



BLACK CANYON

QUARTERLY REPORT



31 October 2023

ASX:BCA

September Quarter Activities Report

BALFOUR MANGANESE FIELD PROJECTS (BCA 100%)

- The Company advanced a flowsheet design to produce High Purity Manganese Sulphate Monohydrate suitable for the manufacture of cathode precursor used in lithium-ion batteries.
- Acid leach tests have yielded excellent results with up to 99% extraction rates from samples gathered from KR1, Balfour East, Pickering and Damsite prospects.¹
- A ~7000m reverse circulation (RC) drilling program has been successfully completed across 6 key targets within the Balfour Manganese Field.² Assay results confirm thick manganese enriched shale mineralisation at KR1 target, significant intersections include:^{3 & 4}
 - KRR004 **16m @ 15.1% Mn** from 3m
 - KRRC025 **15m @ 18.6% Mn** from 2m, including:
7m @ 26% Mn from 10m
 - KRRC027 **23m @ 12.2% Mn** from 11m, including:
4m @ 18.4% Mn from 12m
- Results from the Balfour East Target demonstrate thick manganese enriched shale mineralisation from first pass reconnaissance drilling, significant intersections include:⁵
 - BSRC032 **33m @ 13.5% Mn** from 2m, including:
17m @ 15.6% Mn from 2m
 - BSRC033 **32m @ 11.3% Mn** from surface, including:
7m @ 14.6% Mn from 6m

WANDANYA PROJECT (BCA 100%)

- Reconnaissance sampling over the Wandanya (E46/1407) tenement delivered high-grade surface rock chip assay results⁶ with two samples taken 100m apart returned 52.9% and 54.3% Mn from an outcrop that is approximately 300m long and 150m wide at the W2 prospect.

CORPORATE

- The Company completed a \$1.95million Placement to Institutional and Sophisticated investors.⁷

¹ ASX Announcement 5 September 2023 – Advancing Battery Grade HPMSM Development

² ASX Announcement 14 August 2023 – RC Drilling confirms manganese mineralisation on new targets

³ ASX Announcement 23 August 2023 – Drill Results Confirm Manganese Discovery at KR1

⁴ ASX Announcement 12 September 2023 – Further Drill Results Confirm Significant Manganese Discovery at KR1

⁵ ASX Announcement 26 September 2023 – Thick Manganese Intersections Confirm Balfour East Discovery

⁶ ASX Announcement 5 July 2023 – High-grade Rock Chip Samples up to 54% Mn

⁷ ASX Announcement 21 July 2023 – BCA Raises Funds to continue exploration and HPMSM testwork

ASX Code: **BCA**

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Australian manganese explorer, Black Canyon Limited (**Black Canyon** or the **Company**) (ASX:BCA), is pleased to present its quarterly activities report for the three months to 30 September 2023.

ACTIVITIES REPORT

Black Canyon is focused on manganese exploration and development in WA's Pilbara region. The Company has a portfolio of tenements that are prospective for manganese mineralisation such as "Woodie-Woodie" hydrothermal (high-grade Mn) and "Supergene Balfour" style manganese deposits (medium-grade Mn/Fe).

The Company holds a number of 100% owned tenements totalling 1,955km² focussing on the prospective Balfour Manganese Field where recent drilling has delivered a number of discoveries confirming the strategy, scale and mineralisation potential of the province.

Black Canyon has also earned 75% in the Carawine JV Project tenements covering approximately 457km² of tenure located south and west of the operating Woodie-Woodie manganese mine. The Flanagan Bore Manganese Project is part of the Carawine JV in joint venture with Carawine Resources Ltd (ASX:CWX) with both parties contributing to JV expenditure according to their interests. **A Mineral Resource (Measured and Indicated) of 171Mt @ 10.3% Mn** has been outlined at Flanagan Bore.⁸

The land holdings controlled by Black Canyon total over 2,400km², providing a large footprint in a proven and productive manganese belt. Project locations are presented in Figure 1.

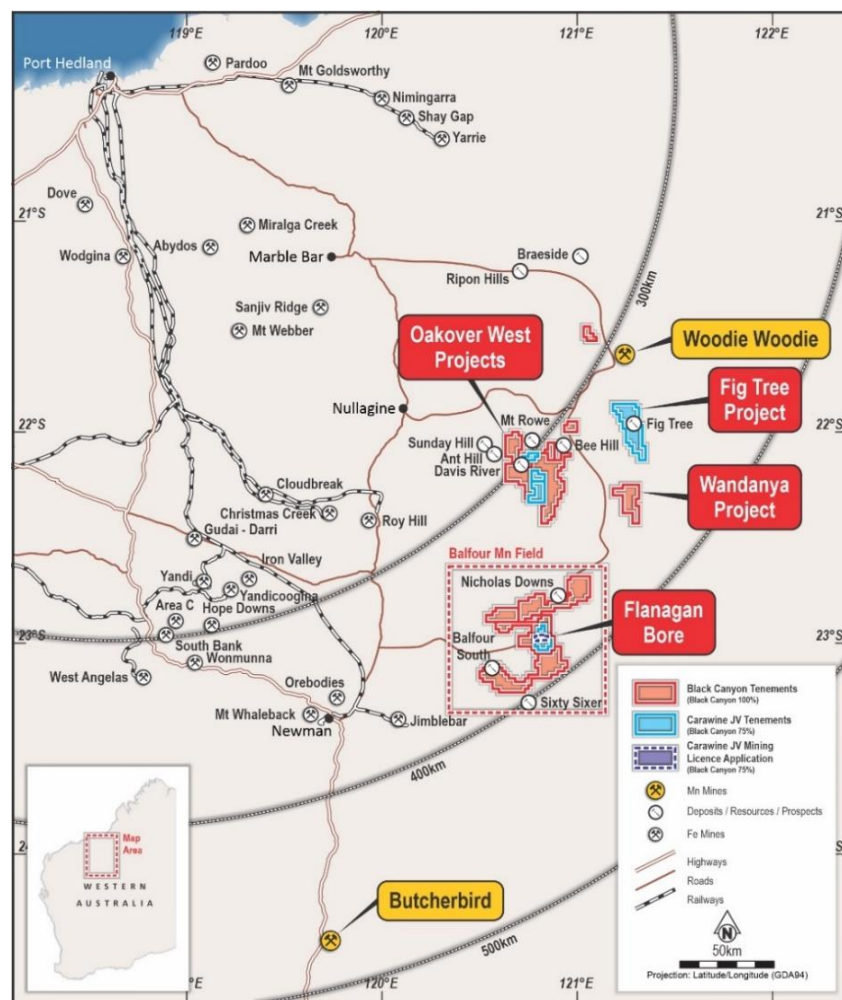


Figure 1: Location of BCA's Manganese Project in the Pilbara Region of WA

⁸ See ASX announcement - 24 November 2022 - Mineral Resources increase by 64% at Flanagan Bore

BALFOUR MANGANESE FIELD PROJECT (BCA 100%)

HIGH PURITY MANGANESE SULPHATE MONOHYDRATE (HPMSM)

Black Canyon has continued to advance its expanded variability studies to ascertain the amenability of various manganese ore sources to simple beneficiation, leaching and ultimately producing battery grade HPMSM. As part of the expanded variability study, the Company completed the following:

1. Reviewed several manganese oxide targets from across the Company's 100% owned tenement portfolio within the Balfour Manganese Field.
2. Collected 20kg to 30kg of manganese oxide material from shallow trenches across several priority sites.
3. The samples have been subject to initial crushing and assay to determine the in situ grade of the oxide samples (Table 1 and Figure 2).
4. A subset of samples was selected for beneficiation to further improve the manganese grade of the potential feedstock material.
5. Completed simple beneficiation comprising scrubbing and washing to ascertain the upgrading performance of the samples (Table 1).

Table 1 – Oxide manganese targets showing in situ manganese grade and beneficiated manganese grade.

Target	Status	East GDA94	North GDA94	In situ Mn Grade (%)	Scrubbed/washed Manganese Upgrade			
					Size fraction	Mn grade (%)	Mn % Recovery	Mn Upgrade (%)
Pickering	RC drilled	255735	7467834	14.8	-38+1.18mm	20.1	61.3	35.5
Damsite	RC drilled	252428	7471312	20.2	-38+1.18mm	31.1	82.6	53.8
Balfour East	RC drilled	257186	7435086	21	-38+1.18mm	31.4	91.8	49.4
Hurricane		256541	7462987	28.5	-38+1.18mm	33.8	62.2	18.7
KR1	RC drilled	276813	7475563	25	-38+1.18mm	36.6	85.4	46.3
West Valley		267685	7533453	6.97	Not selected for further processing			
Mt Divide		269337	7534692	12	Not selected for further processing			

The Company is seeking to develop a low CAPEX, low impact mining facility that could be permitted and approved relatively quickly. This would potentially reduce the timeframes for Black Canyon to supply manganese oxide feedstock to a downstream HPMSM facility. As part of this strategy a number of the targets detailed in Table 1 were RC drilled and have yielded significant zones of mineralisation that the Company is progressing through Mineral Resource Estimation. Through mining and simple beneficiation these targets may supply a HPMSM feedstock for hydrometallurgical processing.

Environmental surveys have commenced at KR1 and KR2 to gather initial baseline data so more detailed Autumn surveys can be planned and scheduled.

The expanded HPMSM strategy is in addition to the ongoing Flanagan Bore activities where the Company has established a Mineral Resource Estimate of 171 Mt @ 10.3% Mn.⁸ Flanagan Bore is part of the Carawine JV where Black Canyon has a 75% interest.

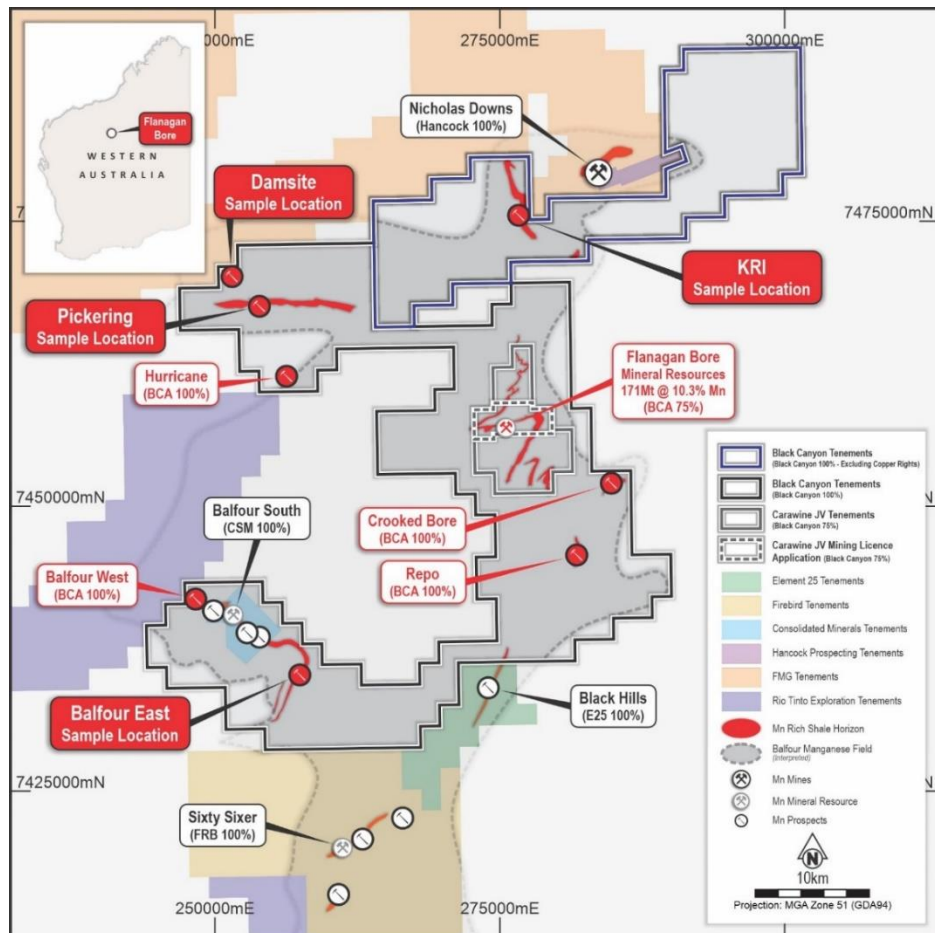


Figure 2 – Manganese Oxide hydrometallurgical sample location and drill targets identified for the HPMSM variability studies which include KR1, Pickering, Hurricane and Balfour East.

Following a review of the chemical analysis from the beneficiated samples, four samples were selected for detailed acid leaching testwork. Acid leach tests yielded excellent results with up to 99% extraction rates from samples gathered from KR1, Balfour East, Pickering and Damsite prospects.

The Company split 1kg subsamples and ground the material to 212 µm before applying a reductive acid leach (SO₂), which achieved between 86.0 and 99.2% manganese recovery to the pregnant liquor solution (PLS). The leach tests were maintained at 90°C once the initial exothermic reaction was completed. The results of the leach recoveries are presented in Table 2.

Following the successful leaching phase, the data has been reviewed and sample KR1 was selected for multistage precipitation/purification which will be followed by chemical extraction to concentrate the manganese in solution prior to crystallisation.

Table 2 – Manganese leach recoveries from simple beneficiated ore

Target	Mn Head Assay	Mn Leach Recovery
	(%)	(%)
Balfour East	30.7	99.2
Hurricane	34.7	98.8
KR1	36.1	97.0
Dam Site	31.3	86.0

REVERSE CIRCULATION (RC) DRILL PROGRAM

A total of 220 holes for 6,927m of drilling were drilled across 6 target areas during the quarter. The program was designed to drill test multiple targets across Black Canyon's 100% owned tenements within the Balfour Manganese Field for potential HPMSM feedstock and manganese concentrate sources used in the steel industry. In summary the following prospects were evaluated as part of this RC drill program:

1. KR1 - a previously undrilled 2,500m section of outcropping supergene mineralisation was drill tested using E-W oriented lines, 200m apart with drill holes spaced at 100m or 200m centres. Widespread manganese mineralisation was encountered along the 2500m of strike with stronger zones of manganese enrichment encountered along a 1500m section. The mineralised zone was between 200 and 500m wide extending 15 to 30m downhole. Satellite imagery and check mapping has confirmed additional manganese enrichment continues for a further 3km to the north and may persist under thin cover to the south.
2. KR2 - a previously undrilled 900m section of outcropping supergene mineralisation was drill tested using E-W oriented lines, 200m apart with drill holes spaced at 200m centres. Manganese mineralisation was encountered along 700m of strike and open to the northwest and southeast. The manganiferous zone was between 200 and 350m wide extending 10 to 25m downhole.
3. Balfour West target - a previously undrilled 1,500m long horizon was interpreted to extend from outcropping manganese enriched shales located to the east and off lease onto Black Canyons tenement. The target was tested with three N-S oriented drill lines spaced 400m apart, but no obvious manganese enriched shale was intersected. To the north and down dip of the outcropping manganese enriched shale surface mineralisation up to 5m thick was intersected over 600m of strike.
4. Balfour East - several wide spaced stratigraphic drill lines are drilled across sub cropping and interpreted manganese enriched shale horizons. The sub cropping target encountered mineralisation over 600m of strike and up to 250m wide extending 10 to 30m downhole. With limited drilling to date the mineralised corridor appears closed to the east but open in all other directions.
5. Damsite - a previously undrilled 600m section of outcropping supergene mineralisation was drill tested using E-W oriented lines, 200m apart with drill holes spaced at 100m centres. Mineralisation was drilled over 500m of strike and up to 200m wide and extended 15 to 20m downhole. The mineralisation appears to go under cover and trend to the northwest off the tenement.
6. Pickering - a previously undrilled 2000m section of sub cropping manganese enriched calcareous shales was drill tested using three N-S oriented lines spaced between 400 and 800m apart with drill holes located at 100m centres. Mineralisation was drilled over 2000m of strike and between 400 and 500m wide and extended 10 to 20m downhole. Significantly Pickering is open to the east and west with sub cropping manganese enriched calcareous shales mapped 4km and 4.5km to the east and west respectively.

KR1 Discovery Drill Results

During the reporting period, the Company received two batches of assay results for the KR1 target area, confirming a significant manganese discovery. Results demonstrate thick manganese enriched shale mineralisation and continue to show scale at KR1, with the following significant intersections:

- KRRC024 **3m @ 19.2% Mn** from surface
- KRRC025 **15m @ 18.6% Mn** from 2m, including:
 7m @ 26% Mn from 10m
- KRRC027 **23m @ 12.2% Mn** from 11m, including:

- KRRC031 **4m @ 18.4% Mn** from 12m
- KRRC031 **10m @ 15.2% Mn** from 15m, including:
 4m @ 18% Mn from 15m
- KRRC045 **20m @ 11.4% Mn** from 9m
- KRRC046 **22m @ 12.2% Mn** from 1m, including:
 3m @ 18% Mn from 1m

Drill assays confirm the KR1 manganese discovery has a cross strike width of between 200 to 500m and a strike extent of at least 600m and open to the north for a further 1,600m. Overall geology, grade, and thickness are similar to Flanagan Bore mineralisation where **171Mt @ 10.3% Mn** of Mineral Resource has been discovered at the FB3 and LR1 deposits.

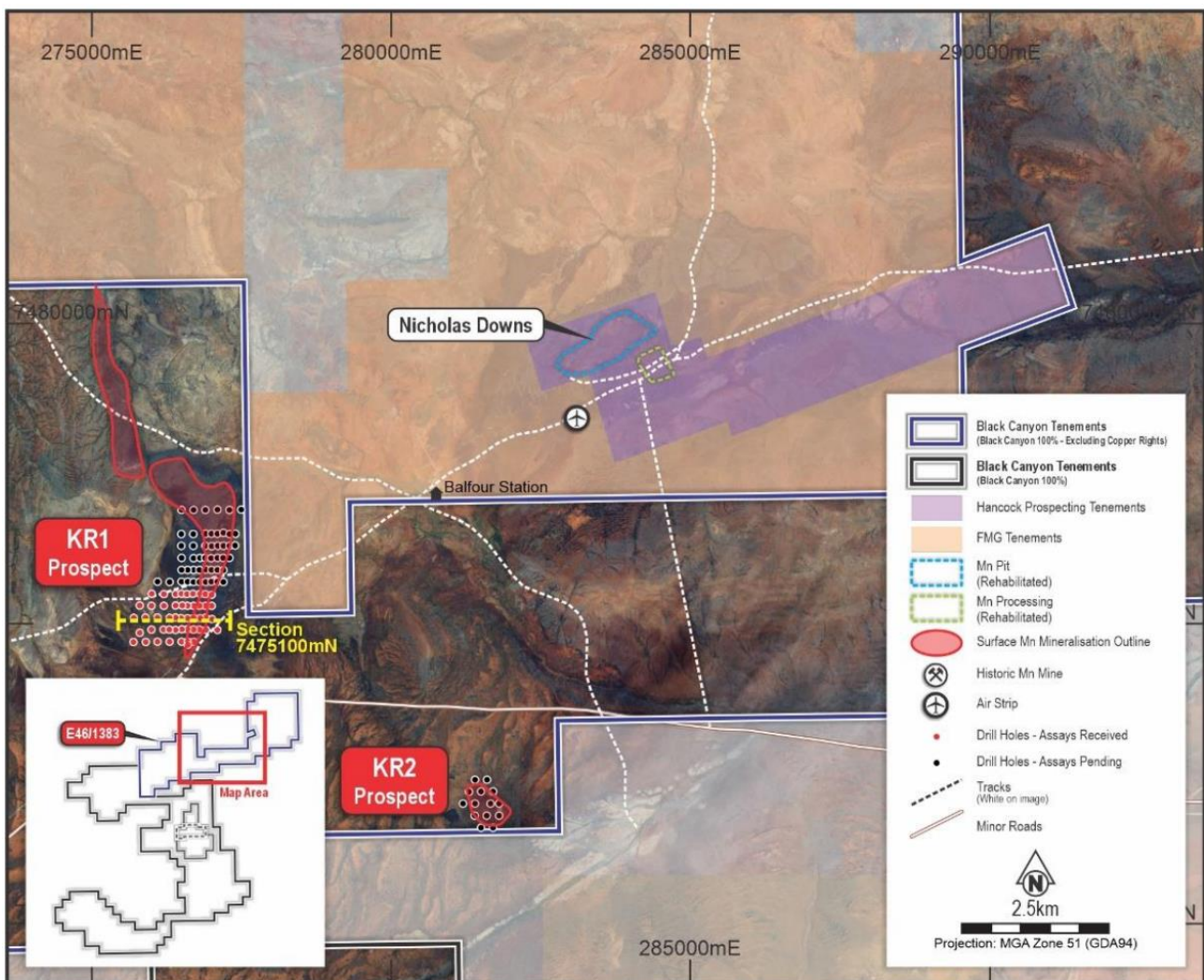


Figure 3 – Location map of the KR1, KR2 and the historic Nicholas Downs Manganese Mine.

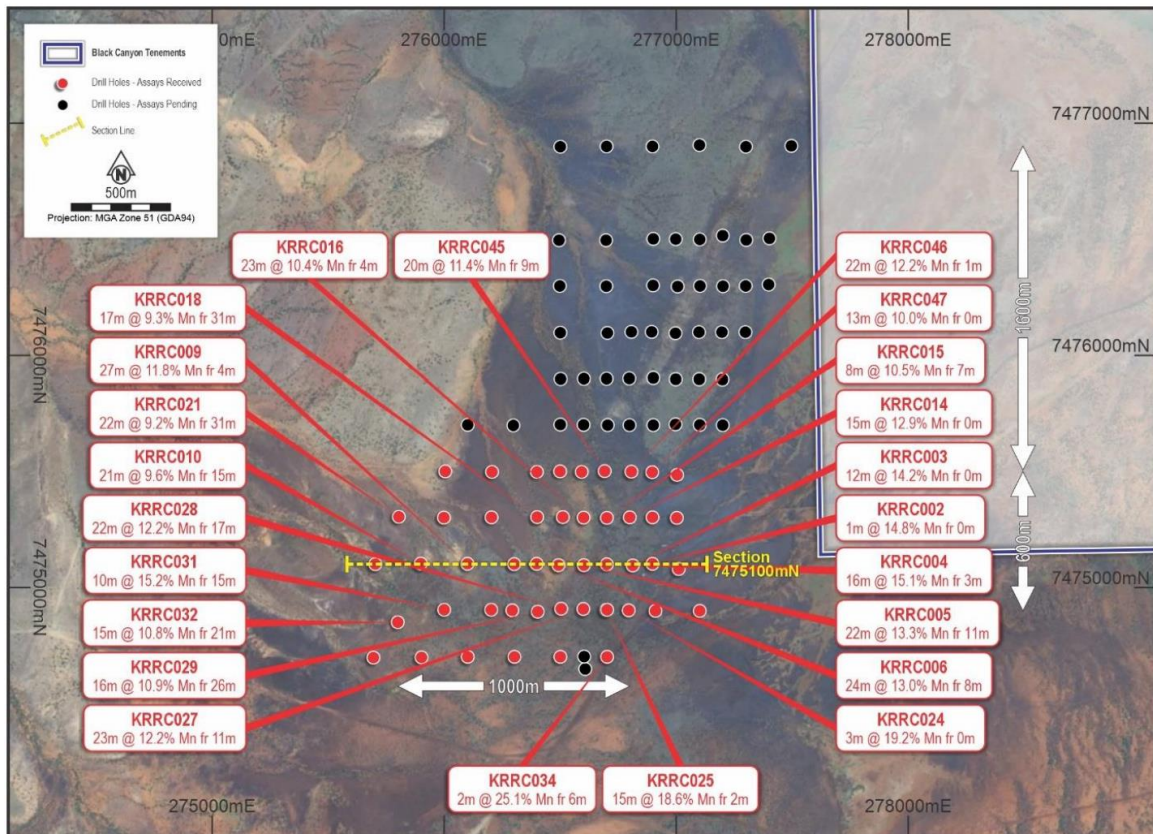


Figure 4 – Drill plan, cross-section location and significant results received from KR1 during the quarter.

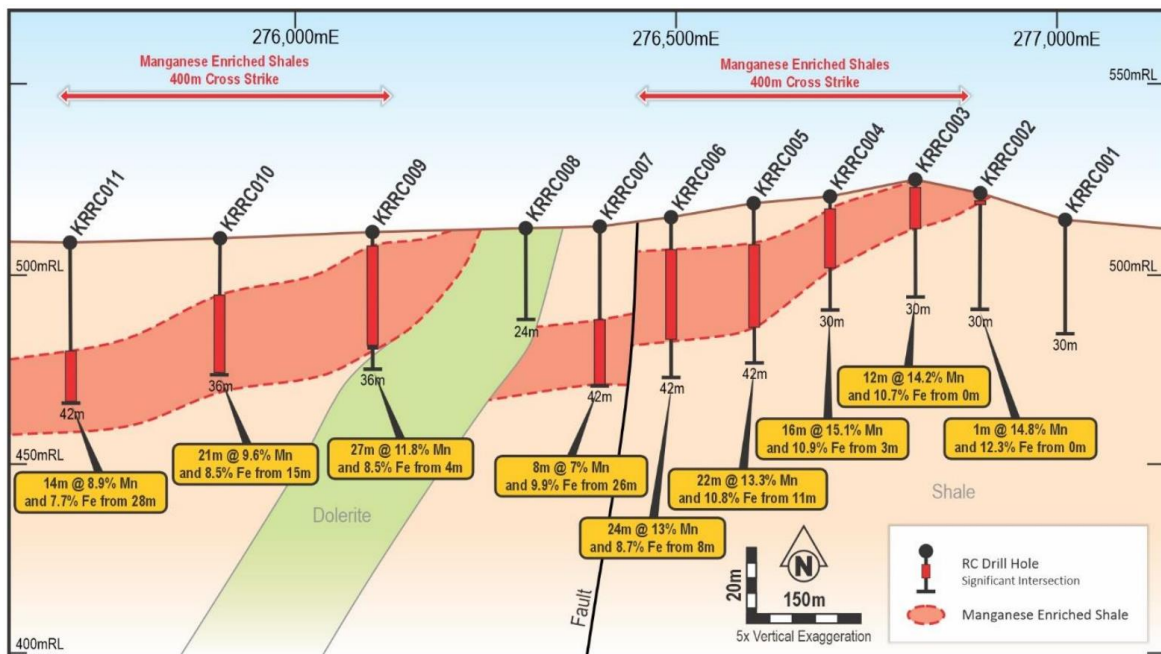


Figure 5 – KR1 cross-section 7,475,100mN (looking to the north) with manganese enriched shale and drill intersections.

Balfour East Discovery Drill Results

During the reporting period the Company received results from drilling completed at the Balfour East Discovery. Results demonstrate thick manganese enriched shale mineralisation from first pass reconnaissance drilling, with the following significant intersections:

- BSRC032 **33m @ 13.5% Mn** from 2m, including:
17m @ 15.6% Mn from 2m
- BSRC033 **32m @ 11.3% Mn** from surface, including:
7m @ 14.6% Mn from 6m
- BSRC034 **37m @ 11.5% Mn** from 5m until end of hole
- BSRC039 **45m @ 9.9% Mn** from 1m
- BSRC044 **41m @ 11.9% Mn** from 7m, including:
7m @ 15.3% Mn from 12m

The most significant drill results were received from a previously undrilled 300m long, 125m wide section of outcropping manganese mineralisation. The reconnaissance program was drilled along the interpreted long axis of the trend of the mineralisation using 100m or 200m centres. Single holes were drilled stepping out 200m to the northwest and southeast to help determine width. The drill program was successful in extending the mineralisation from 300m long in outcrop to 600m based on limited drilling completed to date. At this stage the geometry of the mineralisation is not fully understood but a northeast strike is presumed where the main zone of mineralisation appears to trend to the southwest to hole BSRC039, which is located 650m away. The mineralisation appears to be open in all directions except to the southeast where only one hole has been drilled.

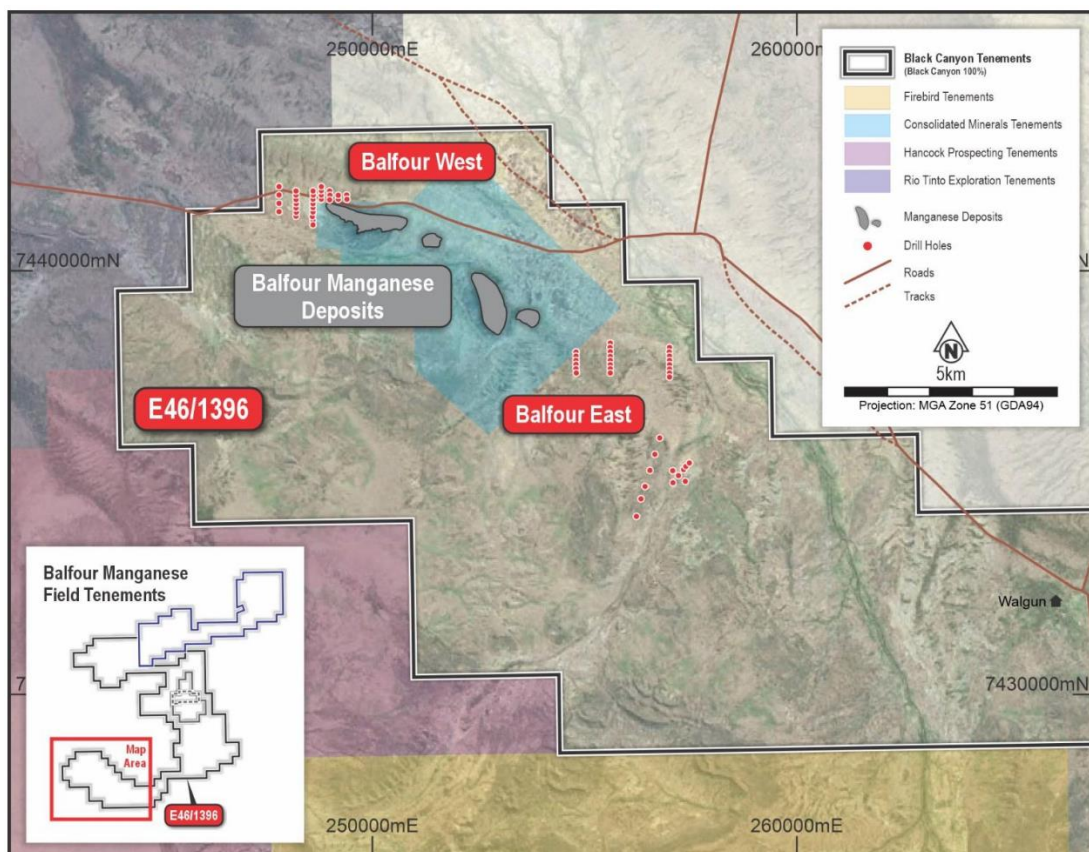


Figure 6 – Location map of the Balfour West and Balfour East drill hole locations and Balfour Mn Deposits owned by Consolidated Minerals.

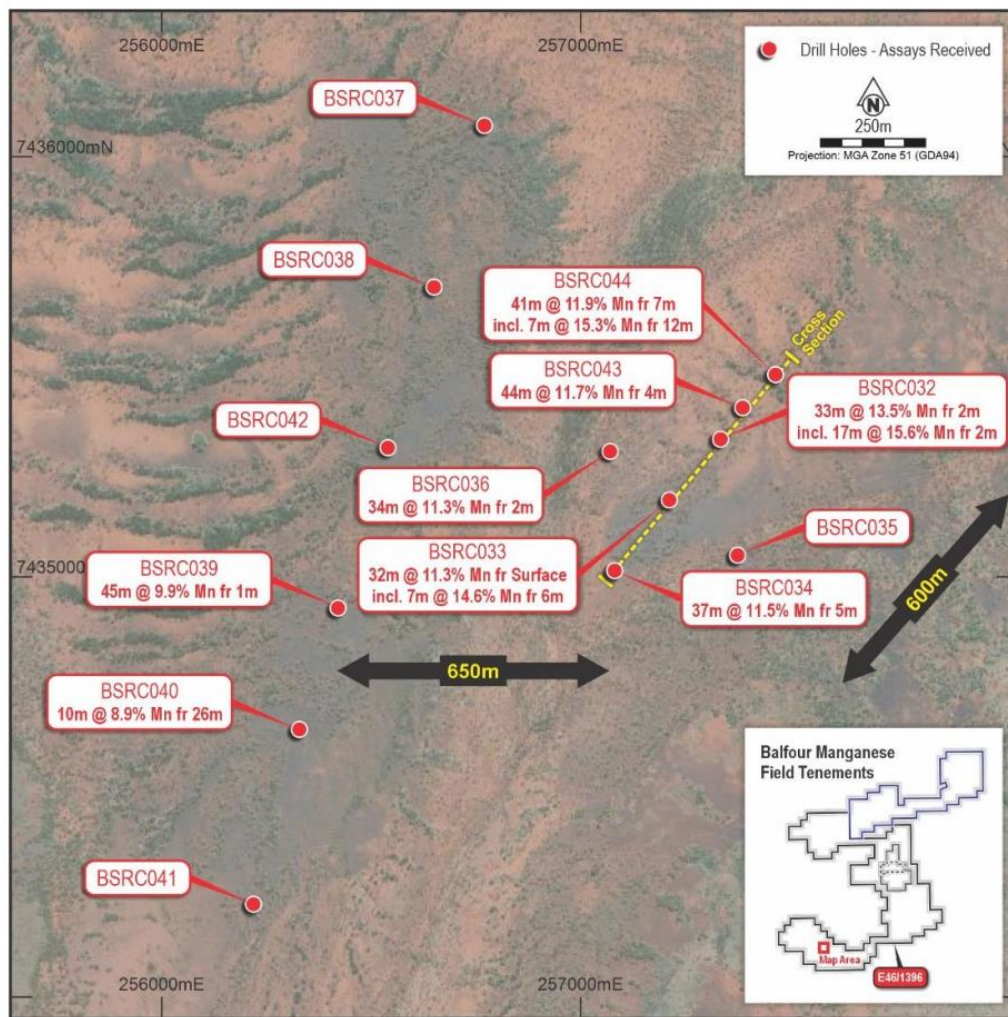


Figure 7 – Drill plan, cross-section location and significant results received from reconnaissance drilling at Balfour East.

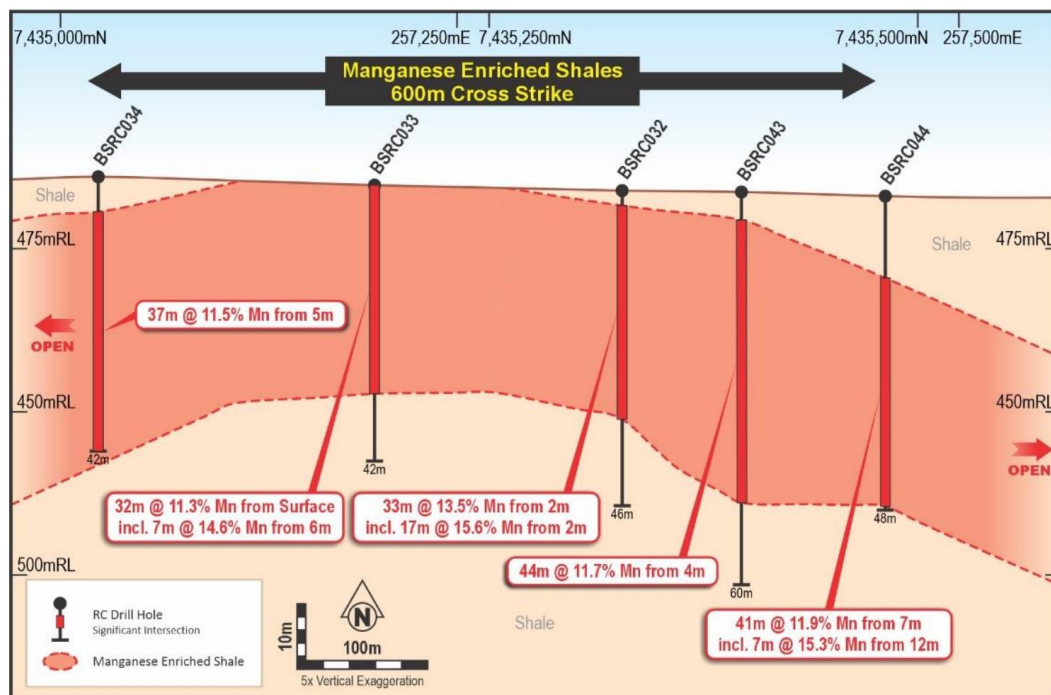


Figure 8 – Balfour East oblique cross-section (looking to the northwest) with manganese enriched shale and drill intersections.

WANDANYA PROJECT (BCA 100%)

HIGH-GRADE MANGANESE ROCK CHIP SAMPLES

During the reporting period, the Company identified high-grade manganese mineralisation from reconnaissance mapping and rock chip sampling. The sampling program was part of the initial assessment of the tenement to determine geological setting and mineralisation potential. The Wandanya tenement is located on the eastern boundary of the Oakover Basin and approximately 80km south of the Woodie Woodie manganese mine.

Two samples taken 100m apart (across strike) returned 52.9% and 54.3% Mn from an outcrop that is approximately 300m long and 150m wide at the W2 prospect. Other samples targeting manganese across the tenement ranged between 12.2% and 33.5% Mn. No previous surface sampling or historic drilling has been completed over the outcropping mineralisation.

Table 3: Rock chip samples from E46/1407 – Wandanya

Sample ID	East GDA94	North GDA94	Tenement	Prospect	Mn %	Fe %	Al %	Si %	Description
W003	322704	7523872	E46/1407	W2	52.9	2.2	0.8	2.7	High-grade manganese iron breccia
W004	322610	7523855	E46/1407	W2	54.3	1.4	1.5	1.4	High-grade manganese iron breccia
W005	317082	7533146	E46/1407	W3	33.6	4.7	3.8	10.6	Manganese-iron oxide
W006	316697	7533864	E46/1407	W4	33.3	3.3	3.8	11.1	Manganese-iron oxide
W007	314469	7535547	E46/1407	W5	12.8	11.1	4.5	22.2	Manganese-iron oxide
W008	313837	7535740	E46/1407	W6	12.2	4.5	0.9	32.9	Manganese-iron oxide
W009	313805	7535745	E46/1407	W6	19.1	3.2	1.2	27.7	Manganese-iron oxide
W010	313805	7535745	E46/1407	W6	17.3	3.8	0.5	30.3	Manganese-iron oxide

Further detailed mineralisation mapping was completed during the quarter at the W2 prospect tracing the mineralisation for a further 1.5km along strike. Detailed mapping of the mineralisation identified insitu high grade, shallow dipping bedded mineralisation that has subsequently eroded and recemented to form a high-grade residual lag and wider areas of locally transported sheetwash. The area is structurally complex with multiple NE and NW-trending cross cutting faults dislocating the main mineralised horizon. Several surface rock chip samples have been taken across the mineralisation to confirm the tenor of the mineralisation with assays pending review.

An IP survey was completed during the quarter across the W2 target that generated a number of chargeable anomalies both below the main outcropping zone of mineralisation and down dip to the east. A phase of data integration will be conducted to determine the significance of the IP survey prior to planning follow-up programs.

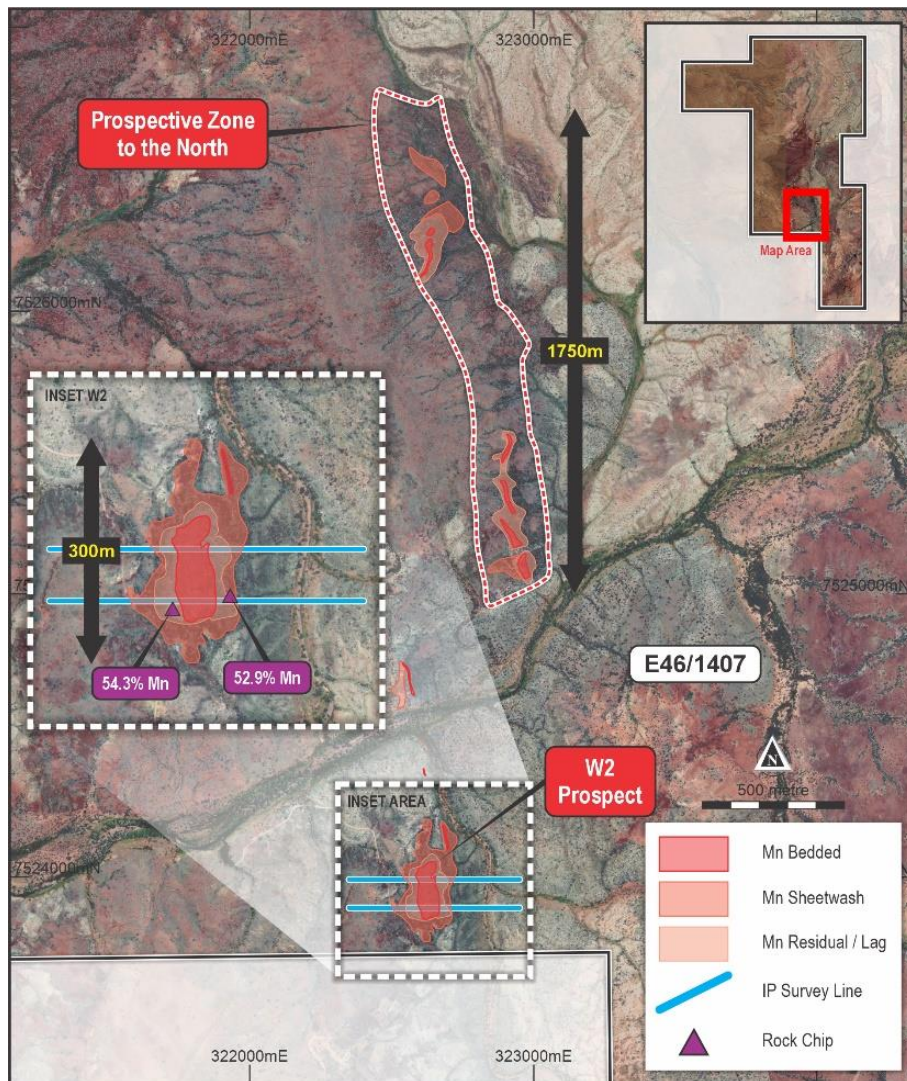


Figure 9: W2 prospect, Wandanya Project (E46/1407) showing high-grade manganese results and prospective zone to the north.



Figure 10: W2 prospect, Wandanya Project (E46/1407) showing high-grade manganese outcrop

CARAWINE JV ACTIVITIES (BCA 75%)

FIG TREE GAIP SURVEY

During August a second phase IP survey was completed that continued from the initial 2022 IP survey across portions of the Fig Tree tenement (E46/1116), which is located about 30km south of the operating Woodie Woodie manganese mine. The survey was designed to target potentially buried zones of hydrothermal style manganese mineralisation in a similar structural and stratigraphic position to mineralisation mined at Woodie Woodie. The mine is located within 2km to 5km from the basement contact to the east and are controlled by a complex array of NE and NW faults. At Fig Tree a target zone was generated up to 2km from the basement contact and a gradient array IP (GAIP) survey was completed.

A number of discrete and stratigraphic chargeable anomalies have been detected from the GAIP survey and additional GAIP surveys are planned along strike to the northwest to complete the target zone evaluation prior to anomaly modelling and potentially RC drilling.

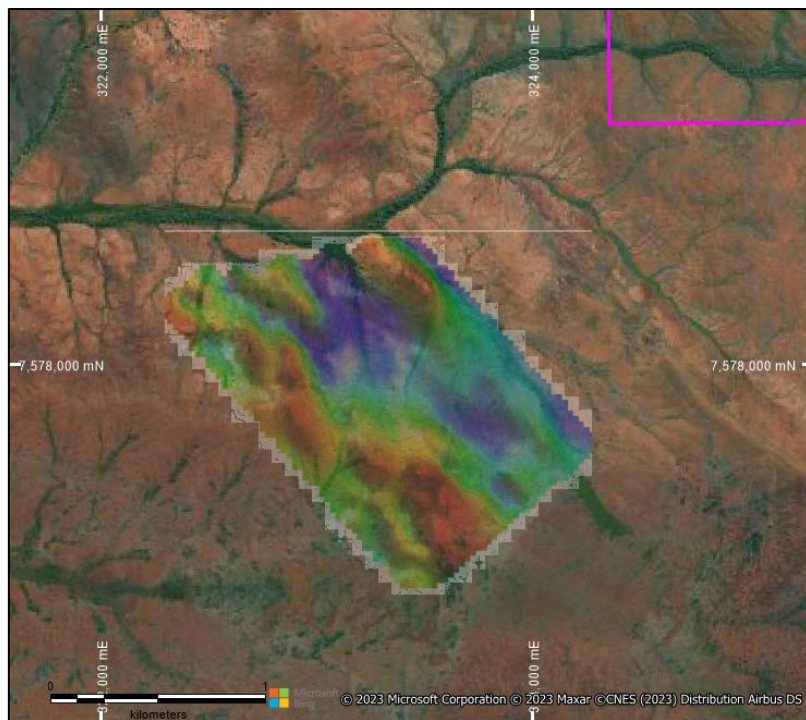


Figure 11: Fig Tree (E46/1116) showing chargeable GAIP anomalies over a satellite image.

FLANAGAN BORE ENVIRONMENTAL SURVEYS

At Flanagan Bore (E46/1301) Spring flora and vegetation surveys were completed during the quarter across the potential operation disturbance envelope. Preliminary reports indicate a number of lower and higher priority species were observed within some parts of the proposed Disturbance Envelope, but no Threatened Flora were recorded. This represents the second flora and vegetation site survey completed at Flanagan Bore, following up from the Autumn survey.

Draft reports have been received from Autumn terrestrial and subterranean fauna surveys completed across the Disturbance Envelope, broader tenement area of E46/1301 and beyond the tenement boundary. Several short-range endemic species, priority species and one threatened fauna species were recorded within the broader tenement and beyond the tenement boundary. No priority or threatened fauna species were identified over the deposit areas or the immediate surrounds. Baseline data gathering will continue, in parallel with an assessment of project impacts to the identified species, if any.

Drill site rehabilitation commenced at Flanagan Bore across the drill pads completed at FB1, FB2, FB3, FB5, LR1 and selected hydrology bores with further activities planned in the coming quarter.

SHAGPOOL AND SADDLEBACK LIDAR SURVEYS

During the quarter a detailed LIDAR survey was completed across the Shagpool (E46/1119) and Saddleback (E46/1069) tenements. The data will be integrated with existing geophysical datasets and historic mapping in readiness for more detailed prospect mapping in the coming field season.

CARAWINE JV STATUS

Black Canyon has earned 75% in the Carawine JV Project tenements and is subject to a joint venture agreement with Carawine Resources Ltd (ASX:CWX) with both parties contributing to JV expenditure according to their interests. The Carawine JV parties are yet to formally approve a work program and budget for further activities, with disagreement in relation to the inclusion HPMSM testwork. To date this matter has not been resolved with Black Canyon of the view that downstream processing activities utilising manganese concentrates, beyond “mine gate” are not part of the JV. Discussions between the parties are ongoing and the JV is currently operating under a minimum tenement expenditure basis to ensure the tenements are maintained in good standing.

CORPORATE

CASH

The Company's consolidated cash at hand was \$1.87 million as of 30 September 2023 with no debt.

PLACEMENT

The Company announced a Placement of fully paid ordinary New Shares to institutional and sophisticated investors to raise a total of A\$1.95 million (before costs) over two tranches.

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 with a strike price of \$0.28 per option and a 2-year term.

The Placement occurred in two tranches.

- Tranche one consisted of 7,791,586 Shares and 3,895,793 Attaching Options of which 6,515,798 were issued under the Company's placement capacity under ASX Listing Rule 7.1 and 5,171,580 issued under the Company's placement capacity under ASX Listing Rule 7.1A.
- Tranche two consisted of 6,136,985 Shares and 3,068,492 Attaching Options of which 1,214,285 shares and 607,142 Attaching Options were issued to Directors with the balance issued to institutional and sophisticated investors.

Taylor Collison Limited acted as Lead Manager to the Placement who receive a 3% management fee, 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.

SUMMARY OF EXPENDITURE

The majority of the expenditure was on Exploration and Evaluation \$1.052 million and Admin and Corporate costs totalling \$233k. This information is presented in the Quarterly Cashflow Report (Appendix 5b).

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:

26/09/2023	Balfour East Discovery confirms thick Manganese Intersections
12/09/2023	Significant Manganese Discovery at KR1 Confirmed
5/09/2023	Advancing Battery Grade HPMSM Development
23/08/2023	Drill Results Confirm Manganese Discovery at KR1
14/08/2023	RC drilling confirms manganese mineralisation on new targets
21/07/2023	BCA raises funds to continue exploration and HPMSM testwork
17/07/2023	RC drilling commences across Balfour Manganese Field Targets
5/07/2023	High-grade Rock Chip Samples up to 54% Mn

KEY ACTIVITIES PLANNED FOR THE December 2023 QUARTER

During the December 2023 quarter, the Company plans to:

- Receive assays from the Balfour Manganese Field RC drilling programs.
- Commence geological interpretations and modelling in preparation for potential Mineral Resources Estimates and Exploration Targets across the key prospects.
- Review regional exploration plans targeting hydrothermal and manganese enriched shales styles of mineralisation.
- Continue Scoping Study level hydrometallurgical testwork on manganese oxide ores to potentially generate battery grade HPMSM suitable for pCAM applications for the EV battery industry.
- Progress HPMSM variability testwork across the Balfour Manganese Field with a proposal to upscale hydrometallurgical studies to refine process development and produce larger samples.
- Complete reporting of Autumn flora and fauna field surveys for baseline environmental studies, implement follow-up surveys if required and continue baseline monitoring.
- Wandanya rock chip samples and IP survey results
- Continue market engagement for third parties interested in HPMSM and manganese concentrate products.

ASX ADDITIONAL INFORMATION

1. ASX Listing Rule 5.3.1– Mining exploration activities and investment activity expenditure during the quarter was \$1,052,000. 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

Project	Tenement	Beneficial Interest at start of quarter	Beneficial Interest at end of quarter
Carawine JV	E46/1116-I	75%	75%
	E46/1119-I	75%	75%
	E46/1301	75%	75%
	MLA46/546	75%	75%
	E46/1069-I	75%	75%
Davis Creek	EL46/1382	100%	100%
Pickering Creek	EL46/1404	100%	100%
Davis North	EL46/1406	100%	100%
Wandanya	EL46/1407	100%	100%
Warawagine	EL45/5954	100%	100%
Bee Hill West	EL46/1422	100%	100%

Balfour South	EL46/1396	100%	100%
Hurricane	EL46/1394	100%	100%
Billanooka	EL46/1488	100%	100%
KR	EL46/1383	100%	100%

Note EL – granted Exploration License.
 ELA – Exploration license in application.
 MLA – Mining License in application.

4. ASX Listing Rule 5.4.5 – Payments to related parties of the Company during the quarter and outlined in the Appendix 5B include \$89,000 for Salaries, Director Fees and Consulting Fees paid to Directors.

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

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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.

The information in this report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Black Canyon and Geological Services Manager for IHC Mining). Mr Jones is a Fellow of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance to the style of mineralisation and type of deposit under consideration, and to the activities undertaken to qualify as a Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

The information in this report that relates to metallurgical test work results is based on information reviewed by Mr David Pass, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pass is an employee of BatteryLimits and consultant to Black Canyon Limited. Mr Pass has sufficient experience relevant to the mineralogy and type of deposit under consideration and the typical beneficiation thereof to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). Mr Pass consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

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 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(1,052)	(1,052)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(233)	(233)
1.3	Dividends received (see note 3)		
1.4	Interest received	12	12
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	193	193
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(1,080)	(1,080)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(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 (3 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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,950	1,950
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	(131)	(131)
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	1,819	1,819

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,133	1,133
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,080)	(1,080)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,819	1,819

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,872	1,872

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	968	254
5.2	Call deposits	904	879
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)	1,872	1,133

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	98
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		
Fees include Salaries, Director Fees and Consulting Fees to Executive Director and Non-Executive Directors		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(1,080)
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)	(1,080)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,872
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,872
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.73
<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: No – the drill program and associated costs have now been completed		
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: During the quarter the Company raised sufficient funds to continue exploration activities		

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: Yes, the level of exploration is not anticipated to be as high as that in the previous quarter.

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.

31 October 2023

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.