



2 December 2021 ASX:BCA

Black Canyon acquires strategic tenements adjacent to Flanagan Bore Manganese Project

HIGHLIGHTS

- Black Canyon to acquire 100% of Panther Exploration Pty Ltd to further expand areas under exploration around its flagship Flanagan Bore Project by 625km²
- Strategically located in an emerging manganese enriched province of the Balfour-Collier Basins extending from Nicholas Downs in the north to Butcherbird Mine in the south
- Close proximity to infrastructure including Newman (130km) and the Great Northern Highway
- Acquisition based on regional geological modelling and interpretation to secure the
 prospective manganese enriched shale horizon adjacent to the emerging Flanagan Bore
 project and the regionally significant Balfour South historic Mineral Resource
- Previous drill intersections from the tenements to be acquired include:
 - o 6m @ 18.3% Mn from 7m including 3m @ 27.7% Mn (WD012)
 - 12m @ 16.4% Mn from 3m including 4m @ 29.2% Mn (WD005)
 - 10m @ 21.2% Mn from 3m including 5m @ 31.4% Mn (WD003)

Black Canyon ('Company' or ASX: BCA) is pleased to advise that it is acquiring (100%) Panther Exploration Pty Ltd ('Panther') which holds tenement applications - E46/1394 & E46/1396 (both pending grant) adding a further 625km² to the Company's prospective manganese portfolio in the eastern Pilbara. The tenements consolidate prospective manganese enriched shale horizons extending over 50km strike from the manganese Mineral Resources estimated for Balfour South, Sixty Sixer, Hill 616, Flanagan Bore and the past producing manganese mine of Nicholas Downs (Figure 1).

Black Canyon Executive Director Brendan Cummins said: "With the 100% acquisition of Panther the Company has been able to secure a highly prospective package of tenements, consolidating an enviable ground holding in this underexplored region of the Balfour Basin. The new tenements surround a Mineral Resource at Balfour South A and also encapsulate the Company's emerging Flanagan Bore Project where the Company is currently drilling out and extending Mineral Resources. The strategic acquisition will complement the existing portfolio and contribute to the Company's aggressive growth and development strategy."

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The manganese enriched shales of the Balfour and Illgarari Formations of the Oakover and Collier subbasins currently host a significant endowment with total manganese mineral resources from peer company's exceeding 350 million tonnes. Black Canyon is well placed with a substantial and key strategic tenement holding in this emerging manganese shale province. The newly acquired Balfour Project fully encircles Consolidated Minerals' Retention Licence overlying the historically explored high-grade Balfour South Mn deposit and surrounds the Company's Flanagan Bore Project where Black Canyon is currently earning up to a 75% interest from Carawine Resources (ASX:CWX). The Balfour Project is also located just 17km southwest of Hancock Prospecting's Nicholas Downs deposit, 4km northeast of Element 25's (ASX:E25) Black Hill deposit and just 9km north of Firebirds (ASX:FRB) Sixty Sixer. deposit (Figure 1).

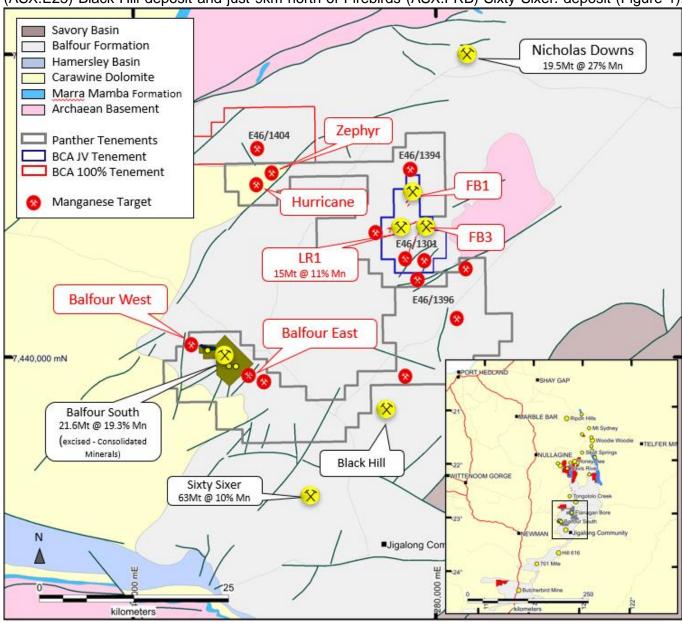


Figure 1 Location of the Panther acquisition and manganese mineral resources and targets (BCA has the right to earn 75% of the Carawine JV tenements)

A number of high priority drill targets are located within the Panther tenements that will be the focus of the initial drill programs once granted. Two of the more advanced targets are summarised below.



Balfour South Prospects (E46/1396)

Tenement E46/1396 surrounds Mining License application M46/527 (replacing Retention Licence R46/01) that is owned by Pilbara Manganese Pty Ltd (a subsidiary of Consolidated Minerals Ltd) with a published historical non-JORC Mineral Resource for the high grade Balfour South Deposit of 21.6Mt @ 19.3 % Mn (refer to WAMEX report A77474). Mineralisation at the Balfour South deposit occurs as primary manganiferous shales with supergene enrichment of the manganiferous shales occurring near surface (Figure 2).

The newly acquired licence by Black Canyon has captured the strike extents of the Balfour South deposit to the west and east of the Mining Licence where the prospective manganese enriched-shale horizon is interpreted to trend under thin cover (Figure 2). Approximately 1500m of strike extent is interpreted under cover to the west whilst to the southeast several kilometres of potential strike has been interpreted. Outcropping manganese supergene enrichment occurs just 60m from the tenement boundary of E46/1396 with mineralisation potentially trending along strike to the north-northwest and down dip to the north into E46/1396. Geophysical surveys and RC drilling will focus on testing this for extensions to known mineralisation.

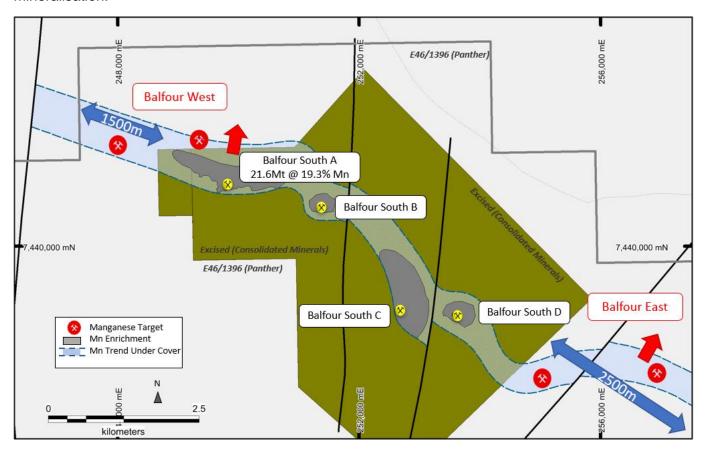


Figure 2. Target areas around the historic Balfour South A Mineral Resource Estimate (note Balfour South A is excised from the Panther tenement acquisition)



Hurricane and Zephyr Prospects (E46/1394)

Tenement E46/1394 surrounds the Flanagan Bore Project (E46/1301) where Black Canyon is currently drilling the LR1 and FB3 manganese targets as part of the Carawine JV. The tenement is also located to the south of application E46/1404 that is 100% owned by Black Canyon.

The manganese mineralisation at the Hurricane and Zephyr prospects is related to high grade, fault or contact hosted hydrothermal mineralisation.

In late 2015 Fortescue Metals Group drilled RC holes into the Hurricane and Zephyr prospects located within E46/1394 intersecting significant manganese mineralisation at the contact between the Pinjian Chert Breccia and the Carawine Dolomite.

Significant historic drill results (Appendix 1 & 2) from surface or close to surface at Hurricane include:

10m @ 21.2% Mn from 3m, Including 5m @ 31.4% Mn (WD003)

12m @ 16.4% Mn from 3m, Including 4m @ 29.2% Mn (WD005)

4m @ 23.5% Mn from 6m, Including 3m @ 27.7% Mn (WD002)

2m @ 25.9% Mn from 7m (WD010)

Significant historic drill results from surface or close to surface at Zephyr include:

6m @ 18.3% Mn from 7m, Including 3m @ 27.7% Mn (WD012)

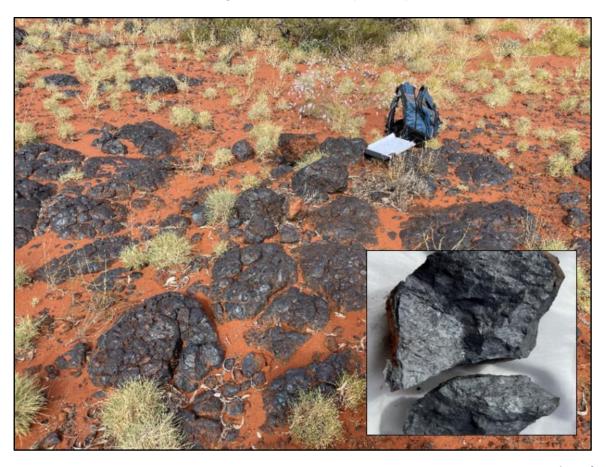


Figure 3. Surface high grade manganese enrichment located at the Hurricane prospect (E46/1394) overlying the Carawine Dolomite



Panther Acquisition Summary of Terms

Black Canyon has entered into a binding Share Sale Term Sheet ('Agreement') to acquire 100% of Panther from the vendors for the following consideration:

- 1. A loan reimbursement payment of \$40k within 10 business days of the execution of the Agreement
- 2. The issue 1 million Ordinary Black Canyon shares upon the satisfaction of a number of Conditions Precedent including the grant of tenements E46/1394 & E46/1396 within 12 months of Agreement execution
- 3. Milestone based payment of 2 million ordinary Black Canyon shares upon the delineation of JORC Mineral Resource at one location of at least 30Mt grading more than 10% Mn
- 4. Within 18 months of the grant of tenements complete 2400m of drilling across the tenements to enable the delineation of a JORC Mineral Resource capable of fulfilling the Milestone based payment
- 5. Black Canyon to have exclusive rights to all manganese opportunities generated by the Panther vendors in an agreed area of interest for 18 months after execution of the agreement

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

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Competent Person Statement

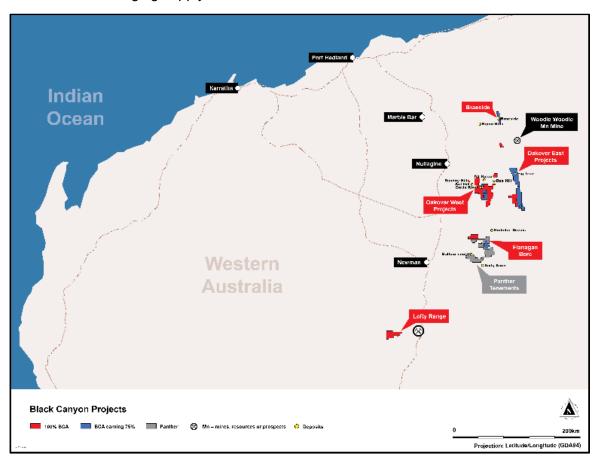
The information in this report that relates to previous Exploration Results is based on, and fairly represents, information and supporting documentation reviewed by Mr Brendan Cummins, Executive Director of Black Canyon Limited. Mr Cummins is a member of the Australian Institute of Geoscientists and 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.

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 2500km² on grant. In addition to manganese, the Carawine Project also hosts multiple copper occurrences 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 utilisation in the battery mineral sector and challenging supply conditions.



APPENDIX 1- JORC Table 1 previous RC drill results from Panther tenements

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary					
Sampling techniques	 Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	 The historic data is reported to the Western Australian Mines Department and it is a condition of the license that the Tenement holder report information in sufficient detail to enable subsequent parties to reliably use the information Historic reports have then been accessed from WAMEX and raw files retrieved and entered into a drill data base The information describes RC drilling and sampling. In all cases industry standard methods of sample collection appropriate to the period were employed. In many cases sampling methods are not reported in detail, however it is not expected that measures of representivity are material to the context in which historic results are reported and can be relied upon 					
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, facesampling bit or other type, whether core is oriented and if so, by what method, etc).	Historic reports of results from RC drilling are referred to in this release Where the drill diameter is not reported in the text, it is not considered material to the reader's understanding of the results given the context in which historic results are reported. They are assumed to be standard RC drill diameters that range from 4 to 5.5 inches					
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	 Historic reports of results refer to industry standard methods of sample collection appropriate to the period were employed. In most cases measures relating to sample recovery for RC drilling are not reported, however these are not expected to materially affect the understanding of the historic results given the context in which they are reported. 					
Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	 The results as presented are not intended to imply sufficient quality for the estimation of a Mineral Resources but are used to understand how prospective historic targets maybe and plan future programs. FMG provide comprehensive geology reports as part of the WAMEX submission. Where relevant to the understanding of the results reported, results of geological logging have been included in the text of the report. In such cases it has been assumed that a sufficient proportion of each hole was logged to enable to author to report the information. 					
Sub- sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all subsampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. 	 Unless stated otherwise it is assumed that industry standard methods appropriate to the period for RC drilling were used, and where relevant to the understanding of the results these have been reported in the text. The FMG report did not describe specifically the subsampling technique but is assumed the samples were riffle split at the rig 					

Criteria	JORC Code explanation	Commentary				
	Whether sample sizes are appropriate to the grain size of the material being sampled.					
Quality of assay data and laboratory tests	 The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	 Historic reports of results refer to industry standard assay procedures and methods used, appropriate to the period to which the data relate, and that this has resulted in appropriate levels of accuracy and precision in the data, especially in regard to the context in which the results have been reported. The author has not been able to view original documents or assay files but is satisfied that the analysis was completed to an acceptable standard in the context in which the results have been reported. FMG did provide a file with the quality control data undertaken by the laboratory on their CRM and duplicates. FMG also provided a summary file of the analysis method and elements that were assayed. FMG used Ultratrace using an XRF for an iron ore extended mineral and oxide suite (53 element suite). 				
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	Unless otherwise stated, the reported intersections from historic drilling have been repeated from the original technical reports as referenced in the text, and where possible verified from accompanying raw data, although in this case this was not possible. No historic assay data has been adjusted.				
Location of data points	 Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	 Unless otherwise stated the accuracy and quality of location data for drill holes is assumed to be sufficient for the form and context in which the data has been reported. The accuracy of the drill hole locations have been verified where available with a GPS as identified in the field. 				
Data spacing and distribution	 Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	 Where relevant and material to the understanding of the results these have included in the body of the report. The results as presented are not intended to imply sufficient quality for the estimation of a Mineral Resources Confirmatory drilling will enable the Company to use the drill data in the future for mineral resources estimation 				
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	Where considered material to the understanding of the results reported, this information has been included in the body of the report. FMG drilled the 16 holes across regional targets with a number of orientations and drill pattern. The regional and early nature of the drill program was dictated by local geology and unlikely to affect the relevance and materiality in understanding the results that have included in the body of the report				
Sample security	The measures taken to ensure sample security.	No information regarding sample security is reported, however given the Projects' locations this is not considered a high risk in the context in which the results are reported.				
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Other than internal review by Company geologists no audits have been completed. Beyond that completed to date, further audits are not considered to be required given the context in which the historic data is reported, or the stage of the Projects development.				

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary				
Mineral tenement and	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures,	 The drill holes were drilled with E46/1394 The drill holes reported are located within the boundaries of the Black Canyon tenement 				

Criteria	JORC Code explanation	Commentary				
land tenure status	partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements from which the drill holes were completed were and will continue to be subject to native title but access has been previously provided				
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	 The previous exploration history is described in the body of the release The WAMEX report number that forms the basis of the drill data provide in this release is A112191 				
Geology	Deposit type, geological setting and style of mineralisation.	The geology and mineralisation is described in the body of the release				
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	Refer to Appendix 2 in the release for the a summary of the assay results for the historic drilling No drill data is excluded from Appendix 2				
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	 Only weighted intervals are included in the text. Manganese intervals have been reported at 5% Mn cut off allowing 2 m of dilution. The weighted interval calculation was only applied to the drill holes that encountered Mn mineralisation No metal equivalent values are used. 				
Relationship between mineralisation widths and intercept lengths	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	Unless otherwise stated down hole widths are reported and noted in proximity to the result in the text of the release. The drill results indicate flat lying to shallow dipping mineralisation but further drilling is required to resolve structural complexities such a folding				
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	These have been included in the body of the release where relevant and material to the reader's understanding of the results in regard to the context in which they have been reported.				
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	 Information considered material to the reader's understanding of the Exploration Results has been reported. In the body of the text significant results have selectively reported to provide the reader with the potential tenor and widths of the mineralisation Appendix 2 within the body of the release reports all of the drill hole results including those that failed to encounter significant mineralisation Maps have been provided in the release to show the locations of the drill holes within the project 				
Other substantive	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical	All information considered material to the reader's understanding and context of the historic Exploration Results has been reported.				

Criteria	JORC Code explanation	Commentary
exploration data	survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	 The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	Planned worked programs to verify the mineralisation are presented in the body of this report

APPENDIX 2- Previous RC drill results from Panther tenements

		Drill hole Collar Information					Interval					
Hole ID	Prospect	East	North	D.	Depth (m)	Dip	Azimuth	From (m)	To (m)	Width (m)	Mn (%)	Fe (%)
		(GDA94)	(GDA94)	RL								
WD001		256220.49	7460661.9	483.39	60	-90	360	No significant result				
WD002	Hurricane	256543.83	7463125.5	485.15	36	-90	360	6	10	4	23.5	7.4
WD003	Hurricane	256541.1	7463083.4	484.02	42	-60	10	3	13	10	21.2	7.3
WD004	Hurricane	256543.59	7462960.4	482.41	60	-60	350	No significant result				
WD005	Hurricane	256534.95	7463018.6	483.83	60	-60	170	3	15	12	16.4	9.5
WD006	Hurricane	256469.49	7462928.9	482.49	36	-45	90	No significant result				
WD007	Hurricane	256512.96	7462923.9	482.27	36	-45	270	20	23	3	11.9	3.5
WD008	Hurricane	256493.99	7462925.7	482.45	18	-90	360	0	1	1	14.7	13.6
WD009	Hurricane	256542.49	7462987.9	483.42	30	-90	360	0	1	1	7.8	8
WD010	Hurricane	256537.05	7463111.7	485.82	30	-90	360	7	9	2	25.9	5.4
WD011	Zephyr	258640.17	7464249.6	508.45	36	-60	195	7	8	1	17.2	0.94
WD012	Zephyr	258663.77	7464229.6	506.76	36	-60	265	7	13	6	18.3	6.4
WD013	Zephyr	258630.21	7464224.4	505.39	30	-60	15	No significant result				
WD014	Zephyr	258637.69	7464219.3	505.33	30	-60	85	0	1	1	9.2	5.8
WD015		257237.29	7462346.8	485.69	120	-90	360	62	64	2	9.3	24.7
WD016	Hurricane	256536.5	7463055.4	483.95	24	-90	360	6	7	1	11.7	2.9