



Black Cat Syndicate Limited

ABN 63 620 896 282

Half-Year Consolidated Financial Report

for the period ended 31 December 2023

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Company Directory

Directors

Other than where stated, the following persons were directors of Black Cat Syndicate Limited during the whole of the reporting period and up to the date of this report:

Paul Chapman	(Non-Executive Chairman)
Gareth Solly	(Managing Director)
Philip Crutchfield	(Non-Executive Director) (resigned effective 30 November 2023)
Les Davis	(Non-Executive Director)
Tony Polglase	(Non-Executive Director)

Company Secretaries

Mark Pitts
Dan Travers

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Auditor

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Securities Exchange Listing

The Company's shares are quoted on the Australian Securities Exchange.

ASX Code

BC8

Australian Business Number

63 620 896 282

Website

www.bc8.com.au



Director's Report

The directors present the condensed half-year financial report for Black Cat Syndicate Limited (**Black Cat** or the **Company**) and its controlled entities (**Group**) for the half-year ended 31 December 2023.

The following persons were directors of the Company during the whole of the reporting period and up to the date of this report, unless otherwise stated:

Paul Chapman	(Non-Executive Chairman)
Gareth Solly	(Managing Director)
Philip Crutchfield	(Non-Executive Director) (resigned effective 30 November 2023)
Les Davis	(Non-Executive Director)
Tony Polglase	(Non-Executive Director)

Principal Activities

The principal activities of the Group during the reporting period were minerals exploration and project development activities at the Coyote Gold Operation ("Coyote"), Paulsens Gold Operation ("Paulsens") and Kal East Gold Project ("Kal East") located in Western Australia. There were no significant changes in these activities during the reporting period.

Review of Operations

Operations during the reporting period were primarily focused on mineral exploration and undertaking economic studies in respect of the development of the Group's resource projects.

The consolidated net loss after income tax for the half-year was \$1,749,039 (2022 restated: \$1,867,405).

During the reporting period net income of \$663,819 (2022 restated: \$879,427) was derived from third party use of the Group's site accommodation facilities.

Nett cash outflows from operating activities for the period were \$1,859,153 (2022 restated: \$2,513,147) after recognising \$132,860 (2022 restated: \$599,136 (nett inflows)) of nett cash outflows associated with the rental of spare capacity of its camp facilities, with \$482,625 of associated cash inflows occurring in January.

At the end of the half-year the Group had \$8,031,413 in cash and cash equivalents (30 June 2023: \$4,656,945). Capitalised mineral exploration and evaluation expenditure (including acquisition costs) at the reporting date was \$125,182,394 (30 June 2023: \$115,562,095).

Significant Changes to State of Affairs of the Company

During the reporting period Black Cat entered into a number of agreements to raise a total of \$60M through the issue of equity and debt. The \$60M funding package includes equity placements of \$36M to wholly owned subsidiaries of Fuyang Mingjin New Energy Development Co., Ltd ("Mingjin") and Southeast Mingqing Supply Chain (Fuyang) Co., Ltd ("Southeast Mingqing"), a secured debt facility of \$15M with Mingjin, and a \$9M unsecured Convertible Note facility with Sundy Service Group Co. Ltd ("Sundy").

Prior to the end of the reporting period the Company received \$7.4M from Sundy through the subscription of convertible notes, and subsequent to the end of the financial period, received a further \$1.6M, being the balance of the \$9M facility, with the remaining \$51M of the overall funding package, expected to be received prior to 31 May 2024.

Other than noted above, 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.

Events after the Reporting Period

Details of events occurring after the reporting period can be found at note 14 of the Notes to the Financial Statements.

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 board of directors.

Signed at Perth this 12th day of March 2024.

A handwritten signature in black ink, appearing to be "Gareth Solly". The signature is stylized and cursive.

Gareth Solly
Managing Director

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AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Black Cat Syndicate Limited for the half year ended 31 December 2023, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Crowe Perth



Sean McGurk

Partner

Signed at Perth, 12 March 2024



Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023

	Note	Consolidated	
		31 December 2023	31 December 2022 (Restated)
		\$	\$
Other income	4	842,933	919,344
Interest income		17,375	35,504
Total Income		860,308	954,848
Administrative expenses:			
Corporate administration	5	(1,583,682)	(2,583,149)
Depreciation		(12,149)	(79,283)
Amortisation		-	(33,336)
Finance costs		(795,283)	(78,215)
Loss on foreign exchange movements		(4,387)	(7,246)
Other expenses		(213,846)	(41,024)
Total Expenses		(2,609,347)	(2,822,253)
Loss before income tax		(1,749,039)	(1,867,405)
Income tax expense		-	-
Loss after tax		(1,749,039)	(1,867,405)
Other comprehensive income:			
Total comprehensive loss for the year		(1,749,039)	(1,867,405)
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents)	13	0.6	0.9
Diluted loss per share (cents)	13	0.6	0.9

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



Consolidated Statement of Financial Position as at 31 December 2023

	Note	Consolidated	
		31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		8,031,413	4,656,945
Trade and other receivables		1,243,229	384,974
Inventory		426,593	337,776
Other current assets		427,041	56,843
Total current assets		10,128,276	5,436,538
Non-current assets			
Security deposits		64,920	64,920
Property, plant and equipment		7,488,790	7,117,409
Exploration and evaluation expenditure	6	125,346,013	115,562,095
Total non-current assets		132,899,723	122,744,424
Total assets		143,027,999	128,180,962
Current liabilities			
Trade and other payables		5,862,557	3,945,078
Employee entitlements		457,471	561,726
Financial liabilities	7	5,614,928	5,074,144
Provisions	8	-	1,639,274
Total current liabilities		11,934,956	11,220,222
Non-current liabilities			
Financial liabilities	7	12,360,761	5,000,000
Provision for rehabilitation	8	18,801,133	18,486,160
Total non-current liabilities		31,161,894	23,486,160
Total liabilities		43,096,850	34,706,382
Net assets		99,931,149	93,474,580
Equity			
Issued capital	10	113,540,191	105,793,996
Reserves	11	1,146,722	1,327,037
Accumulated losses		(14,755,764)	(13,646,453)
Total equity		99,931,149	93,474,580

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



**Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2023**

Consolidated					
	Issued Capital \$	Accumulated Losses \$	Share-Based Payments Reserve \$	Equity Reserve \$	Total \$
Half Year ended 31 December 2022 (Restated)					
Balance at the start of the financial period	86,787,812	(9,281,478)	1,505,000	-	79,011,334
Loss for the period	-	(1,265,285)	-	-	(1,265,285)
Movement in fair value of share-based payments	-	-	302,391	-	302,391
Exercise of convertible securities	281,000	-	-	-	281,000
Transactions with equity holders in their capacity as equity holders: Shares issued (nett of costs)	(1,473)	-	-	-	(1,473)
Balance at the end of the financial period	87,067,339	(10,546,763)	1,807,391	-	78,327,966
Half Year ended 31 December 2023					
Balance at the start of the financial period	105,793,996	(13,646,453)	1,327,037	-	93,474,580
Prior period amendment - fair value of lapsed convertible securities recognised in a prior year	-	639,728	(639,728)	-	-
Loss for the period	-	(1,749,039)	-	-	(1,749,039)
Movement in fair value of share-based payments	-	-	166,525	-	166,525
Equity component of convertible note (refer note 7)	-	-	-	292,888	292,888
Transactions with equity holders in their capacity as equity holders: Shares issued (nett of costs) (note 10)	7,746,195	-	-	-	7,746,195
Balance at the end of the financial period	113,540,191	(14,755,764)	853,834	292,888	99,931,149

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



Consolidated Statement of Cash Flows for the half-year ended 31 December 2023

	Consolidated	
	31 December 2023	31 December 2022 (Restated)
	\$	\$
Cash flows from operating activities		
Interest received	17,375	35,504
Interest paid	(590)	(6,843)
Payments to suppliers and employees	(1,139,366)	(3,140,944)
Site recoveries/(cost)	(132,860)	599,136
Other income	26,897	-
Net cash used in operating activities	(1,228,544)	(2,513,147)
Cash flows from investing activities		
Payments for exploration and evaluation	(9,461,287)	(10,098,716)
Payments for plant and equipment	(724,886)	(1,283,777)
Proceeds from exploration grant scheme	-	104,831
Net cash used in investing activities	(10,186,173)	(11,277,662)
Cash flows from financing activities		
Payment of lease liability principal	-	(30,429)
Proceeds from borrowings	7,400,000	717,129
Repayment of borrowings	(352,622)	(220,739)
Proceeds from the issue of shares	8,300,000	281,000
Payment of share issue costs	(553,806)	(1,474)
Net cash from financing activities	14,793,572	745,487
Net increase/(decrease) in cash held	3,378,855	(13,045,322)
Effect of foreign exchange rates on cash held	(4,387)	(7,246)
Cash at the beginning of the financial period	4,656,945	18,172,023
Cash at the end of the financial period	8,031,413	5,119,455

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



Notes to the Financial Statements

Note 1 Basis of preparation of half-year report

Statement of compliance

The half-year condensed consolidated financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The condensed half-year report does not include all the disclosures and notes of the type normally included in an annual financial report and shall be read in conjunction with the 30 June 2023 annual financial statements and any public announcements made by Black Cat during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies adopted are consistent with those previously disclosed in the 30 June 2023 annual financial statements unless otherwise stated.

The condensed half-year financial report was approved by the board of directors on 12 March 2024.

New or amended Accounting Standards and Interpretations Adopted

New and amended Accounting Standards and Interpretations applied for the first time from 1 July 2023 did not have a significant impact on the consolidated financial statements of the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated entity has incurred operating losses of \$1,749,039 (2022 restated: \$1,867,405 restated) and operating cash outflows of \$1,228,544 (2022 restated: \$2,513,147) for the half year ended 31 December 2023. The consolidated entity's net current liability position as at 31 December 2023 was \$1,806,680 (30 June 2023 net liability: \$5,783,684) including \$8,031,413 in cash (30 June 2023: \$4,656,945).

During the half year the following significant issues of capital and debt were made:

- On 6 September 2023, the Company completed the placement of a total of 36,888,890 shares at \$0.225 raising \$8,000,000 (before costs).
- On 29 December 2023, the Company received \$7,400,000 as subscription for convertible notes at a face value of \$1 under the Convertible Note Facility announced 27 December 2023, raising \$7,400,000 (before cost).

The entity has planned to use these funds largely on exploration and development activities, the expenditure of which can be varied and applied discretionarily.

The Group's cash balance of \$8,031,413 as at 31 December 2023 leaves it with sufficient funding to continue to meet operational expenditure requirements, including minimum exploration commitments across its tenement portfolio. Nevertheless, the nature of an exploration and development company is to have negative cash flow from operations and investing activities, and as such the Company may need to issue debt, or raise equity from time to time as successfully demonstrated most recently in September and December 2023.

Since the 31 December 2023 the Company has completed the issue of an additional 1,600,000 convertible notes at a face value of \$1 under the Convertible Note Facility announced 27 December 2023, raising \$1,600,000 (before costs). In addition, the Company continues to progress the revised



Notes to the Financial Statements

Note 1 Basis of preparation of half-year report (continued)

\$51,000,000 funding package (\$36,000,000 equity/\$15,000,000 debt) an update on which was announced on 12 February 2024.

If the Group is unsuccessful in issuing further debt or raising capital, a material uncertainty exists, that may cast significant doubt on the Group's ability as a going concern and its ability to recover assets, and discharge liabilities in the normal course of business and at the amounts shown in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Taking into account the current cash reserves of the Company, the Directors are confident the Company has adequate resources to continue in its main business activity for the foreseeable future. As a result, the financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

Note 2 Significant Accounting Policies

Financial liabilities

The Group recognises a financial liability when it becomes a party to the contractual provisions of a financial instrument that includes:

- (a) contractual obligations:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, and Convertible Notes.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss



Notes to the Financial Statements

Note 2 Significant Accounting Policies (continued)

- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Convertible Notes (Compound Financial Instruments)

When the Group enters into a compound financial instrument it presents the liability component and the equity component separately in the statement of financial position, as follows:

- The Company's obligation to make scheduled payments of interest and principal is recognised as a financial liability that exists as long as the instrument is not converted. On initial recognition, the fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option.
- The equity instrument is an embedded option to convert the liability into equity of the issuer. This option has value on initial recognition even when it is out of the money. On conversion of a convertible instrument at maturity, the entity derecognises the liability component and recognises it as equity. The original equity component remains as equity (although it may be transferred from one line item within equity to another). There is no gain or loss on conversion at maturity.

When the Group extinguishes a convertible instrument before maturity through an early redemption or repurchase in which the original conversion privileges are unchanged, the entity allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of the transaction. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with that used in the original allocation to the separate components of the proceeds received by the entity when the convertible instrument was issued.

Once the allocation of the consideration is made, any resulting gain or loss is treated in accordance with accounting principles applicable to the related component, as follows:

- the amount of gain or loss relating to the liability component is recognised in profit or loss; and
- the amount of consideration relating to the equity component is recognised in equity.



Notes to the Financial Statements

Note 3 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.

Note 4 Other Income

The loss for the reporting period includes the following specific items:

	Consolidated	
	31 December 2023	31 December 2022 (Restated)
	\$	\$
Other income:		
Net camp licensing income	663,819	879,427
Gain on revaluation of provision for rehabilitation	-	39,917
Gain on disposal of fixed assets	116,677	-
Other	62,437	-
Total Other income	842,933	919,344

Note 5 Corporate Administration

	Consolidated	
	31 December 2023	31 December 2022 (Restated)
	\$	\$
Employee expenses	704,498	1,717,231
Employee expenses – share based payments	223,946	302,391
Corporate Admin	490,369	454,245
Other	164,869	109,282
Total Corporate Administration	1,583,682	2,583,149

Employee expenses of \$928,444 (2022: \$2,019,622) are inclusive of fees, salaries, superannuation and other employee related expenditure, and are stated net of employee costs capitalised as exploration and evaluation expenditure of \$1,857,290 (2022: \$985,247).



Notes to the Financial Statements

Note 6 Capitalised mineral exploration and evaluation expenditure

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Opening balance at beginning of period	115,562,095	89,311,116
Capitalised costs for the period	9,834,145	25,951,276
Acquisition of exploration assets	-	450,000
Recognition of rehabilitation asset	234,851	-
Adjustment to transfer duty assessed	(71,232)	-
Exploration expenditure expensed on relinquishment of tenure	(213,846)	(150,297)
Closing balance at end of period	125,346,013	115,562,095

Note 7 Financial Liabilities

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Current:		
Deferred acquisition costs – Paulsens/Coyote Projects	5,250,000	5,000,000
Insurance Premium Funding	364,928	74,144
Total Current	5,614,928	5,074,144
Non-current:		
Deferred acquisition costs – Paulsens/Coyote Projects	5,250,000	5,000,000
Convertible note facility	7,110,761	-
Total Non-current	12,360,761	5,000,000

During the current half year the Group entered into a \$9M unsecured Convertible Note Facility with Sundry Service Group Co. Ltd (“**Sundry Con Note Facility**”), a company listed on the Hong Kong Stock Exchange, under which Sundry agreed to subscribe for 9,000,000 convertible notes at price of \$1.00 per note on or before 31 December 2023.

\$7.4M of the investment was received prior to 31 December 2023, with the balance of \$1.6M received subsequent to the reporting period.



Notes to the Financial Statements

Note 7 Financial Liabilities (continued)

Key terms of the agreement are set out below:

Details	Key Terms
Facility Amount	A\$9,000,000
No. of Notes to be issued	9,000,000
Face Value of Notes	A\$1.00
Interest rate	10.00%p.a.
Interest	Interest on unconverted notes will accrues daily and capitalised monthly up to 30 September 2024. Interest thereafter to be paid on a monthly basis, net of withholding tax, with withholding tax paid to the Australian Taxation Office as capitalised. Any interest accrued up to the date of conversion of a note, to be paid within 5 business days of conversion.
Maturity Date	31 March 2027
Redemption	Any outstanding Notes at the Maturity Date will be automatically redeemed, for the Face Value of the Note, within 5 business days.
Conversion shares	Notes are convertible into fully paid ordinary shares of the Company
Conversion	On receipt of all regulatory and shareholder approvals
Conversion Ratio	Number of conversion shares = Convertible Notes/\$0.225

The convertible note facility has been assessed to be a compound financial instrument, consisting of a financial liability and equity. The Company has recognised a financial liability, representing the fair value of contractual cash outflows related to the facility, and the equity component in the Convertible Note Equity Reserve.

The financial liability has initially been recognised at fair value, determined by discounting the cash flows of the instrument back to present value using a discount rate based on a comparable non-convertible instrument. For the purpose of determining the fair value of the debt component, the Company has used as the comparable rate the 12% p.a. rate agreed at arm's length between the Company and an independent party for a A\$15M non-convertible term loan facility. The \$15M facility forms part of a broader \$51M funding package agreed between the Company and Fuyang Mingqing New Energy Development Co. Ltd and Southeast Mingqing Supply Chain (Fuyang) Co. Ltd (Southeast Mingqing).

The equity component has been calculated as the residual difference between the consideration received for the convertible debt, and the fair value of the debt component as determined above.

The Group recognised the following financial liability and equity at inception of the Convertible Note Facility on 29 December 2023:

Financial liability (at fair value):	\$7,107,112
Equity component:	\$292,888
Total:	<u>\$7,400,000</u>



Notes to the Financial Statements

Note 7 Financial Liabilities (continued)

Additional Information

During the reporting period Black Cat entered into a number of agreements to raise a total of \$60M through the issue of equity and debt. The \$60M funding packages include equity placements of \$45M to wholly owned subsidiaries of Fuyang Mingjin New Energy Development Co., Ltd (“Mingjin”) and Southeast Mingqing Supply Chain (Fuyang) Co., Ltd (“Southeast Mingqing”), a secured debt facility of \$15M with Mingjin (**Initial Funding Agreements**).

The availability of funding from Mingjin and Southeast Mingqing is subject to a number of conditions precedent, including:

- Foreign Investment Review Board and any other Australian regulatory approvals; and
- Chinese regulatory approvals required by Mingjin and Southeast Mingqing with regard to overseas direct investment.

In December 2023 the Company entered into the Sundry Con Note Facility noted above, which resulted in the Initial Funding Agreements being amended to reduce the equity placement by \$9M, from \$45M to \$36M.

Subsequent to reporting date the Company announced that it had extended the timing for completion of Initial Funding Agreements from 28 February 2024 to 31 May 2024, and that, notwithstanding the extension the parties are working to accelerate funding within the extension period.

Note 8 Provisions

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Current:		
WA Transfer Duty estimate ¹	-	1,639,274
Non-current:		
Provision for rehabilitation costs	18,801,133	18,486,160

1. At 30 June 2023 the estimated transfer duty due relating to the Paulsens and Coyote project acquisitions which occurred in the June 2022, were incorrectly recognised as Trade and other Payable. As the amount due and timing of settlement were not known at the 30 June balance date, the estimated amounts due should have been recognised as a provision. As such, the comparatives for 30 June 2023 for both the Trade and other payable and current provisions have been restated to recognise the change in accounting treatment. In the current reporting period the amounts assessed by the West Australian government have been recognised as trade and other payables.

Note 9 Commitments and contingencies

(i) Commitments

There has been no material change to commitments since 30 June 2023 not otherwise disclosed.

(ii) Contingencies

In addition to the contingencies disclosed in the 30 June 2023 Annual Report, during the half-year the Group entered into an agreement with Kingfisher Mining to acquire the Boolaloo project, with Black Cat Syndicate Limited to issue 2,000,000 fully paid ordinary shares to the vendor on Completion. At the reporting date, as material conditions precedent included in the terms of the agreement had not been satisfied, the Group did not recognise the transaction as Completion was contingent on the satisfaction of outstanding conditions precedent. The transaction subsequently completed in January 2024.



Notes to the Financial Statements

Note 10 Issued share capital

Transactions	Issue Price	31 December 2023	31 December 2023	30 June 2023	30 June 2023
		No.	\$	No.	\$
Share movements during the period:					
Opening Balance		266,876,453	105,793,996	213,634,175	86,787,812
Shares issued on exercise of options	\$0.200	-	-	8,930,278	1,786,056
Value transfer from share-based payments reserve on exercise of convertible securities		-	-	-	459,177
Placement ¹	\$0.225	36,888,890	8,300,000	-	-
Placement	\$0.400	-	-	42,500,000	17,000,000
Share-based payment – tenement acquisition	\$0.300	-	-	1,500,000	450,000
Share-based payment – heritage agreement	\$0.360	-	-	312,000	112,320
Less share issue costs		-	(553,805)	-	(801,369)
Closing balance		303,765,343	113,540,191	266,876,453	105,793,996

1. Under the terms of the share placement undertaken during the 31 December 2023 half year investors were issued 1 option for each 2 shares acquired, resulting in the issue of 18,444,455 new free attaching options.

Note 11 Reserves

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Share Based Payment Reserve	853,834	1,327,037
Convertible Note Equity Reserve ¹	292,888	-
Total Reserves	1,146,722	1,327,037

1. The Convertible Note Equity Reserve recognises the equity component of the Sundry Convertible Notes (refer Note 7 re: initial recognition).

Note 12 Options and Performance Rights

Movements in options over unissued shares:

	Consolidated	
	31 December 2023	30 June 2023
	No.	No.
Options on issue at being of financial period	5,844,000	14,677,147
Options exercised	-	(8,930,278)
Options issued	-	3,433,000
Options issued under terms of equity placement	18,444,455	-
lapsed/cancelled ¹	(3,045,000)	(3,335,869)
Options on issue at the end of the financial period	21,243,455	5,844,000

1. Fair value of options lapsed/cancelled \$545,728 (2023: \$512,314)



Notes to the Financial Statements

Note 12 Options and Performance Rights (continued)

Movements in performance rights over unissued shares:

	Consolidated	
	31 December 2023 No.	30 June 2023 No.
Performance rights on issue at being of financial period	5,667,077	-
Performance rights issued to employees pursuant to the Company's Incentive Plan or with shareholder approval	440,277	6,838,337
lapsed/cancelled ¹	(1,550,682)	(1,171,260)
Performance rights on issue at the end of the financial period	4,556,672	5,667,077

1. Fair value of options lapsed/cancelled \$94,000 (2023: \$35,500)

Note 13 Loss per share

	31 December 2023	31 December 2022 (Restated)
a) Basic loss per share		
Loss per share attributable to ordinary equity holders of the Company	0.6 cents	0.9 cents
b) Diluted loss per share		
Loss per share attributable to ordinary equity holders of the Company	0.6 cents	0.9 cents
c) Loss for half-year		
Loss used in calculation of basic and diluted loss per share	\$1,749,039	\$1,867,405
	No.	No.
Weighted average number of shares used as the denominator in calculating basic loss per share	289,179,835	214,030,262
Weighted average number of shares used as the denominator in calculating diluted loss per share	289,179,835	214,030,262

Note 14 Events occurring after the reporting date

After the end of the financial period the Company:

- Received \$1,600,000 from Sundy Service Group Co Ltd, being the balance of \$9,000,000 Convertible Note Facility executed during the reporting period.
- Issued 9,000,000 Convertible Notes with a face value of \$1.00 per note, and a maturity date of 31 March 2027 to Sundy Service Group Co. Ltd in respect to the aforementioned Convertible Note Facility
- Issued 2,000,000 fully paid ordinary shares in relation to the acquisition of the Boolaloo tenement package in the Ashburton Basin.
- Announced that subsequent to receiving \$9M of funding through the Sundy Convertible Note facility it had commenced refurbishment works on the Paulsens processing facility, including the procurement of long lead items.
- Issued 1,343,616 performance rights and 1,430,000 unlisted options to employees of the Group under the Group's Incentive Securities Plan



Notes to the Financial Statements

Note 14 Events occurring after the reporting date (continued)

- Cancelled 500,000 lapsed unlisted options under the Group's Incentive Securities Plan.
- Extended the timing for completion of the \$51M funding package agree with wholly owned subsidiaries of Fuyang Mingjin New Energy Development Co., Ltd ("Mingjin") and Southeast Mingqing Supply Chain (Fuyang) Co., Ltd ("Southeast Mingqing) from 28 February 2024 to 31 May 2024, and notwithstanding the agreed extension, the parties are working to accelerate funding within the extension period.
- Issued 1,495,043 fully paid ordinary shares as consideration for exploration drilling services.

Other than the above, there has not arisen 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 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.



Notes to the Financial Statements

Note 15 Restatement of Accounts

On 15 June 2022 Black Cat Syndicate Limited completed the acquisition of 100% of the high-grade Coyote and Paulsens Gold Operations from Northern Star Resources Limited (the acquisitions).

During financial year ended 30 June 2023 the Company restated the 30 June 2022 Financial Statements as management had identified an error in the application of the optional "concentration of assets" test previously applied under AASB 3. Details of the restatement can be found in Note 35 of the Group's 2023 Annual Report.

In addition to the above, during the year ended 30 June 2023 management identified that exploration and evaluation expenditure incurred between 1 July 2022 and 31 December 2022 had not been accounted for in accordance with the Groups revised accounting policy applicable from 1 July 2022. The revised accounting policy required all exploration and evaluation expenditure to be capitalised whereas the previous accounting policy gave a choice of expensing or capitalising such expenditure. As a result of this misapplication of the revised accounting policy between 1 July 2022 and 31 December 2022 the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been restated. The impact of this restatement is detailed below.

The accounting policy application error also had the effect of requiring the cash flow statement to be restated, with cashflows from operating activities being increased by \$178,828, cashflows from investing activities being increased by \$565,413 and cashflows from financing activities being decreased by \$744,241. The overall net impact on the net cash flows being \$nil.

	Consolidated		
	31 December 2022 (Previous Values) \$	31 December 2022 (Restated) \$	Difference \$
Other income ¹	1,621,303	919,344	(701,959)
Interest income	35,397	35,504	107
Total Income	1,656,700	954,848	(701,852)
Administrative expenses:			
Corporate administration ²	(3,770,937)	(2,583,149)	1,187,788
Depreciation ⁴	(140,524)	(79,283)	61,241
Amortisation	(33,336)	(33,336)	-
Finance costs ³	(8,710)	(78,215)	(69,505)
Loss on foreign exchange movements	(7,246)	(7,246)	-
Other expenses			
- Camp rental costs ¹	(450,879)	-	450,879
- Care and Maintenance expenses ^{1,2}	(540,259)	-	540,259
- Exploration expensed ²	(2,326,364)	-	2,326,364
- Exploration written off	(41,024)	(41,024)	-
Total Expenses	(7,319,279)	(2,822,253)	4,497,026
Loss before income tax	(5,662,579)	(1,867,405)	3,795,174
Income tax expense	-	-	-
Loss after tax	(5,662,579)	(1,867,405)	
Other comprehensive income:			
Total comprehensive loss for the year	(5,662,579)	(1,867,405)	

1. Camp rental costs and site recoveries (nett) recognised were reclassified as other income. Additionally, \$602,120 recognised in the December 2022 half year as a gain on revaluation of financial liability through profit and loss was not recognised on restatement due to a change in the designation of the financial liability as loan liabilities.

2. Exploration costs recognised as an expense in the December 2022 half-year financials were capitalised as an exploration and evaluation asset in the restated 31 December 2022 half-year financials in accordance with the Company's revised accounting policy for exploration and evaluation expenditure.

3. Adjustment for unwinding of rehabilitation provision on final purchase price allocation.

4. Adjustment to depreciation on derecognition of PP&E on final purchase price allocation.



Director's Declaration

The directors of Black Cat Syndicate Limited declare that:

- (a) the half-year financial statements and notes set out on pages 5 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB 134 – *Interim Financial Reporting*, and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position as at 31 December 2023 and its performance for the half year ended on that date
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 12th day of March 2024.

A handwritten signature in black ink, appearing to read 'Gareth Solly'.

Gareth Solly

Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BLACK CAT SYNDICATE LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Black Cat Syndicate Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material accounting policy information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$1,749,039 during the half year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Crowe Perth



Sean McGurk
Senior Partner

Signed at Perth, 12 March 2024