



BLACK CANYON

ASX Announcement



14 June 2023

ASX:BCA

Black Canyon completes strategic tenement acquisition within the Balfour Manganese Field

- Black Canyon has completed the 100% acquisition of granted licence E46/1383 (excluding copper rights)
- The strategic acquisition further expands tenure under BCA exploration control over the Balfour Manganese Field by 351km² to total 1,175km².
- The licence contains several outcropping manganese enriched prospects including a significant and continuous zone of mineralisation extending over 5km at KR1.
- No historic drilling has been completed over the outcropping mineralisation providing an opportunity for Black Canyon to discover and deliver additional Mineral Resources.
- The Company has successfully completed Heritage surveys across the targets and received all other approvals to commence a 5,000 to 10,000m RC drill program.
- Multiple drill targets are now ready to be tested in the coming field season.

Australian manganese explorer and developer, Black Canyon Limited (**Black Canyon** or the **Company**) (ASX: BCA) is pleased to advise that further to its announcement on March 27 2023 it has now completed the 100% acquisition of granted licence E46/1383 (excluding copper rights as outlined below). This acquisition adds a further 351km² to the Company's prospective manganese portfolio in the eastern Pilbara. Black Canyon's tenement coverage further consolidates the prospective manganese enriched shale horizon extending across the Balfour Manganese Field that includes Mineral Resources at Flanagan Bore (BCA 75%) and other Mineral Resources at Balfour South, Sixty Sixer, and the past producing manganese mine of Nicholas Downs which are owned by others (Figure 1).

Black Canyon's Executive Director Brendan Cummins said: "Our field teams have been very active over the past few months and completed detailed mapping, surface sampling and successfully concluded Heritage Surveys over key targets across the Balfour Manganese field. Based on the work completed to date and our experience in the area we believe there is high potential to discover and delineate substantial Mineral Resources confirming the manganese endowment of this globally significant region. This is similar to the opportunity at Flanagan Bore where the Company made a significant discovery and rapidly delineated mineral resources. The size and scale of the Balfour Manganese Field and the discoveries to date show considerable promise and the completion of this strategic acquisition complements our existing portfolio and contributes to the Company's overall growth and development strategy".

ASX Code: BCA

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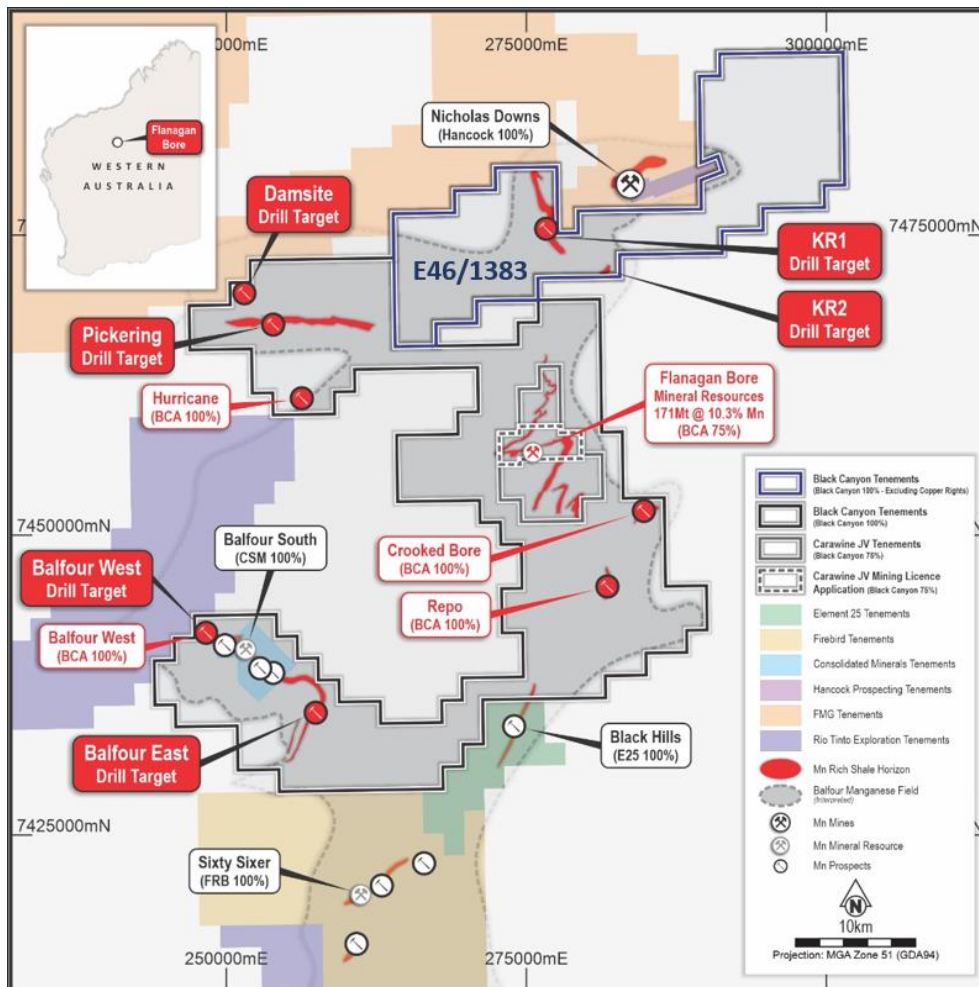


Figure 1. Location of E46/1383, manganese enriched shale horizon (red solid outlines) and distribution of manganese drill targets (the subject of this release) across the tenement portfolio.



Figure 2. Part of the KR1 target comprising an elevated 500m long outcrop of manganese enriched shale within license E46/1383 (looking to the southeast).



Figure 3. Widespread manganese enriched shale mineralisation at KR1 within E46/1383 (looking to the southeast).



Figure 4. An example of the blocky manganese enriched shale mineralisation at KR 1 located within E46/1383.

Balfour Manganese Field Exploration Drill Program

An initial RC drill program has been designed to drill test several high-quality targets across Black Canyon, 100% owned tenements within the Balfour Manganese Field. Drilling is planned on the following tenements:

1. **E46/1383** – at KR1, a previously undrilled 2,500m section of outcropping supergene mineralisation will be drill tested using 200m spaced lines which includes a 900m long section of prominent manganese enriched shale (Figures 2, 3 & 4). At KR2, a previously undrilled subcropping to outcropping 900m long zone of manganese enriched shale will be drill tested.
2. **E46/1396** – at the Balfour West target, a 1500m long horizon that is interpreted to be extend from outcropping manganese enriched shales under thin cover will be drill tested. At Balfour East, several wide spaced stratigraphic drill lines are planned to intersect subcropping and thinly covered manganese enriched shales over several kilometres of strike.
3. **E46/1404** – at Pickering, a previously undrilled 2,000m long section of the subcropping manganese enriched calcareous shales will be drill tested using 400m spaced lines. The overall length of the Pickering target is 10,000m. At the Damsite prospect, a previously undrilled 500m long subcropping to outcropping zone of manganese enriched shale will be drill tested.

A total of 5,000 to 10,000m of RC drilling is planned for the coming field season across the three tenements with assay results to follow. Refer to ASX announcement 14 February 2023 (Exploration and Manganese Sulphate Update) and 27 March 2023 (Black Canyon acquires strategic tenement within the prospective Balfour Manganese Field) for further information on the drill targets.

Summary of the acquisition terms

Black Canyon entered into a binding Tenement Sale Agreement ('Agreement') with Access Australia Mining (AAM), a 100% owned subsidiary of Killi Resources (ASX:KLI) on the 24 March 2023 to acquire 100% of E46/1383. The acquisition was subject to typical conditions precedent which have now been satisfied. In summary the Agreement has the following consideration payments:

1. The issue \$200,000 worth of Black Canyon Ordinary Shares (Consideration Shares). The Company is issuing to Killi Resources 897,574 Black Canyon Ordinary Shares based on the 20-trading day volume weighted average (VWAP) share price of \$0.224.
2. Milestone based payment of \$300,000 worth of Black Canyon Ordinary Shares (Deferred Consideration Shares) upon estimation of JORC compliant Mineral Resources from E46/1383 equal to, or greater than 50Mt grading at least 10% Mn. The number of Black Canyon Ordinary Shares to be issued will be based on the VWAP of Shares calculated over 20 trading days before the ASX announcement is released reporting the Milestone has been met.
3. AAM will retain the rights to explore for and mine any copper mineralisation on the tenements under a Mineral Rights Deed that has been executed by Black Canyon and AAM.

The Consideration Shares and Deferred Consideration Shares are subject to 12 months escrow from date of issue.

This announcement has been approved by the Board of Black Canyon Limited.

For further details:

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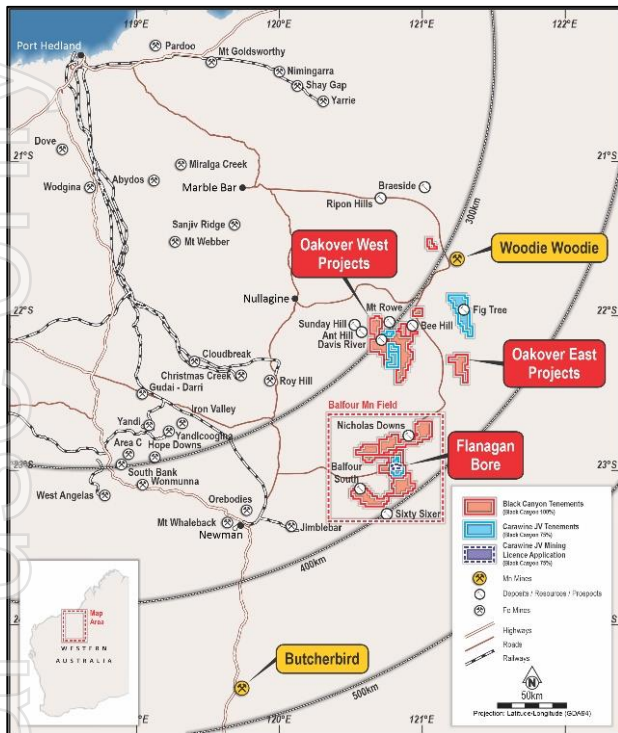
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About Black Canyon



Black Canyon has consolidated a significant land holding in the underexplored Balfour Manganese Field and across the Oakover Basin.

The emerging potential for the Balfour Manganese Field is evident by the size of the geological basin, mineral resources identified to date, distance from port, potential for shallow open pit mining and a likely beneficiated Mn oxide concentrate product grading between 30 and 33% Mn. Black Canyon holds several exploration licenses 100% within the Balfour Manganese Field along with a 75% interest in the Carawine Joint Venture with ASX listed Carawine Resources Limited (ASX:CWX). Combined, the projects cover approximately 2,500km² of tenure in Western Australia, providing a dominant footprint in a proven and producing manganese belt.

Manganese continues to have attractive fundamentals where it is essential and non-substitutable in the manufacturing of steel and a critical mineral in the cathodes of Li-ion batteries.

Compliance Statements

Reporting of Exploration Results and Previously Reported Information

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation reviewed by Mr Brendan Cummins, Executive Director of Black Canyon Limited. Mr Cummins is a member of the Australian Institute of Geoscientists, and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Black Canyon Limited.

For further information, please refer to ASX announcements dated 17 May 2021, 10 June 2021, 7 July 2021, 5 October 2021, 4 January 2022, 8 February 2022, 21 February 2022, 2 March 2022, 23 March 2022, 13 April 2022, 9 June 2022, 7 September 2022, 15 September 2022, 11 October, 21 & 24 2022 November 2022, 5 December 2022, 28 December 2022, 14 February 2023, 27 March 2023 and June 1 2023 which are available from the ASX Announcement web page on the Company's website. The Company confirms that there is no new information or data that materially affects the information presented in this release that relate to Exploration Results and Mineral Resources in the original market announcements.