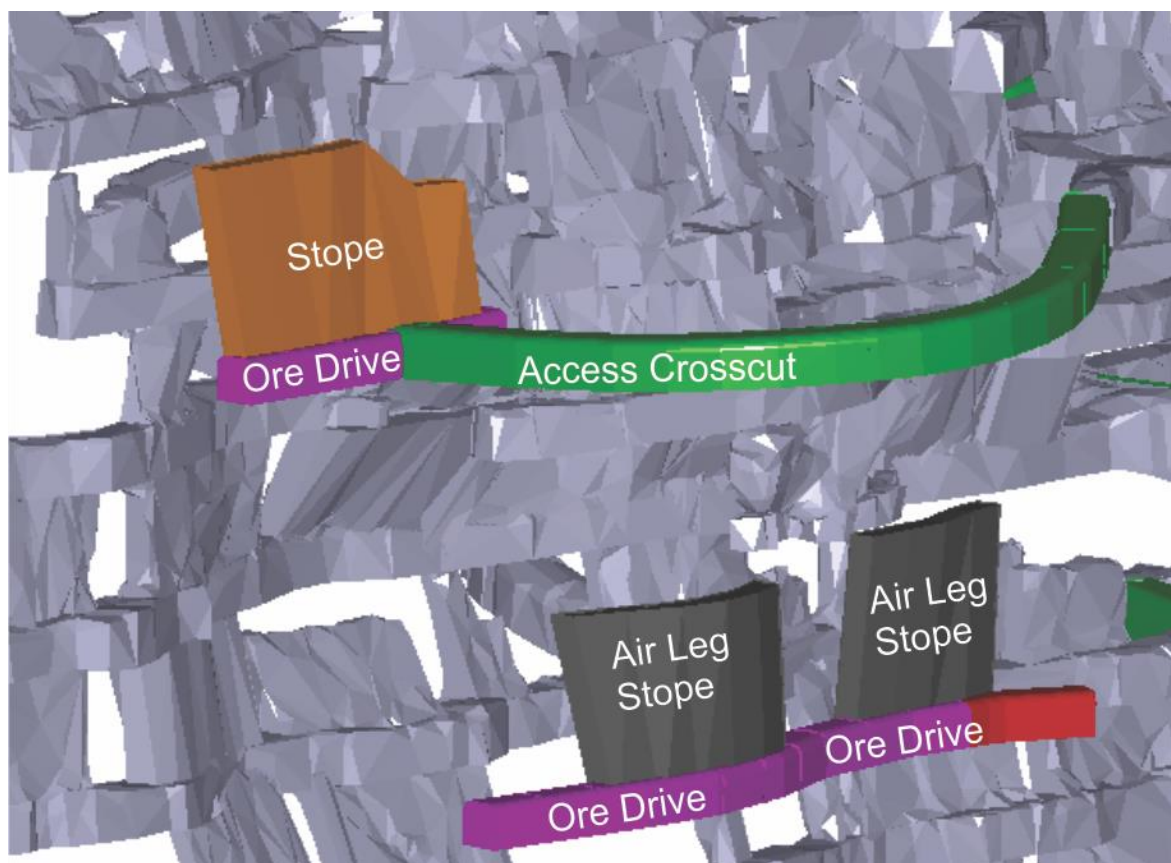


Figure 8. Connecting remnant stope to existing infrastructure

The plan is to develop the decline down a further 900 m which will extend the decline to 1,200 m below surface. There are over 180 remnant stopes, scattered over the existing workings, which are included in the mine design and layout.

Because of the scattered remnant stopes, mining will more complex than conventional stoping and production schedule will be driven by the ability to open-up stopes to provide tonnage to the mill. There may be delays caused by unplanned rehabilitation of the existing infrastructure. However, the relatively low production rate has taken these issues into account – the average LoM monthly rate is 22,000 tpm, with a maximum rate of 50,000 tpm in Year 3.

3.6.1 CONCERNS

MINING METHOD

Whilst not a concern or issue, the only description of the mining method to be used, was in Table 1, Section 4: Estimation and Reporting of Ore Reserves (Black Cat Syndicate, 2023c). This was updated in announcing the high-grade stockpile strategy for Paulsens in May 2024 (Black Cat Syndicate, 2024a).

DEVELOPMENT

The development will be carried out by two drill rigs with the combined advance per month of 550 m. The concern is this rate is exceeded in Year 3, as shown in Table 12.

Table 12. Development physicals

Paulsens Physicals - Development	Year 1	Fin. Year 2	Fin. Year 3	Fin. Year 4	Fin. Year 5	LOM
Capital Lateral Development (m)	1,631	2,130	1,412	952	0	6,125
Operating Lateral Development (m)	409	3,104	5,519	1,455	782	11,269
Total Development	2,040	5,234	6,931	2,407	782	17,394
Average Dev Rate (m/month)	170	436	578	201	65	290

However, as Year 3 exceeds the advance for two jumbos by some 30 metres over the year, this can be levelled by re-scheduling and is unlikely to present a problem.

DEPTH OF MINING

Because of the expected depth of some 1,200 m below surface, seismic activity may become an issue. Geophysical surveys, structural studies, geochemical and petrographic studies have been carried out by previous owners to aid with interpretations and identify prospective structures in the project area.

There is a risk that seismic activity could become a safety risk to persons working underground as well as the potential to close off areas of the mine. A geotechnical review and the modelling of the stress conditions should be undertaken to ensure the current geotechnical recommendations provide adequate ground and regional support.

The decline will be 8,400 m in length and there appears to be no adjustment to the cost of hauling from depth.

The ventilation of the workings will be a challenge to ventilate selected faces spread over the mined area. The depth will potentially create heat conditions that will require refrigeration and additional costs.

3.6.2 MINE DESIGN – BELVEDERE

The Belvedere deposit is situated 5 km south-east of Paulsens and is accessed by a 10 km unsealed road. The deposit will be developed as underground mine with a box cut and portal and mined with a conventional mining method. The mine is shallow with depth of some 110 m and five levels.

There were no fatal flaws identified with the design.

3.6.3 THE COMBINED COST MODEL – PAULSENS AND BELVEDERE

The cost model was detailed, however, there were some apparent inconsistencies in the Paulsens financial model developed by BC8. This was discussed with BC8, and the issue was resolved.

The schedules for the two mines are achievable. As mentioned, the scattered stopes at Paulsens are spread over a large area and to a depth of some 1,200 m. Logistics for personnel, materials and rock could be a challenge.

The estimated operating and capital costs included in the financial model are based on contractors' rates and are in line with similar operations in Australia.

No further material issues were identified in the documentation provided and ERM sees no reason to make any changes to the mining, scheduling or cost parameters.

3.7 MINERAL PROCESSING

The Paulsens Gold Processing Facility has a history with first commissioning commencing in March 2005 under the banner of NuStar Mining.

The operation ran until 2017 when it was put into Care and Maintenance and has remained that way to this day.

BC8 propose to restart the processing facility at a throughput rate of 46.19 tph based on a utilisation / availability of 96 % operating time. These assumptions are reflected in the project's financial model.

3.7.1 THROUGHPUT AND AVAILABILITY

The financial model and November 2023 Restart Study are underpinned by the prevailing definition of a 96 % availability of the Processing Facility which leads to a Process Plant Throughput Feed rate of 46.19 tph based on the installed capacity of a 1000 kW ball mill motor power. The Improved Restart Plan (Nov 23) indicates there is potential for recovery improvements via leach feed decreased grind size (75 µm).

The ore feed characteristics will play a key part in determining the ultimate throughput of the plant and whether any potential upside is possible given the physical restraints surrounding the ball mill (1000 kW).

BC8 did provide the historical Plant Performance data to ERM which leads to the following evaluation of the Processing Facility potential future performance.

Whilst the facility has historically achieved very high utilisation figures compared to the industry norm (92–94%), ERM would suggest that a prudent approach to any brownfields restart commence with a lower utilisation factor. The "availability" figure plays no part in the financial model with the 91.2 %

“utilisation” being the key operating driver determining plant run hours. The first 4 months of production have been capped to a day shift only operation for plant ramp-up and optimisation. ERM agree that this approach is prudent and 91.2% is a suitable and standard measure for CIL processing availability and utilisation to dictate operational run-time.

In every gold processing facility that is ultimately finitely constrained by leach residence time, tonnage throughput and recovery there is an optimum limit to the maximisation process.

The Paulsens gold deposit has a particularly good track record of mine to mill reconciliation that should provide confidence in the robustness of the mined materials amenability to CIL processing recovery.

The historical production profile is shown in Table 13.

Table 13. Paulsens historical mill production profile

	Year Operation				
	12-13	13-14	14-15	15-16	16-17
Mill Utilisation %	95	95	97	97.5	99
Throughput tph	55	55	57	44.86	45
Au recovery %	91.54	89.61	89.29	89.02	87.15

In respect to the financial model, key processing figure inputs for these three (3) key criteria are aligned with the historical maximums except for throughput. The financial model processing tonnage rate has been selected as 46.1 tph which is lower than the average 51-52 tph presented above. At 46 tph the process plant can be expected to achieve the finest grind size and maximum leach residence time, thus promoting high gold recovery (Table 14).

Table 14. Processing and Admin Parameter Summary

Plate Throughput	□□□, □□□	tpa
Days Per Month	□□ □□	
Hours Per Year	□, □□□	hrs/yr
Plant Availability	□□□	□
Plant Availability	□, □□□	hrs/yr
Plant Utilisation	□□□	□
Plant Utilisation	□, □□□	□□, □□□
Mill Rate tph	□□	
Troy Ounce	□□ □□□□□□	
Paulsens Metallurgical Recovery	□□, □□□	
Belvedere Metallurgical Recovery	□□, □□□	
Moisture Content	□□	

3.7.2 PROCESS GOLD RECOVERY

There is no doubt that the Paulsens material historically processed, and envisaged by BC8, is amenable to CIL Processing. No indication from the newly developed mine plan suggests the key quartz vein hosted material would behave otherwise.

The inclusion of the gabbro material as displayed in the table below (Table 15) from the Restart Study however introduces a new “unprocessed” material type that is key to the production profile and improved gold recovery projections.

Table 15. Process gold recovery.

Parameter	Historic Production	Gabbro Footwall Zone
Bond Impact Crushing Work Index	15kWh/t	-
Bond Rod Mill Work Index	14.1kWh/t	-
Bond Ball Mill Work Index	15 - 21kWh/t	16.2 kWh/t
Abrasion Index	0.19	-
Gravity	22%	32 – 57%
Moisture Content	2%	2%
Total Recovery after 24hrs @75µm	89.5%	96.5%
Lime Consumption (pH 10.5)	1.67kg/t	0.61kg/t
Cyanide Consumption	0.82kg/t	0.42kt/t

Metallurgical tests show “gravity gold” recovery of 32-57% from both the gabbro and Belvedere resource components. Metallurgical testwork demonstrates that this gold is not refractory and will be recovered to gold doré bar.

ERM believe that the targeted 92.43 % recovery from the “new” Paulsens underground operation will require specific and careful plant management to achieve this. The “potential” opportunity greater recovery via grind size reduction is not entirely real as it will only reduce the throughput of the plant in which it is obtained. The 1000 kW mill and the tank residence will always be the key limiting factors to obtaining more through the particle size vs residence throughput constraints. The initial design capability of 450,000 tpa per annum is likely not a reality in comparison to the financial model outputs due to increased ore hardness and other properties.

3.7.3 OPERATING COST

The bulk of the Process and Personnel Operating cost has been scrutinised and allocated to an extremely elevated level of diligence over and above that of a standard “Study” and geared toward owner operate responsibilities.

The key components of labour, personnel requirements, amenities and project infrastructure have been costed to a high level of confidence as well as supporting accommodation, fleet and other sundries required to support operation.

The key factors to assess the ongoing process figures and operational sustainability outside of human resourcing in a gold operation are reagents. Displayed below are the unit rates from the financial model (

Table 16).

ERM have reviewed the unit rates and consumptions provided and deem the key power, reagent and manning requirements and their associated costs adequate, and in some cases possibly conservative (cyanide currently \$ 4400/t) to support the LOM Process OPEX provided in the FM.

ERM considers there is no need to alter or change any of the process operating cost figures as the inputs utilised likely represent closer to long term future prices (next 5 years) as opposed to spot market conditions at the time of this report.

Table 16. Metallurgical Plant Unit Costs

Reagent Usage	Units	Total Cost (A\$)
Ball Mill Grinding Media Cost	\$/kg	1.89
Lime Cost	\$/kg	0.67
Flocculent Cost	\$/kg	8.35
Oxygen Cost	\$/L	0.90
Lead Nitrate Cost	\$/L	1.73
Cyanide Cost	\$/kg	5.06
Carbon Cost	\$/kg	4.27
Caustic Cost	\$/L	1.25
Hydrochloric Acid Cost	\$/L	0.70
LPG Cost	\$/L	1.34
Fluxes Cost	\$/kg	9.49
Antiscalant Cost	\$/kg	5.25

3.7.4 REFURBISHMENT CAPITAL COST

ERM are not able to fully qualify the capital allocated for BC8's refurbishment of a mothballed 2017 60 tph, nameplate gold processing facility without the warrant of a site visit from a qualified mechanical and electrical inspection.

Having said this, the current budget allocation for the "re-vamp" of a standard 60 tph CIL Process Plant of total AU\$ 19.36 million should be entirely adequate to return the facility to peak performance (Table 17).

Table 17. Paulsens Process Plant Refurbishment Capex

Process Plant Refurbishment Capex	A\$('000)
LOX Tank Installation Cost	61.5
Other Plant Construction & Installation Cost	20.0
LPG Tank Installation Cost	49.0
Gold Room Security Installation (CCTV & Alarms) Cost	60.0
Corporate Consultants + HR onboarding	200.0
0023 Flights	565.3
0021 Engineering	589.1
0300 Crushing	2,695.7
0320 Fine Ore Storage and Reclaim	709.3
0330 Grinding and Classification	2,619.0
0340 Thickening and CIL	3,108.6
0350 Elution and Gold Recovery	423.3
0400 Tailings	199.8
0360 Reagents	630.2
0390 Services	1,351.0
0017 Site Establishment and P&G's	2,873.0
3700 Site Wide Piping and E&I	1,437.1
Mill Liners and Lifters	198.1
DG Inspection	21.5
Mill Plinth Inspection	31.5
Pronto Set-up	25.0
Install Server	40.0
Repair Murray Engineering IT	15.0
BEC Powerline Modifications, PS2 Cabling Repairs	753.0
Misc -BCTFI, BEC consulting, HV Submission, citek, WWTP install	500.0
Refurbishment Freight	39.7
Refurbishment Fuel Burn Cost	146.7
Total Process Plant Refurbishment Capex	19,362.4

ERM considers that unless undisclosed catastrophic failures are encountered (Electrical, MCC, Incomer, severe ground alteration, Ball Mill and Tank failure etc.) in respect to key components, the budget allocated by BC8 for the refurbishment, and restart of the processing facility is adequate.

3.8 PAULSENS ORE RESERVE AND MINERAL RESOURCE VALUATION OPINION

3.8.1 VALUATION OPINION SCOPE AND RATIONALE

ERM's role in preparing a valuation opinion for the Paulsens project was to:

1. Review Ore Reserves, mining and metallurgical parameters to be used by BDO in preparing an income-based (Discounted Cash Flow – DCF) model for the Paulsens and Belvedere projects, based on the restart study financial model developed by BC8 (Black Cat Syndicate, 2024j), and
2. Value residual resources outside the proposed Paulsens and Belvedere mine plans, and additional resources identified by BC8 in the Paulsens project area, as exploration projects.

For Paulsens and Belvedere, this involved estimating Mineral Resources exclusive of Ore Reserves and planned production detailed in the project's financial model. Valuations for other resources are based on publicly reported Mineral Resource estimates.

3.8.2 PAULSENS UNDERGROUND REMNANT RESOURCES

Planned production from a restarted Paulsens underground comprises both Proved + Probable Ore Reserves and Measured + Indicated Mineral Resources. Measured + Indicated Mineral Resources comprise 44% of mineralisation to be mined.

A valuation opinion prepared using a Rule of Thumb (Yardstick) and Comparable Transactions approach for remaining mineralisation for the Paulsens Underground project is presented in Table 18

Table 18. Paulsens Underground Remnant Resource Valuation

Resource Category	Rule of Thumb (Yardstick Valuation)			Comparable Transaction Valuation		
	Low	Preferred	High	Low	Preferred	High
Indicated	5,052	7,578	10,104	5,300	7,068	8,835
Inferred	1,705	2,558	3,411	3,578	4,771	5,965
Total	6,757	10,136	13,514	8,879	11,839	14,799

3.8.3 BELVEDERE UNDERGROUND REMNANT RESOURCES

A valuation opinion prepared using a Rule of Thumb (Yardstick) and Comparable Transactions approach for remaining mineralisation for the Belvedere Underground project is presented in

Table 19.

Table 19. Belvedere Underground Remnant Resource Valuation

Resource Category	Rule of Thumb (Yardstick Valuation)			Comparable Transaction Valuation		
	Low	Preferred	High	Low	Preferred	High
Inferred	128	192	256	269	359	448
Total	128	192	256	269	359	448

3.8.4 PAULSENS PROJECT SATELLITE RESOURCES VALUATION

Additional value is contributed by Indicated and Inferred Resources estimated for deposits apart from Paulsens and Belvedere, comprising Mt Clement, Northern Anticline, Electric Dingo and other additional resources reported by BC8 (Black Cat Syndicate, 2023c).

A valuation was prepared for these resources using the Rule of Thumb (Yardstick) approach and analysis of comparable transactions which provide technical and market valuations respectively (Table 20).

The Mount Clement Underground resource is considered, at present, to have no value. ERM contends that the deposit does not meet the requirements of a Mineral Resource set out in the JORC Code due to it not having "reasonable prospects for eventual economic extraction". The deposit is considered to be too low-grade to be developed and mined economically.

The Paulsens Project "satellite" resources are considered to have a preferred technical value of A\$3.15 million and a market value of A\$5.62 million based on Rule of Thumb (Yardstick) and Comparable Transactions valuation approaches respectively.

Table 20. Paulsens Satellite Resources Valuation Opinion

Deposit	Res. Class	Rule of Thumb (Yardstick) (A\$'000)			Comparable Transactions (A\$'000)		
		Low	Preferred	High	Low	Preferred	High
Paulsens Low-Grade Stockpile	Measured	70	123	176	37	49	61
Mt Clement Open Pit	Inferred	1,073	1,609	2,145	2,250	3,001	3,751
Northern Anticline Open Pit	Inferred	422	633	844	885	1,181	1,476
Electric Dingo Open Pit	Indicated	176	264	352	184	246	307
	Inferred	299	448	598	627	836	1,045
Paulsens "Satellite" Resources	Indicated	176	264	352	184	246	307
	Inferred	1,921	2,882	3,843	4,032	5,376	6,720
	Total	2,097	3,146	4,194	4,216	5,622	7,028

3.8.5 POLYMETALLIC RESOURCES VALUATION

The three polymetallic deposits identified in the Paulsens project area have been assigned no value by ERM. The Central polymetallic deposit lacks identified Mineral Resources at the date of this report.

The Western and Eastern deposits are considered to lack "reasonable prospects for eventual economic extraction" required of Mineral Resources reported in compliance with the JORC Code. Their size, grade and interpreted metallurgy is considered by ERM to be unlikely to cover capital and operating costs associated with their development and mining and provide an acceptable return on investment.

4. COYOTE PROJECT

4.1 PROJECT OVERVIEW

The Coyote gold project is located in the western Tanami region of northwestern Western Australia. The Tanami Region of Western Australia and the Northern Territory is host to several significant gold deposits including Callie (14 Moz Au), the Tanami Goldfield (3 Moz Au), and Groundrush (1.7 Moz Au). Since commencing production in 2006, the Coyote project has produced 211,220 oz at 4.9 g/t Au from open pits and underground.

The Coyote project site is 220 km southeast of Halls Creek on the Tanami Road (Figure 9). An unsealed airstrip also services the site.

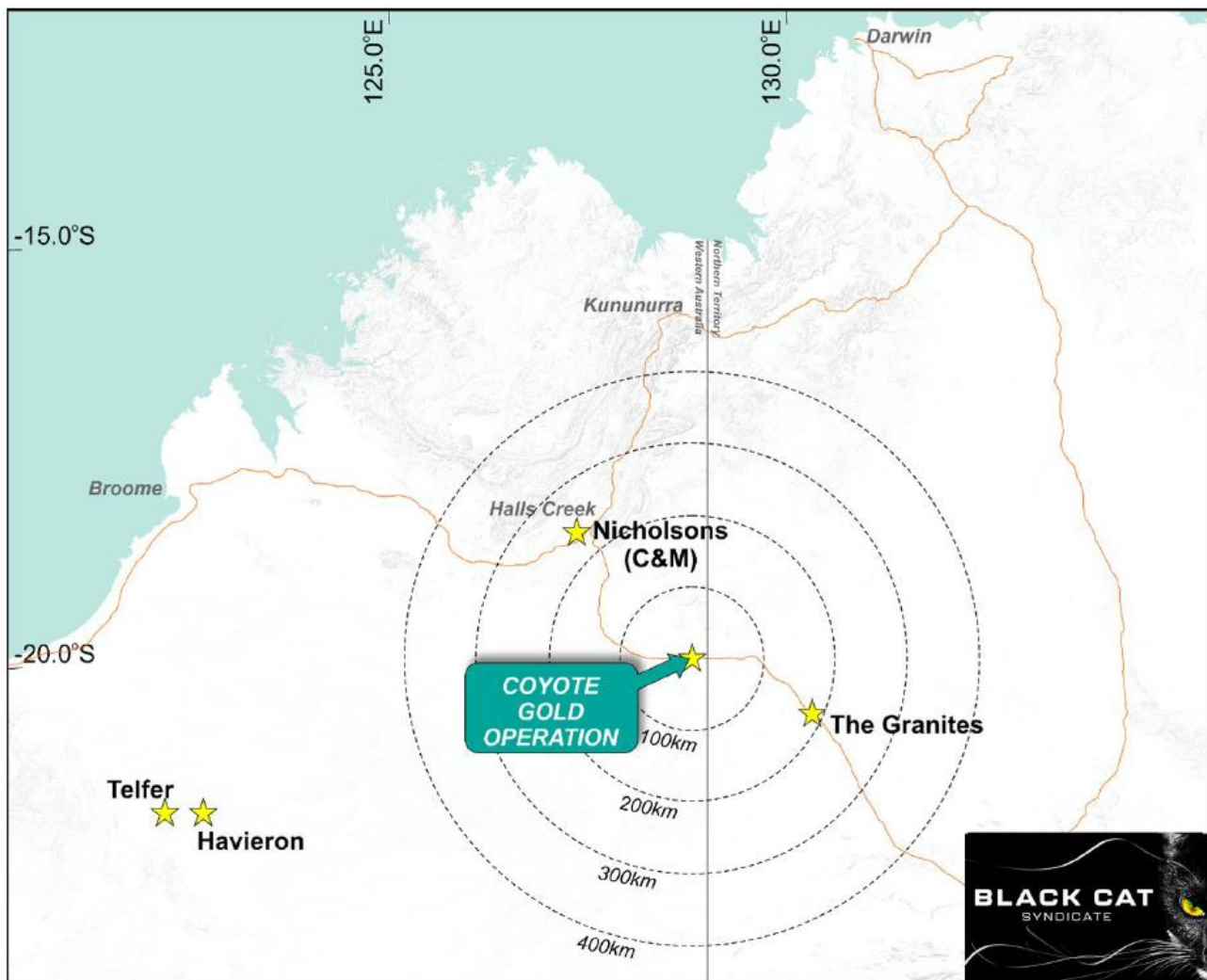


Figure 9. Coyote project location, western Tanami region, Western Australia (BC8)

Preliminary studies by BC8 have identified opportunities for both an open pit cutback and subsequent underground operation. The infrastructure required to restart operations, including a 300 ktpa processing plant, 180+ person camp, and all associated supporting infrastructure is in place but would require some refurbishment.

BC8 plans to re-open the Coyote mine to initially produce approximately 200,000 oz of gold at an average grade of 3.6 g/t Au in the first five years of operation. Refurbishment work required includes installation of an already owned 700 ktpa mill, general refurbishment of the processing facility and

initial mine development. Mining involves open pits at Coyote Central (20 months) and Sandpiper (6 months) together with underground production from Coyote Central (initially 5 years) with all operations commencing during the processing facility refurbishment schedule.

Ore would be mined from both the Coyote mine and the nearby Sandpiper deposit, with the potential to identify additional satellite deposits and toll treatment of ore from mines developed by competitors in the region.

BC8's capital cost estimate for the project is approximately A\$80 million, which would be funded partially or in full by revenue generated by the Paulsens project. The All-in Sustaining Cost (AISC) for the project is A\$1,613 per ounce (Black Cat Syndicate, 2024e), slightly higher than the A\$1,586 per ounce reported in the 2023 Coyote study (Black Cat Syndicate, 2023b). The AISC remains, however, in the lower third of the Australian gold producer cost curve and well below the gold price of A\$4,355 per ounce used in BC8's 2023 study of the project.

Coyote, for the purposes of this study, is being valued as an exploration project using a Rule of Thumb (Yardstick) and Comparable Transactions approach. No Ore Reserves have been estimated for the project by BC8 and identified Mineral Resources are classified as Indicated and Inferred Resources. Because Coyote is being valued as an exploration project, mine planning and metallurgical aspects of the project have not been considered by ERM.

4.2 COYOTE PROJECT MINING AND EXPLORATION TENURE

The Coyote project is within four granted mining leases: M80/559, M80/560, M80/563 and L80/45. These mining leases are surrounded by four exploration permit applications at the Coyote mine. A single exploration licence application, E80/5871, covers the Bald Hill area (Table 21). Tenement outlines are shown in Figure 10 and Figure 11.

Table 21. Coyote and Bald Hill Projects Exploration and Mining Tenure

Mining Lease	Application Date	Granted	Expiry	Area (ha)	Annual Rental	Expenditure Commitment
M80/559	11 Feb 2004	15 Sep 2005	27 Sep 2026	996.30	\$25,992	\$99,700
M80/560	9 Feb 2004	27 Sep 2005	26 Sep 2026	997.05	\$25,948	\$99,800
M80/563	11 Feb 2004	2 Dec 2005	1 Dec 2026	997.40	\$25,428	\$97,800
L80/45	30-Apr-2004	17 Feb 2006	16 Feb 2027	655.00	\$15,720	-
L80/46	28 Apr 2004	11 Feb 2005	10 Feb 2026	888.35	\$21,336	-
L80/51	12 Oct 2005	17 Feb 2006	16 Feb 2007	400.00	\$9,600	-
E80/1483	26 Nov 1991	16 Apr 1992	15 Apr 2024	15 blocks	\$11,205	\$70,000
E80/3665	21 Mar 2006	19 Oct 2007	18 Oct 2025	17 blocks	\$12,699	\$70,000
E80/5039	11 Aug 2016			11 blocks	\$8,217	\$70,000
E80/5871	1 Feb 2023			40 blocks	-	-
E80/5988	9 Nov 2023			4 blocks	-	-

All rentals and expenditure commitments in Australian dollars

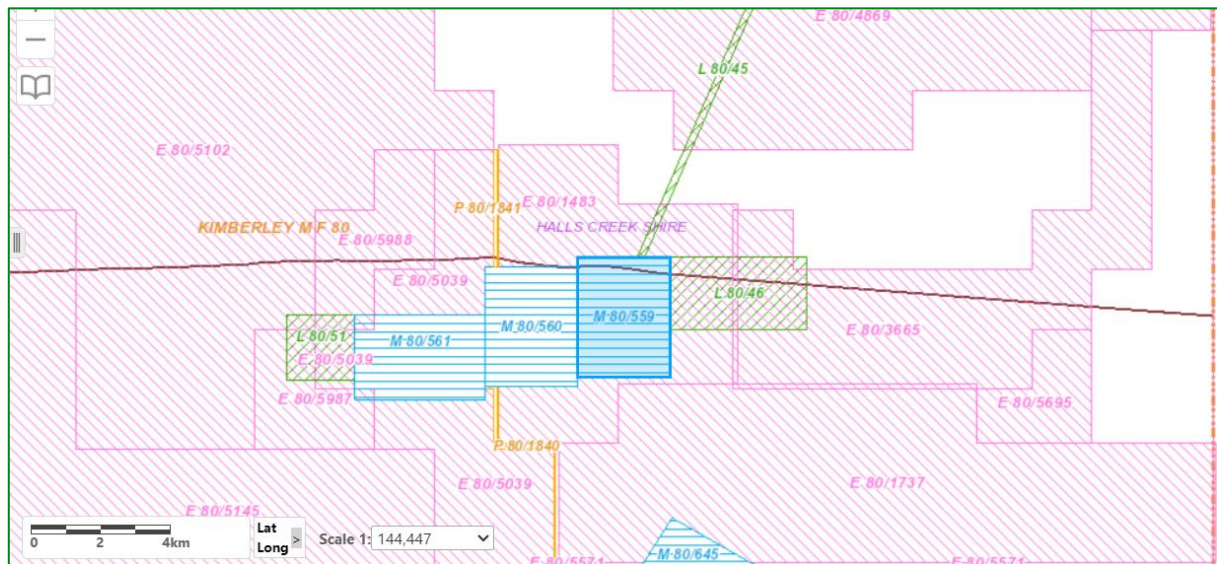


Figure 10. Coyote mining leases, infrastructure leases and associated exploration licences

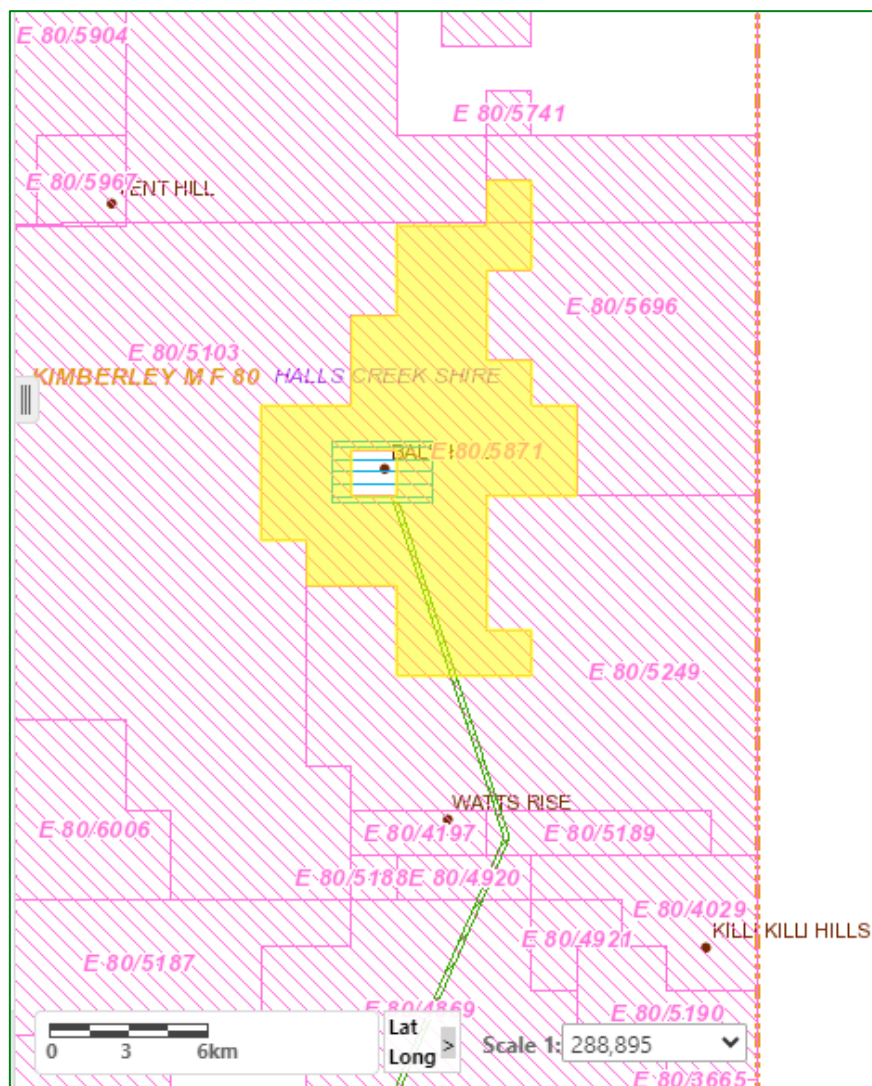


Figure 11. Bald Hills exploration and mining tenements - Bald Hills area (E80/5871, M80/563 and L80/45)

All leases were reviewed by ERM using the Western Australia DMIRS online tenements register (eMits) and found to be in good standing, apart from E80/1483 which has passed its expiry date

but is being renewed by BC8. The expenditure commitment for the current year for E80/1483 is recorded as not having been met.

Recommendations to grant E80/5871 and E80/5988 have been made but are yet to be progressed. E80/5871 surrounds M80/563 and is traversed by L80/45.

An independent legal opinion relating to the validity of the leases was not sought by ERM, nor considered to be required for the purposes of this project.

4.3 GEOLOGY AND RESOURCES

4.3.1 COYOTE

Coyote is hosted within the Tanami Orogen which comprises a sequence of folded metasediments, mafic volcanics and intrusive rocks unconformably overlying Archaean basement. The known Archaean basement includes the informally named 'Billabong Complex' and the Browns Range Dome.

Locally, Coyote is hosted within the Killi Killi Formation. This is a Proterozoic turbidite sequence comprised of poorly sorted sandstones, siltstones and variable amounts of carbonaceous mudstones. The Killi Killi Formation is over 100m thick, with the individual beds between 0.3 m and 15 m thick. Within the Coyote Central deposit, the 'Marker Siltstone' and 'Kavanagh Sandstone' are important marker units for mineralisation interpretation.

The Coyote deposit is obscured by a deeply weathered paleochannel. The oxide profile comprises weakly consolidated alluvial sediments overlain by transported red aeolian sand. The deeply weathered profile sits directly bedrock. Oxidised saprolite is commonly present to depths of >100m.

The Killi Killi Formation has been tightly folded into an angular anticline. The Coyote Central deposit is located trending east-west on a small parasitic fold within the greater anticline, plunging shallowly west at ~15°. The anticline's northern limb dips from 30-50°, and the southern by 70-90°. The southern limb has a secondary fold axis known as the Buggsy anticline; a drag fold associated with the Coyote Fault that offsets the stratigraphy. These limbs contain smaller faults and parasitic folds controlling mineralisation at my scale. The Marker Siltstone and Kavanagh Sandstone have been the primary units used correlate the sequence and orientation of the bedding and fold structures.

Mineralisation is known to extend down plunge to more than 800 m below surface but has only been drilled in detail to around 500 m from surface (Figure 12, Figure 13).

Mineralisation is hosted in narrow quartz veins that are concentrated around the fold hinges. The mineralisation presents in the form of quartz veins parallel to bedding that are often concentrated in areas of local folding. In areas such as the Kavanagh lode, these veins can extend completely through the fold hinge zone (Axial Core Zone) and often host coarse, visible gold.

4.3.2 BALD HILL

The Bald Hill deposit also occurs within the Tanami Orogen, where it is one of a number of gold occurrences identified within the Proterozoic Bald Hill sequence. The sequence comprises basalt, dolerite, graded sandstones and thinly bedded siltstone and mudstone units and ranges between 100 and 300 m in thickness. The dolerite and basalt units make up the majority (~70%) of the sequence.

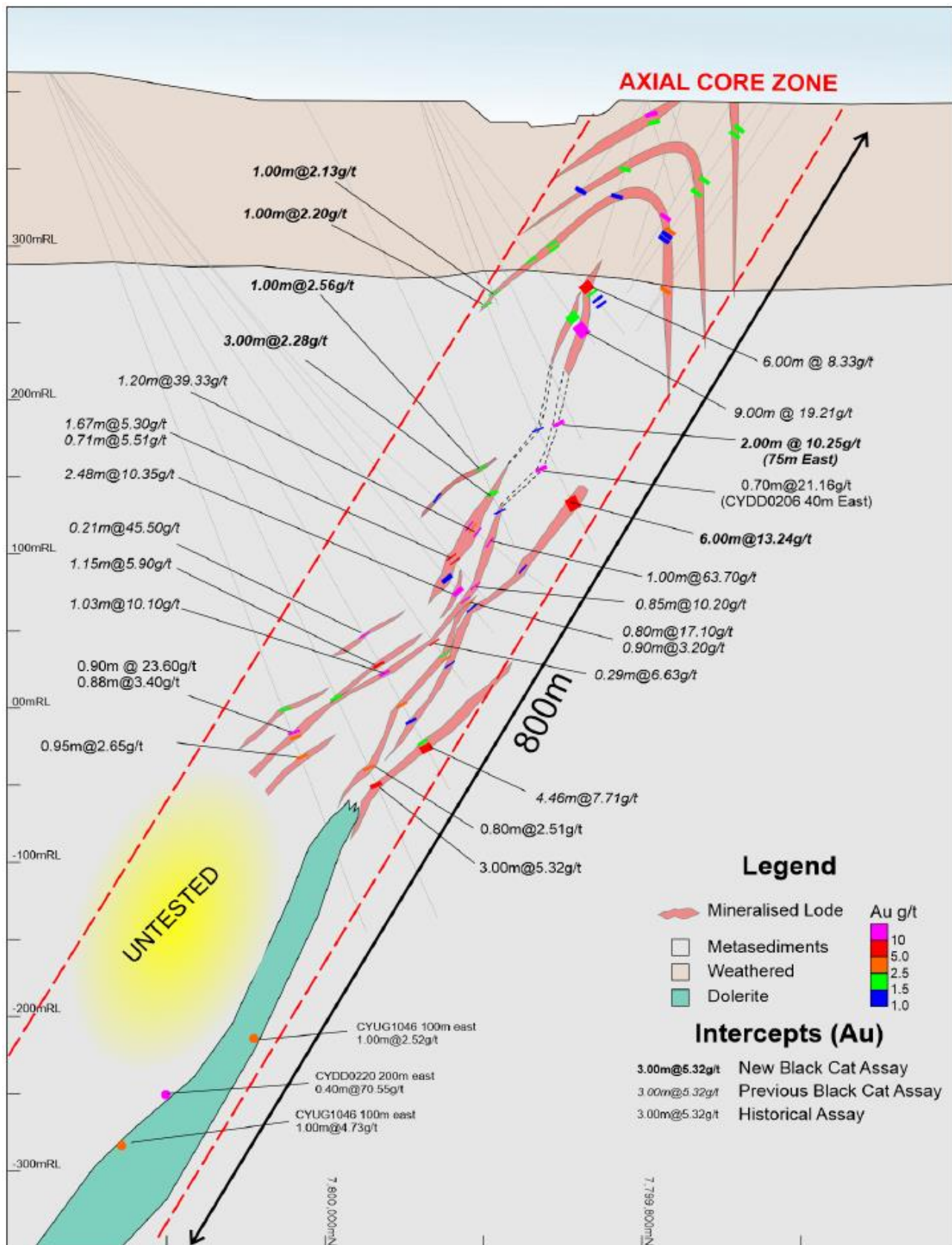


Figure 12. Cross section through the Coyote deposit (looking east) showing significant (>1.0 g/t Au) drill intercepts.

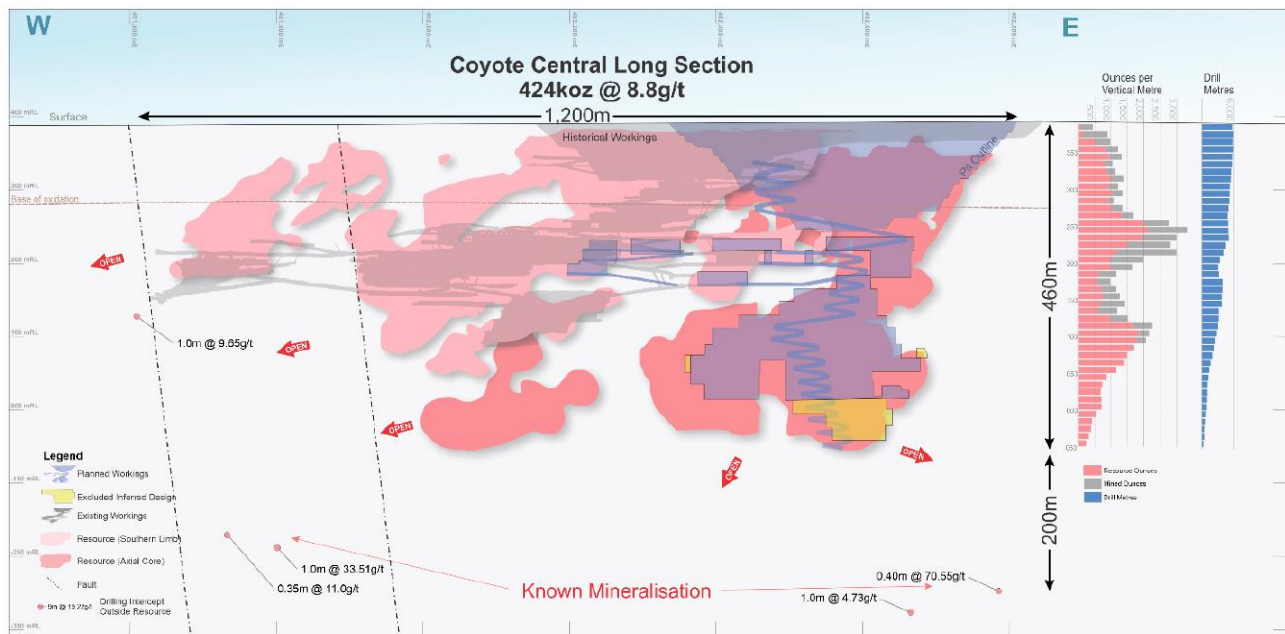


Figure 13. Long section looking north through Coyote showing existing underground workings (grey) and BC8 proposed open pit and underground designs (Black Cat Syndicate, 2023b)

The mafic units have been metamorphosed to greenschist and amphibolite facies. The area is covered by up to 2 m of transported sandy red soil underlain with colluvial gravels soils and ferricrete. Mottled kaolinitic clays form a 10-25 m thick weathered layer above the oxidised upper saprolitic zone. The saprolite is heavily weathered with only minor mafic crystalline textures or sedimentary bedding structures remaining visible. The saprolite zone extends from 20-40 m deep and up to 60 m in heavily sheared zones where preferential weathering has occurred (Figure 14).

Sandpiper occurs on the southern limb of an overturned recumbent anticline which plunges 60° to the east. The northern limb is not known to host any significant mineralisation. A late-stage southern dipping fault offsets the sequence and mineralisation on a small sub-1 m scale. The upper part of the sequence overturns to form a fold hinge at the eastern end of the deposit. At the southern extent of the deposit, the stratigraphy changes orientation to a more southerly orientation. This change in orientation is associated with a breakup of main lodes into a series of discontinuous stacked lodes.

Mineralisation is concentrated within sheared sediments or on the contacts of the fine-grained sedimentary beds and the mafic units. This mineralisation occurs as concentrated gold-bearing sulphides around quartz carbonate vein selvages. Later-stage vein sets forming a stockwork cross-cutting the main mineralised veins also occur. Most of the gold is associated with the sulphide mineralisation in the veins.

4.3.3 MINERAL RESOURCES

Indicated and Inferred Mineral Resources have been reported in compliance with the JORC Code (JORC, 2012) for the project by BC8 (Black Cat Syndicate, 2023b).

BC8 have reported an Indicated and Inferred Mineral Resource of 3.66 Mt at 5.5 g/t Au (645,000 oz Au) for the Coyote project. Resources are reported at a 0.7g/t Au cut-off grade for open pit and 3.5 g/t Au cut-off grade for underground.

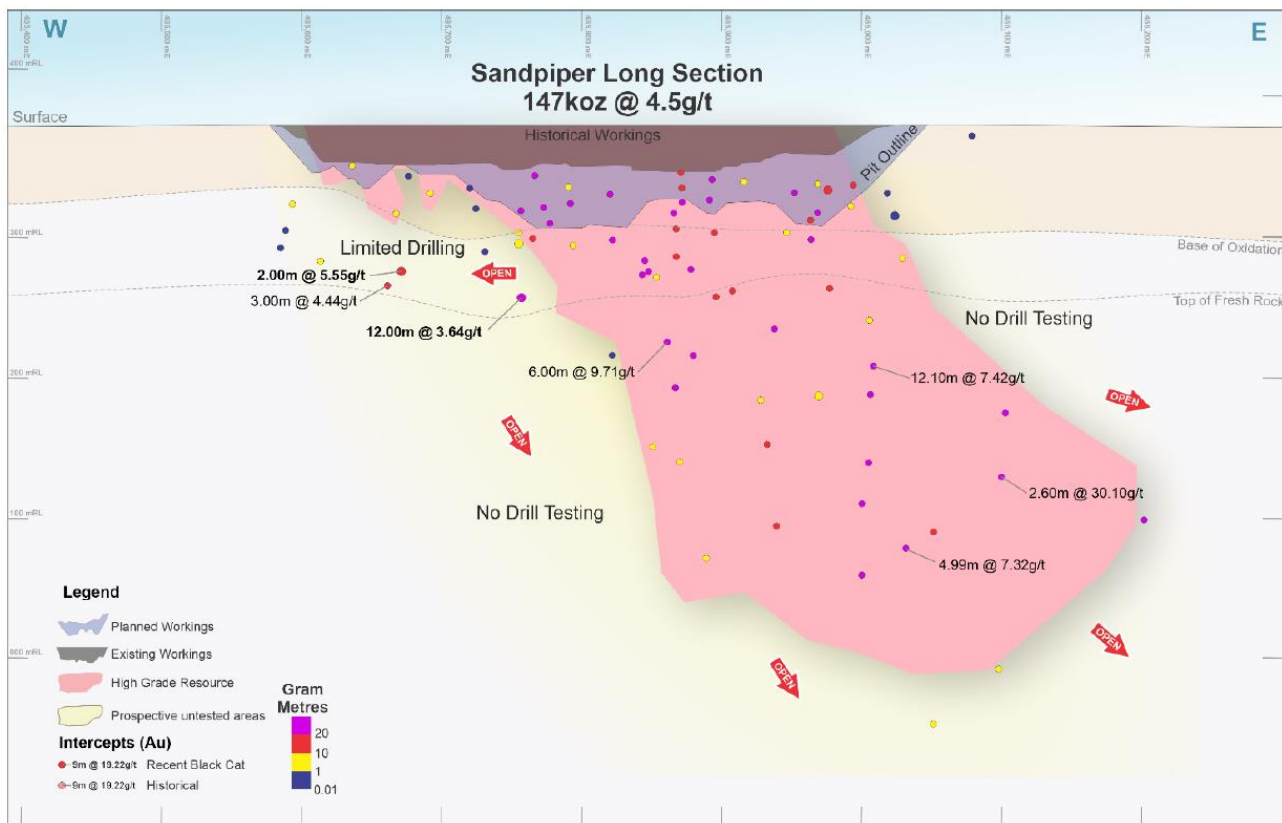


Figure 14. West-East long section through the Sandpiper deposit showing the depth of weathering, existing open pit profile and proposed open pit design. Drilling is interpreted to have potential to identify additional resources potentially amenable to open pit and underground mining. (BC8)

4.3.4 MINERAL RESOURCE ESTIMATE SUITABILITY

ERM, based on the Coyote study report, believes that necessary rigour has been applied to resource data quality assurance and the geological interpretation of the Coyote deposit used to prepare the reported Mineral Resource estimate. This conclusion is based on a review of the JORC Table 1 for the estimate appended to the Coyote study report (Black Cat Syndicate, 2023b). The Coyote project Mineral Resource estimates have been prepared using a similar approach to that followed for both Paulsens and Kal East, with cutting of high-grade composites used to limit the impact of localised, high-grade gold intersections. This approach is considered acceptable by ERM for establishing a robust global resource estimate that should be improved by further drilling to facilitate preparation of more detailed feasibility studies, mine designs and production control during mining.

4.3.5 REGIONAL EXPLORATION POTENTIAL

BC8's Bald Hill exploration tenements are located 30 km north from the Coyote project site. A number of exploration targets have been identified in BC8's Bald Hill exploration tenements, of which two prospects, Sandpiper and Kookaburra have publicly announced Mineral Resources (Black Cat Syndicate, 2023b) (Figure 15). BC8 plans to undertake further exploration in the region with the objective of expanding the Coyote project's resource base.

Table 22. Coyote Project Mineral Resources (Black Cat Syndicate, 2023b).

Deposit		Resource Category	Resource tonnes (kt)	Grade (g/t Au)	Contained Gold ('000 oz)
Coyote	Open Pit	Indicated	608	2.8	55
		Inferred	203	3.0	19
		Total	811	2.9	75
	Underground	Indicated	240	23.4	181
		Inferred	516	10.5	175
		Total	757	14.6	356
	Stockpiles	Indicated	375	1.4	17
	Total		1,942	7.1	446
Bald Hill	Open Pit	Indicated	560	2.8	50
		Inferred	613	3.2	63
		Total	1,174	3.0	114
	Underground	Indicated	34	2.7	3
		Inferred	513	5.0	82
		Total	547	4.8	84
	Total		1,720	3.6	199
TOTAL			3,662	5.5	645

4.4 PROJECT DEVELOPMENT

4.4.1 SCOPING STUDY

The BC8 Scoping Study for the project (Black Cat Syndicate, 2023b) is based on:

- 7 months of work on the existing processing facility including: refurbishment of the 500 ktpa CIL and relocation and installation of the already owned, 1.45 MW Outokumpu 700 ktpa mill, located in Kalgoorlie.
- 6 months dewatering of the existing open pit and underground to 200 m below surface;
- Open pit and underground mining commencing during the refurbishment period;
- Open pit production from Coyote Central for 20 months;
- Open pit production from Sandpiper for 6 months (concurrent with the Coyote Central open pit);
- Underground production from Coyote Central for an initial 5 years;
- Open pit mining by a contractor;
- Owner operator underground mining using dry hire equipment;
- Utilising storage capacity within the existing tailings storage facility ("TSF") for the first year of processing followed by 2x upstream lifts when required and construction of an integrated waste landform within the waste dump for additional tailings storage;
- >325 kt at 1.7 g/t Au of existing low-grade stockpiles included in the processing schedule; and

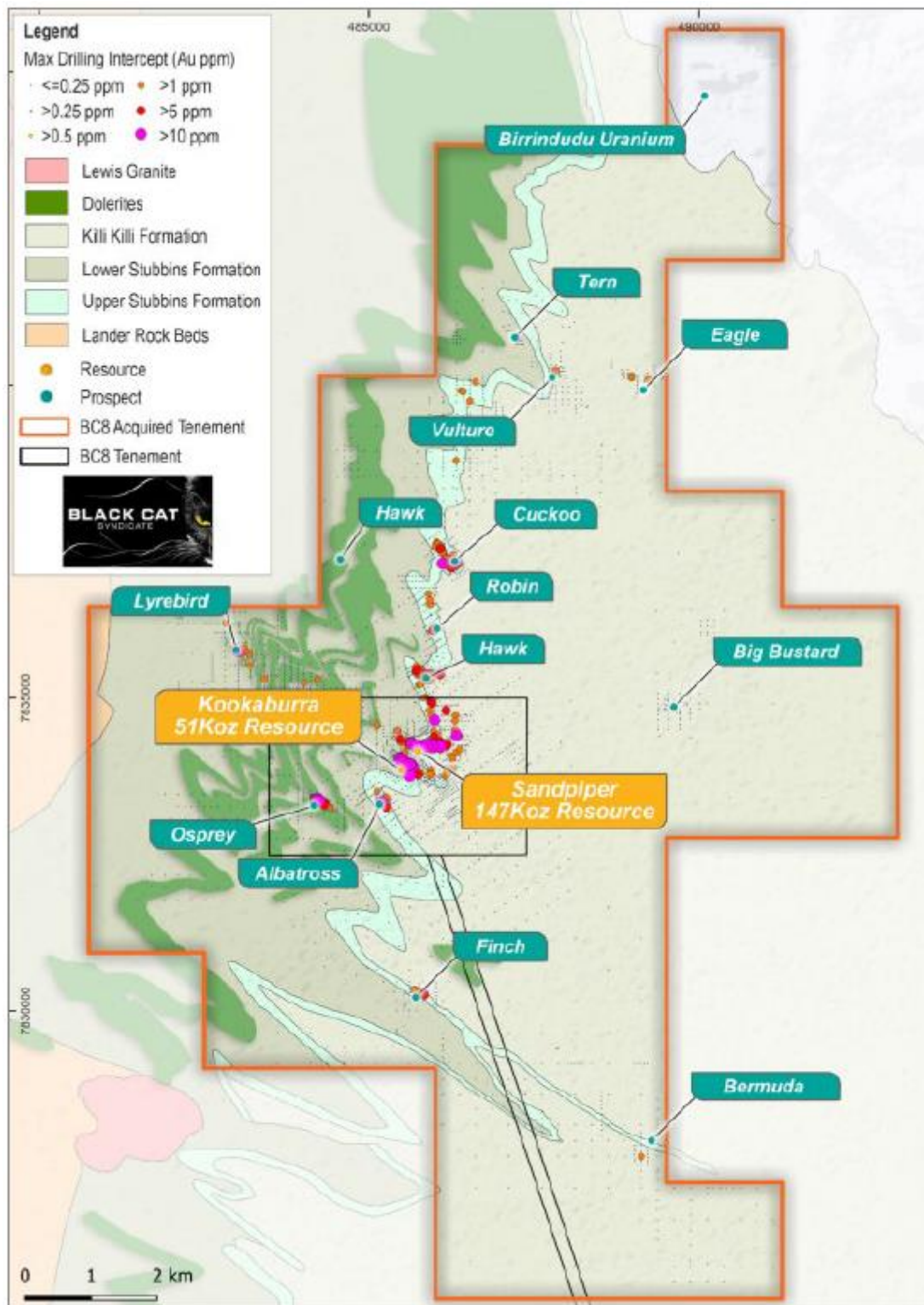


Figure 15. Bald Hill region exploration tenements and prospects

- 53 months of processing at an average throughput rate of 382,000tpa with 118,000tpa of available capacity for growth opportunities.

Future studies proposed by BC8 will optimise the processing facility design to expedite revenue from stockpiles and investigate ventilation solutions to support extension of the underground design (Black Cat Syndicate, 2023b).

4.4.2 STUDY UPDATE

A scoping study update was announced by BC8 to the ASX in May 2024 (Black Cat Syndicate, 2024d). The study update mainly featured:

- measures to reduce cash drawdown required to restart operations,
- an updated, estimated all-in sustaining cost (AISC) of A\$1,613/oz Au and
- measures to achieve first gold within seven months of processing facility refurbishment commencing. The Resource Estimate for the project remained unchanged. ERM considers that none of the changes announced affect the opinions expressed in this report.

4.5 VALUATION OPINION

A valuation opinion has been prepared for the Coyote project using a Rule of Thumb (Yardstick) and Comparable Transactions valuation approaches (

Table 23).

The Coyote Project is estimated to have a Technical Value based on a Rule of Thumb (Yardstick) approach of between A\$16.7 million and A\$33.4 million, with a preferred value of A\$25.1 million based on the Indicated + Inferred Resource reported by BC8 for the project. The project's market value based on Comparable Transactions analysis is considered by ERM to be between A\$23.8 and A\$39.7 million, with a preferred value of A\$31.8 million.

The Exploration Licences held by BC8 also have value. Most of the exploration licences are at the application stage which would restrict the amount of work that could be recognised in an exploration project valuation, resulting in this value being unlikely in our professional opinion to be material at this stage in the project's development.

Table 23. Coyote Project – Rule of Thumb (Yardstick) Valuation Opinion

Deposit	Resource Category	Rule of Thumb (Yardstick) A\$ ('000)			Comparable Transactions (A\$'000)		
		Low	Preferred	High	Low	Preferred	High
Coyote Central Open Pit	Indicated	1,934	2,901	3,868	2,029	2,705	3,382
	Inferred	334	501	668	701	935	1,168
	Total	2,268	3,402	4,536	2,767	3,689	4,612
Coyote Central Underground	Indicated	6,364	9,546	12,728	6,677	8,903	11,130
	Inferred	3,077	4,615	6,153	6,456	8,608	10,761
	Total	9,440	14,161	18,881	13,133	17,512	21,890
Bald Hill Open Pit	Indicated	1,758	2,637	3,516	1,845	2,460	3,075
	Inferred	1,108	1,661	2,215	2,324	3,099	3,874
	Total	2,866	4,298	5,731	4,205	5,608	7,010
Bald Hill Underground	Indicated	105	158	211	111	148	184
	Inferred	1,442	2,162	2,883	3,025	4,034	5,042
	Total	1,547	2,321	3,094	3,099	4,132	5,165
Stockpiles	Indicated	598	897	1,195	627	836	1,045
	Total	598	897	1,195	627	836	1,045
Coyote Project Total	Indicated	10,795	16,138	21,588	11,325	15,101	18,877
	Inferred	5,960	8,939	11,919	12,506	16,675	20,845
	Total	16,719	25,078	33,237	23,794	31,728	39,661

5. KAL EAST PROJECT

5.1 PROJECT OVERVIEW

BC8 controls a tenement package comprising 24 Exploration Licences, 9 Miscellaneous Licences, 36 Mining leases and 68 Prospecting licences forming a north-south trending belt approximately 50 km east of Kalgoorlie, Western Australia (Table 4, Figure 16).

Gold has previously been produced from several historic open pit and underground mines within the project area, which BC8 originally proposed re-opening to produce ore for processing through a central 850 ktpa processing facility that would also be capable of toll-treating ore from other mines in the area. This concept was revised in 2024 with an opportunity to contract mine ore from the Myhree and Boundary open pits for toll treatment by the Paddington Mill (Black Cat Syndicate, 2024c).

The project area is accessed via all-weather roads. The project's proximity to Kalgoorlie assists with access to logistics, suppliers and relevant skills required by the project.

A restart study for additional gold mining from several previously mined open pit and underground was released by BC8 in July 2023 (Black Cat Syndicate, 2023a). This study was updated by BC8 in May 2024 (Black Cat Syndicate, 2024f), which did not change the existing, underlying Mineral Resource and Ore Reserve estimates for the project, but led to the development of an updated financial model for the Kal East project that included projections of ore to be contract mined from the Myhree and Boundary open pits (Black Cat Syndicate, 2024h). BC8 subsequently announced the establishment of a turn-key funding and ore sales agreement for the project that permitted a rapid start to open cut contractor mining of ore from the Myhree and Boundary open pits (Black Cat Syndicate, 2024c).

BC8 propose to mine 703 kt at 1.81 g/t of ore from Myhree and 146 kt at 1.07 g/t from the Boundary open pit under a contract mining agreement for processing at the Paddington Mill, 35 km north of Kalgoorlie, operated by Norton Gold Fields Pty Ltd. The 3.3 Mtpa Paddington plant, which toll processes ore from several sources is based on conventional carbon-in-pulp technology and is described as being an efficient and low-cost operation. The mill comprises a gyratory crusher, a ball and SAG mill grinding circuit, gravity recovery and cyanide leaching. Gold is extracted from slurry in the leaching circuit onto activated carbon before pumping the carbon to an elution column to wash gold into solution. The gold-bearing solution is then passed through a series of electrowinning cells that deposit the gold onto stainless steel cathodes. The cathodes are rinsed to yield a gold sludge that is dried then smelted into gold doré bullion bars (Norton Gold Fields Pty Ltd, 2018).

5.2 GEOLOGY AND MINERALISATION

The project area includes two "mining centres" representing clusters of gold deposits potentially amenable to open pit and underground mining:

1. Bulong Mining Centre, which includes the Myhree and Boundary open pit mines, and
2. Mount Monger Mining Centre, which includes the Majestic underground and the Jones Find, Crown, Fingals Fortune and Fingals East open cut mines.

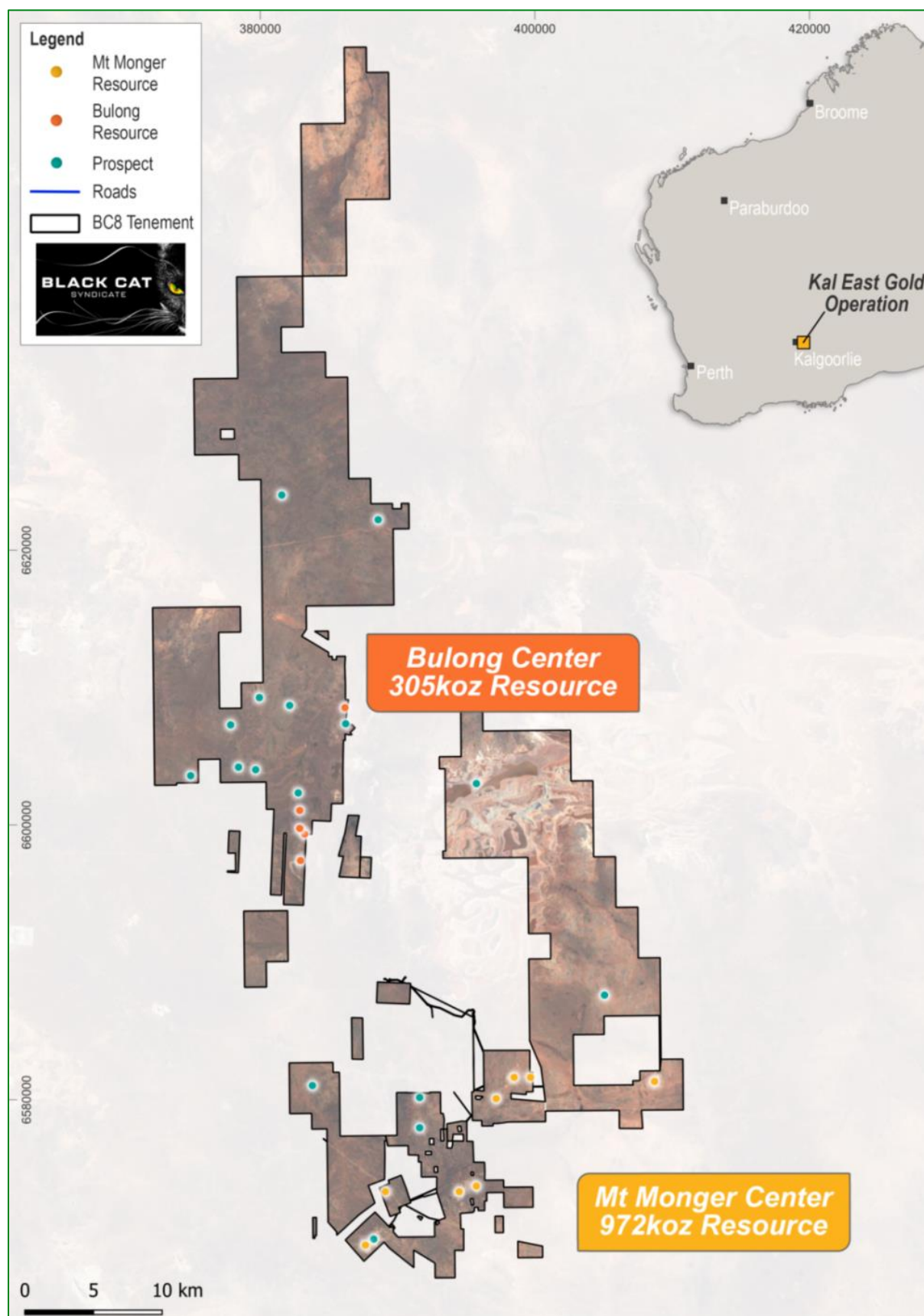


Figure 16. Kal East project location and tenements, centred 50km east of Kalgoorlie W.A. (BC8)

5.2.1 BULONG MINING CENTRE GEOLOGY

Mineralisation in the Bulong Mining Centre is developed within a moderately to steeply, west dipping sequence of, from footwall to hangingwall, komatiitic ultramafic rocks, interlayered dolerite and volcanoclastic rocks (with variable black shale lenses), further komatiitic ultramafics and polymictic conglomerate with dolerite sills and lenses (Black Cat Syndicate, 2023a) (Figure 17).

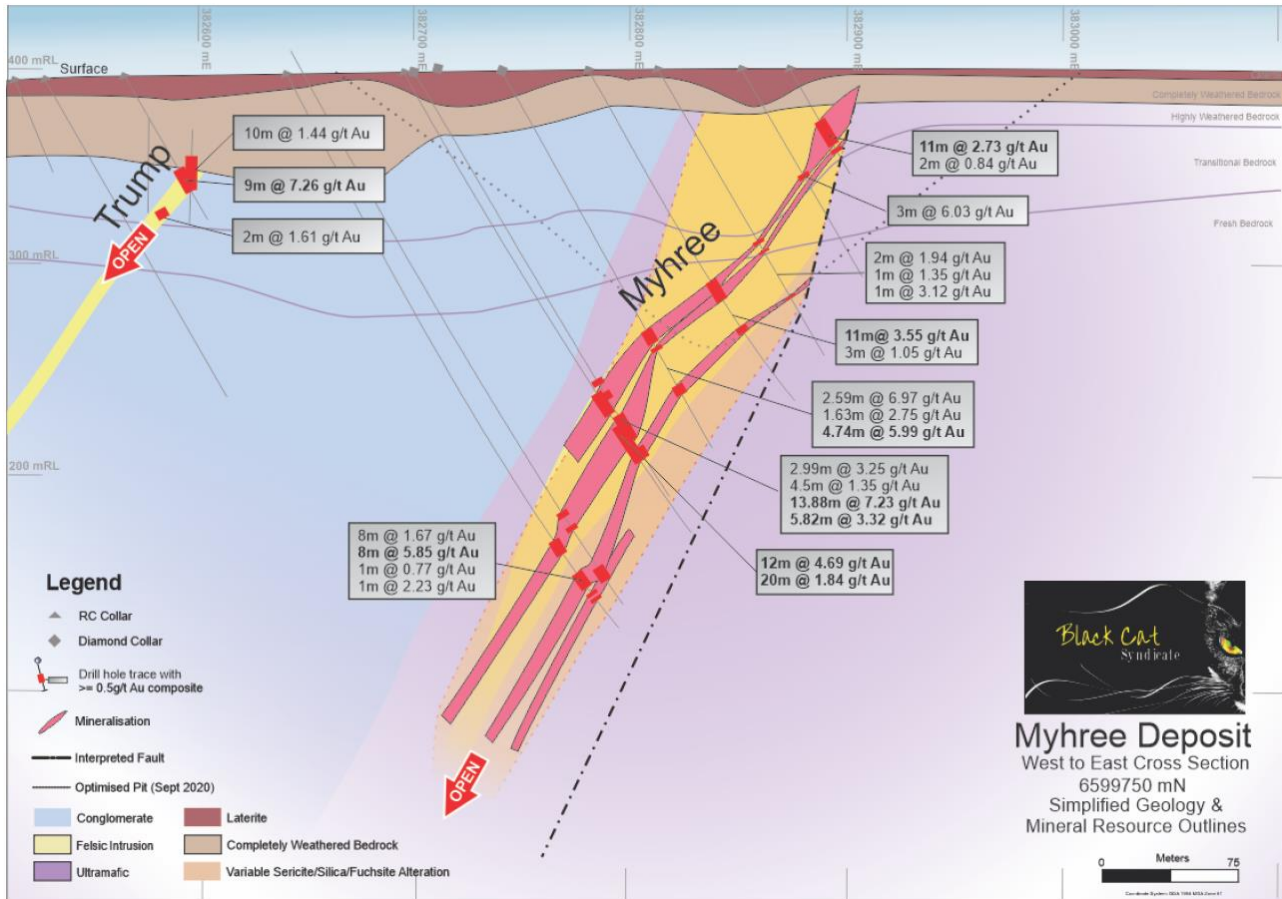


Figure 17. Myhree deposit geology cross section along 6,599,750N showing significant gold intersections, looking north (Black Cat Syndicate, 2023a)

The footwall komatiitic ultramafic rocks of the Myhree deposit are characterised by intense chlorite alteration along the ultramafic-dolerite contact. The interlayered dolerite and volcanoclastic rocks are intensively silicified that may continue into the footwall ultramafic creating a bleached, highly competent rock. Talc-carbonate alteration is developed within the hanging wall ultramafic. The hangingwall conglomerate is also intensively silicified.

The mineralised sequence is covered at surface by up to 25 m of laterite.

The deposit is affected by northwest-southeast trending, steeply west dipping structures.

Mineralisation terminates against a north-south trending fault in the deposit footwall.

The Boundary deposit is hosted within a north-northeast-trending, west dipping sequence of altered ultramafic rocks beneath around 20 m of lateritic cover. The host rocks are intensely altered by silica, carbonate and chlorite. Occasional intense fuchsite alteration is also present. Mineralisation is associated with areas of increased shearing, with associated increases in sulphides in quartz veins. Thin zones of black shale are present in areas of high strain. The deposit is crosscut by NW trending faults that appear to both dislocate mineralised zones, as well as act as zones of higher-grade gold concentration.

5.2.2 MT MONGER MINING CENTRE GEOLOGY

The Majestic deposit forms the largest gold deposit identified in the Mt Monger area. Majestic is hosted within a quartz diorite on the western margin of the Juglah Monzogranite. The quartz diorite has been intruded by porphyritic dykes that appear to bound the main zone of mineralisation. The deposit is deeply weathered (~30 m – 40 m generally and up to 60 m in places). Weak supergene mineralisation is evident near surface, above mineralisation. Generally north-south trending, steeply west dipping structures dissect the deposit, which may localise higher-grade gold mineralisation. Two styles of mineralisation are present: an earlier, broadly distributed biotite-pyrite alteration and a later albite-silica-pyrite bleaching (Black Cat Syndicate, 2023a).

At Jones Find, mineralisation occurs within a north-striking, steeply west dipping sequence of sheared mafic-intermediate intrusive schists. Silica carbonate mineralisation is widespread, with localised silica-sericite-kaolinite and silica-sericite-chlorite($\pm$ biotite) alteration also observed. Weathering extends to depths of 20-35 m. Indications of supergene enrichment are present. Structurally, Jones Find is located on the eastern flank of the south plunging Bulong Anticline. The western margin of a granite-granodiorite pluton coincides with a major northwest-trending shear (Majestic fault). Jones Find is interpreted to occur on a splay of this major shear zone. There are several interpreted northeast-to-north-northeast structures affecting the deposit, controlling the distribution and strike extent of individual mineralised lodes.

The narrow-vein gold mineralisation forming the deposit is developed within quartz veins associated with shearing and biotite+sericite alteration. Quartz-biotite-clay $\pm$ albite alteration may be associated with anomalous gold assays ranging from 0.1 g/t Au to 0.4 g/t Au. Supergene-enriched gold mineralisation has also been observed within the saprolitic zone of laterite overlying the deposit (Black Cat Syndicate, 2023a).

The Fingals Fortune deposit appears to represent a distinct style of mineralisation. The deposit is situated on the western limb of the Mt Monger anticline, dipping at ~30-40 degrees to the southwest. High-Mg pillow basalts occur in the footwall of the deposit and are structurally separated from overlying dolerite sills and basalts by a series of bedding parallel shears, developed following folding of the sequence, that host the mineralisation (Figure 18). These veins are typically between 1 m and 6 m thick. The shears (thrusts?) are associated with quartz veining in which most mineralisation is developed. These are overprinted by sub-vertical, oblique-slip shears forming an echelon system. A further set of approximately east-west, steeply north dipping faults further offset mineralisation.

Thicker mineralisation appears to occur where the bedding parallel shears intersect the flat-lying faults. Weathering occurs to a depth of 60m in the most intensely sheared and altered parts of the deposit.

5.2.3 DISCUSSION: DEPOSIT GEOLOGY AND CONTROLS ON MINERALISATION OCCURRENCE AND DISTRIBUTION

The discussion of the geology and structure of the Kal East deposit examples (above) highlights the potential roles of both geology and structure in controlling the distribution of mineralisation.

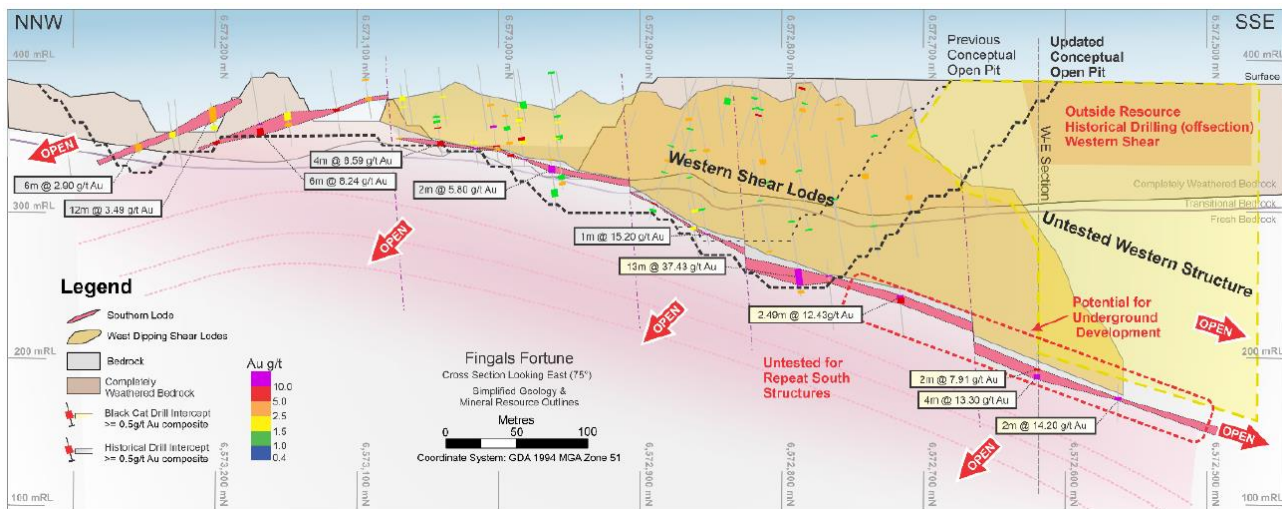


Figure 18. Long section through the Fingals Fortune deposit looking northeast.

A high degree of structural control on mineralisation development is evident. The diversity of alteration styles observed in different deposits implies that these deposits may be the product of different episodes of mineralisation development by suggesting evidence for different mineralising fluid sources and chemistries.

5.2.4 MINERAL RESOURCES

Mineral Resource estimates for the project were initially presented in the July 2023 preliminary feasibility study that was updated in May 2024 (Black Cat Syndicate, 2024i). The Mineral Resource Estimate, inclusive of Ore Reserves, is presented in Table 24.

The Kal East project has a primarily Indicated + Inferred in situ resource of 18.8 Mt at 2.1 g/t Au, for 1.3 million ounces of contained gold, inclusive of Ore Reserves. All the deposits for which resources have been estimated have been previously mined. The reported resources represent mineralisation remaining following previous mining that are interpreted to have reasonable prospects for eventual economic extraction at current forecast gold prices.

5.2.5 MINERAL RESOURCE ESTIMATE SUITABILITY

The Kal East Project Mineral Resource estimates have been prepared using a similar approach to that followed for the other projects examined by this study, with cutting of high-grade composites used to limit the impact of localised, high-grade gold intersections.

This approach is considered acceptable by ERM for establishing a robust global resource estimate that should be improved by further drilling to facilitate preparation of more detailed feasibility studies, mine designs and production control during mining.

BC8 is considered to have developed a robust understanding of the attributes of these deposits that will both provide a model for ongoing exploration for both resource extensions and new deposits and provide a basis for meaningful geological modelling and resource estimation.

Resource estimation of narrow-vein, structurally controlled gold mineralisation is challenging. The approach followed by BC8 is considered by ERM to be appropriate by considering a combination of deposit geology and gold mineralisation distribution which produces data in which significant short-range variability is present.

Use of more eloquent estimation approaches may be possible as more drilling and sampling is collected prior to production to assist with grade control and reconciliation, but the current approach meets the requirements for robust estimates of mineralisation volume and grade to assess development feasibility.

Table 24. Kal East Mineral Resource Estimate) Inclusive of Ore Reserves) (Black Cat Syndicate, 2024i)

Field / Deposit	Resource Class.	Tonnes	Grade	Contained Gold
		('000)	(Au g/t)	(Au '000 oz)
Bulong Open Pit (including Myhree and Boundary Open Pits)	Indicated	1,000	2.7	86
	Inferred	1,380	1.8	79
	Subtotal	2,380	2.1	164
Bulong Underground	Indicated	230	4.6	34
	Inferred	937	3.5	107
	Subtotal	1,167	3.8	141
Bulong Total	Indicated	1,230	3.0	120
	Inferred	2,316	2.5	185
	Total	3,546	2.7	305
Mt Monger Open Pit	Measured	13	3.2	1
	Indicated	7,198	1.8	407
	Inferred	6,044	1.8	291
	Subtotal	13,253	1.6	699
Mt Monger Underground	Indicated	1,178	4.5	169
	Inferred	710	4.6	104
	Subtotal	1,888	4.5	274
Mt Monger Total	Measured	13	3.2	1
	Indicated	8,375	2.1	576
	Inferred	6,754	1.8	395
	Total	15,142	2.0	972
Rowes Find Open Pit	Inferred	148	3.6	17
	Total	148	3.6	17
Kal East Resource	Measured	13	3.2	1
	Indicated	9,605	2.3	696
	Inferred	9,219	2.0	597
	Total	18,836	2.1	1,294

5.3 GROUNDWATER AND GEOTECHNICAL CONDITIONS

5.3.1 OPEN PIT AND UNDERGROUND GEOTECHNICAL CONDITIONS

BC8 has reported open pit and underground mine design criteria based on basic geotechnical data collection and analysis by an experienced geotechnical engineer (Black Cat Syndicate, 2023a). These studies provide a basis for inclusion of development and ground support costs in the project's financial model developed by BC8.

5.3.2 HYDROLOGY AND HYDROGEOLOGY STUDIES

Both surface water and groundwater studies are reported to have been completed for the project by experienced consultants engaged by BC8 (Black Cat Syndicate, 2023a). These provide a basis for the inclusion of appropriate mine dewatering and water management costs in the project's financial model.

5.4 MINING

Three underground mines were reviewed:

- Majestic
- Imperial and,
- Myhree

The Majestic and Imperial properties are in close proximity and were covered in a single report.

5.4.1 MAJESTIC AND IMPERIAL, MYHREE

MINE DESIGN

The mine designs for the three mines followed the general layout with access to the ore bodies via a decline. Mine development, ore production, cleaning and hauling are carried out by rubber-tyred equipment. The mining method used is long-hole stoping, with mining in a top-down approach.

Based on the geotechnical recommendations, the Majestic regional support is provided by rib pillars left in a staggered pattern with their spacing apart decreasing with depth.

The mining in Myhree is a bottom-up approach and the stopes are filled with cemented rock fill (CRF).

The total production from Imperial was 60 kt compared to Majestic with 457kt. The Imperial production was mined towards the end of the Majestic mine's life.

In general, the equipment fleet is sufficient to achieve target production. There are months where the total developed metres are extremely near the expected upper limit of the jumbos. Any delays or breakdowns with the machines could result in a shortage of tonnage.

There were no fatal flaws found in the mine design and layout.

CAPITAL AND OPERATING COSTS

The capital costings were all based on mining being carried out by contractors. The operating costs were generally in line with industry norms.

There were several inconsistencies, however. Whilst not material, they are worth discussing.

In the Majestic and Imperial report contained in (Black Cat Syndicate, 2023a), a table was presented as follows (Table 25).

It was not made clear why the combined cost was \$9.00 lower than the Majestic cost of \$185.74 (nearly 5% difference). From Table 25, it appears that much of the difference, (\$6.46) was in the mine overheads.

There were some disconnects between the Myhree cost model and the technical report, which reported gold recovered of 70 koz compared to 88.5 koz. The latter value agreed with the EPS schedule. The cost model is considered likely to have been updated, but not the report. ERM proposes that the 88.5 koz should be considered to be correct.

Table 25. Kal East key project economic parameters

Project Economics				
Parameter	Unit	Majestic	Imperial	Combined Majestic-Imperial
Mill Recovery	%	90	85	89.5% (weighted)
Gold Royalty and refining	%	2.7	2.7	2.7
Costs				
Capital Infrastructure	\$/t ore	\$2.78	\$5.46	\$2.77
Capital Development	\$/t ore	\$27.73	\$26.14	\$27.21
Operating Development	\$/t ore	\$30.43	\$28.69	\$29.65
Stoping	\$/t ore	\$25.35	\$25.39	\$25.10
Mine Services	\$/t ore	\$9.42	\$9.29	\$10.14
Mine Overheads	\$/t ore	\$46.33	\$56.50	\$39.87
Diamond Drilling	\$/t ore	\$15.08	\$15.26	\$13.38
Processing	\$/t ore	\$28.62	\$28.62	\$28.62
Totals	\$/t ore	\$185.74	\$195.35	\$176.74

STOPE LAYOUT AND MINE DESIGN

A Mineable Shape Optimiser (MSO) and input parameters were used to generate the stopes around which the mine design and layout was developed. The Ore Reserve was based on a production schedule that mined only the Indicated Mineral Resource category, producing a Probable Ore Reserve as shown in Table 26.

Table 26. Majestic, Imperial, Myhree Ore Reserves

	Ore Reserve Category	Tonnes ('000)	Grade (Au g/t)	Contained Metal (koz Au)
Myhree	Probable	585	2.4	45
Majestic	Probable	437	3.6	51
Imperial	Probable	68	3.9	9
Total		1,090	3.0	105

5.4.2 MAJESTIC AND IMPERIAL, MYHREE: CONCLUSION

There were no material issues found in the underground projects and ERM sees no reason to make any changes to the mining, scheduling or cost parameters.

5.5 METALLURGY

The Kal East project comprises many ore sources to be processed at the "Central Bulong" location via conventional CIL processing. The intent is to process ore using carbon off site via toll treatment to recover gold. Only the gravity recoverable component will be processed to doré bar on site. BC8 currently plan to proceed with construction of the Central Bulong processing facility following, or in parallel with the ore sales agreement established with Paddington Gold Pty Ltd (Black Cat Syndicate, 2024c).

Metallurgical Test work reports for Myhree and Boundary were provided by BC8 and reviewed by ERM.

The work on Myhree was extensive with the work conducted on Boundary added as a supplementary program testing the response to central conditions derived from the primary body of work.

In both cases the material proves quite sensitive to grind size with any deviation away from the selected 106 μm seeing a rapid decrease in recovery. Below is a table displaying the recovery performance of the tested materials from Myhree and Boundary at 106 μm (Table 27).

Interpreting metallurgical recovery from test work has its bias, particularly when it comes to the head grade of a sample vs that which is envisaged of being mined. Often it is better to reconcile expected recoveries based on the leach residue grade presented as opposed to individual "recoveries". It is vastly easier to achieve a high recovery from a high head grade such as Myhree Test 5 & 6 in Table 27.

The Kal East Study report (Black Cat Syndicate, 2023a) breaks each of the resources down into recovery via material type, be it oxide, trans or fresh. Invariably, all the fresh results return a lower recovery ranging from 83 - 92%, dependent on ore source and head grade tested. It is unclear how the blanket 92 % Au recovery has been derived given the processing breakdown of material types is summarised in Table 28.

The period-by-period gold recoveries, whilst not entirely transparent, are present in the individual resource tab pages (OP through to CR) and drives the recovered metal figures reporting to the rest of the spreadsheet.

The Fingals Fortune ore source, representing 55 % of the project tonnes, has been input with a weighted 97 % gold recovery. Given the projected resource average feed grade (1.7 g/t) from Fingals Find, this equates to a solid tails grade of 0.051 g/t which is considered by ERM to be optimistic.

ERM cannot refute the 92 % average gold recovery calculated in the financial model. A sensitivity should be run at lower "potential" recoveries of 90 and 88 % overall to determine how metallurgical recovery impacts the overall project NPV. Only a full reconciliation of all the domain recoveries and their source test work parameters or assumptions could provide further confidence into the actual process gold recovery.

5.5.1 METALLURGICAL PLANT OPERATING COST

As per the Paulsens review earlier in this report (Section 27 above), the manning, labour, commensurate rates and personnel costs have been reviewed and are prudent for an 800,000 tpa CIL processing facility.

Reagent consumptions and unit rates have been reviewed and are acceptable inputs for the financial model.

Table 27. Metallurgical parameters - Myhree and Boundary

Test	Zone	Ox. State	Grade	Gravity Recov.	Gold Recovery %					Tails Grade	Reagent Consumption		Grind
			Au g/t	%	2	4	8	24	48	Au g/t	CN	Lime	µm
WH10341 DD#1	1	FR	1.98	32.87	78.97	81.7	84.71	85.04	85.35	0.29	0.42	15.31	106
WH10345 DD#2	1	TR	6.47	42.6	90.95	92.41	95.28	96.40	97.06	0.19	0.46	13.29	106
WH10349 DD#3	1	FR	1.09	43.92	76.85	82.42	83.03	83.62	85.35	0.16	0.22	17.67	106
WH10353 DD#4	2	FR	6.28	52.81	84.73	86.67	90.25	90.45	90.45	0.60	0.26	19.52	106
WH10357 DD#5	2	FR	7.92	70.53	89.92	93.33	95.34	95.50	97.10	0.23	0.28	20.45	106
WH10361 DD#6	3	FR	15.5	19.28	77.79	86.10	87.38	89.31	92.82	1.11	0.52	20.95	106
WH9042 BD#1	N/A	TR	3.30	10.95	48.27	67.20	79.24	87.63	89.38	0.35	0.18	1.11	106
BD RC TR	N/A	TR	1.84		60.5	80.78	88.32	91.56		0.07	0.61	7.48	106
BD RC OX	N/A	OX	1.56		45.41	52.57	72.96	85.58		0.10	0.93	13.27	106

Table 28. Material type breakdown

Material Type	Tonnes Processed (t)
Oxide	1,660,019
Transitional	829,845
Fresh	2,213,358

A blanket grid power cost has been apportioned at 0.18 c/kWh for which an industry study standard and only formal contract negotiations will provide any more accurate input figure.

ERM confirms the input parameters pertaining to the operating costs in the financial model are acceptable.

5.5.2 CAPITAL COST

The capital cost allocated for the provision of a 100 tph CIL processing facility without carbon elution and gold recovery from the tank circuit has been reported as AU\$51.5 M (Table 29) (Black Cat Syndicate, 2023a).

ERM have compared the estimated plant capital cost to the available database, and given recent full plant builds in the order of \$ 68-75 M can be referenced (that include elution columns, expanded gold rooms and increased reagent requirements and systems), the capital costs seem prudent and appropriate.

Table 29. Kal East metallurgical plant capital costs

Item	Units	Pre-Production
Mine development	A\$M	20.4
Capital Works – Mine Establishment	A\$M	5.4
Capital Works – Mill construction, first fills and critical spares	A\$M	51.5
TSF construction	A\$M	1.4
Non producing infrastructure	A\$M	15.1
Pre-production labour	A\$M	4.2
Working Capital	A\$M	1.0
Cashflow during mill commissioning	A\$M	(4.2)
Maximum cash drawdown	A\$M	94.8

Excerpt from Kal East PFS Report (Black Cat Syndicate, 2023a)

5.6 KAL EAST VALUATION OPINION

5.6.1 CONTRACT OPEN PIT MINING

BC8 plan to produce ore from the Myhree and Boundary open pits to initiate the development of the Kal East project. Quantities to be mined from these sources are detailed in Table 30. These form the basis of an income-based valuation opinion to be prepared by BDO.

Table 30. Myhree and Boundary Proposed Contract Mining Tonnes and Grade

Pit	Ore Type	Tonnes	Resources		Reserves		Recovery	
			Grade	Ounces	Grade	Ounces	Mine	Mill
		('000)	Au g/t	('000 Au)	Au g/t	('000 Au)	%	%
Myhree	Oxide	352.3	2.1	23.3	1.6	20.8	0.95	0.94
	Transitional	115.3	1.8	6.6	1.4	6.0	0.95	0.94
	Fresh	235.4	3.0	22.9	2.3	19.8	0.95	0.91
	Total	702.9	2.3	52.8	1.8	46.5	-	-
Boundary	Oxide	32.9	1.1	1.2	0.8	1.0	0.95	0.90
	Transitional	113.3	1.6	5.7	1.1	4.9	0.95	0.90
	Fresh	0.19	2.0	0.01	1.3	0.01	0.90	0.90
	Total	146.4	1.5	6.9	1.1	5.9	-	-
Contract Mining Total	Oxide	385.1	2.0	24.5	1.6	21.8	-	-
	Transitional	228.6	1.7	12.4	1.3	10.8	-	-
	Fresh	235.6	3.0	22.9	2.3	19.8	-	-
	Total	849.4	2.2	59.7	1.7	52.4	-	-

5.6.2 ORE RESERVES AND MINERAL RESOURCES EXCLUSIVE OF CONTRACT MINING ORE

Ore Reserves and Mineral Resources exclusive of mineralisation to be mined under contract from the Myhree and Boundary open pits were estimated by ERM. These estimates are presented in Table 31

These estimates were developed by extracting gold included in the Myhree and Boundary contract mining plans from open pit Ore Reserves estimated by BC8 are reported publicly in the May 2024 Kal East study report (Black Cat Syndicate, 2024i). Remaining Ore Reserves were then subtracted from Mineral Resources which have been reported on a Mineral Resources inclusive of Ore Reserves basis by BC8, to enable multipliers appropriate to Mineral Resources and Ore Reserves by ERM to be applied appropriately.

5.6.3 MINERAL RESOURCE VALUATION OPINION

ERM prepared a valuation opinion using Rule of Thumb (Yardstick) and Comparable Transactions approaches for remnant Ore Reserves and Mineral Resources not included in ore to be extracted from the Myhree and Boundary open pits by contract mining, for processing at the Paddington Mill. Ore Reserves and Mineral Resources forming the basis of this valuation opinion are presented in Table 32.

Table 31. Ore Reserves and Mineral Resources Exclusive of Contract Mining Ore - Kal East

Deposit	Classification	Tonnes	Grade	Contained Au
		('000)	Au g/t	(oz '000)
Ore Reserves				
Kal East Ore Reserves Open Pit	Probable	2,531	1.8	51
Kal East Ore Reserves Underground	Probable	437	3.6	44
Kal East Ore Reserves	Probable	3,817	2.0	147
Mineral Resources				
Bulong Open Pit	Inferred	1,380	1.8	79
Bulong Underground	Inferred	937	3.5	107
Bulong Resources Total	Inferred	2,317	2.5	186
Mt Monger Open Pit	Indicated	2,384	1.8	138
	Inferred	6,034	1.5	291
	Subtotal	8,418	1.6	429
Mt Monger Underground	Indicated	1,117	4.5	162
	Inferred	703	4.6	104
	Subtotal	1,820	4.5	266
Mt Monger Resources Total	Indicated	3,501	2.7	300
	Inferred	6,737	1.8	395
	Total	10,238	2.1	695
Kal East Total	Indicated	3,501	2.7	300
	Inferred	9,054	2.0	581
	Total	12,555	2.2	881

Table 32. Kal East Ore Reserves and Mineral Resources Valuation Opinion, Exclusive of Myhree and Boundary Open Pit Contract Mining

Deposit	Class.	Rule of Thumb (Yardstick)			Comparable Transactions		
		Low	Preferred	High	Low	Preferred	High
Ore Reserves							
Kal East Ore Reserves ex. Open Pit	Probable	8,925	10,710	12,495	4,033	5,041	6,049
Kal East Ore Reserves Underground	Probable	7,754	9,305	10,856	3,504	4,380	5,256
Kal East Ore Reserves ex. Open Pit Total	Probable	16,679	20,015	23,351	7,537	9,421	11,305
Mineral Resources							
Bulong Open Pit	Inferred	1,389	2,083	2,778	2,914	3,886	4,858
Bulong Underground	Inferred	1,881	2,822	3,762	3,947	5,263	6,579
Bulong Subtotal	Inferred	3,270	4,905	6,540	6,862	9,149	11,437
Mount Monger Open Pit	Indicated	4,851	7,276	9,701	5,089	6,786	8,483
	Inferred	5,116	7,674	10,232	10,735	14,314	17,894
Mount Monger Underground	Indicated	5,683	8,524	11,365	5,962	7,950	9,938
	Inferred	1,828	2,742	3,657	3,837	5,116	6,395
Mount Monger Subtotal	Indicated	10,533	15,800	21,066	11,051	14,736	18,421
	Inferred	6,944	10,416	13,888	14,572	19,430	24,289
Kal East Mineral Resources Total	Indicated	10,533	15,800	21,066	11,051	14,736	18,421
	Inferred	10,214	15,321	20,428	21,433	28,579	35,726
	Total	20,747	31,121	41,494	32,484	43,316	54,147

6. FINANCIAL MODEL COST ESTIMATES

6.1 MINING AND PROCESSING COSTS

ERM was provided with copies of the cost models developed by BC8 for Paulsens, Coyote and Kal East. Mineral Resources and Ore Reserves were consistent with publicly released Ore Reserve and Mineral Resource statements. Mining and processing costs included in the models were reviewed and no material issues were identified.

The models were also considered comprehensive by ERM with no material issues not considered.

6.2 MINE CLOSURE COSTS

ERM was not provided with the information necessary to compile closure cost estimates for the three projects.

The largest closure and rehabilitation costs for mining operations are rehabilitation of mine waste dumps and tailings storage facilities. Underground operations are able to limit the quantity of waste rock and tailings remaining on surface following mine closure through the use of these materials as stope fill during mining, to maximise the stability of underground workings and ore recovery.

Waste rock will be deposited on dumps at the open cut mines to be reopened at Kal East. The project will, initially be trucking ore to the Paddington Mine for processing, resulting in there being no tailings storage facilities in the sites mined early in the life of the project. The timing of construction of a processing facility at the Kal East site is uncertain due to changes to the project concept with BC8 electing to mine ore for toll processing at Paddington, which will provide revenue for the progressive development of the Paulsens and Coyote projects.

BC*'s mining leases have also been in place for some time. Rehabilitation requirements may differ from those associated with newly granted mining leases. This does not exempt leaseholders from rehabilitation obligations, but does affect the nature and timing required.

BC8's accounts contain a closure and rehabilitation provision of A\$18.8 million, which ERM proposes is likely to represent a suitable estimate for the three projects.

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8. APPENDIX 1

8.1 BLACK CAT SYNDICATE EXPLORATION AND MINING TENEMENTS

TenementId	Status	Project Area	Holder1	Holder1Shares	CurrentArea	AreaUnit	ApplicationDate	GrantDate	ReportingExpiryDate	ExpenditureCommitment	Comments
E08/1649	LIVE	MOUNT STUART	Northern Star Resources Limited	100	14	SB	27-03-06	30-03-07	29-03-25	\$70,000.00	VOX ROYALTY caveat
E08/1650	LIVE	CHEELA PLAINS	Northern Star Resources Limited	100	8	SB	27-03-06	13-09-07	12-09-25	\$70,000.00	VOX ROYALTY caveat; excess tonnage
E08/1745	LIVE	PAULSENS	Northern Star Resources Limited	100	14	SB	23-11-06	08-08-07	07-08-25	\$70,000.00	
E08/2499	LIVE	MT STUART	Northern Star Resources Limited	100	7	SB	01-07-13	12-11-14	11-11-24	\$70,000.00	
E08/2555	LIVE	PAULSENS PIT	Northern Star Resources Limited	100	1	SB	12-11-13	22-01-15	21-01-25	\$20,000.00	
E08/2556	LIVE	BELVEDERE NORTH	Northern Star Resources Limited	100	2	SB	12-11-13	22-05-15	21-05-25	\$50,000.00	
E08/2558	LIVE	NORTH PAULSENS EAST	Northern Star Resources Limited	100	1	SB	13-11-13	22-05-15	21-05-25	\$20,000.00	
E08/2560	LIVE	PAULSENS EAST	Northern Star Resources Limited	100	1	SB	14-11-13	22-05-15	21-05-25	\$20,000.00	
E08/2655	LIVE	MT STUART	Northern Star Resources Limited	100	2	SB	24-10-14	05-11-15	04-11-25	\$50,000.00	
E08/2659	LIVE	BADANA WELL	Northern Star Resources Limited	100	11	SB	12-11-14	30-05-16	29-05-26	\$70,000.00	
E08/2755	LIVE	MT MCGRATH	Northern Star Resources Limited	100	3	SB	05-08-15	14-10-21	13-10-26	\$15,000.00	
E08/2791	LIVE	MT MCGRATH	Northern Star Resources Limited	100	11	SB	06-11-15	30-05-16	29-05-26	\$70,000.00	
E08/2945	LIVE	MINGA BORE	Kingfisher Mining Ltd	100	24	SB	26-09-17	15-05-18	14-05-28	\$50,000.00	
E08/3067	LIVE	WYLOO	Kingfisher Mining Ltd	100	9	SB	14-09-19	23-04-20	22-04-25	\$30,000.00	
E08/3246	LIVE	WYLOO	Kingfisher Mining Ltd	100	23	SB	12-08-20	06-07-21	05-07-26	\$23,000.00	
E08/3247	LIVE	WYLOO	Kingfisher Mining Ltd	100	74	SB	12-08-20	17-11-21	16-11-26	\$74,000.00	
E08/3317	LIVE	WYLOO	Kingfisher Mining Ltd	100	92	SB	21-12-20	18-11-21	17-11-26	\$92,000.00	
E08/3569	LIVE	GREGORY	Black Cat (Paulsens) Pty Ltd	100	32	SB	02-12-22	04-08-23	03-08-28	\$32,000.00	
E08/3573	LIVE	GREGORY	Black Cat (Paulsens) Pty Ltd	100	4	SB	14-12-22	04-08-23	03-08-28	\$15,000.00	
E08/3608	PENDING	HARDEY	Black Cat (Paulsens) Pty Ltd	100	85	SB	07-03-23			\$85,000.00	NT ad close 21/11/2023
E08/3621	PENDING	HARDEY	Black Cat (Paulsens) Pty Ltd	100	74	SB	18-05-23			\$74,000.00	
E08/3656	PENDING	GREGORY	Black Cat (Paulsens) Pty Ltd	100	4	SB	06-09-23			\$15,000.00	
E08/3679	PENDING	WINDELL	Black Cat (Paulsens) Pty Ltd	100	72	SB	19-12-23			\$72,000.00	
E25/0499	LIVE	MOUNT YOULE	Black Cat (Kal East) Pty Ltd	120	4	SB	10-07-13	30-05-14	29-05-24	\$50,000.00	VOX ROYALTY CAVEAT
E25/0512	LIVE	WOODLINE WEST	Black Cat (Kal East) Pty Ltd	96	4	SB	14-07-14	02-02-15	01-02-25	\$50,000.00	Amalg lodged 24/10/2023; NT ad close amalg 29/03/2024
E25/0520	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	4	SB	22-12-14	09-08-17	08-08-27	\$30,000.00	VOX ROYALTY CAVEAT
E25/0526	LIVE	TROJAN	Black Cat (Kal East) Pty Ltd	100	6	SB	21-05-15	15-12-15	14-12-25	\$70,000.00	
E25/0534	LIVE	TROJAN	Black Cat (Kal East) Pty Ltd	100	7	SB	21-10-15	04-05-16	03-05-26	\$70,000.00	
E25/0553	LIVE	TROJAN	Black Cat (Kal East) Pty Ltd	100	16	SB	31-08-16	03-04-17	02-04-27	\$50,000.00	
E25/0556	LIVE	TROJAN	Black Cat (Kal East) Pty Ltd	100	12	SB	25-10-16	11-07-17	10-07-27	\$50,000.00	
E25/0558	LIVE	TROJAN	Black Cat (Kal East) Pty Ltd	100	7	SB	04-11-16	11-08-17	10-08-27	\$50,000.00	
E25/0568	LIVE	TROJAN	Black Cat (Kal East) Pty Ltd	100	5	SB	23-06-17	21-02-18	20-02-28	\$30,000.00	
E25/0571	LIVE	TROJAN	Black Cat (Kal East) Pty Ltd	100	12	SB	16-01-18	29-01-19	28-01-24	\$30,000.00	

TenementId	Status	Project Area	Holder1	Holder1Shares	CurrentArea	AreaUnit	ApplicationDate	GrantDate	ReportingExpiryDate	ExpenditureCommitment	Comments
E25/0594	LIVE	HAMPTON HILL	Black Cat (Kal East) Pty Ltd	100	5	SB	11-12-19	09-02-23	08-02-28	\$15,000.00	Re-applied for as E25/0613 (TF); Can be included in existing MG Agreement by agreement in writing; NT ad close 07/01/2023; Amalg lodged 24/03/2023
E25/0620	PENDING	HAMPTON HILL	Black Cat (Kal East) Pty Ltd	100	31	SB	03-11-22			\$31,000.00	
E26/0226	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	4	SB	11-06-20	07-07-21	06-07-26	\$15,000.00	
E27/0431	LIVE	MT. MCLEAY	Black Cat (Kal East) Pty Ltd	100	32	SB	15-03-10	11-10-17	10-10-27	\$64,000.00	Amalg lodged 10/03/2022; App for forfeiture by COSTANZO
E27/0449	LIVE	NORTH DAM	Black Cat (Kal East) Pty Ltd	100	4	SB	23-08-10	12-09-12	11-09-24	\$50,000.00	
E27/0532	LIVE	NORTH DAM	Black Cat (Kal East) Pty Ltd	96	8	SB	10-07-14	02-02-15	01-02-25	\$70,000.00	Amalg lodged 24/10/2023; NT ad close amalg 29/03/2024
E27/0558	LIVE	BALAGUNDI	Essential Metals Limited	100	8	SB	30-12-15	26-08-16	25-08-26	\$70,000.00	
E27/0600	PENDING	HALFWAY HILL	Newmont Exploration Pty Ltd	100	14	SB	03-10-17			\$20,000.00	NT Ad Close 13-Oct-18; re-applied for as E27/0674 (TF);
E27/0671	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	20	SB	24-01-22	29-05-23	28-05-28	\$20,000.00	
E27/0698	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	14	SB	12-09-22			\$20,000.00	applied for over E27/600 (TF); part over timber reserve
E27/0699	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	1	SB	14-09-22	30-08-23	29-08-28	\$10,000.00	
E28/2809	PENDING	AVOCA DOWNS	Black Cat (Kal East) Pty Ltd	100	14	SB	15-08-18			\$20,000.00	Re-applied for as E28/3254 (TF) Partially over Sandalwood Timber Reserve 19640
E28/3254	PENDING	AVOCA DOWNS	Black Cat (Kal East) Pty Ltd	100	14	SB	14-09-22			\$20,000.00	applied over E28/2809 (TF); part over Timber reserve
E28/3280	PENDING	BUNINGONIA	Black Cat (Kal East) Pty Ltd	100	39	SB	07-11-22			\$39,000.00	part over Aboriginal lease
E47/1553	LIVE	TOMBSTONE	Northern Star Resources Limited	100	10	SB	01-09-05	06-10-06	05-10-24	\$70,000.00	
E47/3305	LIVE	HORSE WELL	Northern Star Resources Limited	100	9	SB	24-04-15	04-11-16	03-11-26	\$70,000.00	
E47/3396	LIVE	METAWANDY CREEK	Northern Star Resources Limited	100	5	SB	06-11-15	02-06-16	01-06-26	\$50,000.00	
E80/1483	LIVE	BILLILUNA - BOLD HILL	Black Cat (Coyote) Pty Ltd	96	15	SB	26-11-91	16-04-92	15-04-24	\$70,000.00	Franco Nevada mortgage; NST Mortgage
E80/1737	LIVE	TANAMI	Black Cat (Coyote) Pty Ltd	100	28	SB	23-11-93	22-03-94	21-03-24	\$84,000.00	Franco Nevada mortgage; NST Mortgage
E80/3388	LIVE	LEWIS RANGE	Black Cat (Coyote) Pty Ltd	100	15	SB	02-09-04	15-05-06	14-05-24	\$70,000.00	NST Mortgage
E80/3389	LIVE	NORA RANGE	Black Cat (Coyote) Pty Ltd	100	19	SB	02-09-04	15-05-06	14-05-24	\$70,000.00	NST Mortgage
E80/3665	LIVE	BILLILUNA - WATTS RISE	Black Cat (Coyote) Pty Ltd	100	17	SB	21-03-06	19-10-07	18-10-25	\$70,000.00	NST mortgage
E80/5039	LIVE	WESTERN TANAMI	Black Cat (Coyote) Pty Ltd	100	11	SB	11-08-16	01-03-17	28-02-27	\$50,000.00	NST Mortgage
E80/5869	PENDING	BALWINA	Black Cat (Coyote) Pty Ltd	100	9	SB	14-11-22			\$20,000.00	
E80/5870	PENDING	BALWINA	Black Cat (Coyote) Pty Ltd	100	25	SB	14-11-22			\$25,000.00	
E80/5871	PENDING	BALWINA	Black Cat (Coyote) Pty Ltd	100	40	SB	14-11-22			\$40,000.00	
E80/5948	PENDING	BULURA	Black Cat (Coyote) Pty Ltd	100	89	SB	27-07-23			\$89,000.00	
E80/5987	PENDING	BALWINA	Black Cat (Coyote) Pty Ltd	100	3	SB	09-11-23			\$15,000.00	
E80/5988	PENDING	BALWINA	Black Cat (Coyote) Pty Ltd	100	4	SB	09-11-23			\$15,000.00	
L08/0012	LIVE	PAULSEN'S	Northern Star Resources Limited	100	1	HA	22-04-99	10-11-99	09-11-41	\$0.00	
L08/0013	LIVE	PAULSEN'S	Northern Star Resources Limited	100	1	HA	23-04-99	11-08-99	10-08-41	\$0.00	
L08/0014	LIVE	PAULSEN'S	Northern Star Resources Limited	100	63	HA	23-04-99	11-08-99	10-08-41	\$0.00	
L08/0015	LIVE	BELVEDERE	Northern Star Resources Limited	100	31	HA	10-09-99	15-03-00	14-03-42	\$0.00	
L08/0081	LIVE	PAULSENS	Northern Star Resources Limited	100	4	HA	27-04-12	18-10-12	17-10-33	\$0.00	
L08/0091	LIVE	TIMBUCK WELL	Northern Star Resources Limited	100	1	HA	15-08-12	11-04-13	10-04-34	\$0.00	
L08/0092	LIVE	NORTH WEST OF TIN HUT BORE	Northern Star Resources Limited	100	2	HA	15-08-12	03-04-13	02-04-34	\$0.00	
L08/0103	LIVE	PAULSENS MINE	Northern Star Resources Limited	100	16	HA	15-10-12	25-06-13	24-06-34	\$0.00	

TenementId	Status	Project Area	Holder1	Holder1Shares	CurrentArea	AreaUnit	ApplicationDate	GrantDate	ReportingExpiryDate	ExpenditureCommitment	Comments
L08/0113	LIVE	SCARBOROUGH BORE	Northern Star Resources Limited	100	1	HA	18-02-13	24-07-13	23-07-34	\$0.00	
L08/0168	LIVE	PAULSENS	Northern Star Resources Limited	100	7	HA	16-03-18	16-08-18	15-08-39	\$0.00	
L08/0169	LIVE	MADALA 1	Northern Star Resources Limited	100	18	HA	26-10-18	01-03-19	29-02-40	\$0.00	
L25/0014	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	11	HA	23-07-91	29-08-91	28-08-26	\$0.00	Pipeline; Silver Lake Caveat
L25/0017	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	3	HA	09-09-91	16-10-91	15-10-26	\$0.00	pipeline; Silver Lake Caveat
L25/0018	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	3	HA	09-09-91	16-10-91	15-10-26	\$0.00	pipeline; Silver Lake Caveat
L25/0053	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	61	HA	22-10-15	14-04-16	13-04-37	\$0.00	a bore, a bore field, a pipeline, a road, a water management facility, taking water; Silver Lake Caveat
L25/0054	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	3	HA	18-11-15	18-02-16	17-02-37	\$0.00	road, pipeline; Silver Lake Caveat
L25/0062	LIVE	HAMPTON HILL	Black Cat (Kal East) Pty Ltd	100	32	HA	14-02-20	14-10-21	13-10-42	\$0.00	
L25/0064	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	40	HA	24-11-20			\$0.00	NT ad close 21/03/2022
L26/0162	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	7	HA	14-03-91	01-05-91	30-04-26	\$0.00	road; Silver Lake Caveat
L26/0262	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	17	HA	28-06-11	03-11-11	02-11-32	\$0.00	Silver Lake Caveat
L80/0045	LIVE	COYOTE	Black Cat (Coyote) Pty Ltd	100	655	HA	30-04-04	17-02-06	16-02-27	\$0.00	
L80/0046	LIVE	LARRANGANNI / COYOTE	Black Cat (Coyote) Pty Ltd	100	889	HA	30-04-04	11-02-05	10-02-26	\$0.00	
L80/0051	LIVE	BILLILUNA	Black Cat (Coyote) Pty Ltd	100	400	HA	12-10-05	17-02-06	16-02-27	\$0.00	
M08/0099	LIVE	WYLOO	Northern Star Resources Limited	100	184	HA	29-09-89	14-02-90	13-02-32	\$18,400.00	
M08/0191	LIVE	MT CLEMENT	Northern Star Resources Limited	100	226.65	HA	07-01-98	10-05-99	09-05-41	\$22,700.00	
M08/0192	LIVE	MT CLEMENT	Northern Star Resources Limited	100	301	HA	07-01-98	10-05-99	09-05-41	\$30,100.00	
M08/0193	LIVE	MT CLEMENT	Northern Star Resources Limited	100	293.15	HA	07-01-98	10-05-99	09-05-41	\$29,400.00	
M08/0196	LIVE	PAULSEN'S	Northern Star Resources Limited	100	799.15	HA	07-10-98	03-03-99	02-03-41	\$80,000.00	
M08/0222	LIVE	BELVEDRE	Northern Star Resources Limited	100	220.75	HA	24-08-99	24-08-00	23-08-42	\$22,100.00	
M08/0515	LIVE	PAULSENS	Northern Star Resources Limited	100	424.1	HA	13-11-15	07-09-17	06-09-38	\$42,500.00	
M25/0024	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	485.85	HA	24-01-86	04-07-86	03-07-28	\$48,600.00	Ramelius Caveat; Vox Royalty Caveat; Tailings excluded from tenement (not the area)
M25/0083	LIVE	NEW BULONG	Black Cat (Kal East) Pty Ltd	100	72.765	HA	08-12-89	28-03-90	27-03-32	\$10,000.00	Vox Royalty caveat
M25/0091	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	83.28	HA	30-11-90	12-04-91	11-04-33	\$10,000.00	Ramelius Caveat; Vox Royalty Caveat
M25/0104	LIVE	TROJAN	Black Cat (Kal East) Pty Ltd	100	872	HA	17-05-92	18-11-92	17-11-34	\$87,200.00	
M25/0117	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	96	371.85	HA	16-09-93	17-01-94	16-01-36	\$37,200.00	Gibson caveat; Silver Lake Caveat
M25/0129	LIVE	NEW BULONG	Black Cat (Kal East) Pty Ltd	100	179.4	HA	17-12-93	03-06-94	02-06-36	\$18,000.00	Vox Royalty Caveat
M25/0136	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	84.71	HA	15-02-94	01-02-95	31-01-37	\$10,000.00	Silver Lake Caveat
M25/0350	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	992.4	HA	22-05-11	24-05-12	23-05-33	\$99,300.00	Silver Lake Caveat
M25/0360	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	128.5	HA	17-12-15	06-07-16	05-07-37	\$12,900.00	Silver Lake Caveat
M25/0372	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	122	HA	12-11-20			\$12,200.00	NT ad close 27/05/2021; Conversion of P25/2286
M25/0374	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	992	HA	13-08-21			\$99,200.00	
M25/0376	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	74	HA	24-01-22			\$10,000.00	Conv of P25/2323; NT ad close 30/07/2022
M25/0381	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	722	HA	19-12-23			\$72,200.00	Conv of P25/2324, 2326, 2327, 2328, 2331 & P26/4122; NT ad close 14/06/2024
M26/0059	LIVE	WOMBOLA DAM	Black Cat (Kal East) Pty Ltd	100	4.8555	HA	14-12-83	22-06-84	21-06-26	\$5,000.00	Silver Lake Caveat

TenementId	Status	Project Area	Holder1	Holder1Shares	CurrentArea	AreaUnit	ApplicationDate	GrantDate	ReportingExpiryDate	ExpenditureCommitment	Comments
M26/0148	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	10	HA	02-04-87	07-08-87	06-08-29	\$10,000.00	Silver Lake Caveat
M26/0197	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	88	HA	21-09-87	14-03-88	13-03-30	\$10,000.00	Silver Lake Caveat
M26/0248	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	348	HA	30-03-88	23-11-88	22-11-30	\$34,800.00	Silver Lake Caveat
M26/0278	LIVE	HAMMER & TAP	Black Cat (Kal East) Pty Ltd	100	121.3	HA	17-09-88	22-05-89	21-05-31	\$12,200.00	Silver Lake Caveat
M26/0352	LIVE	HAMMER & TAP	Black Cat (Kal East) Pty Ltd	100	33.705	HA	10-05-90	15-11-90	14-11-32	\$10,000.00	Silver Lake Caveat
M26/0357	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	468	HA	15-11-90	12-04-91	11-04-33	\$46,800.00	Silver Lake Caveat
M26/0364	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	132.35	HA	28-12-90	12-04-91	11-04-33	\$13,300.00	Silver Lake Caveat
M26/0406	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	5.739	HA	23-07-92	18-11-92	17-11-34	\$10,000.00	Silver Lake Caveat
M26/0409	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	39.565	HA	04-08-92	04-11-92	03-11-34	\$10,000.00	Silver Lake Caveat
M26/0417	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	74.84	HA	13-12-92	08-03-93	07-03-35	\$10,000.00	Gibson caveat; Silver Lake Caveat
M26/0437	LIVE	HAMMER & TAP	Black Cat (Kal East) Pty Ltd	100	117.25	HA	05-01-94	02-06-94	01-06-36	\$11,800.00	Silver Lake Caveat
M26/0440	LIVE	HAMMER & TAP	Black Cat (Kal East) Pty Ltd	100	110.65	HA	13-03-94	13-09-94	12-09-36	\$11,100.00	Silver Lake Caveat
M26/0635	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	7	HA	14-07-97	18-12-98	17-12-40	\$10,000.00	Silver Lake Caveat
M26/0642	LIVE	WOLBOLA DAM	Black Cat (Kal East) Pty Ltd	100	390.2	HA	19-08-97	28-05-07	27-05-28	\$39,100.00	Silver Lake Caveat
M26/0657	LIVE	WOMBOLA DAM	Black Cat (Kal East) Pty Ltd	100	5.07	HA	27-10-97	28-05-07	27-05-28	\$10,000.00	Silver Lake Caveat
M26/0683	LIVE	WOMBOLA DAM	Black Cat (Kal East) Pty Ltd	100	294.15	HA	26-02-98	28-05-07	27-05-28	\$29,500.00	Silver Lake Caveat
M26/0783	LIVE	WOMBOLA DAM	Black Cat (Kal East) Pty Ltd	100	27.69	HA	17-03-04	28-05-07	27-05-28	\$10,000.00	Silver Lake Caveat
M26/0791	LIVE	WOMBOLA DAM	Black Cat (Kal East) Pty Ltd	100	4.853	HA	22-04-04	28-05-07	27-05-28	\$5,000.00	Silver Lake Caveat
M26/0802	LIVE	WOMBOLA DAM	Black Cat (Kal East) Pty Ltd	100	3.7905	HA	13-10-04	28-05-07	27-05-28	\$5,000.00	Silver Lake Caveat
M26/0834	LIVE	HAMMER & TAP	Black Cat (Kal East) Pty Ltd	100	4.0295	HA	17-12-15	07-07-16	06-07-37	\$5,000.00	Silver Lake Caveat
M28/0164	LIVE	ROWES FIND	Black Cat (Kal East) Pty Ltd	100	138.7	HA	25-11-96	01-09-09	31-08-30	\$13,900.00	Silver Lake Caveat
M28/0370	LIVE	ROWES FIND	Black Cat (Kal East) Pty Ltd	100	9.818	HA	04-11-09	21-02-12	20-02-33	\$10,000.00	Silver Lake Caveat
M80/0559	LIVE	COYOTE	Black Cat (Coyote) Pty Ltd	100	997	HA	11-02-04	27-09-05	26-09-26	\$99,700.00	NST Mortgage
M80/0560	LIVE	COYOTE	Black Cat (Coyote) Pty Ltd	100	997.05	HA	11-02-04	27-09-05	26-09-26	\$99,800.00	NST Mortgage
M80/0561	LIVE	CACTUS	Black Cat (Coyote) Pty Ltd	100	988	HA	11-02-04	27-09-05	26-09-26	\$98,800.00	NST Mortgage
M80/0563	LIVE	BALD HILL	Black Cat (Coyote) Pty Ltd	200	977.4	HA	11-02-04	02-12-05	01-12-26	\$97,800.00	NST Mortgage
M80/0645	LIVE	BILLILUNA - KILLI KILLI	Black Cat (Coyote) Pty Ltd	100	1230	HA	09-12-19	16-12-20	15-12-41	\$123,000.00	NST mortgage
P25/2248	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	186	HA	04-12-12	09-08-22	08-08-26	\$7,440.00	Affects the Timber reserve; Silverlake caveat
P25/2249	LIVE	IMPERIAL/MAJESTIC	Black Cat (Kal East) Pty Ltd	100	186	HA	04-12-12	09-08-22	08-08-26	\$7,440.00	affects Timber reserve; Silverlake caveat
P25/2286	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	122	HA	21-07-14	30-01-15		\$4,880.00	Conv to M25/0372
P25/2323	LIVE	SOUTH THREE	Black Cat (Kal East) Pty Ltd	100	74	HA	08-06-15	14-01-16		\$2,960.00	conv to M25/0376
P25/2324	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	119	HA	18-06-15	05-01-16		\$4,760.00	Converted to M25/0381
P25/2326	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	118	HA	18-06-15	05-01-16		\$4,720.00	Converted to M25/0381
P25/2327	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	114	HA	18-06-15	05-01-16		\$4,560.00	Converted to M25/0381
P25/2328	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	143	HA	18-06-15	05-01-16		\$5,720.00	Converted to M25/0381
P25/2331	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	174	HA	03-07-15	10-02-16		\$6,960.00	Converted to M25/0381
P25/2355	LIVE	MAJESTIC	Black Cat (Kal East) Pty Ltd	100	193	HA	14-12-15	30-01-19	29-01-27	\$7,720.00	

TenementId	Status	Project Area	Holder1	Holder1Shares	CurrentArea	AreaUnit	ApplicationDate	GrantDate	ReportingExpiryDate	ExpenditureCommitment	Comments
P25/2357	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	195	HA	11-12-15	28-07-16	27-07-24	\$7,800.00	Need Retention or MLA to extend
P25/2358	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	165	HA	11-12-15	15-07-16	14-07-24	\$6,600.00	Need Retention or MLA to extend
P25/2366	LIVE	MAJESTIC	Black Cat (Kal East) Pty Ltd	100	105	HA	29-01-16	30-01-19	29-01-27	\$4,200.00	
P25/2367	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	200	HA	29-02-16	03-10-16	02-10-24	\$8,000.00	Need Retention or MLA to extend; Vox Royalty Caveat
P25/2368	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	196	HA	29-02-16	03-10-16	02-10-24	\$7,840.00	Need Retention or MLA to extend; Vox Royalty Caveat
P25/2369	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	170	HA	29-02-16	03-10-16	02-10-24	\$6,800.00	Need Retention or MLA to extend; Vox Royalty Caveat
P25/2377	LIVE	VIRGIN DAM NORTH	Black Cat (Kal East) Pty Ltd	96	199	HA	18-03-16	18-10-16	17-10-24	\$7,960.00	Need Retention or MLA to extend; Vox Royalty Caveat
P25/2378	LIVE	VIRGIN DAM WEST	Black Cat (Kal East) Pty Ltd	96	193	HA	18-03-16	04-01-17	03-01-25	\$7,720.00	Need Retention or MLA to extend; Vox Royalty Caveat
P25/2463	LIVE	BALAGUNDI	Black Cat (Kal East) Pty Ltd	100	135	HA	14-08-17	05-06-18	04-06-26	\$5,400.00	Need Retention or MLA to extend;
P25/2581	LIVE	PELM	Black Cat (Kal East) Pty Ltd	100	85	HA	20-06-18	07-02-19	06-02-27	\$3,400.00	
P25/2624	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	122	HA	07-03-19	16-03-20	15-03-24	\$4,880.00	
P25/2625	LIVE	BULONG	Black Cat (Kal East) Pty Ltd	100	122	HA	07-03-19	16-03-20	15-03-24	\$4,880.00	
P25/2648	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	51	HA	06-11-19	01-09-20	31-08-24	\$2,040.00	
P25/2674	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	10	HA	03-03-20	24-02-21	23-02-25	\$2,000.00	Amalg into E25/0512 lodged 24/10/2023
P25/2685	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	148	HA	28-05-20	09-06-23	08-06-27	\$5,920.00	Over P25/2641 (Mining Equities) Can be included in existing MG Agreement by agreement in writing
P25/2693	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	195	HA	07-08-20	13-07-21	12-07-25	\$7,800.00	
P25/2695	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	46	HA	18-09-20	01-07-22	30-06-26	\$2,000.00	part over pending restoration; NT ad close 26/05/2022 Can be included in existing MG Agreement by agreement in writing
P25/2703	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	10	HA	15-04-21	24-01-23	23-01-27	\$2,000.00	Consent to prospect on Majestic Timber Reserve 195/25 granted
P25/2719	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	122	HA	02-09-21	05-04-22	04-04-26	\$4,880.00	
P25/2720	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	122	HA	02-09-21	05-04-22	04-04-26	\$4,880.00	
P25/2724	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	86	HA	22-11-21			\$3,440.00	
P25/2727	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	14	HA	22-12-21			\$2,000.00	Partial encroachment on Majestic Timber Reserve (CMP or no mining)
P25/2741	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	136	HA	09-11-22	04-07-23	03-07-27	\$5,440.00	
P25/2784	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	189	HA	21-11-23			\$7,560.00	NT ad close 31/05/2024
P25/2785	PENDING	HAMPTON	Black Cat (Kal East) Pty Ltd	100	102	HA	21-11-23			\$4,080.00	NT ad close 31/05/2024
P26/4090	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	186	HA	07-12-15	20-09-16	19-09-24	\$7,440.00	Need Retention or MLA to extend; Silver Lake Caveat
P26/4091	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	195	HA	07-12-15	20-09-16	19-09-24	\$7,800.00	Need Retention or MLA to extend; Silver Lake Caveat
P26/4117	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	200	HA	11-12-15	13-07-16	12-07-24	\$8,000.00	Need Retention or MLA to extend;
P26/4118	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	187	HA	11-12-15	13-07-16	12-07-24	\$7,480.00	Need Retention or MLA to extend;
P26/4119	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	191	HA	11-12-15	13-07-16	12-07-24	\$7,640.00	Need Retention or MLA to extend;
P26/4122	LIVE	BLACK HILLS	Black Cat (Kal East) Pty Ltd	100	57	HA	11-12-15	28-07-16		\$2,280.00	Converted to M25/0381
P26/4176	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	195	HA	15-06-16	27-01-17	26-01-25	\$7,800.00	Need Retention or MLA to extend; Silver Lake Caveat
P26/4177	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	200	HA	15-06-16	27-01-17	26-01-25	\$8,000.00	Need Retention or MLA to extend; Silver Lake Caveat
P26/4179	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	163	HA	15-06-16	27-01-17	26-01-25	\$6,520.00	Need Retention or MLA to extend; Silver Lake Caveat
P26/4184	LIVE	FINGALS FORTUNE	Black Cat (Kal East) Pty Ltd	100	126	HA	24-06-16	24-01-17	23-01-25	\$5,040.00	Need Retention or MLA to extend; Silver Lake Caveat

TenementId	Status	Project Area	Holder1	Holder1Shares	CurrentArea	AreaUnit	ApplicationDate	GrantDate	ReportingExpiryDate	ExpenditureCommitment	Comments
P26/4550	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	191	HA	23-06-20	13-07-21	12-07-25	\$7,640.00	
P26/4551	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	196	HA	23-06-20	20-07-21	19-07-25	\$7,840.00	
P26/4552	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	186	HA	23-06-20	13-07-21	12-07-25	\$7,440.00	
P26/4553	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	170	HA	23-06-20	09-07-21	08-07-25	\$6,800.00	
P26/4554	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	191	HA	23-06-20	13-07-21	12-07-25	\$7,640.00	
P26/4555	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	200	HA	23-06-20	13-07-21	12-07-25	\$8,000.00	
P26/4556	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	187	HA	23-06-20	13-07-21	12-07-25	\$7,480.00	
P26/4557	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	200	HA	23-06-20	13-07-21	12-07-25	\$8,000.00	
P26/4558	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	184	HA	23-06-20	13-07-21	12-07-25	\$7,360.00	
P26/4559	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	72	HA	23-06-20	06-12-21	05-12-25	\$2,880.00	
P26/4560	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	7	HA	23-06-20	13-07-21	12-07-25	\$2,000.00	
P26/4561	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	179	HA	23-06-20	20-07-21	19-07-25	\$7,160.00	
P26/4562	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	194	HA	23-06-20	13-07-21	12-07-25	\$7,760.00	
P26/4573	LIVE	MT MONGER	Black Cat (Kal East) Pty Ltd	100	5	HA	17-07-20	09-07-21	08-07-25	\$2,000.00	
P26/4574	LIVE	MT MONGER	Black Cat (Kal East) Pty Ltd	100	9	HA	17-07-20	09-07-21	08-07-25	\$2,000.00	
P26/4600	LIVE	MT MONGER EASTSIDE	Black Cat (Kal East) Pty Ltd	100	157	HA	19-01-21	23-02-22	22-02-26	\$6,280.00	
P26/4601	LIVE	MT MONGER EASTSIDE	Black Cat (Kal East) Pty Ltd	100	157	HA	19-01-21	23-02-22	22-02-26	\$6,280.00	
P26/4602	LIVE	MT MONGER EASTSIDE	Black Cat (Kal East) Pty Ltd	100	182	HA	19-01-21	23-02-22	22-02-26	\$7,280.00	
P26/4653	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	187	HA	22-11-21	04-07-22	03-07-26	\$7,480.00	
P26/4679	LIVE	HAMPTON	Black Cat (Kal East) Pty Ltd	100	11	HA	15-07-22	03-07-23	02-07-27	\$2,000.00	
P27/2326	LIVE	HAMPTON HILL	Black Cat (Kal East) Pty Ltd	100	178	HA	14-08-17	05-06-18	04-06-26	\$7,120.00	Amalg into E27/0532 lodged 24/10/2023; Need Retention or MLA to extend;
P27/2327	LIVE	HAMPTON HILL	Black Cat (Kal East) Pty Ltd	100	178	HA	14-08-17	05-06-18	04-06-26	\$7,120.00	Amalg into E27/0532 lodged 24/10/2023; Need Retention or MLA to extend;
P27/2328	LIVE	HAMPTON HILL	Black Cat (Kal East) Pty Ltd	100	164	HA	14-08-17	05-06-18	04-06-26	\$6,560.00	Amalg into E27/0532 lodged 24/10/2023; Need Retention or MLA to extend;
P80/1840	LIVE	WESTERN TANAMI	Black Cat (Coyote) Pty Ltd	100	103	HA	11-08-16	03-04-18	02-04-26	\$4,120.00	Need Retention or MLA to extend; NST Mortgage
P80/1841	LIVE	WESTERN TANAMI	Black Cat (Coyote) Pty Ltd	100	49	HA	11-08-16	03-04-18	02-04-26	\$2,000.00	Need Retention or MLA to extend; NST Mortgage



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Black Cat Syndicate Limited
ABN 63 620 896 282

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Monday, 12 August 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 183893

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

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Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Black Cat Syndicate Limited hereby appoint

☐ the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Black Cat Syndicate Limited to be held at Quest Hotel, 54 Kings Park Road, Perth, WA 6000 on Wednesday, 14 August 2024 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Approval of issue of Subscription Shares to Sundy	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies against the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

