



BLACK CANYON

ASX Announcement



21 July 2023

ASX:BCA

Black Canyon to raise \$1.95 million to continue Exploration and HPMSM Studies

HIGHLIGHTS

- **Oversubscribed Placement to raise \$1.95 million.**
- **Continued strong support from institutional and sophisticated investors.**
- **Directors applied for \$170,000 in the Placement.**
- **Proceeds to fund exploration across the Company's Balfour Manganese Field portfolio and progress High Purity Manganese Sulphate (HPMSM) hydrometallurgical testwork used in the cathodes of electric vehicle Li-ion batteries and supporting scoping study activities.**

Black Canyon Limited (ASX: **BCA**) (the **Company**) is pleased to announce that it received firm commitments to raise \$1.95 million (before costs) through a Two Tranche placement of approximately 13.9 million new shares (**New Shares**) at \$0.14 per Share (**Issue Price** for the **Placement**).

The Placement was strongly supported by existing sophisticated investors with a cornerstoned investment by Australian Resource Investment Funds. The New Shares to be issued under the Placement will rank equally with existing shares in the Company.

Black Canyon's Executive Director, Brendan Cummins, said *"The commitment from our existing shareholders has been demonstrated and appreciated with this well supported placement. The Company has shown a strong exploration, discovery and Mineral Resource definition track record and has further advanced the application of hydrometallurgy to manganese oxide ores to produce HPMSM. These new funds will be used to continue exploration across the Balfour Manganese Field, for potential resource development activities and to further the development of a HPMSM flowsheet design. In parallel we will continue baseline environmental studies, permits and approval processes and associated feasibility activities at Flanagan Bore."*

"We welcome the continued support of our shareholders via this recent placement. With drilling underway we look forward to updating the market as results are received from the exploration and HPMSM work programs."

ASX Code: BCA

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Use of Funds

Funds raised from the Placement will be used to advance further exploration and resources development activities across several high priority targets from the prospective Balfour Manganese Field and across the Company's portfolio of tenements. The funds will also be applied to HPMSM development testwork and additional working capital.

Details of Placement

The Placement of fully paid ordinary New Shares will be issued to institutional and sophisticated investors to raise a total of A\$1.95 million over two tranches.

Participants in the Placement will receive one (1) unlisted attaching option for every two (2) shares allocated in the Offer, with a strike price of \$0.28 per option and a 2-year term (**Attaching Options**). The Placement comprised an offer of 13,928,571 Shares at an Issue Price of \$0.14 per Share with 6,964,286 Attaching Options. The Issue Price represents 19.1% discount to the 5-day VWAP and a 21.1% discount to the 15-day VWAP before the trading halt on 19 June 2023.

The Placement will occur in two tranches.

- Tranche one will consist of 7,791,586 Shares and 3,895,793 Attaching Options of which 6,515,798 will be issued under the Company's placement capacity under ASX Listing Rule 7.1 and 5,171,580 will be issued under the Company's placement capacity under ASX Listing Rule 7.1A.
- Tranche two will consist of 6,136,985 Shares and 3,068,492 Attaching Options of which 1,214,285 shares and 607,142 Attaching Options will be issued to Directors with the balance to be issued to institutional and sophisticated investors, both of which are subject to Shareholder approval to be sought at a Black Canyon General Meeting, the details of which will be circulated to shareholders in due course.

Taylor Collison Limited acted as Lead Manager to the Placement¹.

This announcement is authorised by the board of Directors.

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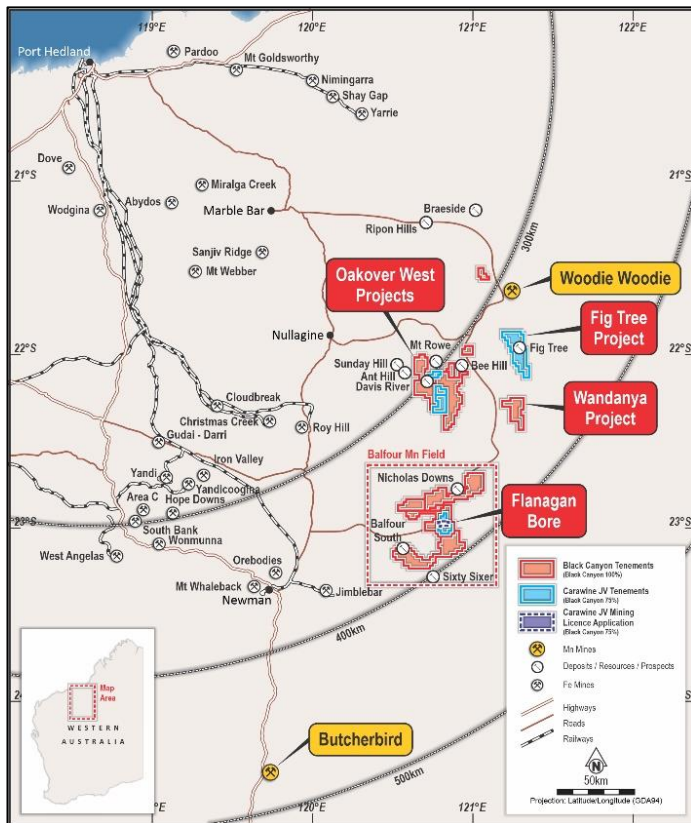
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Note

1. The Lead Manager to the Placement will receive a 3% management fee and a 3% selling fee on the total gross proceeds raised under the Placement and 750,000 options with the same terms and conditions as the Attaching Options.

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. A Mineral Resource (Measured and Indicated) of 171Mt @ 10.3% Mn has been defined at Flanagan Bore which is part of the Carawine JV³. In total the projects cover approximately 2,400km² 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 alloys for the steel industry 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 November 2022, 5 December 2022, 28 December 2022, 14 February 2023, 27 March 2023, June 1 2023, June 14 2023 and June 17 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.

Note 3 ASX release 24/11/2022 Mineral Resource increases by 64% at Flanagan Bore.