



BLACK CANYON

ASX Announcement



29 April 2022

ASX:BCA

Black Canyon raises \$3.2m to accelerate exploration and feasibility at Flanagan Bore

HIGHLIGHTS

- Well supported Placement to raise \$3.2 million (before costs) at \$0.33 per Share
- Strong support from new Investment Funds and sophisticated investors
- Directors to apply for \$200,000 of the Placement subject to shareholder approval
- Proceeds to fund feasibility related activities at Flanagan Bore and accelerate exploration across the Company's portfolio of manganese assets

Black Canyon Limited (ASX: **BCA**) (the **Company**) is pleased to announce that it received firm commitments to raise \$3.2 million (before costs) through a placement of approximately 9.7 million Shares at \$0.33 per Share (**Placement**).

The Placement was strongly supported by Australian Investment Funds and sophisticated investors. 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 Company has added significant value through its exploration work to date that has led to new discoveries and Mineral Resource Estimates at LR1 and FB3. Announcing over 100 Mt of Indicated Mineral Resources from our maiden drill program at Flanagan Bore provides the company with a solid foundation for future development activities. The new funding will allow the Company to accelerate its exploration efforts and continue to progress work at Flanagan Bore towards finalising the Scoping Study in mid-2022.*

We welcome our new shareholders to Black Canyon via this recent placement and furthermore appreciate the continued support of our existing shareholders."

Use of Funds

Funds raised from the Placement will be used to fund further exploration and feasibility related activities over the Flanagan Bore Project where the Company recently announced 104 Mt @10.5% Mn of Indicated Mineral Resources (ASX announcement 13/04/2022 - Mineral Resource Estimate at Flanagan Bore Exceeds 100 Mt) which include a higher grade zones of 33 Mt @ 12.8% Mn. Funds will also be used to

ASX Code: **BCA**

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accelerate exploration activities across the Company's portfolio of tenements and for additional working capital.

Details of Placement

The Placement of fully paid ordinary shares (Shares) was to investment funds and sophisticated investors in Australia raising a total of A\$3.2 million.

The Placement comprised an offer of 9,696,970 Shares at an issue price of \$0.33 per Share. The issue price represents an 11% discount to the last traded price before the trading halt on 27 April 2022.

The Placement will occur in two tranches.

- Tranche one will consist of 6,970,000 shares of which 2,900,000 will be issued under the Company's placement capacity under ASX Listing Rule 7.1 and 4,070,000 will be issued under the Company's placement capacity under ASX Listing Rule 7.1A.
- Tranche two will consist of 2,726,970 shares of which 606,061 will be issued to directors and 2,120,909 will be issued to 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 and Argonaut Securities Pty Ltd acted as Joint Lead Managers to the Placement¹.

This announcement is authorised by the board of Directors.

For further details:

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Note

1. The Joint Lead Managers to the Placement will receive a 2% management fee and a 4% selling fee on the total gross proceeds raised under the Placement.

Competent Person Statement

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 13 April 2022 which is 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 outlined in this announcement.

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 800 km² 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 2600 km² upon 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.

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

