



BLACK CANYON

ASX Announcement



4 January 2022

ASX:BCA

Drilling Completed at the Flanagan Bore Manganese Project

HIGHLIGHTS

- Initial drilling programs completed at the LR1, FB3/FB4 and FB1 targets with assays expected in February 2022
- The drill programs were successful in identifying significant thicknesses of near surface manganese mineralisation at the LR1 and FB3 prospects
- The drilling results from LR1 will be used to update and extend the current Inferred Mineral Resource Estimate which is currently 15Mt @ 11.3% Mn
- The program also discovered strong manganese mineralisation at FB3 that targeted outcropping manganese enriched-shales identified around a major fold structure
- Diamond drill core to be used for beneficiation metallurgical test work to feed into a Scoping Study in early 2022

Australian manganese explorer, Black Canyon Limited (the **Company** & ASX:BCA), is pleased to announce that drilling activities at Flanagan Bore located in the Pilbara region of Western Australia were completed prior to the Christmas break. The reverse circulation (RC) program has successfully intersected extensions to the LR1 mineral resource and discovered significant intervals of manganese mineralisation at FB3. The programs also provided diamond drill core (PQ size) that will now be utilised for metallurgical test work and will assist with the geo-metallurgical interpretation and mineralisation domaining for the resource estimation. Assays are pending and expected from early February.

Black Canyon's Executive Director, Brendan Cummins, said "With the timely completion of both the RC and diamond drill programs at Flanagan Bore, the Company has now collected critical drill data information to progress the geological and metallurgical characterisation of the manganese mineralisation, extend Mineral Resources at LR1 and, as anticipated, to estimate an additional Mineral Resource at FB3.

"This will enable the Company to progress key inputs for the Scoping Study with the delivery of PQ core to the laboratory for metallurgical test work. The drill program has confirmed the potential for Flanagan Bore to deliver a significant project and value add proposition for BCA shareholders and our JV partner - Carawine Resources."

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Located 120km north-east of Newman, Black Canyon's Flanagan Bore tenement is part of the Company's Carawine Project and is subject to a farm-in and joint venture agreement (the Agreement) with Carawine Resources Ltd (ASX:CWX) whereby Black Canyon can earn up to a 75% interest in the Carawine Project tenements.

Drill Program Summary

A total of 168 RC drill holes were completed for 5569 metres and 13 PQ diamond drill core holes were completed for 477 metres. A summary of the drilling completed at each prospect is provided below.

LR1 Mineral Resource Extension Targets

A 900m x 200m zone was previously drill tested and an Inferred Mineral Resource has been estimated comprising 15Mt @ 11.3% Mn¹. The RC drill program recently completed by Black Canyon at LR1 has extended the mineralisation to the south and east using 200m line spacing and 100m spaced holes. Diamond drilling was also completed at LR1 to provide samples for metallurgical testwork (Figure 1).

FB3/FB4 Prospects

Manganese mineralisation was encountered in all of the diamond drill holes extending along the fold axis for a strike length of 600m. The RC drilling program encountered widespread manganese mineralisation across both the FB3 and FB4 prospects covering an area 800 x 800m, using a 200m x 100m grid drill pattern. There had been no previous drilling at FB3/FB4 and the program has confirmed the significance of the fold structure in thickening the manganese mineralisation at FB3.

FB1 Prospect

The 400m x 100m drill pattern completed at FB1 following up eight previously drilled holes, which have confirmed the distribution of the manganese mineralisation. The prospect will benefit from future infill drilling to determine mineralisation continuity and structural interpretation².



Figure 1. Recently drilled Black Canyon diamond core hole DDLR01 that is twinning historic RC hole LRRC08 that intersected 37m @ 12.8% Mn and 10.5% Fe from 3m³. Manganese bands are dark grey in colour. Note that the assays quoted are from the equivalent interval in historic drill hole LRRC08 and assays for DDLR01 are pending.

¹ ASX Announcement 5 October 2021 - Maiden Manganese Resource for LR1 Prospect at Flanagan Bore

² ASX Announcement 10 June 2021 - Widespread Manganese Confirmed at Flanagan Bore Prospect

³ ASX Announcement 17 May 2021 – Exploration to commence at Pilbara manganese projects

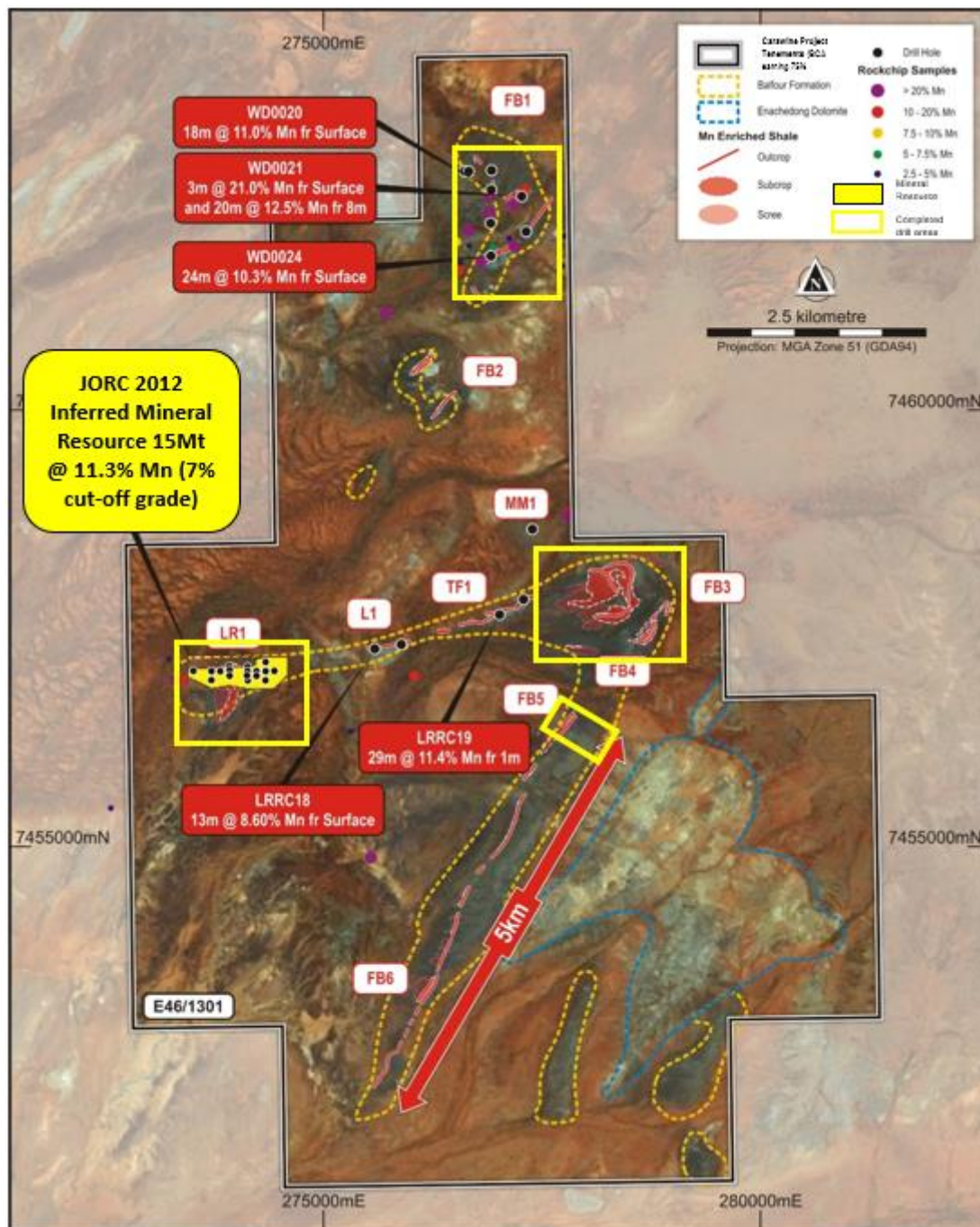


Figure 2. Flanagan Bore Project with the LR1 MRE outline and completed drill areas over prospective manganese targets (Black Canyon Earning to 75%)

The assays for the RC drill results will be reported as they are received over the coming months. The diamond drill core will be used for a beneficiation metallurgical test work program that will feed into a Scoping Study in early 2022.

For further information, please refer to ASX announcements dated 17 May 2021, 10 June 2021, 7 July 2021 and the 5 October 2021, 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 the JORC Table 1 appendices that relate to Exploration Results and Mineral Resources in the original ASX announcements.

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

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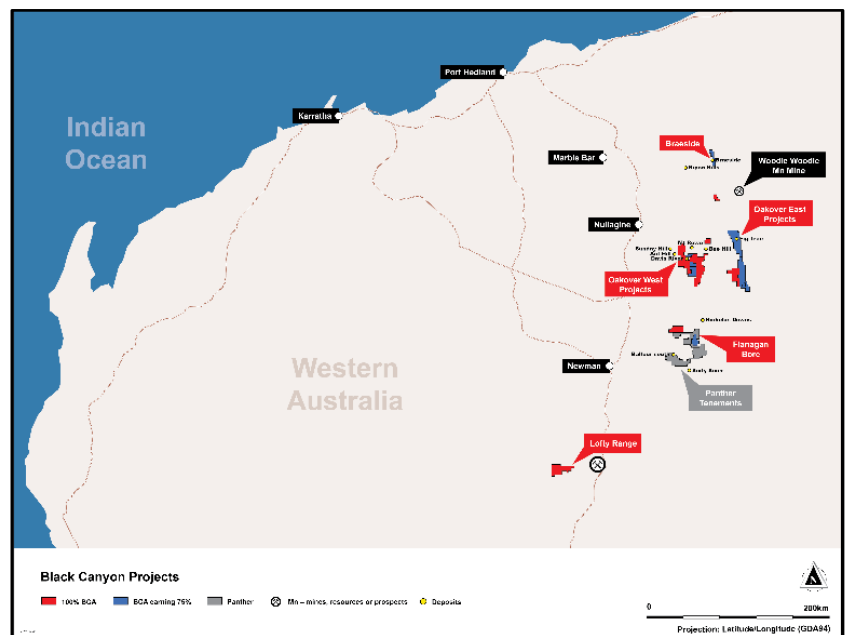
Competent Person Statement

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 for and acquired other exploration licenses 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.