



BLACK CANYON

2025 Annual Report

Year ended 30 June 2025

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ASX:BCA

ACN: 150 714 739

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Corporate Directory

Directors

Mr Graham Ascough
Independent Non-Executive Chair

Mr Brendan Cummins
Managing Director

Mr Adrian Hill
Independent Non-Executive Director

Mr Simon Taylor
Independent Non-Executive Director

Auditors

Hall Chadwick Audit (WA) Pty Ltd
283 Rokeby Road, Subiaco WA 6008

Share Registry

Computershare Investor Services
Level 11, 172 St Georges Terrace
Perth WA 6000

Company Secretary

Ms Rebecca Broughton

Bankers

National Australia Bank Limited
Level 14, 100 St Georges Terrace
Perth WA 6000

Principal & Registered Office

35 Richardson Street
West Perth WA 6005
info@blackcanyon.com.au

Stock Exchange

Black Canyon Limited shares (BCA) are listed on the Australian Securities Exchange (ASX).

Chairperson's Letter

Dear Shareholders,

I am delighted to present the 2025 Annual Report for Black Canyon Limited, which details a transformative year of exploration success, highlighted by the significant high-grade manganese and iron discoveries at our 100% owned Wandanya Project in the Pilbara region of Western Australia.

This year has been pivotal for Black Canyon, and the exceptional results from Wandanya are a testament to the focused and diligent work of our exploration team. The discovery of a new style of hydrothermal, stratabound manganese mineralisation has reshaped the outlook for our company. The discovery of high-grade iron alongside the manganese adds another exciting dimension to the project's potential.

Exploration programs at Wandanya have been highly successful, rapidly advancing our understanding of this large-scale system. We have now completed 3 phases of drilling and results have extended the manganese mineralisation to over 2km of strike, and it remains open. Early assay results from this program, including 8m @ 31.1% Mn from 5m and 12m @ 60.1% Fe from 5m, continue to demonstrate the project's quality and scale.

Complementing our exploration success, metallurgical test work on Wandanya drill samples has delivered excellent results demonstrating our ability to achieve a high-grade manganese concentrate, with grades of more than 45% Mn and overall recoveries of up to 80%.

These results provide strong confidence that a simple, density-based processing route can yield a premium product suitable for both the steel alloy and battery materials markets.

While Wandanya has been a major focus, we have continued to advance our assets at the Balfour Manganese Field (BMF). Early in the financial year, we released a robust Scoping Study for the KR1 and KR2 deposits, which outlined a project with a 16-year mine life capable of generating an average annual operating cashflow of A\$46.1 million, underpinned by a pre-tax NPV (8%) of A\$340 million. This study demonstrates the significant value inherent in our globally significant manganese resource, which remains the largest in Western Australia. Further metallurgical work on BMF material also successfully produced a higher-grade 35% Mn concentrate, highlighting its potential as a potential feedstock for high-purity manganese sulphate (HPMSM) production and the steel industry.

Our progress this year was strongly supported by successful capital raisings, with strong support from existing shareholders as well as new institutional investors. This support ensures we are well-funded to continue our aggressive exploration and development programs.

Looking ahead to the 2026 financial year, our primary focus will be unlocking the full potential of the Wandanya Project. We have an extensive drilling program planned and additional results pending to further delineate the scale of both the manganese and iron systems. These results will feed into initial metallurgical and development studies as we continue to systematically de-risk and advance this exceptional discovery.

Our achievements this year reflect our unwavering commitment to creating and delivering shareholder value. On behalf of the Board, I extend my sincere gratitude to the entire Black Canyon team for their dedication and to you, our shareholders, for your continued support and confidence. We look forward to the exciting year ahead.

Thank you for your continued support.



Graham Ascough
Non-Executive Chairman
Black Canyon Limited

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OPERATING AND FINANCIAL REVIEW

OVERVIEW

Since listing on the Australian Securities Exchange (ASX) in May 2021 Black Canyon Limited (ASX: BCA) ('Black Canyon', or the 'Company') has been exploring and developing manganese projects either owned 100% or in joint venture located in the mineral-rich Pilbara region of Western Australia.

The financial year 2025 has been a transformative period for Black Canyon, marked by significant exploration success that has expanded the scale and potential of our project portfolio. A major highlight was the high-grade manganese and iron discoveries at the 100% owned Wandanya Project, representing a new hydrothermal, stratabound exploration model for the region with considerable grade and scale potential.

Exploration and development activities also continued across the Company's flagship Balfour Manganese Field (BMF). The Company's projects now comprise more than 1,988km² of prospective tenure in the premier mining jurisdiction of the East Pilbara. These projects have the potential to produce manganese concentrate for the steel industry and high purity manganese sulphate monohydrate (HPMSM) for the cathodes of batteries used by electric vehicles.

Black Canyon controls the largest manganese Mineral Resources in Western Australia, which total **314Mt @ 10.5% Mn classified as Measured (32%), Indicated (48%) and Inferred (20%) for 33.1Mt of contained Manganese**¹. Building on this substantial resource base, the Company released a positive Scoping Study for its KR1 and KR2 deposits, confirming the potential for strong financial returns over a 16-year mine life with a pre-tax NPV (8%) of A\$340 million and an IRR of 70%².

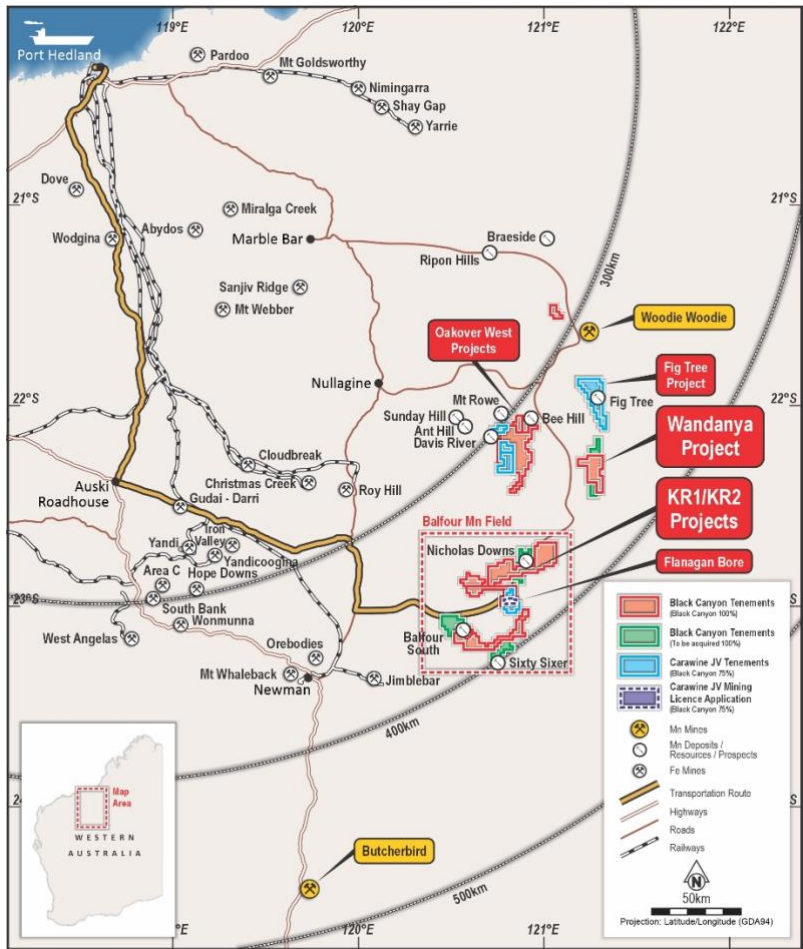


Figure 1: Location of BCA's Manganese Projects in the Pilbara Region of WA

¹ BCA ASX Announcement 12 December 2023 – Global Manganese Mineral Resource Estimate Exceed 300Mt

² BCA ASX Announcement 2 July 2024 – Positive Results Confirmed from the KR1 and KR2 Scoping Study

OPERATING AND FINANCIAL REVIEW

Wandanya Project (BCA 100%)

The 2025 financial year saw a major breakthrough at the Wandanya Project with the confirmation of a significant new high-grade manganese and iron discoveries at the W2 Prospect. These discoveries are highly complementary to the large shale-hosted mineral resources already defined across the BMF and are located approximately 80km south of the operating Woodie Woodie manganese mine.

High-Grade Manganese & Iron Discovery

A maiden Reverse Circulation (RC) drilling program was completed at the W2 prospect, with assays confirming consistent, high-grade manganese mineralisation^{3,4}. The initial program tested just 240m of strike, with significant results⁵ including:

- **5m @ 33.2% Mn** from 4m including **2m @ 48.7% Mn**
- **5m @ 33.2% Mn** from 1m including **2m @ 44.1% Mn**
- **5m @ 31.1% Mn** from surface, including **2m @ 42% Mn**
- **7m @ 28.3% Mn** from 6m, including **5m @ 34.9% Mn**

Follow-up mapping and rock chip sampling campaigns successfully extended the overall strike length of outcropping manganese mineralisation to **3km**⁶.

In addition to manganese, exploration at Wandanya also identified high-grade iron mineralisation within the typical ranges for Direct Shipping Ores (DSO). Rock chip sampling returned high-grade assays including **64.3%**, **63.3%**, **62.4%**, and **58.8% Fe** over a 5km long ridgeline⁷.

Phase 2 RC Drilling^{8,9}

A second phase of RC drilling, totalling 101 holes for 2,300m, commenced in the June 2025 quarter to test the expanded strike potential. Post-quarter end, initial fast-tracked assays confirmed the presence of large-scale manganese and iron mineralising systems¹⁰, with results including:

- **12m @ 60.1% Fe** from 5m, including **7m @ 64.2% Fe** from 7m (WDRC057)
- **8m @ 31.1% Mn** from 5m, including **3m @ 41% Mn** from 10m (WDRC063)

The drilling has now delineated manganese mineralisation along **2km of strike**, which remains open to the north and east. The iron formation was also intersected over hundreds of metres of strike and remains open. Further drilling is planned to continue extending these significant targets. The Company was also successful in its application for an Exploration Incentive Scheme (EIS) grant of up to \$122,500 to co-fund this drilling program¹¹.

³ BCA ASX Announcement 16 September 2024 - RC drilling at Wandanya and KR2 commences

⁴ BCA ASX Announcement 27 September 2024 – High-Grade Manganese Discovered at Wandanya

⁵ BCA ASX Announcement 8 October 2024 – Assays Confirm High-Grade Manganese Discovery at Wandanya

⁶ BCA ASX Announcement 27 November 2024 - 3km Strike of Outcropping Manganese Confirmed from Wandanya

⁷ BCA ASX Announcement 4 December 2024 - High-Grade Iron Results from Wandanya

⁸ BCA ASX Announcement 16 June 2025 - Phase 2 RC Drilling Commences at Wandanya

⁹ BCA ASX Announcement 30 June 2025 - Wandanya RC Drilling Successfully Tests High-Grade Mn & Fe

¹⁰ BCA ASX Announcement 7 July 2025 - Assays confirm High-Grade Mn & Fe Discovery at Wandanya

¹¹ BCA ASX Announcement 1 May 2025 - EIS Grant awarded for the upcoming Wandanya Drill Program

OPERATING AND FINANCIAL REVIEW

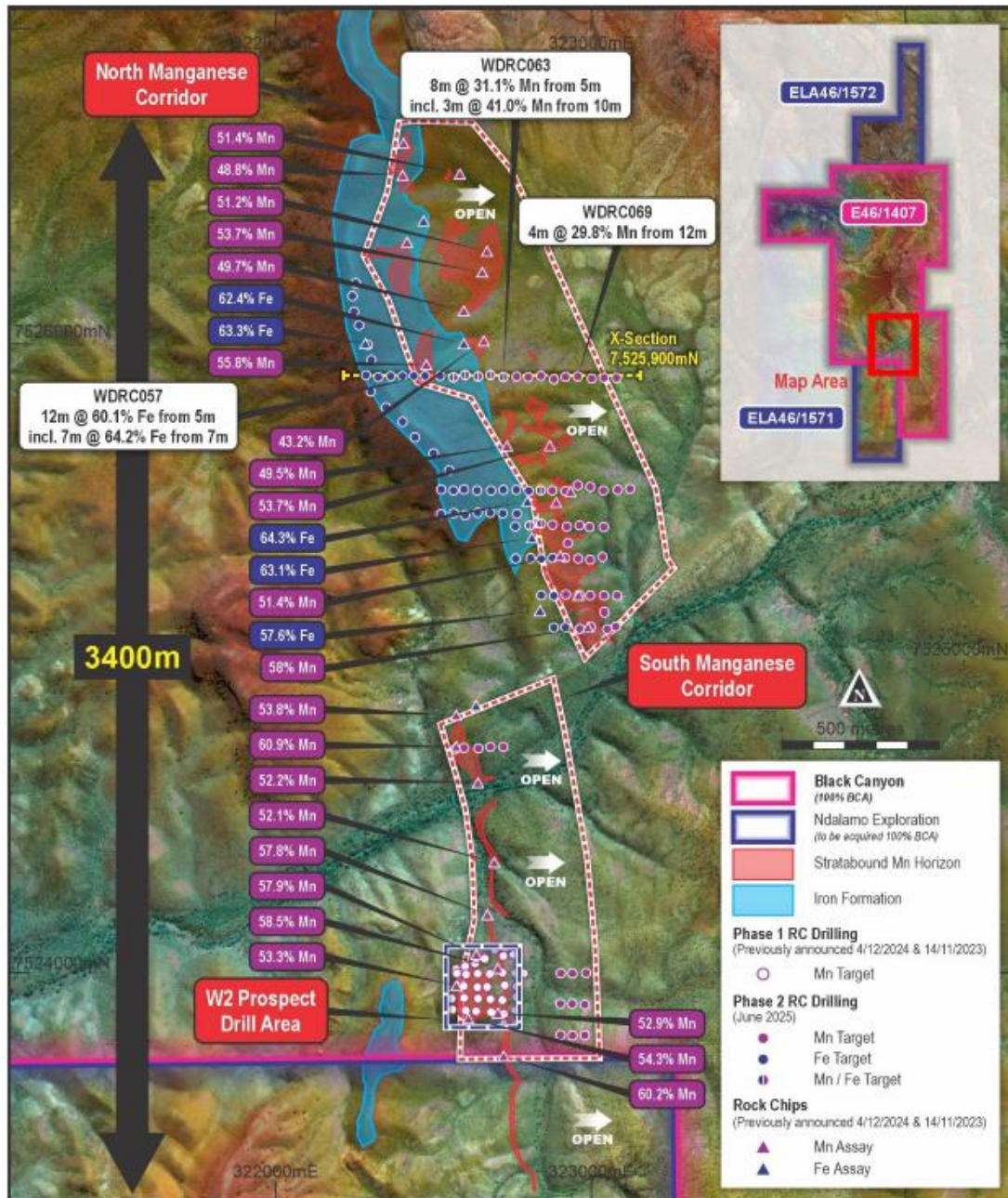


Figure 2: Wandanya manganese and iron rock chip results, Phase 1 (W2) RC drill and Phase 2 RC drill collars coloured by commodity target and fast-tracked assay results received post reporting period.

Wandanya Metallurgical Testwork^{12,13}

Initial benchtop scale beneficiation testwork using Heavy Liquid Separation (HLS) was completed on composite RC drill chip samples from the W2 Prospect to provide confidence to the amenability of the Wandanya manganese discovery to simple beneficiation and an indication of potential manganese concentrate grades and recoveries.

The results were very positive, demonstrating substantial uplifts from composite feed grades of 21.2% Mn and 41.5% Mn to concentrate grades well above the premium 44% Mn oxide benchmark grade for both the moderate and higher-grade feed samples.

¹² BCA ASX Announcement 11 February 2025 - Wandanya Metallurgical Testwork Delivers 48% to 50% Mn Conc

¹³ BCA ASX Announcement 16 April 2025 - Higher Manganese Recovery Achieved

OPERATING AND FINANCIAL REVIEW

Further testwork during the June quarter focused on improving recovery rates. This work was successful, achieving an **overall recovery of 80%** while still producing a high-value **45% Mn concentrate**. In addition, the concentrates produced are characterised by very low levels of deleterious elements such as phosphorus, iron, and aluminium, further highlighting the quality of the Wandanya mineralisation.

Table 1: Head grade assays from the moderate and high-grade composites

Composite	Mn (%)	Fe (%)	Al (%)	Si (%)	Ca (%)	K (%)	Mg (%)	P (%)
WD01MG	21.2	3.5	2.4	14.2	6.0	1.4	4.0	0.01
WD02HG	41.5	2.3	1.6	7.0	2.4	1.0	1.5	0.01

Table 2: HLS testwork summary of results from the moderate and high-grade composites. Initial testwork results in black and further testwork results in red.

Composite	Sample type	Head grade feed Mn (%)	Size fraction	HLS Results						
				Density Parameter	Mn (%) Conc	Mn Stage Rec (%)	Mn (%) ave Conc	Mn overall Conc rec (%)	Combined Mn (%) Conc	Combined overall Conc rec (%)
WD01LG	RC chip composite	21.2	+1.0mm -10mm	SG 2.85	39.6	88.6	39.5	77.9	44.8	79.5
			-1.0mm +0.045mm		39.3	93.6				
WD02HG	RC chip composite	41.5	+1.0mm -10mm	SG 2.85	49.4	99.0	50.1	81		
			-1.0mm +0.045mm		50.8	99.0				
WD01LG	RC chip composite	21.2	+1.0mm -10mm	SG 3.0	43.9	78.0	45.1	67.3	48.1	75.8
			-1.0mm +0.045mm		46.6	65.6				
WD02HG	RC chip composite	41.5	+1.0mm -10mm	SG 3.0	50.8	96.3	51.2	84.4		
			-1.0mm +0.045mm		51.7	90.7				
WD01LG	RC chip composite	21.2	+1.0mm -10mm	SG 3.3	46.6	58.0	47.9	53.1	49.9	67.6
			-1.0mm +0.045mm		49.2	57.0				
WD02HG	RC chip composite	41.5	+1.0mm -10mm	SG 3.3	51.6	92.4	52.2	82		
			-1.0mm +0.045mm		52.9	89.4				

Balfour Manganese Field (BMF)

KR1 and KR2 Scoping Study²

The Company released a positive Scoping Study for the KR1 and KR2 deposits, which form part of the broader BMF. The study concluded that development of the combined mineral resources for the KR1 and KR2 deposits can generate strong financial returns based on a 16 year mine life, with an average mining production rate of 3.0Mtpa, producing 12Mt of manganese concentrate over the Life of Mine (LOM). Production Targets of 48.2 Mt @ 10.9% Mn were estimated with the project generating on average A\$46.1m annual operating cashflow over the LOM, with a modest capital requirement of A\$84m with a payback period of less than two years.

The Scoping Study is based on optimisations applied to the KR1 and KR2 JORC-2012 Indicated and Inferred MRE, comprising 103Mt @ 10.4% Mn. The operating costs for mining and concentrate transport have been derived from contractor quotations. The processing costs and other costs have been based on similar mining operations and mineral separation processes. The capital costs have been estimated based on quotes received from suppliers, which includes installation and a number of critical spares.

The KR1 and KR2 Scoping Study was reported on a CIF basis with an accuracy of +/- 35%.

OPERATING AND FINANCIAL REVIEW

Table 3: Financial Performance Summary

Financial Performance Summary	Unit	LOM
Initial LOM	(years)	16
Total LOM Revenue	(A\$ M, real)	2,781
Total LOM EBITDA	(A\$ M, real)	654
NPV @ 8% - before tax	(A\$ M, real)	340
IRR - before tax	(%, real)	70%
Project Capital Expenditure	(A\$ M, real)	84
Payback Period - before tax	(years)	<2
Average Sales Price (LOM)	Product (A\$/t)	227
	\$US/dmtu	4.60
EX rate AUD:USD	\$	0.67
CI Cash Costs (CIF)	(A\$/t, real)	149
	\$US/dmtu	3.02
AISC (CIF)	(A\$/t, real)	166
	\$US/dmtu	3.38

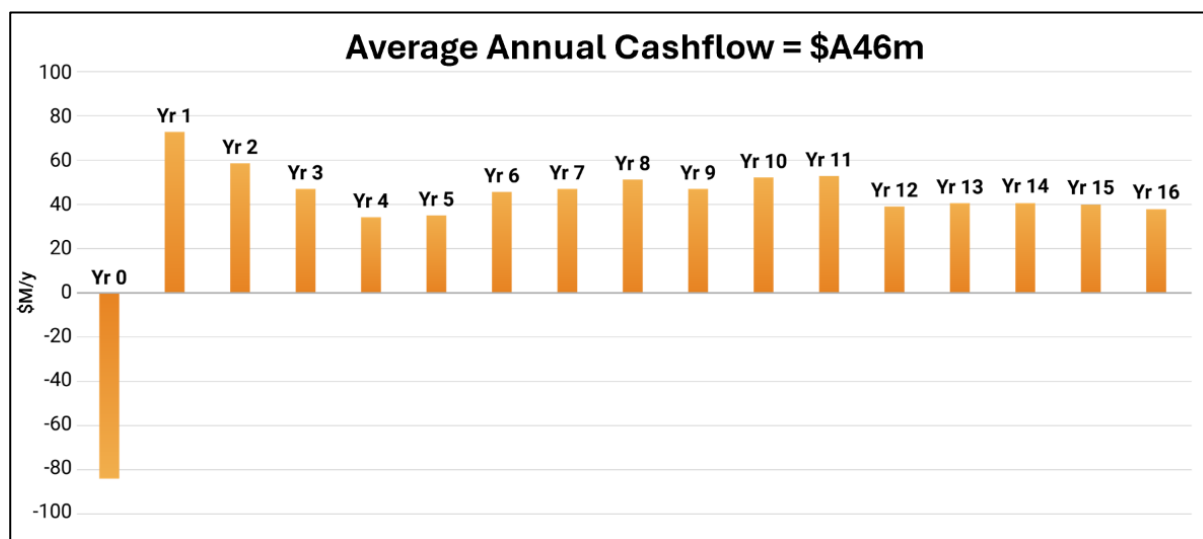


Figure 3: LOM Operating Cashflow

KR2 Infill Drilling¹⁴

An infill RC drilling program at the KR2 deposit was completed to upgrade the confidence level of the current Inferred Mineral Resource of 24 Mt @ 11.9% Mn¹. The program, comprising 31 holes for 881m, successfully reduced the drill pattern from 200m x 200m to a nominal 100m x 100m.

Assay results, announced in the March 2025 quarter, confirmed widespread, continuous manganese mineralisation was encountered with stronger zones of surface manganese enrichment intersected along 400m of outcrop.

¹⁴ BCA ASX Announcement 4 February 2024 – KR2 Infill Drilling Confirms Mineral Resource Upgrade Potential

OPERATING AND FINANCIAL REVIEW

The mineralised shale has been drilled to between 400m and 500m wide, 800m along strike, extending 10m to 35m downhole with several holes ending in mineralisation and it remains open to the north-west. Select significant results included:

- **36m @ 12.9% Mn** from surface until EOH (KRRC116)
- **36m @ 15.5% Mn from surface, including**
 - **17m @ 17.2% Mn** from 13m (KRRC117)
 - **30m @ 13.9% Mn** from surface (KRRC126)
- **33m @ 13.6% Mn** from surface until EOH, including
 - **12m @ 16.0% Mn** from surface (KRRC134)

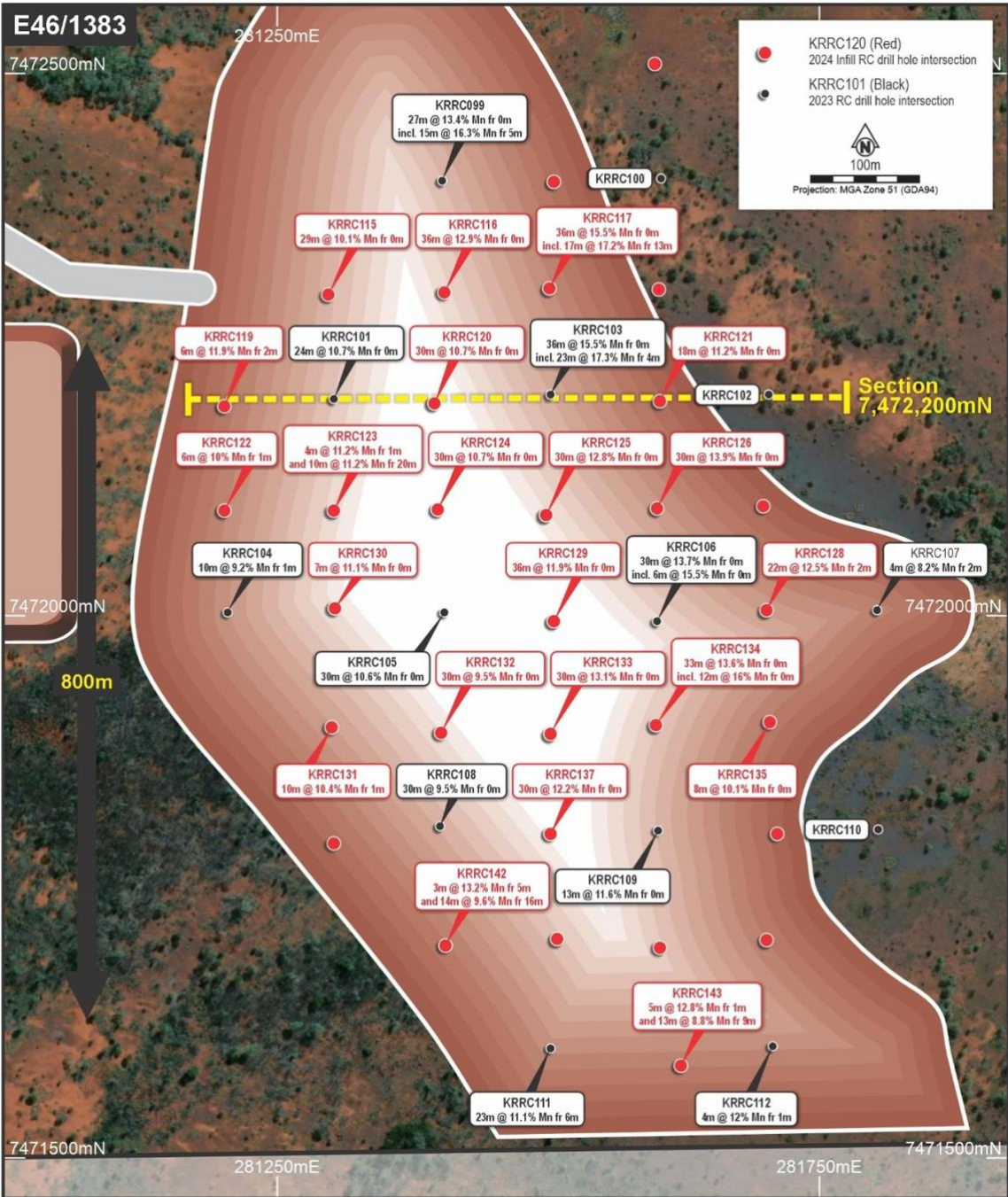


Figure 4: Drill plan, cross-section location and significant results received from KR2 from the 2023 and 2024 infill RC drill program.

OPERATING AND FINANCIAL REVIEW

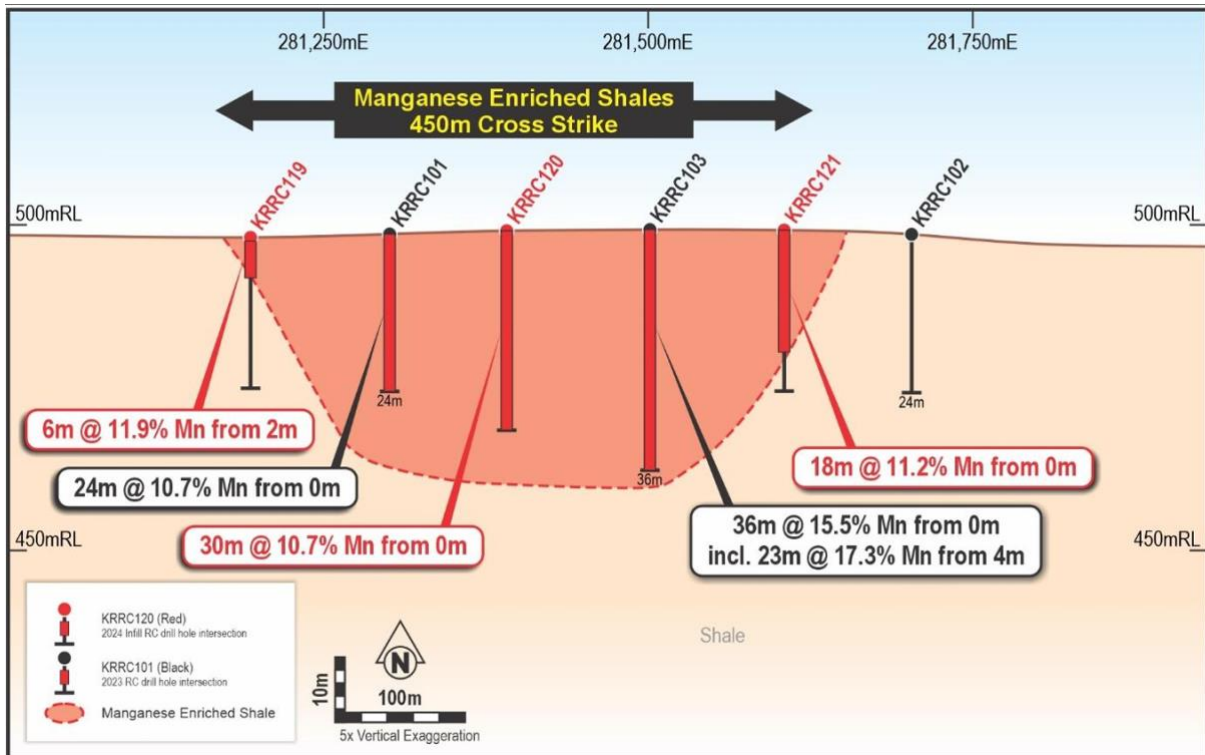


Figure 5: KR2 cross-section 7,472,200mN (looking to the north) with manganese enriched shale and drill intersections (2023 and 2024 infill drill results).

Metallurgical Advancements¹⁵

Heavy Liquid Separation (HLS) testwork on samples from the KR1 deposit demonstrated the potential to produce a higher-grade 35% Mn product, an upgrade from the 32% Mn concentrate achieved in stage one dense media separation (DMS) testwork. This higher-grade 35% Mn product is suitable for HPMSM downstream processing and potentially for manganese alloys subject to appropriate agglomeration.

The testwork is important to further develop and advance flowsheet design to extract maximum value from the Company's manganese assets. The testwork shows there is potential to produce a higher grade 35% Mn product in addition to a standard grade 32% Mn product.

Carawine JV (BCA 75%)¹⁶

During the September 2024 quarter, the Company completed Induced Polarisation (IP) surveys at the Fig Tree Project. The Dipole-Dipole IP (DDIP) survey confirmed chargeable responses coincident with and extending down-dip from outcropping manganese mineralisation. Gradient Array IP (GAIP) surveys also identified several large sub-surface chargeable anomalies.

For the remainder of the financial year, the joint venture has been operating under a minimum tenement expenditure basis to ensure all tenements are maintained in good standing.

Strategic Tenement Acquisitions¹⁷

Black Canyon entered into a binding Share Sale Agreement to acquire 100% of Ndalamo Platinum Pty Ltd, which holds key tenement applications ELA46/1571 & ELA46/1572 (pending grant) located south and north of the Wandanya manganese discovery, in addition to other prospective granted licenses.

¹⁵ BCA ASX Announcement 25 September 2024 - Metallurgical testwork delivers 35% Mn feedstock concentrate

¹⁶ BCA ASX Announcement 21 August 2024 - Fig Tree IP Results

¹⁷ BCA ASX Announcement 12 June 2025 - Strategic Tenement Acquisitions Expand the Wandanya Project

OPERATING AND FINANCIAL REVIEW

The six tenements being acquired are strategically located in the east Pilbara and complement Black Canyon's existing large tonnage shale hosted manganese discoveries within the BMF and extend the strike of the high-grade Wandanya manganese and iron discoveries (Figure 6).

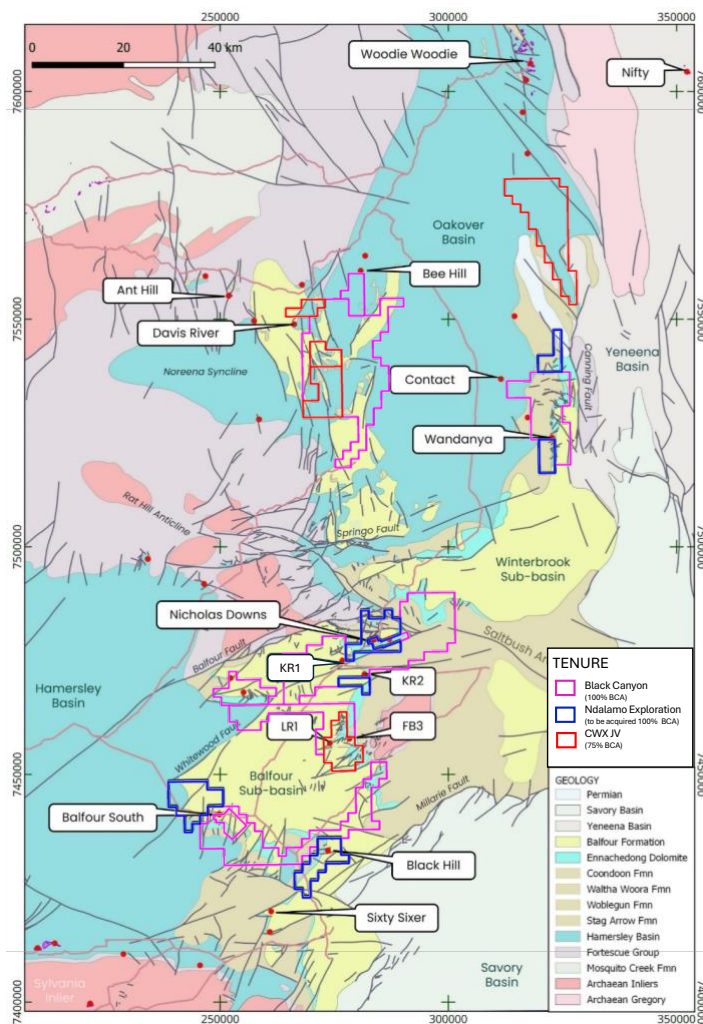


Figure 6: Location map showing the tenements to be acquired from Ndalamo in relation to Black Canyon's current tenure.

Wandanya South (ELA46/1571)¹⁷

Within the acquisition tenement package, the Wandanya South tenement application (ELA46/1571) abuts the Company's E46/1407 tenement that hosts the Wandanya manganese and iron prospects. The geology and mineralisation mapped and drilled at the W2 prospect on Black Canyon's tenement is observed trending to the south onto tenement ELA46/1571 held by Ndalamo (Figure 2).

Field mapping has confirmed the manganese rich horizon continues to the south for 300m to 400m (Figure 7). The most southern drill hole completed by Black Canyon at W2 that encountered the mineralised horizon is located 100m north of the tenement boundary and intersected 4m @ 26.3% Mn from 5m including 2m @ 37.4% Mn from 7m. The prospective stratigraphic corridor for manganese enrichment has been mapped to the south for 4.5km on the Wandanya South tenement and will be investigated for the presence of the manganese rich horizon.

Several iron enriched outcrops have also been mapped on the Wandanya South tenement with similar mineralogy and textures to those identified on Black Canyon's ground (Figure 8). Further mapping and sampling is required to understand the significance of these 100m to 300m long iron rich outcrops.

Several rock chip samples have been submitted for analysis from the manganese and iron rich outcrops taken on ELA46/1571 with assay results for these samples pending.

OPERATING AND FINANCIAL REVIEW

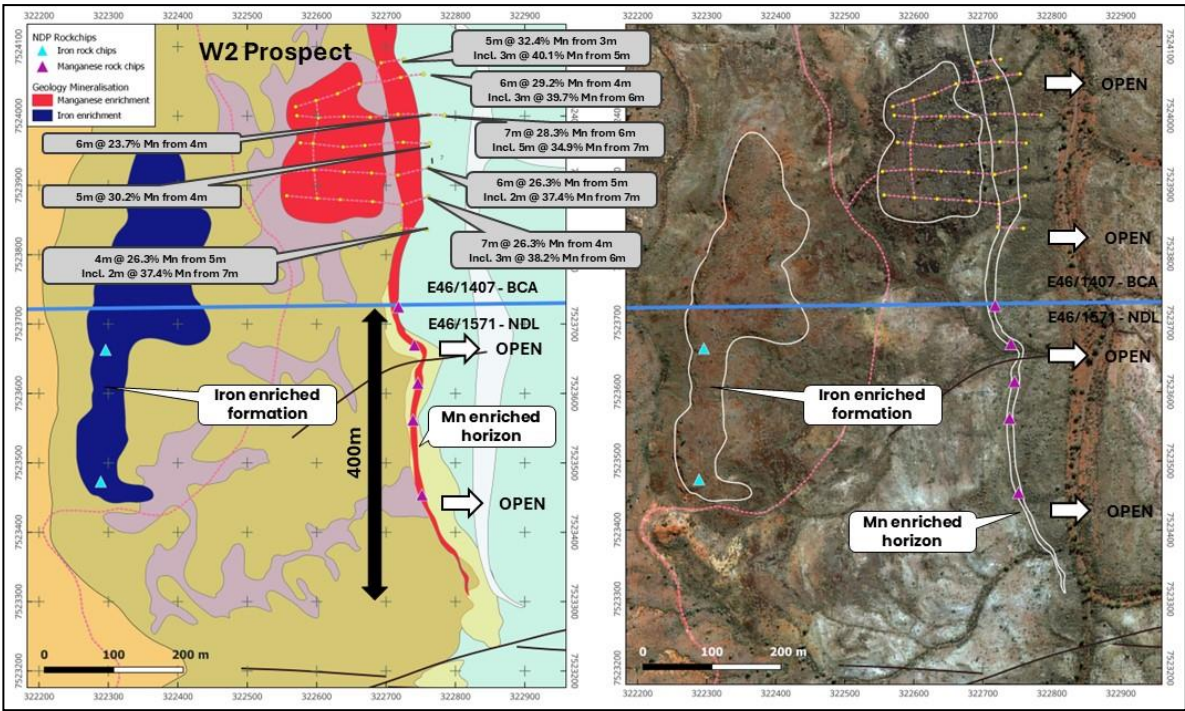


Figure 7: Map showing Wandanya South (ELA46/1571) manganese and iron extensions to mineralisation drilled at W2 dipping and open to the east with RC drill results reported in November 20241. Rock chip samples have been submitted for assay.

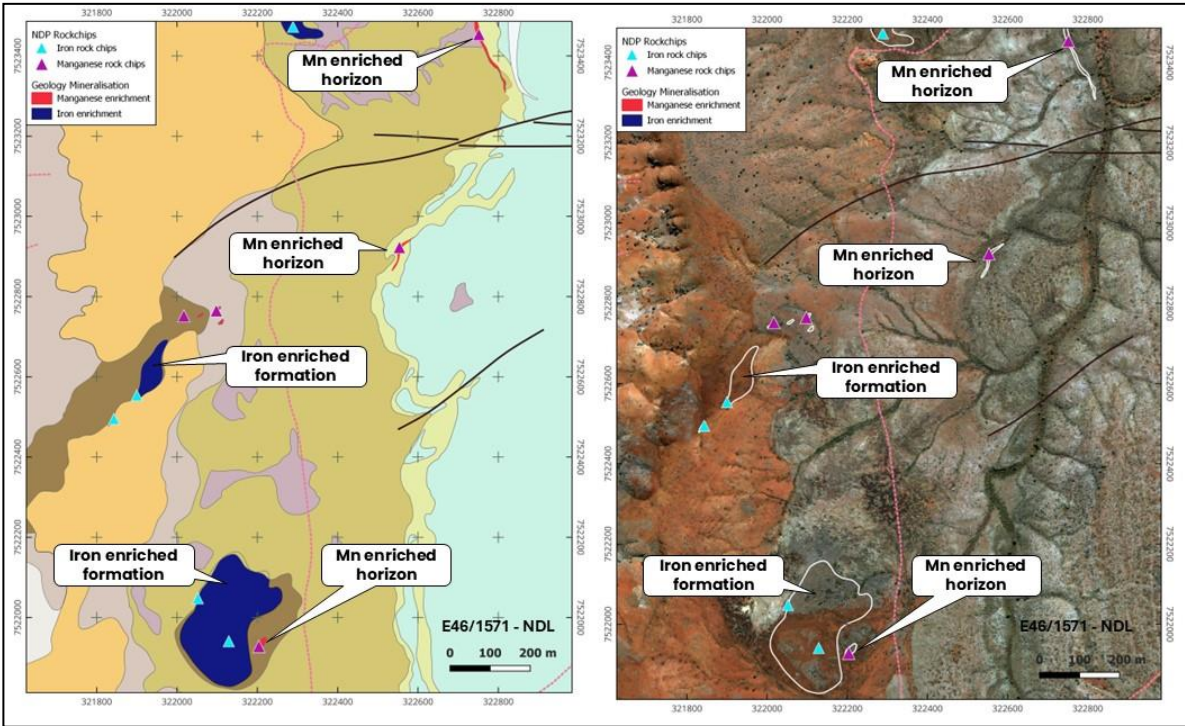


Figure 8: Map showing Wandanya South (ELA46/1571) manganese and iron outcrops. Rock chip samples have been submitted for assay.

DIRECTORS' REPORT

The Directors of Black Canyon Limited (BCA or the Company) submit their report, together with the consolidated financial statements comprising BCA and its controlled entities (together the Group) for the year ended 30 June 2025.

DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the year are as follows. Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Graham Ascough		Independent Non-Executive Chairman (Appointed 2 September 2013)
Experience:	Mr Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas. He has had broad industry involvement ranging from playing a leading role in setting the strategic direction for significant country-wide exploration programs to working directly with mining and exploration companies.	
Qualifications:	BSc, PGeo, MAusIMM	
Interests in Shares and Options at the date of this report:	3,153,897 fully paid ordinary shares 249,999 unlisted options with an exercise price \$0.14, expiry 14 October 2026 700,000 unlisted options with an exercise price \$0.105, expiry 10 December 2027	
Special Responsibilities:	N/A	
Directorships of listed companies held within the last three years:	Patronus Resources Ltd PNX Metals Ltd (acquired by Patronus) Geopacific Resources Ltd Musgrave Metals Ltd Sunstone Metals Ltd	September 2024 to present November 2012 to September 2024 November 2023 to present May 2010 to September 2023 November 2013 to September 2024
Brendan Cummins		Managing Director (Appointed 3 May 2013)
Experience:	Mr. Cummins has over 25 years' experience as both a mine and exploration geologist. Mr Cummins is a Competent Person across a broad range of commodities with most of his experience being in mineral exploration, resource discovery and definition, feasibility related studies, project evaluation and acquisition. He has been heavily involved in project development activities including associated technical studies, Stakeholder and Heritage Engagement, liaison with environmental regulatory bodies and other statutory approvals engaging with the EPA, DWER and DMIRS.	
Qualifications:	BSc Hons	
Interests in Shares and Options at the date of this report:	3,114,826 fully paid ordinary shares 249,999 unlisted options with an exercise price \$0.14, expiry 14 October 2026 400,000 performance rights, expiry 24 November 2025 600,000 performance rights, expiry 28 November 2026 1,000,000 performance rights, expiry 28 November 2027	
Special Responsibilities:	N/A	
Directorships of listed companies held within the last three years:	Askari Metals Ltd	November 2020 to September 2022

DIRECTORS' REPORT

Adrian Hill	Independent Non-Executive Director (Appointed 4 May 2011)	
Experience:	Mr Hill is a senior executive with over 25 years Australian and International experience in strategic and finance roles in the resources, energy infrastructure and investment banking industries. He has an established record in strategy development, operational management, investment analysis, transaction management, corporate structuring and capital raising.	
Qualifications:	BCom, CA, F FINSIA, GIA(Cert)	
Interests in Shares and Options at the date of this report:	3,107,466 fully paid ordinary shares 178,571 unlisted options with an exercise price \$0.14, expiry 14 October 2026 600,000 unlisted options with an exercise price \$0.105, expiry 10 December 2027	
Special Responsibilities:	N/A	
Directorships of listed companies held within the last three years:	N/A	
Simon Taylor	Independent Non-Executive Director (Appointed 2 September 2013)	
Experience:	Mr Taylor is a resources industry executive with over 30 years’ experience in geology, finance and corporate management at CEO and Board levels. His direct operational and capital markets experience spans a wide range of commodities and jurisdictions including Africa, Australia, South and North America, Europe and China. In addition to his experience as a resource professional, he has advised companies at the corporate level on capital management, acquisitions, promotions and strategies to add shareholder value.	
Qualifications:	BSc, MAIG, GCert AppFin	
Interests in Shares and Options at the date of this report:	2,793,181 fully paid ordinary shares 178,571 unlisted options with an exercise price \$0.14, expiry 14 October 2026 600,000 unlisted options with an exercise price \$0.105, expiry 10 December 2027	
Special Responsibilities:	N/A	
Directorships of listed companies held within the last three years:	Petratherm Limited Stellar Resources Limited Invert Graphite Limited Chesser Resources Limited Oklo Resources Limited	January 2023 to present December 2019 to present June 2025 to present March 2007 to September 2023 August 2014 to October 2023

COMPANY SECRETARY

Rebecca Broughton	Company Secretary (Appointed 3 April 2025)
Experience:	Ms Broughton is an experienced Company Secretary and Chartered Accountant, with expertise and skills in compliance, corporate governance and finance functions of companies within Australia. Ms Broughton is currently Company Secretary of ASX listed MetalsGrove Mining Limited.
Qualifications:	BCom, CA

DIRECTORS' REPORT

Jay Stephenson	Company Secretary (<i>Resigned 3 April 2025</i>)
Experience:	Mr Stephenson has been involved in business development for over 30 years, including approximately 24 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.
Qualifications:	MBA, FCPA, CA, CPA (Canada), CMA (Canada, FCIS, FGIA)

DIRECTORS MEETINGS

	Board	
	Eligible	Attended
Graham Ascough	5	5
Brendan Cummins	5	5
Adrian Hill	5	5
Simon Taylor	5	5

Given the current size and composition of the Board, the Company has not established separate audit and risk or remuneration and nomination committees.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were mineral exploration and evaluation and there have been no significant changes in the nature of those activities during the year.

OPERATING AND FINANCIAL REVIEW

The Directors of the Company present the Operating and Financial Review of the Group, prepared in accordance with section 299A of the Corporations Act 2001 for the year ended 30 June 2025. The information provided in this review forms part of the Directors' Report and provides information to assist users in assessing the operations, financial position and business strategies of the Company. Please refer to page 4 to 12 for details.

Future exploration results, movements in commodity and equity prices may adversely impact the achievement of the Company's business strategies. Refer to Note 12 for information on these financial risks.

The Company's financial statements have been prepared on a going concern basis. Refer to Note 2(d) for further information.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the progress documented in the Operating and Financial Review, the state of affairs of the Group was not affected by any significant changes during the year.

DIVIDENDS

No dividends were declared or paid for the previous year and the directors recommend that no dividend be paid for the current year.

LIKELY DEVELOPMENTS

The Group's focus remains on delivering long-term shareholder value through the discovery of economic mineral deposits in the Pilbara region of Western Australia.

BUSINESS RISKS AND EXTERNAL FACTORS

The Company's business, operating and financial performance are subject to various risks and uncertainties, some of which are beyond the Company's reasonable control. The identification and, where possible, mitigation and management of these risks is central to achieving the objectives and targets of our Strategic Growth Plan.

DIRECTORS' REPORT

The matters that have the potential to materially impact the Company's operating and/or financial results are set out below. The matters identified are not intended as an exhaustive list of all the risks and uncertainties associated with the Company's business.

Information that could result in unreasonable prejudice to the Group has been excluded, including that which is confidential or commercially sensitive, except where disclosure is required pursuant to our continuous disclosure obligations.

Future funding risk

In the future, the Company may require additional funds (whether by way of debt and/or equity), so as to without limitation:

- carry out additional exploration activities at its projects;
- complete future feasibility studies on its projects;
- undertake the future development of a mining operation subject to the results of the feasibility studies; and
- fund corporate, administrative and working capital needs.

The ability of the Company to meet these future funding requirements, when they arise, will be dependent upon its continued capacity to access capital market funding sources and/or financing facilities. Funding via additional equity issues may be dilutive to existing Shareholders and, if available, debt financing may be subject to the Company agreeing to certain debt covenants and encumbering the Company's assets.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, delay, suspend and/or scale back its exploration programs and business strategies, as the case may be. There is however no guarantee that the Company will be able to secure any additional funding as and when required on terms favourable to the Company at all. The failure of which would thus have a material adverse effect on the Company's activities, its solvency and its reputation.

Exploration and Operating Risks

The projects of the Group are at various stages of exploration. The future exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Group.

Environmental Legislation

The Group is subject to and compliant with all aspects of environmental regulation of its exploration activities. The Directors are not aware of any environmental law that is not being complied with.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has taken out an insurance policy insuring directors and officers of the Company against any liability arising from a claim brought by a third party against the Company or its current or former directors or officers. This includes insurance against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The Company indemnifies each of the directors and officers of the Company. Under its Constitution, the Company will indemnify those directors or officers against any claim or for expenses or costs which may arise as a result of work performed in their respective capacities as directors or officers of the Company and any related party.

Other than to the extent permitted by law, the Group has not, during or since the financial year, indemnified or agreed to indemnify an auditor of the Group or any related body corporate against a liability incurred as an auditor.

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

During the year, Hall Chadwick, the Company's auditor, has performed no other services in addition to their statutory audit duties.

SHARES UNDER OPTION

Option Granted over Unissued Shares

Unissued fully paid ordinary shares of the Company under option at the date of this report are as follows:

Expiry	Exercise Price of Shares	Number
2 October 2025	\$0.28	750,000
14 October 2026	\$0.14	6,905,416
10 December 2027	\$0.105	1,900,000
		9,555,416

Performance Rights Granted over Unissued Shares

Unissued fully paid ordinary shares of the Company under performance rights at the date of this report are as follows:

Expiry	Exercise Price of Shares	Number
24 November 2025	\$0.00	400,000
28 November 2026	\$0.00	600,000
28 November 2027	\$0.00	1,000,000
		2,000,000

REMUNERATION REPORT (AUDITED)

The remuneration report for the year ended 30 June 2025 outlines remuneration arrangements in place for directors and other members of the key management personnel (KMP) of the Company in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, or any controlled entity. KMPs during or since year end were:

Name	Position	Appointed
Graham Ascough	Independent Non-Executive Chair	Appointed 2 September 2013
Brendan Cummins	Managing Director	Appointed 3 May 2013
Adrian Hill	Independent Non-Executive Director	Appointed 4 May 2011
Simon Taylor	Independent Non-Executive Director	Appointed 2 September 2013

REMUNERATION PHILOSOPHY

The performance of the Company depends on the qualifications of the directors and executives. The philosophy of the Company in determining remuneration levels is to set competitive remuneration packages to attract and retain high calibre employees and to link a significant component of executive rewards to shareholder value creation. The size, nature and financial strength of the Company are also taken into account when setting remuneration levels so as to ensure that the operations of the Company remain sustainable.

DIRECTORS' REPORT

REMUNERATION COMMITTEE

The Board performs the role of the Remuneration Committee and is responsible for determining and reviewing compensation arrangements for the directors and the Managing Director.

REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of non-executive and executive remuneration is separate and distinct.

Non-executive Director Remuneration

The Board recognises the importance of attracting and retaining talented non-executive directors and aims to remunerate these directors in line with fees paid to directors of companies of a similar size and complexity in the mining and exploration industry. The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Company's Constitution and the ASX Listing Rules specify that the aggregate fees to be paid to non-executive directors for their role as a director are to be approved by shareholders at a general meeting. The Company has not changed the aggregate fee pool since its initial public offering in 2021, with an aggregate amount of \$400,000 per year (excluding superannuation) was approved. The amount of total compensation apportioned amongst directors is reviewed annually and the Board considers external advice as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors consists of directors' fees. Each director receives a fee for being a director of the Company. The non-executive directors are not entitled to receive retirement benefits and, at the discretion of the Board, may participate in the Employee Securities Incentive Scheme ("Scheme"), subject to the usual approvals required by shareholders.

The Board considers it may be appropriate to issue options to non-executive directors given the current nature and size of the Company as, until profits are generated, conservation of cash reserves remains a high priority. Any options issued to directors will require separate shareholder approval.

Managing Director Remuneration

The Company's executive remuneration strategy is designed to attract, motivate and retain high performance individuals and align the interests of executives and shareholders. Remuneration consists of fixed remuneration and variable remuneration (comprising a long-term incentive scheme).

Fixed remuneration is reviewed as required by the Board by a process which consists of a review of relevant comparative remuneration in the market and, where appropriate, external advice on policies and practices.

Variable remuneration is usually in the form of Performance Rights aligned to the specific operational and/or market milestones. Vesting only occurs if thresholds are met, with no retesting, thereby ensuring that incentives are only awarded for sustained and measurable performance improvements.

Link Between Performance and Executive Remuneration

Executive remuneration is aimed at aligning the strategic and business objectives with the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP. Consequently, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

DIRECTORS' REPORT

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Details of the remuneration of the key management personnel (KMP) of the Group are set out in the following table. Currently, Directors are responsible for the management of the Group.

2025	Short Term Benefits	Post Employment Benefits	Share-based Payments		Total	Proportion of Remuneration Performance Related
	Salary & Fees	Super-annuation	Perf Rights ²	Options		
	\$	\$	\$	\$	\$	%
Directors						
G Ascough	71,824	-	-	7,922	79,746	10%
B Cummins ¹	303,750	27,600	10,729	-	342,079	3%
A Hill	45,000	5,175	-	6,789	56,964	12%
S Taylor	45,000	5,175	-	6,789	56,964	12%
Total	465,574	37,950	10,729	21,500	535,753	6%

¹ Subsequent to year end, Mr Cummins was awarded a short term incentive of \$168,000 for recognition of the efforts and achievements on the Wandanya discovery. This amount was paid on 1 September 2025. This amount is not included in the above remuneration.

2024	Short Term Benefits	Post Employment Benefits	Share-based Payments	Total	Proportion of Remuneration Performance Related
	Salary & Fees	Super-annuation	Perf Rights ²		
	\$	\$	\$	\$	%
Directors					
G Ascough	71,824	-	-	71,824	-
B Cummins	295,000	26,400	63,826	385,226	16.6%
A Hill	45,000	4,950	-	49,950	-
S Taylor	45,000	4,950	-	49,950	-
Total	456,824	36,300	63,826	556,950	16.6%

² Represents the statutory remuneration expensed based on fair value at grant date of options and rights over the vesting period of the award, net of any lapsed or forfeited rights which are credited from these amounts.

MOVEMENT IN ORDINARY SHARES

The relevant interest of each of the key management personnel in the share capital of the Company as at 30 June 2025 was:

	Balance 1 Jul 2024	Granted as Remuneration	Received on exercise of Performance Rights	Other Changes ¹	Balance 30 Jun 2025
G Ascough	1,641,992	-	-	1,333,333	2,975,325
B Cummins	2,125,826	-	400,000	500,000	3,025,826
A Hill	2,089,609	-	-	857,143	2,946,752
S Taylor	1,513,419	-	-	1,190,476	2,703,895

¹ Shares purchased on market or through participation in placements.

DIRECTORS' REPORT

SHARE BASED PAYMENTS

Performance Rights

The following performance rights over ordinary shares were on issue:

Name	Opening Balance	Granted as Remuneration	Lapsed or Forfeited	Convert to Shares on Vesting	Closing Balance	Value Granted \$	Maximum Value yet to Vest \$
B Cummins	2,200,000	1,000,000	(800,000)	400,000	2,000,000	\$34,700	\$53,903

The following table details the vesting conditions of the Performance Rights outstanding:

Description	Number	Vesting Period	Vesting Condition
2022	400,000	24 November 2025	Subject to completion of Scoping Study announced to the ASX that demonstrates the technical and financial feasibility of the production of a High Purity Manganese Sulphate Project suitable for use in EV battery industry.
2023	600,000	28 November 2026	Subject to announcing that it has secured either an offtake agreement representing a minimum 50% of its planned production volume over a three-year term, or a downstream HPMSM joint venture partner with a minimum financial commitment of \$10m.
2024	1,000,000	28 November 2025	Vest upon closing price of the Company's Shares being the greater of \$0.14 per Share or 50% above the 5 day VWAP prior to receiving shareholder approval for more than 10 trading days out of any 20 consecutive trading days and at least 12 months after the issue of the Performance Rights.

The following table lists the inputs to the model for the Performance Rights outstanding during the period:

	2022 Performance Rights	2023 Performance Rights	2024 Performance Rights
Dividend yield (%)	-	-	-
Expected volatility (%)	85.20	70.00	80.13
Risk free rate (%)	3.24	4.22	3.97
Expected life (years)	3.00	3.00	3.00
Exercise price (\$)	-	-	-
Grant date share price (\$)	0.250	0.140	0.058
Expiry date	24 November 2025	28 November 2026	28 November 2027
Number	400,000	600,000	1,000,000
Fair value at grant date (\$)	\$0.2500	\$0.1400	\$0.0347

The Performance Rights have been valued using a Monte Carlo Share Price Simulation Method.

Options

The following options over ordinary shares were on issue:

Name	Opening Balance	Granted as Remuneration	Lapsed or Forfeited	Other ¹	Convert to Shares on Vesting	Closing Balance	Value Granted \$	Maximum Value yet to Vest \$
G Ascough	178,572	700,000	-	249,999	-	1,128,571	\$13,580	\$5,589
B Cummins	178,572	-	-	249,999	-	428,571	-	-
A Hill	160,714	600,000	-	178,571	-	939,285	\$11,580	\$4,791
S Taylor	89,286	600,000	-	178,571	-	867,857	\$11,580	\$4,791

¹ Other changes during the year represent options issued as part of capital raisings during the period.

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DIRECTORS' REPORT

The following table lists the inputs to the model for the Options granted as remuneration during the period:

Director Options	
Dividend yield (%)	-
Expected volatility (%)	80.13
Risk free rate (%)	3.97
Expected life (years)	3.00
Exercise price (\$)	0.105
Grant date share price (\$)	0.058
Expiry date	28 November 2027
Number	1,900,000
Fair value at grant date (\$)	\$0.0193

The Options have been valued using a Black Scholes valuation method.

EMPLOYMENT CONTRACTS

Name	Total Fixed Remuneration	Variable Remuneration	Notice Period
Brendan Cummins	\$240,000 excluding superannuation	Performance Based Bonus at the discretion of the Board and include the opportunity to participate in both short and long term incentives	No less than one month and not more than two months

Subsequent to the year ended 30 June 2025, the Company renegotiated the following terms on Mr Cummins employment agreement:

- Base salary increased to \$330,000 per annum (excluding superannuation);
- Increase in employment from four days a week to five days a week; and
- Increase in notice period to six months.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There are no transactions between related parties.

END OF REMUNERATION REPORT

EVENTS SUBSEQUENT TO REPORTING DATE

On 5 September 2025, the Company announced a placement to raise \$10,000,000 before costs via the issue of 23,809,525 fully paid ordinary shares at an issue price of \$0.42 per new share.

The Company has also issued 4,053,667 fully paid ordinary shares on the exercise of the following options:

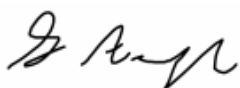
- 2,793,744 options with an exercise price of \$0.28, and an expiry of 27 July 2025; and
- 1,259,923 options with an exercise price of \$0.14, and an expiry of 14 October 2026.

No other matters or circumstances have occurred subsequent to balance date that have or may significantly affect the operations or state of affairs of the Group in subsequent financial years.

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2025 has been received and is included in this annual report.

Signed in accordance with a resolution of the Directors



Graham Ascough

Chair

26 September 2025

AUDITOR’S INDEPENDENCE DECLARATION



To the Board of Directors

AUDITOR’S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Partner for the audit of the financial statements of Black Canyon Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

HALL CHADWICK AUDIT (WA) PTY LTD

NIKKI SHEN CA
Director

Dated this 26th day of September 2025
Perth, Western Australia



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STATEMENT OF COMPREHENSIVE INCOME

	Note	2025 \$	2024 \$
Other income	5	273,346	472,272
Interest income	5	29,270	40,971
Administrative & other expenses	5	(1,136,818)	(1,292,622)
Reversal of/(impairment) exploration expenditure	8	1,212,956	(1,214,250)
Profit/(loss) before income tax		378,754	(1,993,629)
Income tax expense	15	-	-
Profit/(loss) for the year		378,754	(1,993,629)
Items that may be reclassified to profit or loss:			
Other comprehensive loss		-	-
Other comprehensive profit/(loss) for the year attributable to owners of the Company		378,754	(1,993,629)
Profit/(loss) per share attributable to ordinary equity holders:		Cents	Cents
Basic profit/(loss) per share (cents)	6	0.38	(0.030)
Diluted profit/(loss) per share (cents)	6	0.38	(0.027)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

	Note	2025 \$	2024 \$
Current Assets			
Cash and cash equivalents	7	2,222,289	703,622
Other current assets		46,094	50,935
Total Current Assets		2,268,383	754,557
Non-Current Assets			
Exploration and evaluation	8	7,944,580	5,542,082
Property, plant and equipment	9	12,180	50,862
Total Non-Current Assets		7,956,760	5,592,944
Total Assets		10,225,143	6,347,501
Current Liabilities			
Trade and other payables	10	247,908	236,042
Provisions	11	63,089	50,231
Total Current Liabilities		310,997	286,273
Non-Current Liabilities			
Provisions	11	16,821	12,888
Total Non-Current Liabilities		16,821	12,888
Total Liabilities		327,818	299,161
Net Assets		9,897,325	6,048,340
Equity			
Contributed equity	13	15,519,658	12,065,163
Reserves	14	222,871	240,122
Accumulated losses		(5,845,204)	(6,256,945)
Total Equity		9,897,325	6,048,340

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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STATEMENT OF CHANGES IN EQUITY

	Contributed Equity	Share-based Payment Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance as at 1 July 2023	9,721,017	146,296	(4,263,316)	5,603,997
Loss for the year	-	-	(1,993,629)	(1,993,629)
Total comprehensive loss for the year	-	-	(1,993,629)	(1,993,629)
Transactions with owners in their capacity as owners:				
Share-based payments issue	-	63,826	-	63,826
Contributions of equity, net of costs and tax	2,344,146	30,000	-	2,374,146
Balance as at 30 June 2024	12,065,163	240,122	(6,256,945)	6,048,340
Profit for the year	-	-	378,754	378,754
Total comprehensive profit for the year	-	-	378,754	378,754
Transactions with owners in their capacity as owners:				
Share-based payments issue	-	(758)	32,987	32,229
Contributions of equity, net of costs and tax	3,454,495	(16,493)	-	3,438,002
Balance as at 30 June 2025	15,519,658	222,871	(5,845,204)	9,897,325

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

	Note	2025 \$	2024 \$
Cash Flows from Operating Activities			
Interest received		34,161	40,971
R&D rebate		273,346	472,272
Interest expensed		(2,045)	-
Payments to suppliers and employees		(1,163,313)	(1,246,860)
Net Cash Outflow from Operating Activities	7	(857,851)	(733,617)
Cash Flows from Investing Activities			
Payment for exploration expenditure		(1,061,484)	(1,487,250)
Payment for property, plant and equipment		-	(663)
Net Cash Outflow from Investing Activities		(1,061,484)	(1,487,913)
Cash Flows from Financing Activities			
Proceeds from issue of shares (net of costs)		3,438,002	1,798,232
Net Cash Inflow from Financing Activities		3,438,002	1,798,232
Net increase/(decrease) in cash held		1,518,667	(423,298)
Cash and cash equivalents at the beginning of the period		703,622	1,126,920
Cash and cash equivalents at the end of the period	7	2,222,289	703,622

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CORPORATE INFORMATION & BASIS OF PREPARATION

1. Corporate Information

The Financial report of Black Canyon Limited (the Company or Black Canyon) consists of the financial statements, notes to the financial statements and the directors' declaration.

Black Canyon Limited is a company incorporated and domiciled in Australia, limited by shares, and is a for profit entity whose shares are publicly traded on the ASX. The Company's registered office and principal place of business is 35 Richardson Street, West Perth WA 6005. The Company is principally engaged in exploration in Western Australia.

The nature of the operations and principal activities of the Group are described in the attached Directors' Report.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report and by all entities in the Group.

These are for-profit general purpose financial statements and have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

2. Basis of Preparation

The financial report was authorised for issue in accordance with a Resolution of the Directors on 26 September 2025.

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Comparatives have been reclassified as required for consistency with the current year's presentation.

(a) Compliance with International Financial Reporting Standards

The financial statements of the Company also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Historical Cost Convention

These financial statements have been prepared under the historical cost convention, and on an accrual's basis (except for certain financial assets and liabilities for which the fair value basis of accounting has been applied).

(c) Comparative Figures

Where required by AASB's comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Basis of Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Critical Accounting Estimates

The preparation of financial statements requires the use of certain estimates, judgements and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates and application of different assumptions and estimates may have a significant impact on the Company's net assets and financial results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Estimates and assumptions are reviewed on an ongoing basis and are based on the latest available information at each reporting date. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are found in the following notes:

(i) Note 8 Exploration and evaluation

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related area of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if rights to tenure of the area of interest are current and activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

(f) Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

Based on the cash flow forecasts and the successful capital raising of \$10 million subsequent to reporting date, the Directors are satisfied that the going concern basis of preparation is appropriate

3. Summary of Material Accounting Policies

(a) Revenue and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave is expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Any liability for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

(b) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value of shares is measured by reference to the quoted market price. Fair value of options is measured by use of valuation techniques. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Earnings per share

Basic earnings/loss per share – is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted Earnings/Loss per Share – adjusts the figures used in the determination of basic earnings/loss per share to consider the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(d) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted for by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts including credit cards are shown within borrowings in current liabilities on the statement of financial position.

(f) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(g) Impairment of Non-Financial Assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets and in particular exploration assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and is dependent upon the ability of the Group to successfully continue exploration of all areas of interest and satisfy the requirements under AASB 6.

Specifically, the Company has reviewed its exploration tenements with regard to AASB 6 and have determined that:

- the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
- as the exploration is still ongoing, there is not sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

(h) Trade and Other Payables

Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(i) Provisions – Employee Entitlements

Liabilities for annual leave are recognised as employee benefits when employees render services that give them an entitlement to annual leave. The liability is measured at the amounts expected to be paid when the obligation is settled, including related on-costs (such as superannuation and payroll tax).

Annual leave is classified as:

- Current liability: where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date.
- Non-current liability: where settlement is not expected to occur within 12 months.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs. The benefit is discounted to determine its present value and the discount rate is the yield at the reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

(j) Reserves

The share-based payments reserve (options and performance rights) relates to options and performance rights granted by the Company to its employees and Directors. The movement relates to the share-based payments expense recognised during the period in respect of the ESIP options, Director options, and performance rights

(k) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

4. Segment Information

The Group is organised into one operating segment being exploration. This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements through the report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL INFORMATION

5. Revenue and Expenses

	2025 \$	2024 \$
Income		
Interest income	29,270	40,971
Other income	273,346	472,272
	<u>302,616</u>	<u>513,243</u>
Administration and other expenses		
Investor and corporate costs	251,281	116,244
Insurance	51,841	66,925
Consultants	73,845	217,538
Administration costs	28,328	27,315
Occupancy costs	46,205	58,755
Personnel costs	615,070	722,407
Depreciation	38,019	19,612
Share-based payments	32,229	63,826
	<u>1,136,818</u>	<u>1,292,622</u>

6. Earnings per Share

The following data reflects the income and share numbers used in calculation of the basic and diluted loss per share:

	Note	2025 \$	2024 \$
Weighted average number of shares	No.	100,338,198	67,039,059
(Loss) used in calculation of basic and diluted loss per share	\$	378,754	(1,993,629)
Basic profit/(loss) per share	Cents	0.38	(2.97)
Diluted profit/(loss) per share	Cents	0.38	(2.97)

7. Cash and Cash Equivalents

	2025 \$	2024 \$
Cash at bank	2,222,289	1,993,629
Reconciliation of loss for the year to operating cash flows:		
Profit/(loss) for the period	378,754	(780,673)
Adjustments for non-cash items:		
Share-based payments	32,229	63,826
Depreciation	38,019	19,612
(Reversal) of impairment/impairment of exploration and evaluation expenditure	(1,212,956)	1,214,250
Exploration expensed	(98,741)	-
Other	222	-
Movement in working capital items:		
(Increase)/decrease in trade and other receivables	5,550	213,989
Increase/(decrease) in trade and other payables	(4,861)	(251,665)
Increase/(decrease) in provisions	3,933	-
Net cash used in operating activities	(857,851)	(733,617)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Non-cash financing and investing activities:

There are \$15,000 in non-cash financing and investing activities for the year ended 30 June 2025 (2024: \$545,914).

2025

1. Issue of 214,286 shares to Impact Drilling @ \$0.07 per share \$15,000

2024

2. Issue of 349,991 shares to Impact Drilling @ \$0.15 per share \$49,988
3. Issue of 2,147,092 shares to Killi Resources @ \$0.115 per share \$246,915
4. Issue of 2,000,000 shares for Panther Exploration acquisition @ \$0.125 per share \$250,000

OPERATING ASSETS AND LIABILITIES

8. Exploration and Evaluation Assets

	2025 \$	2024 \$
Opening balance	5,542,082	4,677,922
Payments for tenement acquisitions	-	496,916
Exploration expenditure	1,189,542	1,581,494
(Reversal) of impairment/impairment	1,212,956	(1,214,250)
Closing balance	7,944,580	5,542,082

During the year ended 30 June 2025, the Company assessed the carrying value of its exploration and evaluation assets in accordance with AASB 6 and AASB 136. In the prior year, an impairment loss was recognised under AASB 6 paragraph 20(d), triggered by the Company's market capitalisation falling below the carrying value of exploration and evaluation assets and commodity price declines, indicating insufficient recoverable amount.

Following significant positive developments during the year ended 30 June 2025 including:

- A substantial increase in market capitalisation to \$15.6 million as at 30 June 2025 versus \$5.5 million at 30 June 2024;
- Disclosure of a materially larger global Mineral Resource Estimate of 314 million tonnes at approximately 10.5% Mn, with higher grade subsets, and a scoping study supporting robust project economics (pre-tax NPV \$340 million, IRR 70%, 16-year mine life);
- Continued exploration success, notably at Wandanya, and sector commentary confirming resource scale and strategic positioning;
- Improving sector dynamics for manganese, with ongoing supply risks in key export regions supporting the value of Australian projects.

Management determined that the indicators supporting the prior year impairment no longer exist. As a result, the impairment loss previously recognised has been reversed to the extent that the carrying amount of affected exploration and evaluation assets does not exceed the amount that would have been determined had no impairment loss been recognised (as required by AASB 136).

The impairment reversal amount has been recognised in profit or loss for the period and is supported by a reassessment of recoverable amount based on updated resource estimates, market capitalisation, project economics and sector outlook.

No impairment indicators remain as at 30 June 2025 and recoverable amount assessments are consistent with current company disclosures and market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Plant and Equipment

	2025 \$	2024 \$
Opening balance	50,862	69,811
Additions	-	663
Depreciation expense	(38,682)	(19,612)
Closing balance	12,180	50,862
As at		
Cost	96,961	97,624
Accumulated Depreciation	(84,781)	(46,762)
Total	12,180	50,862

10. Trade and Other Payables

	2025 \$	2024 \$
Trade and other payables	247,908	236,042
	247,908	236,042

11. Provisions

	2025 \$	2024 \$
Current		
Annual leave	63,089	50,231
Non Current		
Long service leave	16,821	12,888
	79,910	63,119

CAPITAL AND FINANCIAL RISK MANAGEMENT

12. Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. The Board has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables from customers and cash and cash equivalents.

Substantial cash balances are held with recognised institutions with credit rating AA- or above as a way of limiting the exposure to credit risk. There are no formal credit approval processes in place, however the Company deals only with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2025 \$	2024 \$
Cash and cash equivalents	2,222,289	703,622
Trade and other receivables	46,094	50,935
	<u>2,268,383</u>	<u>754,557</u>

Financial assets are neither past due nor impaired.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The maturity profiles of the Group's financial assets and liabilities are:

	Carrying Value \$	Up to 6 months \$	6-12 months \$	1-2 years \$	2+ years \$
2025					
Cash and cash equivalents	2,222,289	2,222,289	-	-	-
Trade and other receivables	46,094	46,094	-	-	-
Trade and other payables	(247,908)	(247,908)	-	-	-
Net cash outflow	<u>2,020,475</u>	<u>2,020,475</u>	<u>-</u>		

	Carrying Value \$	Up to 6 months \$	6-12 months \$	1-2 years \$	2+ years \$
2024					
Cash and cash equivalents	703,622	703,622	-	-	-
Trade and other receivables	50,935	50,935	-	-	-
Trade and other payables	(236,042)	(236,042)	-	-	-
Net cash outflow	<u>518,515</u>	<u>518,515</u>	<u>-</u>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Market risk – interest rate risk

The Group's maximum exposure to interest rates at the reporting date was:

	Range of interest rate	Carrying amount	Variable interest rate	Fixed interest rate	Total
2025	%	\$	\$	\$	\$
Cash and cash equivalents	0%-2.05%	2,222,289	-	2,222,289	2,222,289
2024					
Cash and cash equivalents	0% - 4.70%	703,622	343,944	359,678	703,622

Movement of 100 basis points on interest rate (considered a reasonably possible change) would not have a material impact on the Group's loss or equity.

Capital management policy

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the period. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Group defines capital as cash and cash equivalents plus equity. The Board monitors its capital base continually. No formal targets are in place for return on capital or gearing ratios as the Group has not derived any income from their mineral exploration.

13. Issued Capital

	2025 \$	2024 \$
Ordinary shares issued and fully paid	15,519,658	12,065,163
	No. Shares	\$
Balance as at 1 July 2023	52,613,382	9,721,017
Placement of shares issued at \$0.224 per share	7,791,587	1,090,822
Placement of shares issued at \$0.14 per share	6,136,984	859,178
Non-cash issue of shares at \$0.14 per share	349,991	48,999
Non-cash issue of shares at \$0.115 per share	2147,092	246,916
Non-cash issue of shares at \$0.125 per share	2,000,000	250,000
Transaction costs	-	(151,769)
Balance as at 30 June 2024	71,039,036	12,065,163
Placement of shares issued at \$0.07	12,573,571	880,150
Share placement plan issued at \$0.07	3,757,135	262,999
Shares issued for drilling services at \$0.07	214,286	15,000
Placement of shares issued at \$0.06	41,666,667	2,500,000
Issue of shares on vesting of performance rights	400,000	16,493
Transaction costs	-	(220,147)
Balance as at 30 June 2025	129,650,695	15,519,658

Terms and conditions of ordinary shares

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Reserves

The share-based payments reserve (options and performance rights) relates to options and performance rights granted by the Company to its employees and Directors. The movement relates to the share-based payments expense recognised during the period in respect of the ESIP options, Director options, and performance rights.

OTHER INFORMATION

15. Income Tax

	2025 \$	2024 \$
The components of tax expense/(benefit) comprise:		
Current tax benefit/(expense)	-	-
Deferred tax benefit/(expense)	-	-
	-	-
Reconciliation of prima facie tax on continuing operations to income tax benefit:		
Profit/(loss) before tax	378,754	(1,993,629)
Australian tax benefit @ 25% (2024: 25%)	94,690	(498,407)
Adjustments for:		
Non-deductible expenses	(330,875)	306,238
Tax effect of unrecognised tax losses utilised	236,185	192,169
	-	-

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

As at year end, tax losses carried forward amounted to \$4,211,655 (2024: \$3,347,447) that have the ability to be carried forward indefinitely for offset against future taxable profits of the Group.

The recoupment of available tax losses as at 30 June 2025 are contingent upon the Group satisfying the following conditions:

- deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- the conditions for deductibility imposed by tax legislation continuing to be complied with the company meeting either its continuity of ownership test or in the absence of satisfying that test, the company can satisfy the same business test; and,
- there being no changes in tax legislation which would adversely affect the Group from realising the benefits from the losses.

In the event that the Group fails to satisfy these conditions above, the Group may be liable for future income tax on assessable income derived by the Company.

16. Related Party Transactions

Parent and subsidiaries

The parent entity and the ultimate parent entity of the Group is Black Canyon Limited, a company listed on the Australian Securities Exchange. The components of the Group are:

Controlled entities	Incorporated	Extent of Control	
		30 June 2025	30 June 2024
Zephyr Exploration Pty Ltd	Australia	100%	100%
Panther Exploration Pty Ltd	Australia	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Key management personnel disclosures

The key management personnel compensation includes employee benefits and director compensation expenses as follows:

	30 June 2025	30 June 2024
	\$	\$
Short-term employee benefits	465,574	456,824
Post-employment benefits	37,950	36,300
Equity compensation benefits	32,229	63,826
	<u>535,753</u>	<u>556,950</u>

Further information regarding key management personnel has been provided in the Remuneration Report.

Transactions with key management personnel

There are no other related party transactions other than those payments as disclosed above and in the remuneration report.

17. Share-based Payments

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	30 June 2025	30 June 2024
	\$	\$
Employee benefits expense	32,229	63,826
	<u>32,229</u>	<u>63,826</u>

Share-based payments are provided to directors and employees.

The issue to each individual director or employee is controlled by the Board and the ASX Listing Rules. Terms and conditions of the payments, including the grant date, vesting date, exercise price and expiry date are determined by the Board, subject to shareholder approval where required.

Director options

The number and weighted average exercise prices of share options outstanding at 30 June 2025 is as follows:

	30 June 2025		30 June 2024	
	No. Options	WAEP	No. Options	WAEP
Outstanding at the beginning of the period	-	-	-	-
Granted	1,900,000	\$0.105	-	-
Exercised	-	-	-	-
Lapsed / expired	-	-	-	-
Outstanding at end of the period	1,900,000	\$0.105	-	-
Exercisable at end of the period	-	-	-	-

The weighted average share price at the date of exercise for share options exercised during the year was \$0.105 (2024: nil).

The weighted average contractual life remaining as at 30 June 2025 is 2.41 years (2024: nil).

Non-market performance conditions are not considered in the grant date fair value measurement of the services received. The fair value of the options is estimated at the grant date using a Black Scholes option-pricing model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

During the year ended 30 June 2025, the Company issued the following Director options:

	Director Options
Dividend yield (%)	-
Expected volatility (%)	80.13
Risk free interest rate (%)	3.97
Exercise price (\$)	0.105
Expected life of options (years)	3.00
Share price at grant date (\$)	0.058
Expiry date	28 November 2027
Value per option (\$)	0.0193
Number issued	1,900,000

Performance Rights

The number of performance rights on issue is as follows:

	30 June 2025 No.	30 June 2024 No.
Outstanding at the beginning of the period	2,200,000	2,800,000
Granted	1,000,000	600,000
Lapsed / expired	(800,000)	(1,200,000)
Vested	(400,000)	-
Outstanding at end of the period	2,000,000	2,200,000

Each performance right represents a right to be issued an ordinary share at a future point in time, subject to the satisfaction of any vesting conditions. Unless determined otherwise by the Board, performance rights are subject to lapsing if the conditions are not met by the relevant measurement date or expiry date (if no other measurement date is specified) or if employment is terminated.

No exercise price is payable and eligibility to receive performance rights is at the Board's discretion. The performance rights cannot be transferred and are not quoted on the Australian Securities Exchange. There are no voting rights attached to performance rights.

The following table details the vesting conditions of the Performance Rights outstanding:

Description	Number	Vesting Period	Vesting Condition
2022	400,000	24 November 2025	Subject to completion of Scoping Study announced to the ASX that demonstrates the technical and financial feasibility of the production of a High Purity Manganese Sulphate Project suitable for use in EV battery industry.
2023	600,000	28 November 2026	Subject to announcing that it has secured either an offtake agreement representing a minimum 50% of its planned production volume over a three-year term, or a downstream HPMSM joint venture partner with a minimum financial commitment of \$10m.
2024	1,000,000	28 November 2025	Vest upon closing price of the Company's Shares being the greater of \$0.14 per Share or 50% above the 5 day VWAP prior to receiving shareholder approval for more than 10 trading days out of any 20 consecutive trading days and at least 12 months after the issue of the Performance Rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table lists the inputs to the model for the Performance Rights outstanding during the period:

	2022 Performance Rights	2023 Performance Rights	2024 Performance Rights
Dividend yield (%)	-	-	-
Expected volatility (%)	85.20	70.00	80.13
Risk free rate (%)	3.24	4.22	3.97
Expected life (years)	3.00	3.00	3.00
Exercise price (\$)	-	-	-
Grant date share price (\$)	0.250	0.140	0.058
Expiry date	24 November 2025	28 November 2026	28 November 2027
Number	400,000	600,000	1,000,000
Fair value at grant date (\$)	\$0.250	\$0.140	\$0.0347

The Performance Rights have been valued using a Monte Carlo Share Price Simulation Method.

18. Remuneration of Auditors

	2025 \$	2024 \$
Auditors remuneration – for audit or review of financial report		
Hall Chadwick	55,529	46,438
	55,529	46,438

UNRECOGNISED ITEMS

19. Parent Entity Disclosures

	2025 \$	2024 \$
Assets		
Current assets	2,268,383	754,557
Non-current assets	7,956,760	5,592,943
Total Assets	10,225,143	6,347,500
Liabilities		
Current liabilities	310,997	286,273
Non-current liabilities	16,821	12,888
Total Liabilities	327,818	299,161
Net Assets	9,897,325	6,048,341
Equity		
Issued Capital	15,519,658	12,065,163
Reserves	222,871	240,122
Accumulated losses	(5,845,204)	(6,256,944)
Total Equity	9,897,325	6,048,341

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Statement of Comprehensive Income

	2025 \$	2024 \$
Profit/(loss) for the period		
Other comprehensive income	374,754	(1,993,629)
Total comprehensive profit/(loss)	374,754	(1,993,629)

Commitments

On 12 June 2025, the Company entered into a binding Share Sale Agreement to acquire 100% of Ndalamo Platinum Pty Ltd for the following consideration:

1. Two million fully paid ordinary shares and two million unlisted option exercisable at \$0.14 with a term of three years, in the Company upon the satisfaction of certain conditions precedent noted below:
 - a. Completion of a 21-day due diligence period from execution of the agreement, and
 - b. The grant of tenements ELA46/1571 and ELA46/1572 by 30 November 2025.

As at the date of this report, the granting of the tenements remains outstanding.

Contingent Assets and Liabilities

The parent entity does not any contingent assets or liabilities.

20. Contingent Assets and Liabilities

There were no contingent assets or liabilities at 30 June 2025.

21. Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet the minimum expenditure requirements specified by various State and Territory Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in this financial report.

The minimum level of exploration commitment expected in the year ending 30 June 2025 for the Group is approximately \$1,030,000 (2024: \$2,130,000). These obligations are expected to be fulfilled in the normal course of operations.

22. New Standards and Interpretations

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

Set out below are the new and revised Standards and amendments thereof effective for future years that are relevant for the Group.

Pronouncement	Impact
Presentation and Disclosure in Financial Statements (AASB 118) Effective 1 January 2027	AASB 118 replaces AASB 11 and introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information. The application of this standard is not expected to have a material impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Subsequent Events

On 5 September 2025, the Company announced a placement to raise \$10,000,000 before costs via the issue of 23,809,525 fully paid ordinary shares at an issue price of \$0.42 per new share.

The Company has also issued 4,053,667 fully paid ordinary shares on the exercise of the following options:

- 2,793,744 options with an exercise price of \$0.28, and an expiry of 27 July 2025; and
- 1,259,923 options with an exercise price of \$0.14, and an expiry of 14 October 2026.

No other matters or circumstances have occurred subsequent to balance date that have or may significantly affect the operations or state of affairs of the Group in subsequent financial years.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Black Canyon Limited (the ‘head entity’) and its wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Entity Name	Entity type	Country of Incorporation	Percentage of Share Capital Held	Country of Tax Residence
Black Canyon Limited	Parent entity	Australia	-	Australia
Zephyr Exploration Pty Ltd	Subsidiary	Australia	100%	Australia
Panther Exploration Pty Ltd	Subsidiary	Australia	100%	Australia

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DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

1. the Consolidated Financial Statements and notes and Remuneration Report are in accordance with the Corporations Act 2001, including:
 - a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirement, and
 - b) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the year ended on that date,
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable,
3. the financial statements and notes thereto are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and
4. the attached Consolidated Entity Disclosure Statement is true and correct.

The Directors have been given the declarations as required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of Directors.



Graham Ascough
Chair
26 September 2025

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK CANYON LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Black Canyon Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Note 8 Carrying value of exploration and evaluation assets</p> <p>During the year ended 30 June 2025, the Consolidated entity assessed the carrying value of its exploration and evaluation assets in accordance with AASB 6. Management determined that the indicators supporting the prior year impairment no longer exist. As a result, the impairment loss of \$1.2m previously recognised has been reversed to the extent that the carrying amount of affected exploration and evaluation assets does not exceed the amount that would have been determined had no impairment loss been recognised.</p> <p>This involves significant judgement and detailed assessment.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessing management's determination of its areas of interest for consistency with the definition in AASB 6; For the area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries/correspondences and evaluating agreements in place with other parties; Reviewing market data, commodity price trends, and external forecasts relevant to manganese. Evaluating the competence, capabilities and objectivity of management's experts in the evaluation of impairment triggers and considered the Director's assessment of potential indicators of impairment; Reviewing management's assessment on the impairment reversal in ascertaining that the impairment reversal consideration is made in accordance with paragraph 20 of AASB 6; Assessing that disclosures relating to the capitalised exploration and evaluation assets and its impairment reversal considerations are in accordance with Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Company, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK AUDIT (WA) PTY LTD
ABN 42 163 529 682



NIKKI SHEN CA
Director

Dated this 26th day of September 2025
Perth, Western Australia

RESOURCE AND RESERVE STATEMENT

Deposit	Mineral Resource Category	Summary of Mineral Resources ⁽¹⁻³⁾					
		Material (Mt)	In Situ Mn (Mt)	Mn (%)	Fe (%)	Si (%)	Al (%)
FB3 ⁴	Measured	52	5.5	10.5	10.4	16.9	4.3
LR1 ⁴	Measured	47	4.9	10.3	8.4	16.7	4.6
Total	Measured	100	10.4	10.4	9.4	16.8	4.4
KR1 ⁵	Indicated	79	7.8	10.0	7.9	18.0	5.4
FB3 ⁴	Indicated	63	6.3	10.0	9.6	16.8	4.4
LR1 ⁴	Indicated	8	0.9	11.3	9.4	6.9	1.8
Total	Indicated	150	15.1	10.1	8.7	16.9	4.8
KR2 ⁵	Inferred	24	2.9	11.9	10.6	19.2	5.0
Balfour East ⁵	Inferred	32	3.9	11.9	8.5	18.6	4.9
Damsite ⁵	Inferred	7	0.9	12.1	9.6	17.2	4.2
Total	Inferred	64	7.6	11.9	9.4	18.7	4.9
Grand Total		314	33.1	10.5	9.1	17.2	4.7

Notes

¹ Mineral resources reported at a cut off grade of 7% Mn.

² Appropriate rounding has been applied.

³ Refer to JORC Table 1, Sections 1 to 3 and Appendix 2 for further details in ASX release 12/12/2023.

⁴ Deposit under which BCA owns 75%.

⁵ Deposit under which BCA owns 100%.

ESTIMATION GOVERNANCE STATEMENT

Black Canyon Limited ensures that all Mineral Resource calculations are subject to appropriate levels of governance and internal controls. Data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management. All exploration results are collected and managed by qualified geologists.

Mineral Resource estimates are prepared by qualified independent Competent Persons. The Company reports its Mineral Resources on an annual basis in accordance with the 2012 JORC Code. If there is a material change in the estimate of a Mineral Resource during the course of the year, the estimate and supporting documentation in question is updated.

COMPETENT PERSONS 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, Managing 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 Head of Geology and Mining for Mineral Technologies). Mr Jones is a Fellow of the Australasian 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 Person 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.

TENEMENT SCHEDULE

As at the date of this report, the Group has the tenements detailed in the table below:

Project	Tenement	Beneficial Interest
Carawine Project Farm In	E46/1116-I	75%
	E46/1119-I	75%
	E46/1301	75%
	MLA46/546	75%
	E46/1069-I	75%
Davis Creek	EL46/1382	100%
Pickering Creek	EL46/1404	100%
Wandanya	EL46/1407	100%
Warawagine	EL45/5954	100%
Bee Hill West	EL46/1422	100%
Balfour South	EL46/1396	100%
Hurricane	EL46/1394	100%
KR – Homestead	EL46/1383	100%

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ADDITIONAL INFORMATION

Additional information required by the ASX and not shown elsewhere in this report is as follows:

SHAREHOLDING AS AT 12 SEPTEMBER 2025

Distribution of shareholders

Range	Total Holders	Units	% Units
1 – 1000	24	3,125	0.00
1,001 - 5,000	151	431,864	0.27
5,001 - 10,000	94	768,398	0.49
10,001 - 100,000	362	15,184,280	9.67
100,001 and over	198	140,683,366	89.57
Total	829	157,071,033	100.00

Voting rights

Voting rights are one vote for each share held by registered holders of Ordinary Shares. Options and Performance Rights do not carry any voting rights.

Top 20 holders – ordinary shares

Rank	Name	Units	% of Units on Issue
1	TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND A/C>	10,196,383	6.49
2	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	9,518,197	6.06
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,424,256	6.00
4	GP SECURITIES PTY LTD	5,416,856	3.45
5	JETOSEA PTY LTD	4,852,945	3.09
6	THIRD REEF PTY LTD	3,909,470	2.49
7	PALM BEACH NOMINEES PTY LIMITED	3,700,950	2.36
8	MR GRAHAM LESLIE ASCOUGH +	3,153,897	2.01
9	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	2,833,838	1.80
10	TRBG INVESTMENTS PTY LTD <TRB GOYDER SUPER A/C>	2,499,970	1.59
11	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	2,355,828	1.50
12	MS LETITIA BURBURY	2,355,351	1.50
13	JIMZBAL PTY LTD <JIMZBAL SUPER A/C>	2,268,181	1.44
14	ICON CUSTODIANS PTY LTD <CUMMINS FAMILY A/C>	2,017,168	1.28
15	MR KENNETH JOSEPH HALL <HALL PARK A/C>	2,000,000	1.27
16	JAYLEAF HOLDINGS PTY LTD <THE POLLOCK INVESTMENT A/C>	1,989,286	1.27
17	FOSTER STOCKBROKING PTY LTD <NO 1 ACCOUNT>	1,977,763	1.26
18	SAMATZO HOLDINGS PTY LTD <HILL FAMILY A/C>	1,923,809	1.22
19	MRS SIMONE ELIZABETH ARCHER	1,800,000	1.15
20	NURRAGI INVESTMENTS PTY LTD	1,792,648	1.14
	TOTAL	75,986,796	48.38

Unmarketable parcels

The number of shareholders holding less than a marketable parcel at 12 September 2025 is 29 shareholders holding a total of 8,546 shares.

On market buy back

There is no current on market buy back.

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ADDITIONAL INFORMATION

Substantial shareholders

	Number of Ordinary Shares	Percentage (%)
Treasury Services Group Pty Ltd ATF Nero Resource Fund, Nero Resource Fund Pty Ltd, Russell Delroy ¹	8,333,333	6.43%
Cremorne Capital Limited ²	7,365,800	5.68%
Perennial Value Management Limited ³	8,542,554	5.44%

¹ As lodged on 2 May 2025

² As lodged on 13 March 2025

³ As lodged on 11 September 2025

Corporate governance

The Company's 2025 Corporate Governance Statement is available for inspection in the Corporate Governance section of the Company's website. This document is reviewed regularly to address any changes in governance practices and the law.

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