



# **BLACK CAT SYNDICATE LIMITED**

ABN 63 620 896 282

**Consolidated Financial Statements  
For the Period Ended 30 June 2021**

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**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

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**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**CORPORATE DIRECTORY**

**Directors**

Paul Chapman	Non-Executive Chairman
Gareth Solly	Managing Director
Les Davis	Non-Executive Director
Philip Crutchfield	Non-Executive Director
Tony Polglase	Non-Executive Director

**Joint Company Secretaries**

Mark Pitts  
Dan Travers

**Principal Office**

Level 3, 52 Kings Park Road  
West Perth, Western Australia 6005  
Telephone 0458 007 713  
Web [www.blackcatsyndicate.com.au](http://www.blackcatsyndicate.com.au)

PO Box 184  
West Perth, Western Australia 6872

**Registered Office**

Level 3, 52 Kings Park Road  
West Perth, Western Australia 6005

**Auditor**

Crowe Perth  
Level 5, 45 St Georges Terrace  
Perth, Western Australia 6000

**Share Registry**

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth, Western Australia 6000  
Telephone (08) 9323 2000

**Stock Exchange Listing**

The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia.

**ASX Code**

BC8 – Ordinary shares

**Australian Business Number**

63 620 896 282

**Company Information**

The Company was incorporated and registered under the Corporations Act 2001 in Western Australia.

The Company is domiciled in Australia.

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**DIRECTORS' REPORT**

The Directors present their report on Black Cat Syndicate Limited ("Black Cat" or "the Company") and the entity it controlled ("the Group") at the end of, and during the year ended 30 June 2021.

**DIRECTORS**

The names and details of the Directors of Black Cat during the financial year and until the date of this report are:

**Paul Chapman (Non-Executive Chairman)** *B.Comm, ACA, Grad Dip Tax, MAICD, MAusIMM (Appointed 4 August 2017)*

Paul is a chartered accountant with over 30 years' experience in the resources sector gained in Australia and the United States. Paul has experience across a range of commodity businesses including gold, nickel, uranium, manganese, bauxite/alumina and oil/gas and has held managing director and other senior management roles in public companies. Paul was a founding shareholder/director of the following ASX listed companies: Reliance Mining; Encounter Resources; Rex Minerals; Silver Lake Resources and Paringa Resources. Paul is currently non-executive chair of Encounter Resources Limited (ASX:ENR) and Dreadnought Resources Limited (ASX:DRE) and a non-executive director of Sunshine Gold Limited (ASX:SHN). Paul resigned as non-executive director of Brazilian copper/gold producer Avanco Resources Limited (ASX:AVB) on 10 August 2018 following a successful takeover by OZ Minerals Limited.

**Gareth Solly (Managing Director)** *B.Sc (Geology) First Class Honours, Dip. Business (Appointed 1 January 2018)*

Gareth has 20 years' mining industry experience covering numerous orebody types in both underground and surface environments with a proven ability in leading mine geology, resource development and near mine exploration teams. This includes 11 years' senior management experience in roles of Registered Manager, Chief Geologist and Group Geology Manager in organisations including Saracen Gold Mines Limited (ASX:SAR), Silver Lake Resources Limited (ASX:SLR) and Norilsk Nickel. Of particular relevance, Gareth was the Chief Geologist and later Resident Manager at Mount Monger which is similar in many ways to Bulong and involved managing a workforce of approximately 200.

**Les Davis (Non-Executive Director)** *M.Sc (Min Econs) (Appointed 4 August 2017)*

Les has a Master's Degree in Mineral Economics from Curtin University of Western Australia and over 38 years' mining industry experience including 17 years' hands-on experience in mine development and narrow vein mining. Les' career incorporates over 20 years' senior management and executive experience including roles as Mine Manager, Technical Services Manager, Concentrator Manager, Resident Manager and General Manager Expansion Projects with organisations including WMC Resources Limited, Reliance Mining Limited and Consolidated Minerals Limited and was the founding Managing Director of ASX listed Silver Lake Resources Limited (ASX:SLR) until his resignation on 22 November 2019 and was a director of Spectrum Metals Limited (ASX:SPX) between 2 February 2019 and 18 March 2020. Les is currently a non-executive director of Sunshine Gold Limited (ASX:SHN).

**Philip Crutchfield (Non-Executive Director)** *B.Comm, LL.B (Hons), LL.M LSE (Appointed 6 April 2021)*

Philip is a prominent and highly respected barrister specialising in commercial law. Philip was Non-Executive Chairman of highly successful financial services company Zip Co Limited (ASX:Z1P) and is a non-executive director of Applyflow Limited (ASX:AFW) and Encounter Resources Limited (ASX:ENR).

Philip is a board member of the Geelong Grammar School Council, Bell Shakespeare Theatre Company and the Victorian Bar Foundation Limited. Philip is also a former partner of Mallesons Stephen Jaques (now King & Wood Mallesons). Philip is a senior barrister practising in commercial law and was admitted to practice in 1988.

**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**DIRECTORS (CONTINUED)**

**Tony Polglase (Non-Executive Director)** *B.Eng (Metallurgy) First Class Honours (Appointed 25 May 2020)*

Tony has more than 40 years of multi-disciplined mining experience across ten different countries and is qualified in mechanical and electrical engineering with an honours degree in metallurgy. Tony has significant experience in the development and operation of mining projects, having been responsible for, or closely involved with, the commissioning of more than seven mines.

Most recently, Tony was a director of Avanco Resources until its acquisition by OZ Minerals Ltd for ~\$430m. Tony's operational experience involves both open-pit and underground mines as well as processing and maintenance management. Tony was a director of Metals X Limited (ASX:MLX) between 24 October 2019 and 10 July 2020 and a director of New World Resources Limited (ASX:NWC) from 17 October 2019.

**FORMER DIRECTORS**

**Alex Hewlett (Non-Executive Director)** *B.Sc, MAusIMM (Resigned 28 February 2021)*

**COMPANY SECRETARIES**

**Mark Pitts (Joint Company Secretary)** *BBus, FCA, GAICD (Appointed 9 November 2017)*

Mark has over 30 years' experience in business administration and corporate compliance. Having started his career with KPMG, Mark has worked at a senior management level in a variety of commercial and consulting roles including mining services, healthcare and property development. The majority of the past 15 years' has been spent working for, or providing services to, publicly listed companies in the junior resources sector. Mark is a registered company auditor and holds a Bachelor of Business Degree from Curtin University, is graduate of the Australian Institute of Company Directors and is a Fellow of Chartered Accountants Australia and New Zealand.

**Dan Travers (Joint Company Secretary):** *BSc (Hons), FCCA (Appointed 23 November 2017)*

Dan is a Fellow of the Association of Chartered Certified Accountants with over 10 years' experience in the administration and accounting of publicly listed companies following significant public practice experience. Dan holds undergraduate degrees with honours in both Mathematics and Accounting and is an employee of Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

**DIRECTORS' INTERESTS**

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
P Chapman	8,345,142	100,000
G Solly	1,427,222	1,672,778
L Davis	5,670,977	250,000
P Crutchfield	5,274,261	200,000
T Polglase	82,375	250,000

Included in the Directors' interests in Unlisted Options, there are 2,472,778 options that are vested and exercisable as at the date of signing this report.

**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**DIRECTORS' MEETINGS**

The number of meetings of the Company's Directors held during the period ended 30 June 2021, and the number of meetings attended by each Director are as follows:

Director	Board of Directors' Meetings	
	Eligible to Attend	Attended
P Chapman	10	10
G Solly	10	10
L Davis	10	10
A Hewlett (resigned 28/2/21)	6	5
P Crutchfield (appointed 6/4/21)	2	2
T Polglase	10	10

**PRINCIPAL ACTIVITIES**

The principal activity of the Company during the financial period was undertaking mineral exploration and economic studies at the Company's Kal East Gold Project ("Kal East") in Western Australia.

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

**RESULTS OF OPERATIONS**

**Financial Position and Performance**

The consolidated net loss after income tax for the financial period was \$2,324,794 (2020: \$1,397,501).

At the end of the financial period the Group had \$16,049,091 (2020: \$2,868,148) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at the end of the financial year was \$29,124,255 (2020: \$10,030,732).

Included in capitalised exploration costs for 30 June 2021 is an amount of \$7,660,345 being acquisition costs settled in the form of 8,417,962 ordinary fully paid shares issued to Silver Lake Resources Limited at \$0.91 per share for the acquisition of the Majestic, Fingals and Rowe's Find properties.

During the year the Company raised a total of \$29,895,747 before costs from the issue of placement shares and a further \$518,326 from the issue of shares on the exercise of unlisted options.

**REVIEW OF ACTIVITIES**

**Exploration**

Activities for the financial period have been primarily focussed at the Company's Kal East near Kalgoorlie, Western Australia. whilst undertaking various exploration programs targeting future resource growth and commencing economic studies to assess Kal East's economic potential.

**Acquisitions**

During the financial period the Company completed the acquisition of the Majestic, Fingals and Rowe's Find properties from Silver Lake Resources Limited, the Yarri East property from Newmont Corporation and the Trojan, Slate Dam and Clinker properties from Aruma Resources Limited.

**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the Company and Group during or since the end of the financial period other than as stated in this report.

**OPTIONS OVER UNISSUED CAPITAL**

**Unlisted Options**

As at 30 June 2021 13,283,147 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
9,541,147	20 cents	25 January 2023
1,450,000	40 cents	25 June 2023
700,000	60 cents	2 August 2023
250,000	62 cents	18 May 2024
187,000	120 cents	21 July 2024
625,000	98 cents	10 December 2024
530,000	100 cents	28 March 2025

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

During the financial period, the Company granted 1,342,000 options over unissued shares to directors and employees pursuant to shareholder approval and/or the terms and conditions of the Black Cat Syndicate Incentive Option Plan.

During the financial period, a total of 2,151,631 options exercisable at 20 cents and expiring 25 January 2023, and 400,000 options exercisable at 22 cents and expiring 31 July 2022 were exercised into shares.

No options were cancelled during the financial period.

Since the end of, the financial period:

- no options have been issued to employees;
- no options have been cancelled; and
- no shares have been issued on the exercise of options.

Options do not entitle the holder to:

- participate in any share issue of the Company or any other body corporate; and
- any voting rights until the options are exercised into ordinary shares.

**ISSUED CAPITAL**

	Number of Shares on Issue	
	2021	2020
Ordinary fully paid shares	140,807,811	87,497,952

The Company has not issued any shares since the end of the financial period.

**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**DIVIDENDS**

No dividend has been paid and no dividend is recommended for the financial periods ended 30 June 2020 and 30 June 2021.

**MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has resulted in manageable delays to certain exploration and feasibility study programs, it has not materially financially impacted the Group up to 30 June 2021. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Company expects to maintain exploration and feasibility programs at Kal East.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

**ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

**REMUNERATION REPORT (AUDITED)**

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the financial position of the Company and the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

**Remuneration Committee**

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company does not have a separate Remuneration Committee and as such all remuneration matters are considered by the Board as a whole, with no Member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity-based plans and making awards pursuant to those plans.



**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED)**

**Non-Executive Remuneration**

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive remuneration is not linked to the performance of the Company, however, to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's annual general meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity-based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-Executive Directors' fees payable in aggregate, are currently set at \$350,000 per annum.

**Executive Director and Other Key Management Personnel Remuneration**

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date, the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

**Incentive Plans**

The Company provides incentives to Directors and Employees pursuant to the Black Cat Syndicate Incentive Option Plan, which was approved by shareholders on 25 November 2020.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED)**

**Engagement of Non-Executive Directors**

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Paul Chapman as Non-Executive Chairman, the Company will pay \$60,000 inclusive of statutory superannuation per annum.

In consideration of the services provided by Les Davis, Tony Polglase and Philip Crutchfield as Non-Executive Directors, the Company will pay each \$40,000 inclusive of statutory superannuation per annum.

Messrs Chapman, Davis, Polglase and Crutchfield are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. There were no such fees paid during the financial period ended 30 June 2021.

**Engagement of Executive Director**

The Company has entered into an executive service agreement with Gareth Solly in respect of his engagement as Managing Director on the following material terms and conditions:

- is effective for three years from 1 January 2021 and receives a base salary of \$250,000 per annum plus statutory superannuation and may also receive an annual short term performance-based bonus which may be calculated as a percentage of current base salary, the performance criteria, assessment and timing of which is negotiated annually with the Non-Executive Directors; and
- subject to shareholder approval, may participate in the Black Cat Syndicate Incentive Option Plan and other incentive plans adopted by the Board.

**Short Term Incentive Payments**

Non-Executive Directors set the Key Performance Indicators ("KPI's") for the Executive Director and other senior employees. The KPI's are chosen to align the reward of the individual Executive to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum Short-Term Incentives ("STI") payable to Executives. At the end of the specified measurement period, the Non-Executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the STI, or a lesser amount depending on actual performance achieved is paid to the Executives as either a cash payment or in unlisted options. Refer to the Details of Performance Related Remuneration section of this Remuneration Report for specific details of KPI's set and/or measured during the period.

No STI's are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

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**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED)**

**Shareholding Qualifications**

The Directors are not required to hold any shares in Black Cat under the terms of the Company's constitution. However, as shown above, all Directors have chosen to hold interests in Black Cat shares.

**Group Performance**

In considering the Company's performance, the Board provides the following indices in respect of the current financial periods and previous financial periods:

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Profit/(Loss) for the period attributable to shareholders	<b>(2,324,794)</b>	(1,397,501)	(1,131,029)	(749,702)
Closing share price at 30 June	<b>0.62</b>	0.81	0.265	0.255

As an exploration company, the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing STI payments.

In addition to technical and economic exploration success (including the publication of JORC 2012 Resources), the Board considers the effective management of safety, environmental and operational matters and the acquisition and consolidation of high-quality landholdings, as more appropriate indicators of management performance.

**Voting at the Group's 2020 Annual General Meeting (AGM)**

At the 2020 AGM 99.6% of the votes directed by shareholders, or their nominated proxy, supported the adoption of the Remuneration Report for the period ended 30 June 2020. The Group did not receive any specific feedback at the AGM regarding its remuneration practices.

**Remuneration Disclosures**

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

- Paul Chapman Non-Executive Chairman
- Gareth Solly Managing Director
- Les Davis Non-Executive Director
- Philip Crutchfield Non-Executive Director (appointed 6 April 2021)
- Tony Polglase Non-Executive Director
- Alex Hewlett Non-Executive Director (resigned 28 February 2021)
- David Sanders Chief Financial Officer (appointed 13 August 2020)

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

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**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED)**

**Remuneration Disclosures (Continued)**

	Short Term		Post Employment	Other Long Term		
	Base Salary \$	Short Term Incentive \$	Superannuation Contributions \$	Value of Options \$	Total \$	Value of Options as Proportion of Remuneration
<b>2021</b>						
P Chapman	54,795	-	5,205	-	60,000	-
G Solly	250,000	50,000 <sup>1,2</sup>	26,125	30,799 <sup>1</sup>	356,924	8.6%
L Davis	36,530	-	3,470	-	40,000	-
P Crutchfield	8,717	-	828	53,220	62,765	84.8%
T Polglase	40,000	-	-	-	40,000	-
A Hewlett	24,353	-	2,314	-	26,667	-
D Sanders	176,984	35,210 <sup>2</sup>	16,813	57,102	286,109	19.9%
<b>Total</b>	<b>591,379</b>	<b>85,210</b>	<b>54,755</b>	<b>141,121</b>	<b>872,465</b>	

	Short Term		Post Employment	Other Long Term		
	Base Salary \$	Short Term Incentive \$	Superannuation Contributions \$	Value of Options \$	Total \$	Value of Options as Proportion of Remuneration
<b>2020</b>						
P Chapman	54,795	-	5,205	-	60,000	-
G Solly	250,000	50,000 <sup>1</sup>	23,750	-	323,750	-
L Davis	36,529	-	3,471	-	40,000	-
A Hewlett	36,529	-	3,471	-	40,000	-
T Polglase	4,069	-	-	49,370	53,439	92.4%
<b>Total</b>	<b>381,922</b>	<b>50,000</b>	<b>35,897</b>	<b>49,370</b>	<b>517,189</b>	

<sup>1</sup> In the tables above an amount of \$50,000 was accrued in respect of short-term incentive bonus payable to the Managing Director as at 30 June 2020. This was satisfied by the payment of \$25,000 in cash in July 2020 and \$30,799 paid in the form of unlisted options in September 2020 following shareholder approval (based on the valuation of the options at the date of grant). An amount of \$30,799 has been recognised in total share-based payments, and a corresponding reduction of \$25,000 in short-term employment benefits for the year ended 30 June 2021.

<sup>2</sup> STI bonus \$75,000 and \$35,210 accrued for G Solly and D Sanders respectively at 30 June 2021.

**Details of Performance Related Remuneration**

During the financial period, the Company paid a cash short term bonus to the Managing Director of \$25,000 and 75,000 options exercisable at \$1.20 each and expiring 21 July 2024 in respect of the amounts accrued at 30 June 2020 pursuant to the 2019 STI.

**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED)**

***Options Granted as Remuneration to KMP***

The following options were issued as remuneration to Key Management Personnel during the period ended 30 June 2021:

KMP	Number of Options	Grant Date	Expiry Date	Exercise Price	Volatility	Interest Rate	Value of Options \$
Gareth Solly <sup>1</sup>	75,000	22 Jul 2020	21 July 2024	\$1.20	79.3%	0.26%	\$30,799
Philip Crutchfield	200,000	29 Mar 2021	28 Mar 2025	\$1.00	64.7%	0.69%	\$53,220
David Sanders	180,000	14 Dec 2020	10 Dec 2024	\$0.98	75.0%	1.00%	\$57,102

<sup>1</sup> Options issued pursuant to the 2019 STI award accrued at 30 June 2020.

The fair value of options issued as remuneration is allocated to the relevant vesting period of the options. Options are provided at no cost to the recipients.

***Exercise of Options Granted as Remuneration***

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

**Equity Instrument Disclosures Relating to Key Management Personnel**

***Option Holdings***

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company:

Name	Balance at Start of the Period	Received During the Period as Remuneration	Other Changes During the Period	Balance at the End of the Period	Vested and Exercisable at the End of the Period
<b>2021</b>					
P Chapman	100,000	-	-	100,000	100,000
G Solly	1,647,778	75,000	(50,000)	1,672,778	1,672,778
L Davis	1,400,000	-	(1,150,000)	250,000	250,000
P Crutchfield	-	200,000 <sup>1</sup>	-	200,000	200,000
T Polglase	250,000	-	-	250,000	250,000
A Hewlett	2,710,000	-	(100,000)	2,610,000 <sup>2</sup>	2,610,000 <sup>2</sup>
D Sanders	-	180,000	-	180,000	180,000

<sup>1</sup> Option holdings at date of appointment as director.

<sup>2</sup> Option holdings at date of ceasing to be a director.

**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED)**

**Equity Instrument Disclosures Relating to Key Management Personnel (Continued)**

Name	Balance at Start of the Period	Received During the Period as Remuneration	Other Changes During the Period	Balance at the End of the Period	Vested and Exercisable at the End of the Period
<b>2020</b>					
P Chapman	2,980,001	-	(2,880,001)	100,000	100,000
G Solly	1,700,000	-	(52,222)	1,647,778	1,647,778
L Davis	2,650,000	-	(1,250,000)	1,400,000	1,400,000
A Hewlett	2,880,000	-	(170,000)	2,710,000	2,710,000
T Polglase	-	250,000	-	250,000	250,000

**Share Holdings**

The number of shares in the Company held during the financial period by Key Management Personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

Name	Balance at Start of the Year	Received During the Year on Exercise of Options	Other Changes During the Year	Balance at the End of the Year
<b>2021</b>				
P Chapman	7,522,224	-	822,918	8,345,142
G Solly	1,377,222	50,000	-	1,427,222
L Davis	4,448,977	1,150,000	72,000	5,670,977
P Crutchfield	3,781,724 <sup>1</sup>	-	1,492,537	5,274,261
T Polglase	48,255	-	34,120	82,375
A Hewlett	3,050,000	100,000	-	3,150,000 <sup>2</sup>
D Sanders	- <sup>1</sup>	-	36,313	36,313

<sup>1</sup> Shares held on appointment as director/officer.

<sup>2</sup> Shares held at date of ceasing to be a director.

**BLACK CAT SYNDICATE LIMITED**  
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**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED)**

**Equity Instrument Disclosures Relating to Key Management Personnel (Continued)**

Name	Balance at Start of the Year	Received During the Year on Exercise of Options	Other Changes During the Year	Balance at the End of the Year
2020				
P Chapman	4,216,502	2,880,001	425,721	7,522,224
G Solly	1,325,000	52,222	-	1,377,222
L Davis	3,000,000	1,250,000	198,977	4,448,977
A Hewlett	2,880,000	170,000	-	3,050,000
T Polglase	-	-	48,255 <sup>1</sup>	48,255

<sup>1</sup> Shares held on appointment as director.

**Loans Made to Key Management Personnel**

No loans were made to Key Management Personnel, including personally related entities during the reporting period.

**Other Transactions with Key Management Personnel**

During the year the Company paid Stone Poneys Nominees Pty Ltd, an entity associated with Paul Chapman, an amount of \$6,233 in respect of the lease for the Group's offices. (2020: \$26,949).

During the period the Company employed the spouse of Paul Chapman in an administrative role. Remuneration for the period ended 30 June 2021 was \$16,151 (inclusive of superannuation) (2020: \$79,148).

During the period the Company employed the spouse of Gareth Solly in an administrative role. Remuneration for the period ended 30 June 2021 was \$60,361 (inclusive of superannuation) (2020: \$nil).

**End of Remuneration Report**

**OFFICERS' INDEMNITIES AND INSURANCE**

During the period, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability insurance provides cover against costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**DIRECTORS' REPORT**

**PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or Group, or to intervene in any proceedings to which the Company or Group is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**NON-AUDIT SERVICES**

During the period, Crowe the Company's auditor, has not performed any other services in addition to their statutory duties, other than as stated below.

Total remuneration paid to auditors during the financial period:	2021 \$	2020 \$
Audit and review of the Company's financial statements	24,250	21,200
<b>Total</b>	<b>24,250</b>	21,200

The board considers any non-audit services provided during the period by the auditor and satisfies itself that the provision of any non-audit services during the period by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

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

Dated at Perth this 29<sup>th</sup> day of September 2021.



**Gareth Solly**  
**Managing Director**



## AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Black Cat Syndicate Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



**Crowe Perth**



**Cyrus Patell**  
Partner

Signed at Perth dated this 29 September 2021

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	Note	Consolidated	
		Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
Other income	5	50,000	50,000
Interest income		14,412	28,646
<b>Total income</b>		<b>64,412</b>	<b>78,646</b>
Employee expenses	6	(2,429,991)	(1,400,659)
Employee expenses – share based	20	(354,695)	(214,686)
Employee expenses recharged to exploration		1,338,742	879,061
Legal and professional		(38,113)	(100,931)
Corporate advisory		(71,188)	(125,476)
Marketing and promotion		(48,856)	(49,873)
Depreciation and amortisation	6	(25,071)	(16,313)
Realised foreign exchange movements		(10,873)	-
Administration and other expenses		(371,966)	(219,319)
Profit on disposal of fixed assets		9,485	-
Exploration costs not capitalised		(386,680)	(227,951)
<b>Profit/(Loss) before income tax</b>		<b>(2,324,794)</b>	<b>(1,397,501)</b>
Income tax benefit	7	-	-
<b>Profit/(Loss) after tax</b>		<b>(2,324,794)</b>	<b>(1,397,501)</b>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<b>(2,324,794)</b>	<b>(1,397,501)</b>
Earnings per share for loss attributable to the ordinary equity holders of the Company			
Basic earnings/(loss) per share	30	<b>(2.1)</b>	<b>(1.7)</b>
Diluted earnings/(loss) per share	30	<b>(2.1)</b>	<b>(1.7)</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	Consolidated	
		2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	8	16,049,091	2,868,148
Trade and other receivables	9	214,443	62,894
<b>Total current assets</b>		<b>16,263,534</b>	<b>2,931,042</b>
<b>Non-current assets</b>			
Bonds and deposits		44,920	-
Property, plant and equipment	11	2,724,193	61,968
Capitalised mineral exploration and evaluation expenditure	13	29,124,255	10,030,732
Right of use assets	12	194,458	-
<b>Total non-current assets</b>		<b>32,087,826</b>	<b>10,092,700</b>
<b>Total assets</b>		<b>48,351,360</b>	<b>13,023,742</b>
<b>Current liabilities</b>			
Trade and other payables	15	1,795,457	897,275
Employee entitlements	16	207,642	100,184
Lease liabilities	17	58,033	-
<b>Total current liabilities</b>		<b>2,061,132</b>	<b>997,459</b>
<b>Non-current liabilities</b>			
Lease liabilities	17	132,362	-
<b>Total non-current liabilities</b>		<b>132,362</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,193,494</b>	<b>997,459</b>
<b>Net assets</b>		<b>46,157,866</b>	<b>12,026,283</b>
<b>Equity</b>			
Issued capital	18	50,435,467	14,395,187
Accumulated losses	20	(5,573,706)	(3,278,232)
Share based payments reserve	20	1,296,105	909,328
<b>Total equity</b>		<b>46,157,866</b>	<b>12,026,283</b>

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

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	Consolidated			
	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total \$
<b>2020</b>				
Balance at the start of the financial period	8,106,341	(1,880,731)	694,642	6,920,252
Comprehensive income for the financial period	-	(1,397,501)	-	(1,397,501)
Movement in equity remuneration reserve in respect of options vested	-	-	214,686	214,686
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	6,288,846	-	-	6,288,846
Balance at the end of the financial period	<u>14,395,187</u>	<u>(3,278,232)</u>	<u>909,328</u>	<u>12,026,283</u>
<b>2021</b>				
Balance at the start of the financial period	<b>14,395,187</b>	<b>(3,278,232)</b>	<b>909,328</b>	<b>12,026,283</b>
Comprehensive income for the financial period	-	(2,324,794)	-	(2,324,794)
Movement in equity remuneration reserve in respect of options vested	-	-	416,097	416,097
Transfer on exercise of options	-	29,320	(29,320)	-
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	<b>36,040,280</b>	-	-	<b>36,040,280</b>
Balance at the end of the financial period	<u><b>50,435,467</b></u>	<u><b>(5,573,706)</b></u>	<u><b>1,296,105</b></u>	<u><b>46,157,866</b></u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

		Consolidated	
		Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
	Note		
<b>Cash flows from operating activities</b>			
Other income		50,000	50,000
Interest received		14,412	31,663
Payments to suppliers and employees		(1,363,460)	(836,308)
<b>Net cash used in operating activities</b>	29	<b>(1,299,048)</b>	<b>(754,645)</b>
<b>Cash flows from investing activities</b>			
Payments for bonds and security deposits		(44,920)	-
Payments to acquire exploration assets		(1,054,098)	(142,465)
Payments for exploration and evaluation		(10,772,027)	(4,732,875)
Proceeds from government drilling grants		-	27,726
Payments for plant and equipment		(2,012,526)	(42,278)
<b>Net cash used in investing activities</b>		<b>(13,883,571)</b>	<b>(4,889,892)</b>
<b>Cash flows from financing activities</b>			
Payments for lease liability principal		(5,500)	-
Proceeds from the issue of shares		30,414,073	6,153,445
Payments for share issue costs		(2,034,138)	(349,299)
<b>Net cash from financing activities</b>		<b>28,374,435</b>	<b>5,804,146</b>
<b>Net increase/(decrease) in cash held</b>		<b>13,191,816</b>	<b>159,609</b>
Effect of foreign exchange rates on cash held		(10,873)	-
<b>Cash at the beginning of the financial period</b>	8	<b>2,868,148</b>	<b>2,708,539</b>
<b>Cash at the end of the financial period</b>	8	<b>16,049,091</b>	<b>2,868,148</b>

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

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 1 Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied throughout the reporting period, unless otherwise stated. The financial report includes financial statements for the consolidated entity consisting of Black Cat Syndicate Limited and its subsidiary ("the Group").

**(a) Basis of Preparation**

This general-purpose financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The separate financial statements of the parent entity have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 28 September 2021.

***Statement of Compliance***

The consolidated financial report of Black Cat Syndicate Limited complies with Australian Accounting Standards, which include AIFRS, in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards ("IFRS") in their entirety.

***Adoption of New and Revised Accounting Standards***

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

The adoption of the Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

***New standards and interpretations not yet adopted***

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application date for future reporting periods and which the Group has decided not to early adopt.

***Reporting Basis and Conventions***

These financial statements have been prepared under the historical cost convention, and on an accrual basis.

***Critical Accounting Estimates***

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 1 Summary of Significant Accounting Policies (continued)**

**(a) Basis of preparation (continued)**

***Principles of Consolidation***

The financial statements of subsidiary companies are included in the consolidated financial statements from the date control commences until the date control ceases. The financial statements of subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiary companies are accounted for at cost in the individual financial statements of the Company.

**(b) Segment Reporting**

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's board of directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

**(c) Revenue Recognition**

***Interest Income***

Interest income is recognised using the effective interest method.

**(d) Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 1 Summary of Significant Accounting Policies (continued)**

**(e) Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**(f) Impairment of Assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**(g) Cash and Cash Equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(h) Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are deducted from the carrying value of the relevant asset.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the year in which the claim is lodged with the Australian Tax Office. Amounts receivable are allocated in the financial statements against the corresponding expense or asset in respect of which the research and development concession claim has arisen.



**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 1 Summary of Significant Accounting Policies (continued)**

**(i) Right of Use Assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**(j) Property, Plant and Equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line or diminishing value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

<b>Asset Class</b>	<b>Depreciation Rate</b>
Field equipment and vehicles	20%
Office equipment	33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 1 Summary of Significant Accounting Policies (continued)**

**(k) Mineral Exploration and Evaluation Expenditure**

Mineral exploration and evaluation expenditure are written off as incurred or accumulated in respect of each identifiable area of interest and capitalised. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest is continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration costs and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in the income statement.

**Farm-in arrangements (in the exploration and evaluation phase)**

For exploration and evaluation asset acquisitions (farm-in arrangements) in which the Group has made arrangements to fund a portion of the selling partner's (farmer's) exploration and/or future development expenditures (carried interests), these expenditures are reflected in the financial statements as and when the exploration and development work progresses.

**Farm-out arrangements (in the exploration and evaluation phase)**

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained.

Monies received pursuant to farm-in agreements are treated as a liability on receipt and until such time as the relevant expenditure is incurred.

**(l) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

**(m) Employee Benefits**

***Wages, Salaries and Annual Leave***

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 1 Summary of Significant Accounting Policies (continued)**

***Long Service Leave***

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted at the corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

***Share Based Payments***

Share based compensation payments are made available to Directors and employees.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the option. A discount is applied, where appropriate, to reflect the non-marketability and non-transferability of unlisted options, as the Black-Scholes option pricing model does not incorporate these factors into its valuation.

The fair value of the options granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital. Upon the cancellation of options on expiry of the exercise period, or lapsing of vesting conditions, the balance of the share-based payments reserve relating to those options is transferred to accumulated losses.

**(n) Issued Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(o) Earnings Per Share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 1 Summary of Significant Accounting Policies (continued)**

**(p) Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

**(q) Financial Instruments**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

**(r) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 1 Summary of Significant Accounting Policies (continued)**

**(s) Current Versus Non-Current Classification**

The Group presents assets and liabilities in the statement of financial position based on a current or non-current classification.

An asset is current when it is:

- expected to be realized, or intended to be sold or consumed in the Group's normal operating cycle;
- expected to be realized within 12 months after the reporting period; or
- cash or a cash equivalents (unless restricted for at least 12 months after the reporting period).

A liability is current when it is:

- expected to be settled in the Group's normal operating cycle;
- it is due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other assets and liabilities are classed as non-current.

**Note 2 Financial Risk Management**

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

**(a) Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from transactions with customers and investments.

***Trade and Other Receivables***

The current nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office, the risk of non-recovery of receivables from this source is considered to be negligible.

***Cash Deposits***

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Group currently has no significant concentrations of credit risk.

**(b) Liquidity Risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

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**Note 2 Financial Risk Management (Continued)**

**(c) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

***Interest Rate Risk***

The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

***Foreign Exchange Risk***

The Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy and capital markets.

**Note 3 Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

***Accounting for Capitalised Exploration and Evaluation Expenditure***

The Group's accounting policy is stated at Note 1(k). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure. Key judgements are applied in determining expenditure directly related to exploration and evaluation activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

For the year ended 30 June 2021 the Group expensed unallocated and uncapitalised exploration expenditure of \$386,680 (2020: \$227,951).

***Accounting for Share Based Payments***

The values of amounts recognised in respect of share based payments have been estimated based on the fair value of the equity instruments granted. Fair values of options issued are estimated by using an appropriate option pricing model. There are many variables and assumptions used as inputs into the models. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised. See Note 19 for details of inputs into option pricing models in respect of options issued during the reporting period.

***Coronavirus (COVID-19) pandemic***

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the Group's activities, staffing and geographic regions in which the Group operates. Whilst there has been delays to the certain exploration and feasibility study programs, there does not currently appear to be direct material impact upon the financial statements as at the reporting date as a result of the Coronavirus (COVID-19) pandemic.

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**Note 4 Segment Information**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration and resource development wholly within Australia; therefore, it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

	<b>Consolidated</b>	
	<b>Year Ended 30 June 2021 \$</b>	<b>Year Ended 30 June 2020 \$</b>

**Note 5 Other Income**

***Operating Activities***

Cash flow assistance grant	<b>50,000</b>	50,000
	<b>50,000</b>	50,000

**Note 6 Loss for the Year**

***Loss Before Income Tax Includes the Following Specific Expenses***

Depreciation and amortisation:

Right of use assets (note 12)	<b>5,557</b>	-
Motor vehicles and field equipment (note 11)	<b>11,501</b>	13,250
Office equipment (note 11)	<b>8,013</b>	3,063
	<b>25,071</b>	16,313

Employee expenses:

Wages and salaries	<b>1,667,647</b>	951,659
Short term incentive bonus <sup>1</sup>	<b>233,210<sup>2</sup></b>	142,804 <sup>1</sup>
Non-Executive Directors' fees	<b>161,061</b>	131,922
Superannuation	<b>177,926</b>	102,552
Payroll tax	<b>47,307</b>	13,829
Other staff costs	<b>35,382</b>	-
Movement in employee leave liability	<b>107,458</b>	57,893
	<b>2,429,991</b>	1,400,659

<sup>1</sup> Accrued short-term incentive bonus for 2019 STI. Settled by the payment of \$81,402 cash in July 2020, \$36,402 via the issue of options in lieu of cash payment in July 2020 and \$25,000 via the issue of options in lieu of cash payment in September 2020 (following shareholder approval).

<sup>2</sup> Accrued short-term incentive bonus as at 30 June 2021.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	Consolidated	
	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$

**Note 7 Income Tax**

**a) Income Tax Expense**

*Current income tax:*

Current income tax charge (benefit)	(3,290,140)	(1,955,011)
Current income tax not recognised	3,290,140	1,995,011

*Deferred income tax:*

Relating to origination and reversal of timing differences	(133,001)	-
Deferred income tax benefit not recognised	133,001	-
Income tax expense/(benefit) reported in the income statement	-	-

**b) Reconciliation of Income Tax Expense to Prima Facie Tax Payable**

Profit/(Loss) from continuing operations before income tax expense	(2,324,794)	(1,397,501)
Tax at 26% (2020: 27.5%)	(604,446)	(384,313)
<i>Tax effect of permanent differences:</i>		
Non-deductible share-based payments	92,221	59,039
Capital raising costs claimed	(199,885)	(99,539)
Net deferred tax asset benefit not brought to account	712,110	424,813
Tax (benefit)/expense	-	-

**c) Deferred Tax – Balance Sheet**

*Liabilities*

Capitalised exploration expenditure	(4,992,847)	(2,379,413)
	(4,992,847)	(2,379,413)

*Assets*

Revenue losses available to offset against future taxable income	4,934,625	2,664,734
Employee provisions	53,987	27,551
Accrued expenses	174,381	39,271
Deductible equity raising costs	571,523	256,525
	5,734,516	2,988,081
Net deferred tax asset not recognised	741,669	608,668



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**NOTES TO THE FINANCIAL STATEMENTS**  
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	Consolidated	
	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$

**Note 7 Income Tax (continued)**

**d) Deferred Tax – Income Statement**

*Liabilities*

Capitalised exploration expenditure	(2,613,434)	(1,372,443)
Prepaid expenses	-	830

*Assets*

Deductible equity raising costs	314,998	(3,482)
Accruals	135,110	37,895
Increase in tax losses carried forward	2,269,891	1,161,885
Employee provisions	26,436	15,922
Deferred tax benefit/(expense) movement for the period not recognised	<b>133,001</b>	<b>(159,393)</b>

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- (i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- (ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

All unused tax losses of \$18,979,325 (2020: \$9,689,940) were incurred by Australian entities.

The Company received an allocation pursuant to the Junior Mineral Exploration Incentive ("JMEI") Scheme for the financial year ended 30 June 2021 of \$1,664,000. Subsequent to 30 June 2021, the Group may undertake a distribution of JMEI credits to qualifying shareholders which has not been quantified at the date of this report.

The Company received a JMEI allocation for the financial year ending 30 June 2022 of \$784,613.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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	Consolidated	
	2021 \$	2020 \$

**Note 8 Current Assets - Cash and Cash Equivalents**

Cash at bank and on hand	6,049,091	1,068,148
Deposits at call	10,000,000	1,800,000
	<u>16,049,091</u>	<u>2,868,148</u>

**(a) Reconciliation to Cash at the End of the Year**

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents per statement of cash flows	<u>16,049,091</u>	<u>2,868,148</u>
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**(b) Deposits at Call**

Amounts classified as deposits at call are short term deposits depending upon the immediate cash requirements of the Group and earn interest at the respective short term interest rates.

**(c) Cash Balances Not Available for Use**

As at 30 June 2021 there is a bank guarantee amounting to \$43,000 in respect of the lease of the Company's offices (refer Note 12).

There are no other amounts included in cash and cash equivalents above that are pledged as guarantees or otherwise unusable by the Group.

**Note 9 Current Assets – Receivables**

**a) Trade and Other Receivables**

Other receivables	-	3,405
GST recoverable	214,433	59,489
	<u>214,433</u>	<u>62,894</u>

Details of fair value and exposure to interest risk are included at Note 21.

**Note 10 Non-Current Assets – Investment in Controlled Entity**

**a) Investment in Controlled Entity**

Subsidiary Company	Country of Incorporation	Ownership Interest	
		2021	2020
Black Cat (Bulong) Pty Ltd	Australia	100%	100%

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 11 Non-Current Assets – Property, Plant and Equipment**

	Note	Motor Vehicles and Field Equipment \$	Office Equipment \$	Mill capital \$	Total \$
Cost at the start of the financial year		80,624	12,070	-	92,694
Additions		71,103	63,864	2,572,832	2,707,799
Disposed		(35,456)	-	-	(35,456)
<b>Cost at the end of the financial year</b>		<b>116,271</b>	<b>75,934</b>	<b>2,572,832</b>	<b>2,765,037</b>
Accumulated depreciation at the start of the financial year		(25,334)	(5,392)	-	(30,726)
Depreciation expense for the financial year		(11,501)	(8,013)	-	(19,514)
Depreciation on assets disposed		9,396	-	-	9,396
<b>Accumulated depreciation at the end of the financial year</b>		<b>(27,439)</b>	<b>(13,405)</b>	<b>-</b>	<b>(40,844)</b>
Net book value at the start of the financial year		55,290	6,678	-	61,968
<b>Net book value at the end of the financial year</b>		<b>88,832</b>	<b>62,529</b>	<b>2,572,832</b>	<b>2,724,193</b>

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

Mill Capital relates to acquisition and related costs relating to mill and associated infrastructure acquired in respect of the Group's Kal East Gold Project proposed processing plant.

	Consolidated	
	30 June 2021 \$	30 June 2020 \$

**Note 12 Non-Current Assets – Right of use assets**

Leases

Carrying value at the start of the year	-	-
ROU assets recognised in the year	200,015	-
Amortisation charged	(5,557)	-
	<b>194,458</b>	<b>-</b>

A right of use asset has been recognised in respect of the Group's lease of its office at Level 3, 52 Kings Park Road, West Perth, Western Australia. Refer Note 26(b) for further details of the lease. Refer to Note 17 for details of the corresponding right of use liability arising from the abovementioned lease. The lease is for a term of two years commencing 1 June 2021 with an option to extend for one further year.

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**Note 12 Non-Current Assets – Right of use assets (continued)**

Management have determined that based on all available information it is not reasonably certain that they will exercise the option to renew the lease at the end of the initial two-year term.

Monthly lease costs of \$8,050 per month are subject to 3% rent increases on each 12 month anniversary. A lease incentive of \$3,220 per month applies until 30 April 2023.

	<b>Consolidated</b>	
	<b>30 June 2021 \$</b>	<b>30 June 2020 \$</b>

**Note 13 Non-Current Assets – Capitalised Mineral Exploration and Evaluation Expenditure**

***In the Exploration and Evaluation Phase***

Capitalised exploration costs at the start of the period	<b>10,030,732</b>	4,592,835
Total acquisition costs for the period (Note 14)	<b>8,714,444</b>	596,700
Total exploration costs for the period	<b>10,765,759</b>	5,096,874
Government drilling grants	-	(27,726)
Total unallocated exploration expensed for the period	<b>(386,680)</b>	(227,951)
Capitalised exploration costs at the end of the period	<b>29,124,255</b>	10,030,732

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The capitalised exploration expenditure written off includes expenditure written off on surrender of, or intended surrender of, tenements.

**Note 14 Acquisition of Exploration Assets**

During the period, the Group completed the acquisition of exploration assets pursuant to various acquisition agreements. Total acquisition costs for the period amounted to \$8,714,444, which includes various acquisition and related costs and the following significant transactions:

	Cash Consideration (incl option fees)	Share Based Consideration	Total Consideration
Acquisition of Majestic, Fingals and Rowe's Find	Nil	\$7,660,345 <sup>1</sup>	\$7,660,345 <sup>1</sup>
Acquisition of Yarri East	\$200,000	Nil	\$200,000
Acquisition of Trojan, Slate Dam and Clinker	\$500,000	Nil	\$500,000

<sup>1</sup>During the financial period the Company completed the acquisition of the Majestic, Fingals and Rowe's Find properties by the issue of 8,417,962 shares at a fair value of \$0.91 each to Silver Lake Resources Limited.

Note that the shares issued to acquire the Fingals and Rowe's Find projects are recognised at fair value as at the date of settlement, which is considered to be the 'measurement date for the purposes of AASB 2. The share price at the date of entering into the transactions was \$0.49 per share.

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		Consolidated	
		30 June 2021 \$	30 June 2020 \$

**Note 15 Current Liabilities – Trade and Other Payables**

Trade payables and accruals	1,535,934	869,791
Other payables	259,523	27,484
	<u>1,795,457</u>	<u>897,275</u>

Liabilities are not secured over the assets of the Group. Details of fair value and exposure to interest risk are included at Note 21. Trade payables and accruals includes \$233,210 (20210: \$142,804) accrued short-term incentive bonuses (refer note 6).

**Note 16 Current Liabilities – Employee Entitlements**

Liability for annual leave	181,721	100,184
Liability for long service leave	25,921	-
	<u>207,642</u>	<u>100,184</u>

**Note 17 Lease liabilities**

Leases

Carrying value at the start of the year	-	-
Lease liabilities recognised in the year	200,015	-
Lease payments made	(9,661)	-
Lease interest charged to profit or loss	41	-
	<u>190,395</u>	<u>-</u>

Lease liabilities are split between current and non-current liabilities at the balance date as follows:

Lease liabilities due < 1 year	58,033	-
Lease liabilities due > 1 year	132,362	-
	<u>190,395</u>	<u>-</u>

A right of use asset has been recognised in respect of the Group's lease of its office at Level 3, 52 Kings Park Road, West Perth, Western Australia. Refer Note 26(b) for further details of the lease.

Refer to Note 12 for details of the corresponding right of use asset arising from the abovementioned lease.

Total cash outflows in relation to lease arrangements during the year was \$5,505.

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**Note 18 Issued Capital**

**a) Ordinary Shares**

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

		30 June 2021		30 June 2020	
	Issue Price	No	\$	No	\$

**b) Share Capital**

Issued share capital	<b>140,807,811</b>	<b>50,435,467</b>	87,947,952	14,395,187
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**c) Share Movements During the Period**

Balance at the start of the financial period	-	<b>87,947,952</b>	<b>14,395,187</b>	69,760,002	8,106,341
Shares issued on exercise of options	\$0.20	<b>2,151,631</b>	<b>430,326</b>	5,767,223	1,153,445
Shares issued to acquire Balagundi JV	\$0.326	-	-	122,820	40,000
Placement shares issued	\$0.43	-	-	11,627,907	5,000,000
Shares issued to acquire Black Hills	\$0.61	-	-	270,000	164,700
Shares issued to acquire South Three	\$0.70	-	-	400,000	280,000
Shares issued to acquire Fingals and Rows Find	\$0.91	<b>8,417,962</b>	<b>7,660,345</b>	-	-
Placement shares issued	\$0.82	<b>12,195,122</b>	<b>10,000,000</b>	-	-
Placement shares issued	\$0.67	<b>29,695,144</b>	<b>19,895,747</b>	-	-
Shares issued on exercise of options	\$0.22	<b>400,000</b>	<b>88,000</b>	-	-
Less share issue costs	-	-	<b>(2,034,138)</b>	-	(349,299)
Balance at the end of the financial period		<b>140,807,811</b>	<b>50,435,467</b>	87,947,952	14,395,187

Refer note 14 for further details regarding the fair value of shares issued to acquire assets.

**Note 19 Options and Share Based Payments**

**Incentive Option Plan**

The establishment of the Black Cat Syndicate Incentive Option Plan ("the Plan") was last approved by shareholders of the Company on 25 November 2020. All eligible Directors, executive officers and employees of Black Cat who have been continuously employed by the Company are eligible to participate in the Plan. The Plan allows the Company to issue options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 19 Options and Share Based Payments (continued)**

***Options on issue***

As at 30 June 2021, 13,283,147 (2020: 14,492,778) unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
9,541,147	20 cents	25 January 2023
1,450,000	40 cents	25 June 2023
700,000	60 cents	2 August 2023
250,000	62 cents	18 May 2024
187,000	120 cents	21 July 2024
625,000	98 cents	10 December 2024
530,000	100 cents	28 March 2025

All options on issue at 30 June 2021 are vested and exercisable, subject to separate voluntary restrictions.

During the year ended 30 June 2021 the Company issued 1,342,000 options over unissued shares to directors and employees (2020: 950,000).

During the financial period a total of 2,151,631 options exercisable at 20 cents and expiring 25 January 2023, and 400,000 options exercisable at 22 cents and expiring 31 July 2022 were exercised into shares.

No options were cancelled during the financial year.

Since the end of, the financial period;

- no options have been issued to employees;
- no options have been cancelled; and
- no shares have been issued on the exercise of options.

Options do not entitle the holder to:

- participate in any share issue of the Company or any other body corporate; and
- any voting rights until the options are exercised into ordinary shares.

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

	2021		2020	
	No	WAEP (cents)	No	WAEP (cents)
Options outstanding at the start of the period	14,492,778	24.7	19,310,001	21.54
Options issued during the period	1,342,000	101.9	950,000	60.5
Options exercised or cancelled during the period	(2,551,631)	20.3	(5,767,223)	20.0
Options outstanding at the end of the period	13,283,147	33.4	14,492,778	24.7

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**Note 19 Options and Share Based Payments (continued)**

**Weighted Average Contractual Life**

The weighted average contractual life for un-exercised options is 18 months (2020: 32 months).

**Basis and Assumptions Used in the Valuation of Options**

The 1,342,000 options issued as remuneration during the financial year were valued using the Black-Scholes option valuation methodology:

Date Granted	Number of Options Granted	Exercise Price (cents)	Expiry Date	Risk Free Interest Rate Used	Volatility Applied	Value of Options
22 Jul 2020	187,000	120	21 Jul 2024	0.26%	79.3%	\$76,792
14 Dec 2020	625,000	98	10 Dec 2024	1.00%	75.0%	\$198,271
29 Mar 21	530,000	100	28 Mar 2025	0.69%	64.7%	\$141,034

	Consolidated			
	2021		2020	
	Accumulated Losses \$	Equity Remuneration Reserve (i) \$	Accumulated Losses \$	Equity Remuneration Reserve (i) \$

**Note 20 Reserves and Accumulated Losses**

Balance at the beginning of the year	(3,278,232)	909,328	(1,880,731)	694,642
Profit/(Loss) for the period	(2,324,794)	-	(1,397,501)	
Transfer on exercise of options	29,320	(29,320)	-	-
Movement in equity remuneration reserve in respect of options issued	-	416,097	-	214,686
Balance at the end of the year	(5,573,706)	1,296,105	(3,278,232)	909,328

(i) The equity remuneration reserve is used to recognise the fair value of options issued and vested but not exercised. The share-based payment expense included in profit and loss for the 2021 financial year is stated after the reversal of \$61,402 accrued for share settled STI bonus payments as at 30 June 2020 and issued during the 2021 financial year.

**Note 21 Financial Instruments**

**Credit Risk**

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made.

**Impairment Losses**

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.



**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 21 Financial Instruments (continued)**

**Interest Rate Risk**

At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	2021 \$	2020 \$
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**Variable rate instruments**

Cash and cash equivalents	<u>16,049,091</u>	<u>2,868,148</u>
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**Cash Flow Sensitivity Analysis for Variable Rate Instruments**

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>2021</b>				
Variable rate instruments	<u>160,491</u>	<u>(160,491)</u>	<u>160,491</u>	<u>(160,491)</u>
<b>2020</b>				
Variable rate instruments	<u>28,681</u>	<u>(28,681)</u>	<u>28,681</u>	<u>(28,681)</u>

**Liquidity Risk**

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

Consolidated	Carrying Amount \$	Contractual Cash Flows \$	< 6 Months \$	6-12 Months \$	1-2 Years \$	2-5 Years \$	> 5 Years \$
<b>2021</b>							
Trade and other payables	865,239	865,239	865,239	-	-	-	-
Lease liabilities	190,395	190,395	28,757	29,276	64,118	68,244	-
Insurance premium funding	208,745	208,745	113,861	94,884	-	-	-
	<u>1,264,379</u>	<u>1,264,379</u>	<u>1,007,857</u>	<u>124,160</u>	<u>64,118</u>	<u>68,244</u>	<u>-</u>
<b>2020</b>							
Trade and other payables	726,987	726,987	726,987	-	-	-	-
	<u>726,987</u>	<u>726,987</u>	<u>726,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 21 Financial Instruments (continued)**

**Fair Values**

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Consolidated			
	2021		2020	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Cash and cash equivalents	16,049,091	16,049,091	2,868,148	2,868,148
Trade and other payables	(865,239)	(865,239)	(726,987)	(726,987)
	<u>15,183,852</u>	<u>15,183,852</u>	<u>2,141,161</u>	<u>2,141,161</u>

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

**Note 22 Dividends**

No dividends were paid or proposed during the financial years ended 30 June 2021 or 30 June 2020.

The Company has no franking credits available as at 30 June 2021 or 30 June 2020.

**Note 23 Key Management Personnel Disclosures**

**(a) Directors and Key Management Personnel**

The following persons were considered Key Management Personnel of Black Cat during the financial year:

- (i) *Chairman – Non-Executive*  
Paul Chapman
- (ii) *Executive Director*  
Gareth Solly, Managing Director
- (iii) *Non-Executive Directors*  
Les Davis  
Philip Crutchfield (appointed 6 April 2021)  
Alex Hewlett (resigned 28 February 2021)  
Tony Polglase
- (iv) *Senior Executives*  
David Sanders (CFO) (appointed 13 August 2020)

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 23 Key Management Personnel Disclosures (continued)**

**(b) Key Management Personnel Compensation**

A summary of total compensation paid to Key Management Personnel during the year is as follows:

	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
Total short-term employment benefits	676,589 <sup>1,2</sup>	431,922 <sup>1</sup>
Total share-based payments	141,121 <sup>1,2</sup>	49,370
Total post-employment benefits	54,755	35,897
	<u>872,465</u>	<u>517,189</u>

<sup>1</sup> In the tables above an amount of \$50,000 was accrued in respect of short-term incentive bonus payable to the Managing Director as at 30 June 2020. This was satisfied by the payment of \$25,000 in cash in July 2020 and \$30,799 paid in the form of unlisted options in September 2020 following shareholder approval (based on the valuation of the options at the date of grant). An amount of \$30,799 has been recognised in total share-based payments, and a corresponding reduction of \$25,000 in short-term employment benefits for the year ended 30 June 2021.

<sup>2</sup> Includes \$75,000 for G Solly and \$35,210 for D Sanders in relation to the short-term incentive bonus payable at 30 June 2021.

**(c) Other Transactions with Key Management Personnel**

During the year the Company paid Stone Poneys Nominees Pty Ltd, an entity associated with Paul Chapman, an amount of \$6,233 in respect of the lease for the Group's offices. (2020: \$26,949)

During the period the Company employed the spouse of Paul Chapman in an administrative role. Remuneration for the period ended 30 June 2021 was \$16,151 (inclusive of superannuation) (2020: \$79,148).

During the period the Company employed the spouse of Gareth Solly in an administrative role. Remuneration for the period ended 30 June 2021 was \$60,361 (inclusive of superannuation) (2020: \$nil).

	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$

**Note 24 Remuneration of Auditors**

Audit and review of the Company's financial statements

24,250 21,200

Total

24,250 21,200

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 25 Contingencies**

**(i) Contingent Liabilities**

There were no material contingent liabilities not provided for as at 30 June 2021 and 30 June 2020 other than:

**Royalties**

The Group is subject to a 1% gross revenue royalty in respect of minerals produced from the following tenements: E25/499, E25/512, E27/532, P25/2287, P25/2288, P25/2293, P25/2377 and P25/2378, P25/2641 and E25/595.

The Group is subject to a 1% net smelter royalty in respect of minerals produced from the following tenements: E25/594, P25/2685 and P25/2323.

The Group is subject to a 1.5% gross royalty in respect of minerals produced from the following tenements: P25/2324, P25/2325, P25/2326, P25/2327, P25/2328, P25/2331, P25/2357, P25/2358, P25/4117, P25/4118, P25/4118, P25/4119 and P25/4122.

In addition, there may be other historical agreements relating to certain other tenements of the Group, which may, or may not, create an obligation on the Group to pay royalties on some or all minerals derived from some tenements upon commencement of production.

**Native Title and Aboriginal Heritage**

Native title claims have been made with respect to certain areas which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

**(ii) Contingent Assets**

There were no material contingent assets as at 30 June 2021 or 30 June 2020.

**Note 26 Commitments**

**(a) Exploration**

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Group.

As at balance date, total exploration expenditure commitment on tenements held by the Group which has not been provided for in the financial statements and which cover the following 12 month period amount to \$1,608,220 (2020: \$417,840).

**(b) Contractual Commitments**

There are no material contractual commitments as at 30 June 2021 or 30 June 2020 not otherwise disclosed in the Financial Statements.

**Note 27 Related Party Transactions**

Transactions with Directors during the period are disclosed at Note 23 – Key Management Personnel.

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

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 28 Events Occurring After the Balance Sheet Date**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has resulted in manageable delays to certain exploration and feasibility study programs, it has not materially financially impacted the Group up to 30 June 2021. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

	Consolidated	
	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$

**Note 29 Reconciliation of Loss After Tax to Net Cash Inflow from Operating Activities**

Profit/(Loss) from ordinary activities		
after income tax	(2,324,794)	(1,397,501)
Depreciation and amortisation	25,071	16,313
Profit on disposal of fixed assets	(9,485)	-
Exploration cost written off and expensed	386,680	227,951
Realised foreign exchange losses	10,873	-
Share based payments	416,097	214,686
<i>Movement in assets and liabilities:</i>		
(Increase)/decrease in receivables	(31,569)	(3,245)
(Increase)/decrease in accrued income	-	3,017
Increase/(decrease) in payables	120,626	126,151
Increase/(decrease) in employee leave liabilities	107,458	57,983
Net cash outflow from operating activities	<u>(1,299,043)</u>	<u>(754,645)</u>

**Non-Cash Investing and Financing Activities**

*During the financial period the Company issued shares in part consideration for the acquisition of exploration assets as follows; 8,417,962 shares (\$7,660,345) to acquire an interest in the Majestic, Fingals and Rowe's Find properties. Refer note 14 for further details regarding acquisitions.*

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 30 Earnings Per Share**

	Consolidated	
	Year Ended 30 June 2021	Year Ended 30 June 2020
<b>a) Basic Earnings Per Share</b>	<b>Cents</b>	<b>Cents</b>
Loss per share attributable to ordinary equity holders of the Company	<u>(2.1)</u>	<u>(1.7)</u>
<b>b) Diluted Earnings Per Share</b>		
Loss per share attributable to ordinary equity holders of the Company	<u>(2.1)</u>	<u>(1.7)</u>

	Consolidated	
	Year Ended 30 June 2021	Year Ended 30 June 2020

**Note 30 Earnings Per Share (continued)**

<b>c) Loss for year</b>	<b>\$</b>	<b>\$</b>
Loss used in calculation of basic and diluted loss per share	<u>(2,324,794)</u>	<u>(1,397,501)</u>
<b>d) Weighted Average Number of Shares Used as the Denominator</b>	<b>No.</b>	<b>No.</b>
Weighted average number of shares used as the denominator in calculating basic earnings per share	<u>113,313,442</u>	<u>81,025,427</u>
Weighted average number of shares used as the denominator in calculating diluted earnings per share	<u>113,313,442</u>	<u>81,025,427</u>

**BLACK CAT SYNDICATE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Note 31 Parent Entity Information**

	30 June 2021 \$	30 June 2020 \$
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***Financial Position***

**Assets**

Current assets	15,935,880	2,728,480
Non-current assets	31,778,588	9,656,443
Total Assets	47,714,468	12,384,923

**Liabilities**

Current liabilities	598,728	358,640
Non-current liabilities	132,362	-
Total Liabilities	731,090	358,640

**NET ASSETS**

46,983,378    12,026,283

**Equity**

Issued Capital	50,435,467	14,395,187
Share based payments reserve	1,296,105	909,328
Accumulated losses	(4,748,194)	(3,278,232)

**TOTAL EQUITY**

46,983,378    12,026,283

Profit/(Loss) for the year	(2,324,794)	(1,397,501)
Other comprehensive income	-	-
Total comprehensive income	(2,324,794)	(1,397,501)

***Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries***

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiary company.

***Contingencies***

For full details of contingencies see Note 25.

***Commitments***

For full details of commitments see Note 26.

**BLACK CAT SYNDICATE LIMITED**  
**ABN 63 620 896 282**

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Black Cat Syndicate Limited ("the Company")

- (a) the financial statements and notes set out on pages 18 to 47 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the financial position as at 30 June 2021 and of the performance for the period ended on that date of the Group.
- (b) the remuneration disclosures that are contained in the Remuneration Report in the Directors Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001.
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (d) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial period ended 30 June 2021.

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

Signed at Perth this 29<sup>th</sup> day of September 2021.



**Gareth Solly**  
**Managing Director**



**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF BLACK CAT SYNDICATE LIMITED**

**Report on the Audit of the Financial Report**

***Opinion***

We have audited the financial report of Black Cat Syndicate Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
<b>Valuation of capitalised mineral exploration and evaluation expenditure</b>	
<p>The consideration of impairment of the carrying value of the Group's Capitalised Mineral Exploration and Evaluation Expenditure assets was material to our audit and represented an area of significant estimate and judgement within the financial report.</p> <p>This matter is considered a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the high degree of judgement required by the directors to assess whether impairment indicators are present;</li> <li>the significance of the additions to capitalised expenditure during the year of \$19.48m;</li> <li>the materiality of the closing balance at year end of \$29.12m.</li> </ul> <p>The related accounting policies, critical accounting estimates and judgements and disclosures are contained in Notes 1, 3, 13 and 14 of the financial report.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>assessing the nature of the capitalised costs through testing on a sample basis and assessing whether the nature of the expenditure met the capitalisation criteria.</li> <li>through testing, assessing the reasonableness and appropriateness of the value adopted by Management in relation to the non-cash consideration provided for the acquisition of exploration assets during the year;</li> <li>conducting discussions with management regarding the criteria used in their impairment assessment and ensuring that this was in line with the requirements of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>.</li> <li>reviewing evidence of activities carried out and management intentions for areas of interest the Group holds and to corroborate the representations made by management during our discussions;</li> <li>assessing the Group's right of tenure by obtaining and assessing third party information supporting the Group's rights to tenure; and</li> <li>considered the appropriateness of the disclosures in Notes 1,3,13 and 14 to the financial statements in accordance with the relevant requirements of Australian Accounting Standards.</li> </ul>

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

### ***Opinion on the Remuneration Report***

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Black Cat Syndicate Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

**Responsibilities**

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**Crowe Perth**

**Cyrus Patell**  
Partner

Dated at Perth this 29 September 2021