



Funding Progress

Black Cat has a vision of being the dominant player in three prolific gold districts – the Paulsens Gold Operation in the Pilbara (“**Paulsens**”), the Coyote Gold Operation in the west Tanami (“**Coyote**”) and the Kal East Project east of Kalgoorlie (“**Kal East**”). The restart of Paulsens is the first step in realising this vision.

SUMMARY

- In late 2023, a \$60m funding package to restart Paulsens was announced. The funding package was subsequently varied in February 2024 as follows:
 - **Equity Placements (\$36m)**: the issue of ~160m fully paid ordinary shares at \$0.225 per share escrowed until 31 March 2027. The equity placements to be with Fuyang Mingjin New Energy Development Co., Ltd (“**Mingjin**”) and Southeast Mingqing Supply Chain (Fuyang) Co., Ltd (“**Southeast Mingqing**”) in equal proportions.
 - **Secured Debt Facility (\$15m)**: provided by Mingjin on competitive terms with payments of principal and interest blended with expected production start-up/cashflow.
 - **Unsecured Convertible Notes (\$9m)**: a \$9M unsecured, convertible note facility with Sundy Service Group Co Ltd (HK:09608, “**Sundy**”). Funds from the \$9m unsecured convertible notes have been received.
 - **Key conditions**: which include Chinese regulatory approvals required for Chinese companies to invest overseas (“**ODI approval**”); and Australian Foreign Investment Review Board approval (“**FIRB approval**”) for Chinese companies to invest in Australia. These conditions require completion on or by 31 May 2024.
- To accelerate the restart of Paulsens in a high gold price environment and to further streamline the ODI approval process, a number of steps have been undertaken:
 - The equity placements with Mingjin and Southeast Mingqing have been terminated by mutual agreement. The equity placements will be replaced by:
 - A \$6m increase in the Sundy unsecured convertible note facility to \$15m with the \$6m to be received in May 2024 following Black Cat shareholder approval. The initial \$9m of this facility has already been received and is being applied in refurbishment of the processing facility and ordering of long lead time items.
 - The issue of ~133.3m fully paid ordinary shares at \$0.225 per share for \$30m, escrowed until 30 September 2027, to Sundy. This is subject to ODI approval, FIRB approval and Black Cat shareholder approval (as supported by an Independent Expert’s Report). These conditions require completion on or by 15 August 2024. The parties are confident that the requisite approvals can be obtained earlier.
 - Representatives of Black Cat will be visiting Sundy in Hangzhou in March 2024 to jointly advance and further accelerate approvals and future growth plans.
 - The \$15m secured debt facility specifically has caused delays in the ODI approval process and has been terminated. Black Cat is engaging with local debt providers to obtain a similar facility that can be drawn upon the receipt of the \$30m placement to Sundy. Preliminary discussions with potential debt providers provide confidence that such a facility will be available.
- Key commercial terms of the revised funding package are included below and in Schedules 1 and 2.

Black Cat Syndicate Ltd (“**Black Cat**” or “**the Company**”) is pleased to announce that it has replaced its \$60m funding package to advance its vision of being the dominant player in three prolific gold districts. Subject to Completion, the new funding package will be used to restart Paulsens and then for internal cashflows from Paulsens to be applied in restarting Coyote and developing Kal East.

The Company has entered into agreements with Sundy pursuant to which Sundy will provide a total of \$45m to restart Paulsens. Of this \$9m has already been provided with a further \$6m expected in May 2024. Subject to shareholder and regulatory approvals, Sundy will become a ~40% shareholder in the Company.

Black Cat’s Managing Director, Gareth Solly, said:

“This new funding package, substantially on the same terms as our previous funding package, facilitates the restart of Paulsens in a high gold price environment. The convertible note funds are already being applied to ordering long lead time items and the processing facility refurbishment. Regular updates will continue to be provided on our progress.

We expect to receive a further \$6m of funding in May 2024. In the meantime, the parties are confident that the required regulatory approvals can be accelerated given that considerable progress has already been made on that front.

We would like to acknowledge the support of our new proposed shareholder, Sundy, which shares our vision of starting our three operations with strong internal cashflows and ongoing Resource growth. With activity ramping up at Paulsens and a clear plan on funding now in sight, this is an exciting time for Black Cat.”

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About Sundry

Sundry is a China-based investment holding company. Through its subsidiaries, Sundry mainly provides property management services and corresponding value-added services such as hotel and long-term rental apartment services. Sundry was successfully listed on the main board of The Stock Exchange of Hong Kong Limited on 18 January 2021. Sundry is a reputable integrated property management provider with >600 employees and 58 projects under management covering >9 million sqm. The original funding package parties, Mingjin and Southeast Mingqing, have respective shareholdings in Sundry of 8.85% and 7.81%.

As shown below, representatives from Sundry travelled to the Paulsens and Coyote Gold Operations during February 2024. This visit facilitated the gathering of further detailed information necessary for finalising regulatory approvals. The site inspections went well with Sundry's representatives impressed by the refurbishment activities at Paulsens and by the scale of the opportunity at both operations.



Figure 1: Sundry representatives with staff at Paulsens Gold Operation



Figure 2: Sundry representatives with staff at Coyote Gold Operation



Figure 3: Sundry representatives inspecting refurbishment at Paulsens

Adviser

Richlink Capital Pty Ltd ("**Richlink**") acts as financial adviser to Black Cat including the restructuring of the funding package. Richlink is a diversified financial services and investment management group with offices in Beijing, Shenzhen, Xiamen, Hong Kong and Sydney.

The terms of the revised funding package, including the conditions precedent to the transactions are set out in Schedules 1 and 2.

Appendix 3B's will follow regarding the proposed issue of securities pursuant to the restructuring of the funding package. The Company advises that the issue of shares proposed in the Appendix 3B dated 12 February 2024 will not proceed.

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TABLE 1: PRO-FORMA CAPITAL STRUCTURE

	Fully Paid Shares	Options / Performance Rights	Total Securities on issue
Fully Paid Ordinary Shares	307,476,674**	-	307,476,674**
Listed Options @ \$0.3375 expiring 14 Nov 2025	-	18,444,455	18,444,455
Unlisted Options @ \$0.62 expiring 18 May 2024	-	250,000	250,000
Unlisted Options @ \$1.20 expiring 21 Jul 2024	-	129,000	129,000
Unlisted Options @ \$0.98 expiring 10 Dec 2024	-	202,000	202,000
Unlisted Options @ \$1.00 expiring 28 Jun 2025	-	330,000	330,000
Unlisted Options @ \$0.83 expiring 8 Nov 2025	-	555,000	555,000
Unlisted Options @ \$0.65 expiring 15 May 2026	-	220,000	220,000
Unlisted Options @ \$0.51 expiring 28 Jul 2026	-	768,000	768,000
Unlisted Options @ \$0.55 expiring 21 Feb 2027	-	1,070,000	1,070,000
Unlisted Options @ \$0.52 expiring 21 Mar 2027	-	300,000	300,000
Unlisted options @ \$0.32 expiring 8 Feb 2028	-	1,430,000	1,430,000
Performance Rights expiring 30 Jun 2027	-	6,053,889	6,053,889
Performance Rights expiring 30 Jun 2028	-	440,277	440,277
Current Issued Capital – Total	307,476,674	30,192,621	337,669,295
\$9m Convertible Notes (when fully converted)	40,000,000	-	40,000,000
Issued Capital (post conversion of Convertible Notes)	347,476,674	30,192,621	377,669,295
To be Issued, Subject to Shareholder & Regulatory Approvals and Completion			
Additional \$6m Convertible Notes (when fully converted)	26,666,667	-	26,666,667
Fully Paid Ordinary Shares under voluntary escrow to 31 Mar 2027 (\$30m Equity Placement)	133,333,334	-	133,333,334
Unlisted Options @ \$0.54 expiring ~May 2027 (Richlink fee)	-	1,500,000	1,500,000
Pro-Forma Issued Capital	507,476,675	31,692,621	539,169,296

PLANNED ACTIVITIES

Mar 2024:	Refurbishment update
Mar - Aug 2024:	ODI and FIRB approvals
Apr 2024:	Quarterly Report
Apr 2024:	Refurbishment update
Apr 2024:	Shareholder meeting for \$6m Convertible Notes
Apr - May 2024:	Issue of additional \$6m Convertible Notes
May - Jun 2024:	Shareholder meeting for \$30m Equity Placement
May 2024:	Refurbishment update
May - Aug 2024:	Completion of \$30m Equity Placement

For further information, please contact:

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

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SCHEDULE 1 – CONVERTIBLE NOTES FACILITY \$15m

Key Commercial Terms (subject to Completion)

Issuer	Black Cat Syndicate Limited.
Subscriber	Sundy Service Group Co Ltd.
Maturity Date	31 March 2027.
Principal Amount	15,000,000 Convertible Notes @ \$1 face value \$1 per Convertible Note. <ul style="list-style-type: none"> - 9,000,000 Convertible Notes have previously been issued - The remaining 6,000,000 Convertible Notes are subject to Shareholder Approval
Interest	10% per annum (including interest withholding tax): <ul style="list-style-type: none"> - capitalised until 31 March 2025; and - thereafter payable monthly in arrears.
Conversion Conditions	Conversion of the Convertible Notes is subject to satisfaction of the following conditions: <ul style="list-style-type: none"> a) the Issuer receiving shareholder approval to increase placement capacity; b) the Subscriber receiving approval from the Foreign Investment Review Board (FIRB) to acquire an equity interest in the Issuer, or the Subscriber confirming in writing that approval from FIRB for the conversion is not required; c) the Subscriber obtaining the Hong Kong Stock Exchange approval for the conversion of the Convertible Notes or the Subscriber confirming in writing that such approval is not required; and d) the Subscriber obtaining shareholder approval for the conversion of the Convertible Notes or the Subscriber confirming in writing that such approval is not required.
Conversion Price	Convertible into fully paid ordinary shares at \$0.225.
Conversion Shares	Upon satisfaction of the Conversion Conditions, the Subscriber may at any time prior to the Maturity Date, elect to convert all or part of the amount outstanding into Conversion Shares.
Conversion Shares to Rank Equally	Conversion Shares issued on conversion of the Convertible Notes will rank equally in all respects with existing fully paid ordinary shares.
Security	The Convertible Notes are unsecured.
Quotation	The Convertible Notes will not be quoted on the ASX. The Conversion Shares will be quoted on the ASX.
Redemption	Convertible Notes will be automatically redeemed on the Maturity Date if not already converted.
Repayment	The Issuer is entitled to repay all or part of any Amount Outstanding to the Subscriber prior to the Maturity Date without penalty by giving not less than 14 days' notice.
Issues and Reconstructions	If the Issuer issues shares under a bonus issue or makes a rights issue or (with the exception of a share purchase plan) offers to issue Shares to shareholders generally; or reorganises or reconstructs its capital (including consolidation, subdivision, reduction or return), at any time when there is an Amount Outstanding, then the Face Value will be amended to the extent applicable and allowable to place the Subscriber in substantially the same position as the Subscriber would have been had no such event occurred.
Voting Rights	The Convertible Notes carry no voting rights.
Event of Default	Events of Default typical for this type of Facility.
Escrow	The Conversion Shares will be subject to a voluntary escrow until 30 September 2027

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SCHEDULE 2 – EQUITY PLACEMENT \$30m

Key Commercial Terms (subject to Completion)

Issuer	Black Cat Syndicate Limited.
Subscriber	Sundy Service Group Co Ltd.
Shares	Fully paid ordinary shares in the capital of the Issuer.
Currency	Australian Dollar.
Issue Price	\$0.225 per Share.
Subscription Amount	\$30,000,000.
Subscription	Subscription is subject to the satisfaction of the Equity Conditions.
Completion Date	Completion shall occur on the date that is ten (10) business days after the last of the Equity Conditions is satisfied.
Equity Conditions	<p>Conditional upon the satisfaction, or waiver if agreed between the parties in writing, of the following conditions prior to 15 August 2024 (End Date):</p> <ol style="list-style-type: none"> a) The issuer receiving all necessary approvals of its shareholders as required by law or the Listing Rules of the ASX; b) if required, the Subscriber receiving all necessary approvals from the Australian Foreign Investment Review Board; c) the Subscriber receiving all required Chinese regulatory approvals; and d) the Issuer receiving all necessary approvals or consents. e) the Subscriber delivering a signed restriction deed (see Escrow). f) the Subscriber being satisfied that representations and warranties remain true. g) the Subscriber receiving any necessary approvals of its shareholders as required by law or the Listing rules of the HKEX.
Board Representation	<p>From completion of the Subscription, the Issuer will increase its Board seats to six and the Subscriber has the right to nominate two candidates for consideration as directors after taking into account factors including: ASX and other regulations and other factors relevant to good corporate governance. The Company will ensure that the number of non-independent directors does not exceed the number of independent directors.</p> <p>From completion of the Subscription, this Board structure may only be changed by agreement in writing between the parties, both acting reasonably.</p>
Escrow	The Shares will be subject to a voluntary escrow until 30 September 2027.