



BLACK CANYON

June Quarterly Report



30 July 2021

ASX:BCA

Black Canyon lists on the ASX and commences Exploration on the Pilbara manganese projects

EXPLORATION ACTIVITIES - FLANAGAN BORE

- Initial field work at Flanagan Bore confirms the presence of extensive surface manganese mineralisation at LR1 where previous reverse circulation (RC) drilling returned well mineralised intercepts over a broad area including:
 - 37m @ 12.8% Mn from 3m (LRRC08);
 - 33m @ 11.3% Mn from surface (LRRC16); and
 - 28m @ 11.9% Mn from 4m (LRRC03)
 - 15m @ 15.6% Mn from surface (LRRC06)
- Surface manganese mineralisation was observed over an area of 1000m x 900m at the FB1 prospect, where previous drilling intersected significant intervals, including:
 - 18m @ 11.2% Mn from surface (WD0020)
 - 3m @ 21% Mn from surface and 20m @ 12.5% Mn from 8m (WD0021)
 - 24m @ 10.3% Mn from surface (WD0024)
- At the FB3 & FB4 Prospects, widespread folded manganese-enriched shales are exposed over a strike of ~400m and have not been drill tested
- Surface mineralisation has been identified 500m to the south of thick manganese intervals previously drilled over an area of 1000m x 200m at the LR1 prospect
- Outcropping manganese-enriched shales have been confirmed along a 5km-long fold limb that highlights potential to expand the mineralisation footprint further

CORPORATE

- Black Canyon is well-funded for an aggressive exploration and drilling campaign following its over-subscribed IPO, which raised \$5m

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INTRODUCTION

Black Canyon (ASX: BCA) listed on the ASX on the 5th May 2021 raising \$5m by issuing 25m new shares (\$0.20) to fund exploration activities targeting manganese, copper and cobalt in WA's Pilbara region.

Black Canyon has a farm-in and joint venture agreement with Carawine Resources Ltd (ASX:CWX), giving Black Canyon the right to earn an initial 51% interest and up to 75% in the Carawine Project.

The Carawine Project covers approximately 793km² of tenure located south of the operating Woodie-Woodie manganese mine, providing a large footprint in a proven and producing manganese belt. Black Canyon has also applied directly for another exploration license adjacent to the Carawine Project that will increase the total land holdings to over 1400km². Manganese has attractive fundamentals with growing utilisation in the battery mineral sector and dwindling supply.

In addition to Carawine, the Company also agreed to acquire Zephyr Exploration Pty Ltd that has applied for exploration tenure over an area of 206km² at the Lofty Range Project located 30km west from ASX listed Element 25's Butcherbird Manganese Project. Element 25 is currently developing the world class Butcherbird deposit to produce high quality manganese concentrate and High Purity Manganese (HPM) products for traditional and new energy markets. Project locations are presented in Figure 1.

During the quarter the Company's initial field programs focused on the underexplored Flanagan Bore tenement within its Carawine Projects located 120km northeast of Newman (Figure 2). Field assessments across the Flanagan Bore manganese prospects confirmed the presence of extensive surface mineralisation with previous drill results yielding thick intervals of manganese mineralisation across several areas

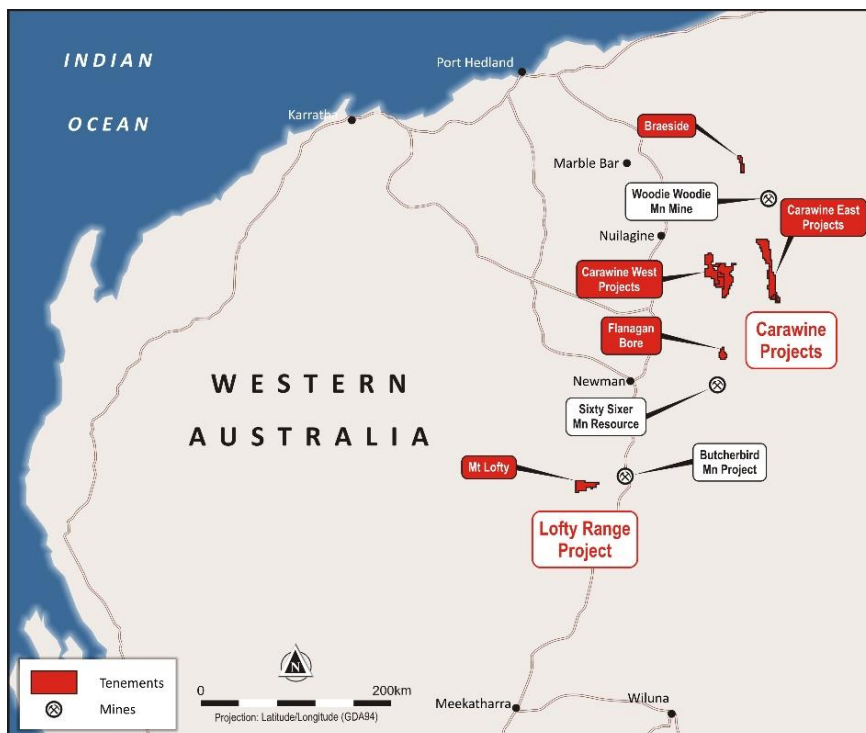


Figure 1. Black Canyon Project locations (BCA earn in right to 75% except Lofty Range)

FLANAGAN BORE PROSPECTS

Previous drilling at Flanagan Bore has returned thick intervals of supergene manganese mineralisation (Figure 2, and Table 1, refer ASX announcement 10 June). These historical drill results contain manganese and iron grades which have similar ranges to the Butcherbird manganese resources currently being developed by Element 25 Ltd and the Sixty Sixer manganese deposit (owned by Firebird Metals with a reported JORC Mineral Resource of 64Mt grading 10% Mn and 9% Fe¹).

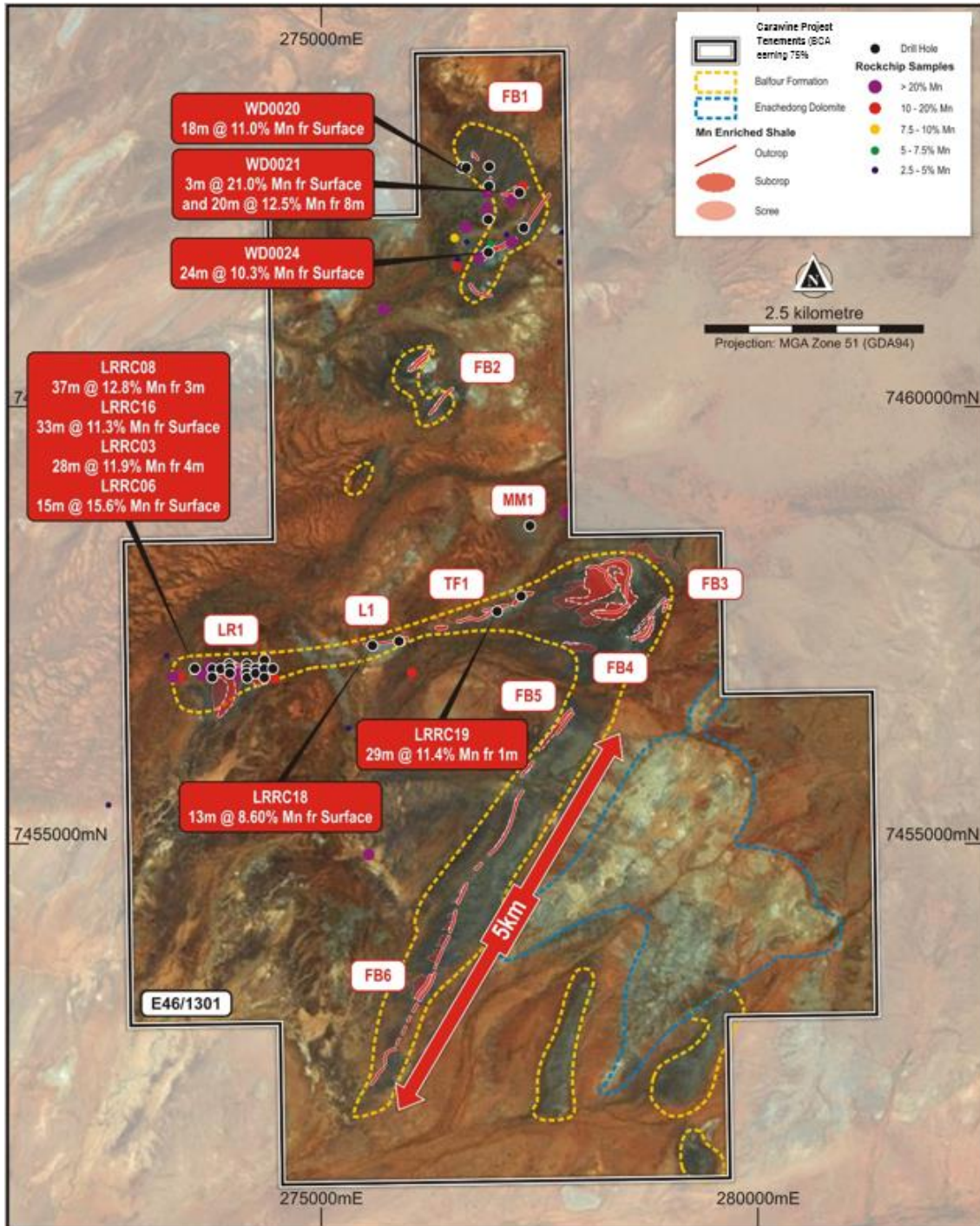


Figure 2. Flanagan Bore with previous significant drill results, mapping updates and prospective manganese envelope.

1. Refer to Section 3.7 of the Firebird Metals Limited Prospectus dated 16 March 2021.

LR1 prospect:

Previous drilling at LR1 encountered thick intervals of manganese-enriched shales with a maximum thickness of 37m. The previous drilling has shown a mineralisation footprint in the order of 900 x 200m and the recent field investigations confirmed the flat-lying nature of the mineralisation and identified sub-cropping mineralisation a further 500m to south that appears to be part of the same horizon (Figure 3). This suggests the prospect is open at least another 500m to the south of the current drilling and remains open to the east under cover.

Significant results from the earlier program include:

- **LRRC08 - 37m @ 12.8% Mn from 3m**
- **LRRC16 - 33m @ 11.3% Mn from surface**
- **LRRC03 - 28m @ 11.9% Mn from 4m**
- **LRRC06 - 15m @15.6% Mn from surface**

Further manganese mineralisation maybe encountered under extensive sheetwash areas to the south and around the fold hinge to the north.

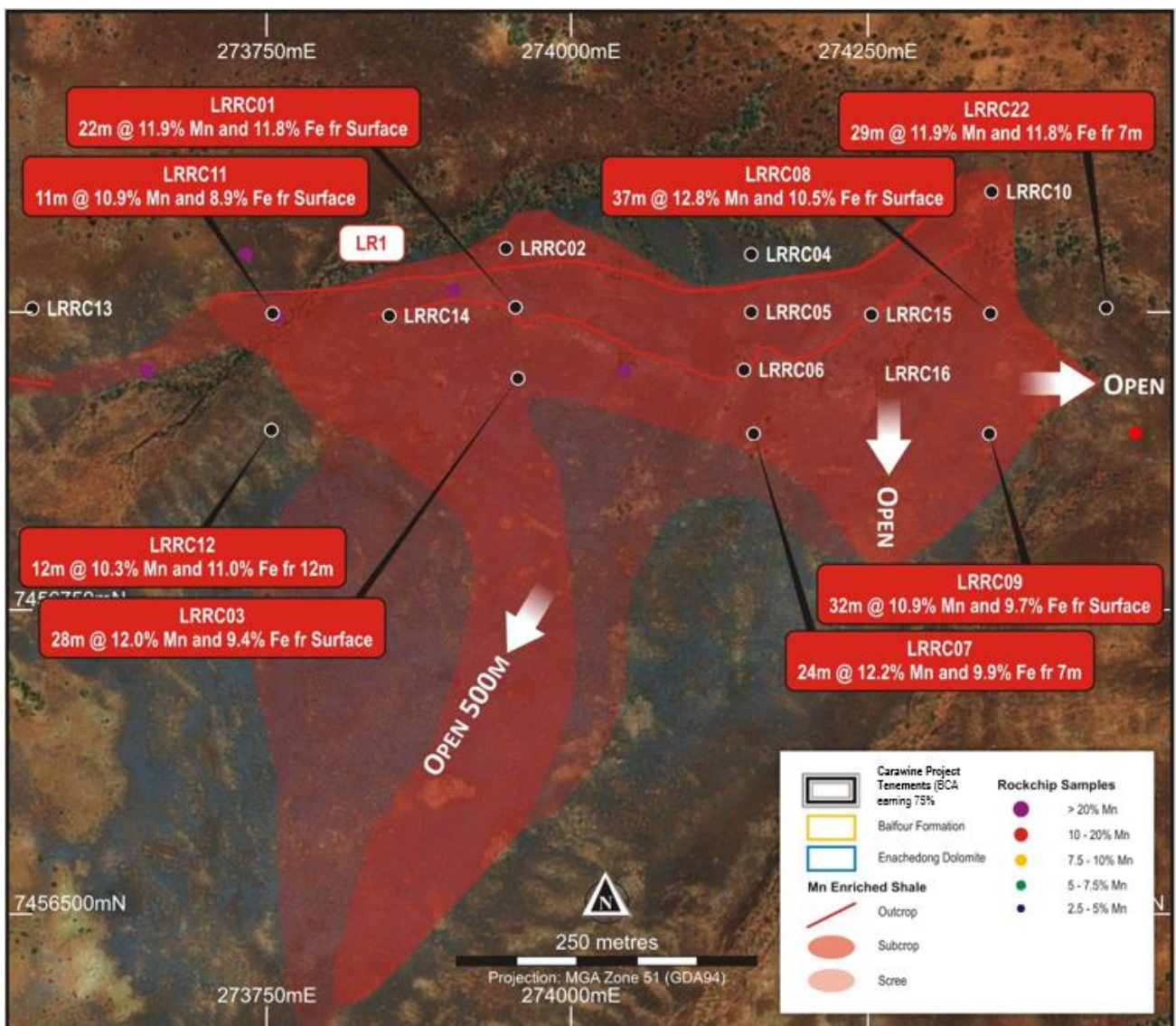


Figure 3. LR1 prospect with previous drill results and mapped sub-crop 500m to the south.

Table 1. Previous drill results from Flanagan Bore RC drilling campaign

Hole ID	Drill hole Collar Information							Interval				
	Prospect	East (GDA94)	North (GDA94)	RL	Depth (m)	Dip	Azimuth	From (m)	To (m)	Width (m)	Mn (%)	Fe (%)
LRRC01	LR1	273954	7457004	507	36	90	360	0	22	22	11.9	11.8
LRRC02	LR1	273946	7457053	504	24	90	360	No significant mineralisation				
LRRC03	LR1	273956	7456945	504	42	90	360	0	28	28	12	9.4
LRRC04	LR1	274150	7457048	501	24	90	360	No significant mineralisation				
LRRC05	LR1	274150	7457000	499	24	90	360	0	12	12	11.7	9.8
LRRC06	LR1	274144	7456952	501	30	90	360	0	15	15	15.8	9.8
LRRC07	LR1	274152	7456899	507	40	90	360	2	26	24	12.2	9.9
LRRC08	LR1	274349	7456999	502	42	90	360	0	37	37	12.8	10.5
LRRC09	LR1	274348	7456899	505	42	90	360	3	35	32	10.9	9.7
LRRC10	LR1	274350	7457100	502	20	90	360	0	19	19	12.5	9.8
LRRC11	LR1	273752	7456999	502	18	90	360	0	11	11	10.9	8.9
LRRC12	LR1	273751	7456902	503	24	90	360	12	24	12	10.3	11.0
LRRC13	LR1	273552	7457003	504	18	90	360	No significant mineralisation				
LRRC14	LR1	273849	7456997	503	30	90	360	0	21	21	10.2	8.5
LRRC15	LR1	274250	7456998	507	24	90	360	0	15	15	13.6	9.3
LRRC16	LR1	274249	7456949	503	41	90	360	0	15	15	11.3	11.4
LRRC17	L1	275588	7457263	508	18	90	360	No significant mineralisation				
LRRC18	L1	275890	7457316	510	24	90	360	0	13	13	8.6	9.1
LRRC19	TF1	277014	7457657	513	30	90	360	1	30	29	11.4	11.0
LRRC20	TF1	277289	7457833	520	18	90	360	0	5	5	10.8	11.2
LRRC21	MM1	277389	7458637	520	18	90	360	No significant mineralisation				
LRRC22	LR1	274446	7457003	505	42	90	360	7	36	29	11.9	11.8

FB1/FB2 prospect:

The manganese-enriched shales form a sequence of folds and comprise manganese shales with the thicker more prominent bands of manganese-enriched shale forming topographic rises. The fold noses appear to be buried under shallow cover (Figure 4).

Eight previous drill collars were identified covering an area of 1000m x 900m. The drill data has now been digitally captured and are summarised in Table 2. The mostly vertical down hole intersections ranged in thickness from 3m to 30m with an average weighted grade of 10.5% Mn and 8.2% Fe. Significant results from the previous drilling include:

- **18m @ 11.2% Mn from surface (WD0020)**
- **3m @ 21% Mn from surface and 20m @ 12.5% Mn from 8m (WD0021)**
- **24m @ 10.3% Mn from surface (WD0024)**

Table 2. Previous drill results from the FB1 Flanagan Bore RC drilling campaign.

Hole ID	Prospect	Drill hole Collar Information						Interval				
		East (GDA94)	North (GDA94)	RL	Depth (m)	Dip	Azimuth	From (m)	To (m)	Width (m)	Mn (%)	Fe (%)
WD0017	FB1	276923	7462748	513.77	42	90	360	No significant mineralisation				
WD0018	FB1	276614	7462740	516.86	48	90	360	2	23	21	10.1	8.3



WD0019	FB1	276662	7462737	517.64	36	90	360	3	14	11	8.1	7.8	
WD0020	FB1	276920	7462525	518.22	30	90	360	0	18	18	11.2	8.3	
WD0021	FB1	277267	7462451	518.78	36	90	360	0	3	3	21	11.4	
								and	8	28	20	12.5	8.5
WD0022	FB1	276912	7462142	518.23	30	90	360	No significant mineralisation					
WD0023	FB1	277318	7462046	514.28	30	90	360	0	30	30	9.2	8.3	
WD0024	FB1	276915	7461768	512.49	24	-60	125	0	24	24	10.3	8.1	

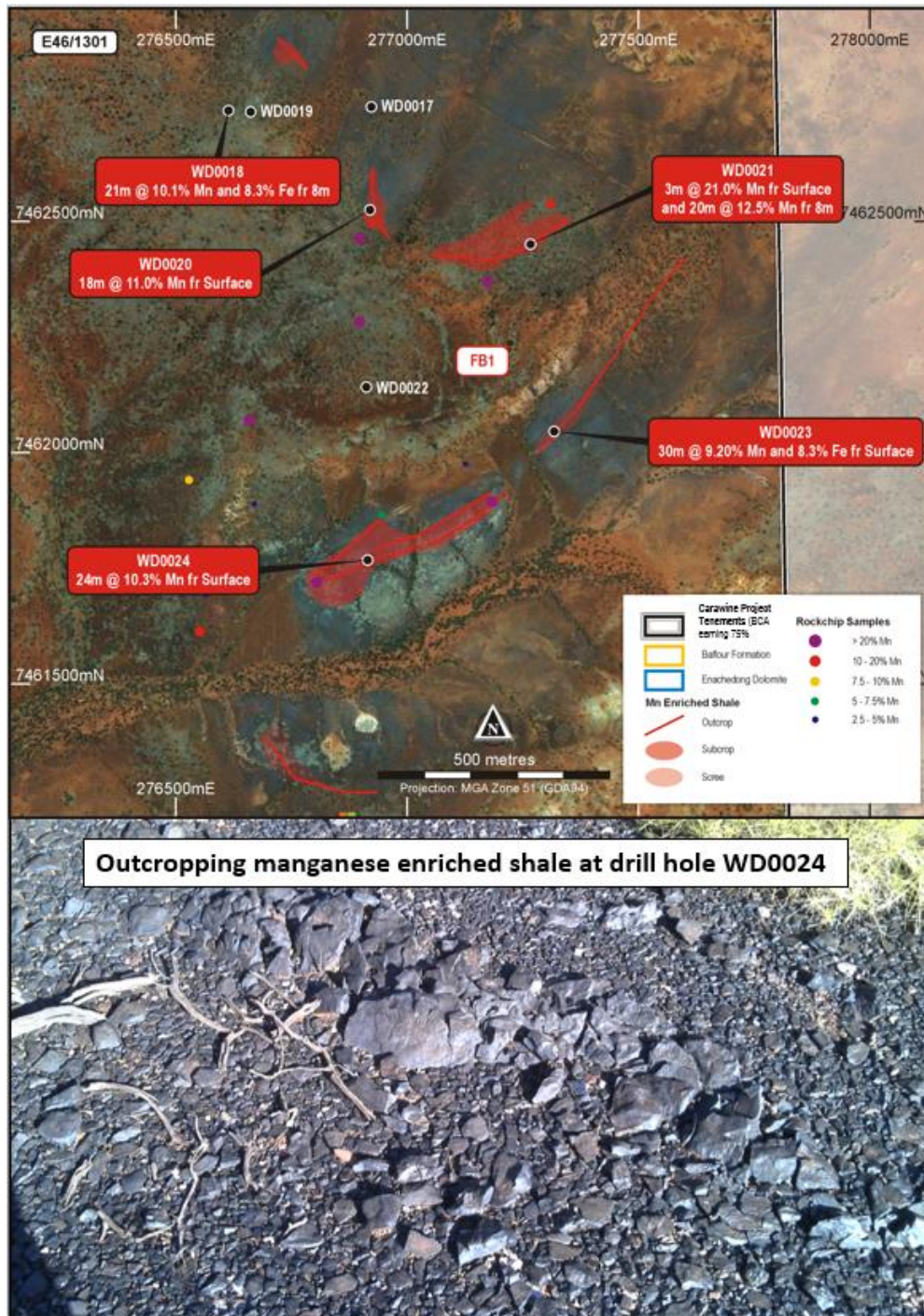


Figure 4. FB1 mapping, previous drill results and subcropping manganese enriched shale

FB3/FB4 prospects

The FB3 prospect is defined by an arcuate synclinal fold nose plunging shallowly to the southwest with widespread areas of outcropping and sub-cropping manganese-enriched shale. The main fold nose is exposed over a strike of 400m and the interpreted shallow down plunge expression mapped up to 650m to the southwest (Figure 5). There is significant manganese-enriched shale remaining on surface at FB3 due to the subsequent weathering and removal of the softer interbedded clays and shales.

The FB4 prospect also shows a 500m long ridge of sub-cropping manganese-enriched shale underlain and interbedded with calcareous manganese shales.

The prospects have not been drilled to date and will be a priority target for drill testing.

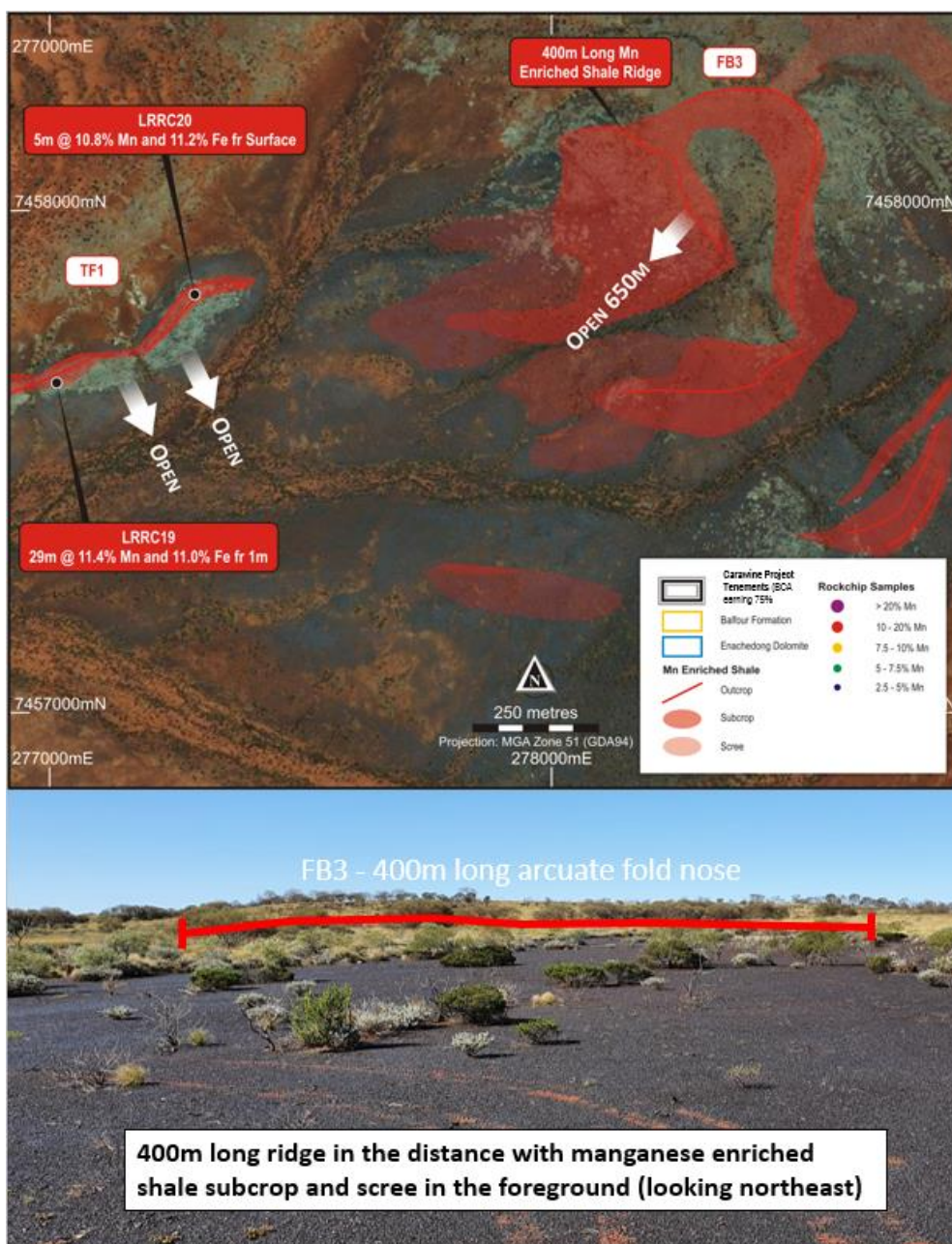


Figure 5. FB3 prospect showing the synclinal folded subcrop and shallow southeast dipping fold limb at TF1.

FB5/FB6 Prospects

The FB5 prospect comprises a shallow west dipping sequence of manganese enriched shale (Figure 6) underlain by calcareous manganese rich shales and dolomites progressively to the east.

A 5000m long zone of manganese mineralisation has been mapped and the target has high potential to form a substantial zone of manganese enrichment which has never been drill tested.



Figure 6. Subcropping Mn-enriched shale at the FB6 Prospect and detailed image showing platy Mn enriched shale bands (insert).

CORPORATE

Cash

The Company's consolidated cash at hand was \$4.779m as at 30th June with no debt.

The majority of the expenditure during the quarter was incurred on fees related to the IPO and exploration activities. This information is presented in the Quarterly Cashflow Report (Appendix 5b).

COVID-19 UPDATE

Black Canyon is continuing to review updates in relation to the COVID 19 pandemic and potential impacts to its exploration programs, drill schedules, health and wellbeing of its employees, contractors and other stakeholders. The Company has operational procedures and guidelines in-line with official health advice and government directives which can be modified in response to changing conditions.

Black Canyon is an active explorer and continues to progress its work programs subject to travel restrictions that maybe enforced. The Company has been affected by recent COVID 19 travel restrictions

delaying the mobilisation of Heritage Surveys Teams to the Flanagan Bore Tenement. As a result the commencement of drill programs planned for the current quarter are delayed until the next quarter when the Company anticipates Heritage clearances will be undertaken – subject to COVID 19 travel restrictions.

JUNE QUARTER ASX RELEASES

Additional details pertaining to information reported in his Quarterly report including JORC 2012 reporting tables, where applicable can be found in the ASX announcements lodged with the ASX during the quarter:

1. 17/05/2021 Exploration to commence at the Pilbara Manganese Projects
2. 10/06/2021 Widespread Manganese confirmed at Flanagan Bore Prospect

KEY ACTIVITIES PLANNED FOR THE SEPTEMBER 2021 QUARTER

During the September 2021 quarter the Company plans to;

- Continue exploring its portfolio of projects in the Pilbara region of WA such as the Braeside and Oakover West tenements.
- Assess a number of new opportunities as part of the Companies business development strategy.
- Commence drilling activities at Flanagan Bore subject to potential delays and availability of Heritage Survey teams due to COVID 19 travel restrictions. The Company is in ongoing discussions with the Traditional Owners in regards to timing of the surveys and for the requirements for any further Heritage Surveys across areas that have been previously drilled.

ASX ADDITIONAL INFORMATION

1. ASX Listing Rule 5.3.1– Mining exploration activities and investment activity expenditure during the quarter was \$65,000. Full details of the activity during the quarter are set out in this report.
2. ASX Listing Rule 5.3.2 – Mining production and development activity expenditure for the quarter was Nil and there were no substantive mining exploration activities for the quarter.
3. ASX Listing Rule 5.3.3 – Tenement Schedule
 - a. As at the date of listing, the Company had the right to Earn up to a 75% interest in the Carawine Project. As at the date of this report, the Company has not earned Its initial Interest.

Project	Tenement	Beneficial Interest on Listing	Beneficial Interest at end of quarter
Carawine Project Farm In	E45/5145	Right to earn up to 75%	Right to earn up to 75%
	E46/1245	Right to earn up to 75%	Right to earn up to 75%
	E46/1099-1	Right to earn up to 75%	Right to earn up to 75%
	E45/4958	Right to earn up to 75%	Right to earn up to 75%
	E46/1116-1	Right to earn up to 75%	Right to earn up to 75%
	E46/1119-1	Right to earn up to 75%	Right to earn up to 75%
	E46/1301	Right to earn up to 75%	Right to earn up to 75%
	E46/1069-1	Right to earn up to 75%	Right to earn up to 75%
Davis Creek	ELA46/1382	Under application	Under Application
Lofty Range	ELA52/3897	Under application	Under Application

Note EL – granted Exploration License
ELA – Exploration license in application

4. ASX Listing Rule 5.3.4 – The Company provides the actual vs proposed use of Funds as outlined in Section 3.7 of the Prospectus dated 10 March 2021.

Proposed Use of Funds	Proposed \$	Actual \$	Variance
Exploration Expenditure	\$2,553,500	\$65,000	\$2,488,500
Expenses of the Offer	\$475,000	\$425,000	\$50,000
Working Capital	\$2,101,500	\$105,000	\$1,996,500
Total	\$5,110,000	\$595,000	\$4,495,000

5. Major variances in the above table relate to timing of actual spend. The proposed spend is for a two-year period and the Company listed in May 2021.
6. ASX Listing Rule 5.4.5 – Payments to related parties of the Company during the quarter and outlined in the Appendix 5B include \$41,000 for Salaries, Director Fees and Consulting Fees paid to Directors.

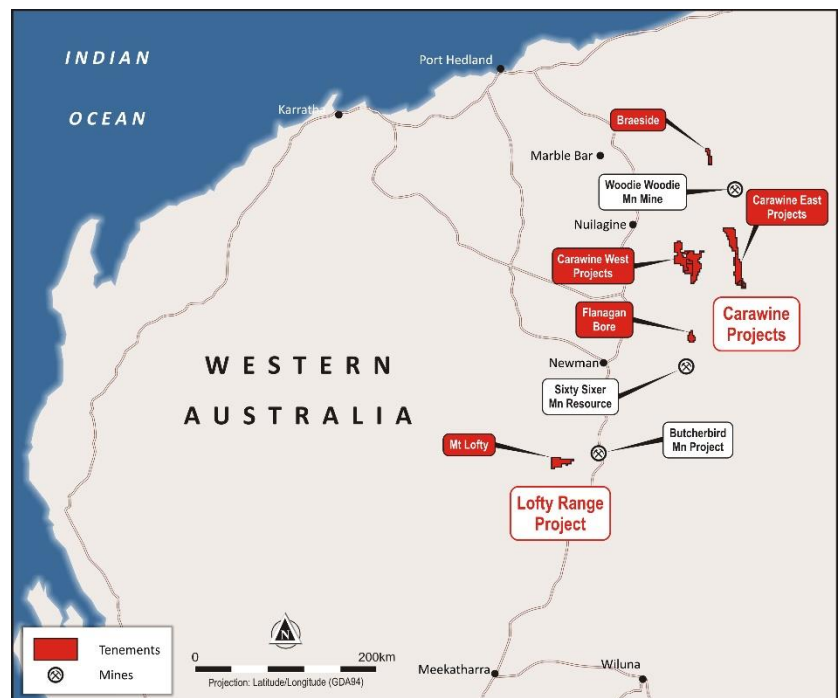
This announcement is released on authority of the Board.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared 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.

ABOUT BLACK CANYON

Black Canyon has entered into a farm-in and joint venture with ASX listed Carawine Resources Limited (ASX:CWX) to acquire a majority interest in the Carawine Project in Western Australia. The Carawine Project covers approximately 800km² of tenure located south of the operating Woodie-Woodie manganese mine, providing a large footprint in a proven and producing manganese belt. Black Canyon has also applied directly for another exploration license adjacent to the Carawine Project that would increase the total land holdings to over 1400km² on grant. In addition to manganese, the Carawine Project also hosts multiple copper occurrences





BLACK CANYON

including the Western Star prospect which comprises a large zone of surface copper enrichment.

The Company has also secured the Lofty Range manganese project located immediately to the west of the Butcherbird manganese deposit being developed by Element 25.

Manganese and copper continue to have attractive fundamentals with growing utilization in the battery mineral sector and challenging supply conditions.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Black Canyon Limited

ABN

63 150 714 739

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(65)	(99)
(b) development		
(c) production		
(d) staff costs	(14)	(14)
(e) administration and corporate costs	(97)	(102)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	7
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(170)	(208)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		(55)
(c) property, plant and equipment		
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	(55)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,508
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(425)	(526)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	4,575	4,982

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	374	60
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(170)	(208)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(55)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,575	4,982

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,779	4,779

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,779	374
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,779	374

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	41
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Fees include Salaries, Director Fees and Consulting Fees to Executive Director and Non-Executive Directors</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(170)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(170)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,779
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,779
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	28
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 July 2021

Date:

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.