



Birsok Bauxite Project – Cameroon

Pathway to Development

November 2014

Forward Looking Statements

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Canyon Resources Ltd's exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Canyon Resources Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Roger Speers, an employee of the Company and a Competent Person who is a Member Australian Institute of Geoscientists. Mr Speers has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity to which he is undertaking 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". The exploration results are available to be viewed on the Company website www.canyonresources.com.au. The Company confirms it is not aware of any new information that materially affects the information included in the original announcement. The Company confirms that the form and context in which the Competent Person's findings are present have not been materially modified from the original announcements. Mr Speers consents to the inclusion of the matters based on his information in the form and context in which it appears.



Bauxite sample 63.79% Al_2O_3



Outcropping bauxite on the project area

The Birsok Bauxite Project - Cameroon



High Grade Low Impurity Bauxite

- ◀ Inaugural drilling program returned high-grade, low impurity bauxite mineralisation.
- ◀ Multiple intersections of $>50\% \text{Al}_2\text{O}_3$ with low silica.
- ◀ Positive results from metallurgical testing.
- ◀ High grade nature of the mineralisation indicates DSO potential.

Follow Up Exploration and Drilling In Q4 2014

- ◀ Phase 2 exploration and drilling planning and preparation under way, work will recommence on the project before Christmas 2014.
- ◀ Target additional plateau areas not yet tested to increase the project scale.

Expanding the Project Footprint

- ◀ Application has been lodged for an additional permit to the south west of the Birsok Project.
- ◀ Opportunity to peg additional permits in the vicinity.

Existing Infrastructure

- ◀ Existing rail line 10km from project, multiple existing port options.
- ◀ Technical data has been received from the rail operators.
- ◀ Rail consultants appointed to undertake initial rail study.

Strong Bauxite Market

- ◀ Declining scale and quality of bauxite deposits in traditional markets, large customers securing new regions of supply.
- ◀ Upward price pressure on bauxite, reports of contracts $>\$80\text{pt}$ for DSO bauxite out of West Africa. www.bauxiteindex.com

Capital Structure

Ordinary Shares on issue	104.5m
Listed Options on Issue	
Exercisable @ 6c	40m
Exercisable @ 16c	14.1m
Unlisted Options on issue	11.25m
Market Capitalisation (undiluted at 5.5cps)	\$5.7m
Cash	\$440k
Debt	Nil
Enterprise Value	\$4.9m

Major Shareholders (current)

% Interest

HSBC Custody Nominees	9.58%
Kingslane Pty Ltd	2.09%
Goodheart Pty Ltd	1.83%

Does not include Altus Strategies, who will be issued with 8 million shares on completion of the Conditions Precedent of the Birsok Project transaction

- ◀ Tight capital structure remains post-acquisition
- ◀ Introduction of Altus Strategies as a major shareholder (8m shares)
- ◀ Highly leveraged to exploration success
- ◀ Active exploration and drilling program planned with steady news flow in the upcoming exploration season



Rhod Grivas, Non-Executive Chairman

- Geologist with +20 years experience in corporate and technical management of junior exploration companies
- Executive Chairman Southern Crown Ltd (ASX- SWR), Previously Managing Director of ASX and TSX listed Dioro Exploration prior to its takeover by Avoca

Phillip Gallagher, Managing Director

- Extensive experience in senior commercial and operations roles in both public and private companies
- Managing Director of Canyon Resources Ltd since IPO in June 2010

Matthew Shackleton, Non-Executive Director

- Over 18 years experience in senior finance & corporate positions in Australia and overseas
- Executive Chairman ASX listed Goldphyre Resources ASX- GPH), Managing Director of ASX listed Mount Magnet South NL to 2012

David Netherway, Non-Executive Director

- Australian mining engineer, 38 years experience in the resource sectors, including ASX, AIM, and TSX listings
- Chairman of Aureus Mining (TSX & AIM - AUE), Kilo Goldmines Ltd (TSX-V- KGL) and a non-executive director of Altus Resource Capital Ltd (LSE & CISE- ARCL), Altus Global Gold Ltd (CISE- AGG) and Crusader Resources (ASX- CAS)

- Two bauxite licenses (Birsok and Mandoum) in central Cameroon covering 1,462km²
- Contiguous to the large, high grade Minim Martap deposit
- Strategically located close (~10km) to operating rail line (with capacity to transport bauxite)
- Initial high grade results validate the potential for DSO operation
- Application has recently been lodged for the Mambal permit, 363km² contiguous to the southern extensions of the Minim Martap deposit.
- 4 plateau extensions already identified on Mambal and similar bauxite to Birsok.



RC Rig from the Phase 1 drilling program



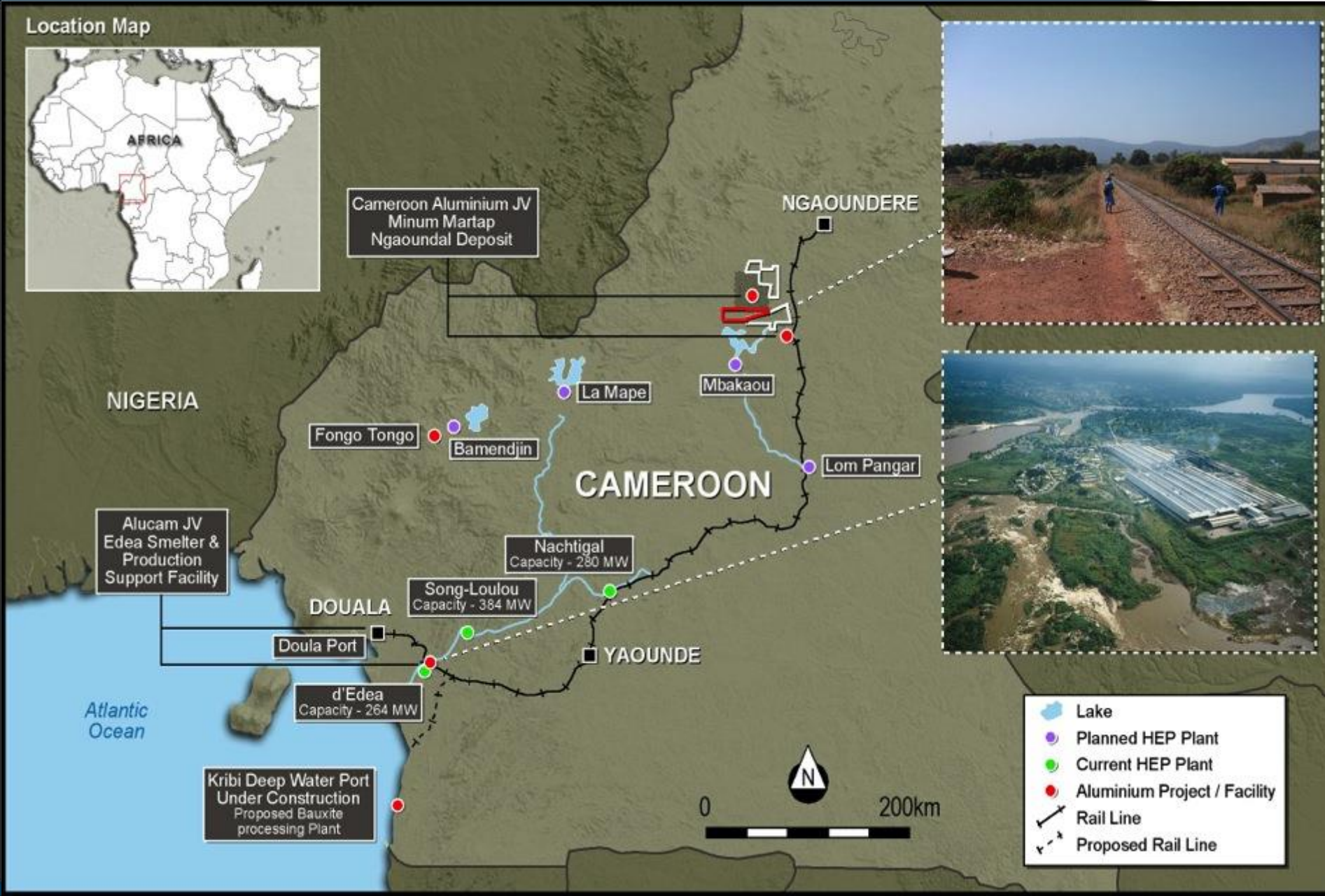
Outcropping bauxite on the Birsok project

Birsok Bauxite Project

Accessible Rail and Port Infrastructure



Location Map

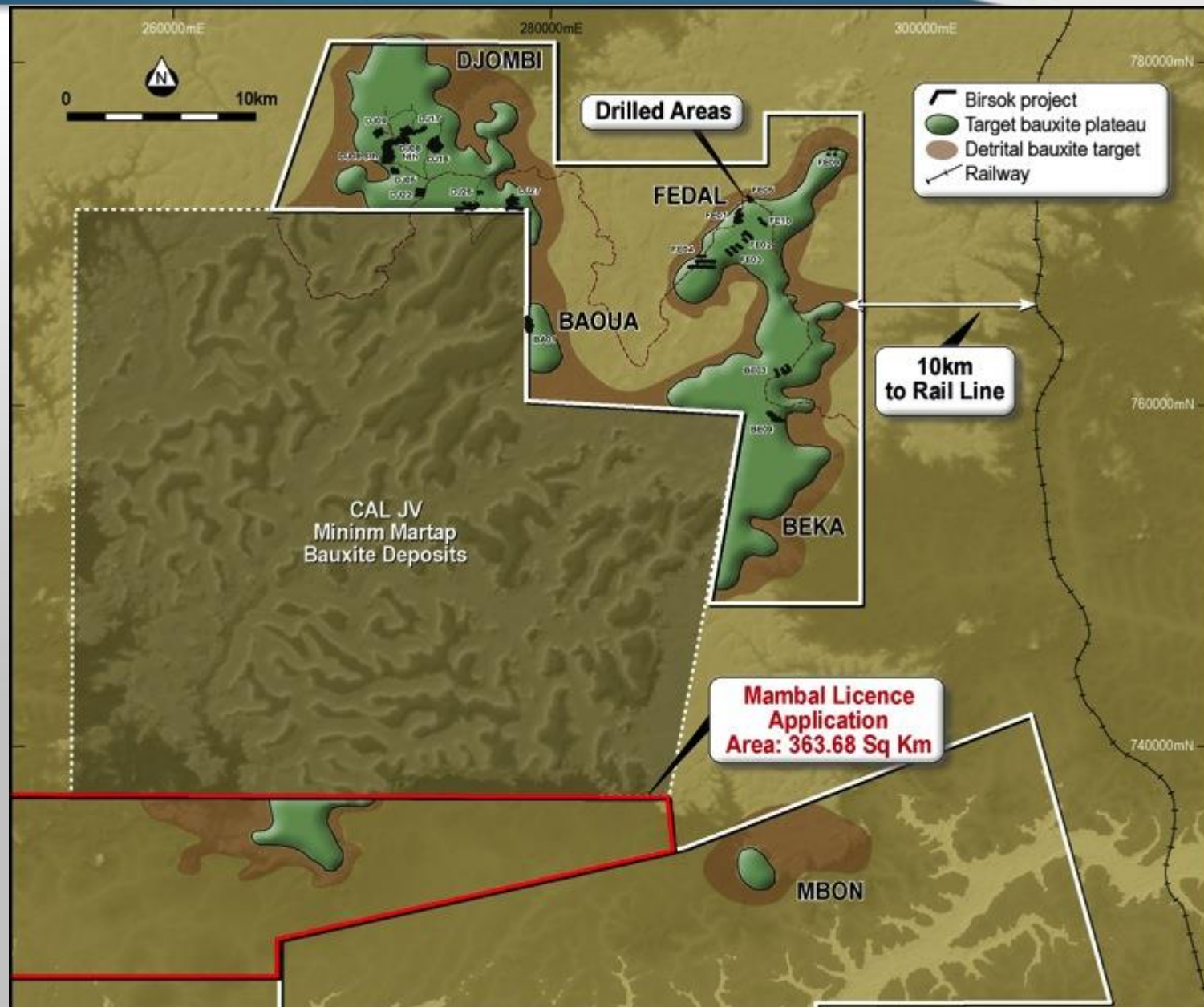


Birsok Bauxite Project

Emerging Aluminium Province



- Black symbols showing the plateaux drilled in the Phase 1 drilling program
- The new Mambal Permit under application (in red outline)



1st Phase Drilling Program Successful

- First phase drilling program completed, 325 RC holes have been drilled for 3,563m
- Results highlight significant thick, high grade, bauxite mineralisation from surface
- Significant Intersections include:
 - 11m @ 51.9% Al_2O_3 and 2.95% total SiO_2 from surface
 - 10m @ 54.4% Al_2O_3 and 2.6% total SiO_2 from surface
 - 7m @ 55.5% Al_2O_3 and 1.7% total SiO_2 from surface
 - 6m @ 54% Al_2O_3 and 2.62% total SiO_2 from surface
 - 5m @ 46.5% Al_2O_3 and 2.9% total SiO_2 from surface and 6m @ 55.4% Al_2O_3 and 4% total SiO_2 from 9m
- Very positive metallurgical test results with **up to 53.5% available alumina with <1% reactive silica**, intersections included;
 - 6m @ 48.8% AvAl and 1.8% Rx. SiO_2
 - 6m @ 47.1% AvAl and 3.8% Rx. SiO_2
- Contaminant levels are low in high grade bauxite zones



First hole drilled on the Birsok Bauxite Project, Cameroon



Grey-purple bauxite from Plateau DJ27

Birsok Bauxite Project – Phase 2 Exploration

- Phase 2 drilling program to commence as soon as possible, post the upcoming wet season. (expected to start in Nov/Dec 2014)
- 6 wheel drive landcruiser mounted aircore rig has been identified, expected savings on drilling costs.
- Additional drilling targets already identified to be drilled in Phase 2.
- On going mapping and sampling continuing on additional plateaux on the project area identifying further drilling targets.



Grab sample $>60\% \text{Al}_2\text{O}_3$



6WD landcruiser mounted aircore rig for Phase 2 drilling

Birsok Bauxite Project

Multiple Transport and Logistic Options



- Existing rail line runs to port within 10km of project
- Indicated capacity on the existing rail line to transport bauxite from the project
- Canyon rail and infrastructure study underway
- Over €300M to be invested in rail infrastructure from World Bank and Cameroon govt is underway.
- New Kribi deep water port in southern Cameroon commenced operations in August 2014
- New rail spur planned for access to the new Kribi deep water port – currently under construction



Artists impression of completed Kribi deep water port



Kribi deep water port nearing completion October 2013, on target for 2014 opening



Freight train on the Camrail network

The Investment Case for Bauxite

- Strong fundamentals for the bauxite market:
 - Bulk commodity with growing global demand
 - Global consumption of aluminium to double from 41Mt in 2010 to 82Mt in 2025¹
- China imports approximately 60% of its bauxite requirements
 - Uncertainty regarding long term supply from Indonesia due to regulatory changes
- Growth in aluminum capacity in China, Russia, India and Middle East is increasing demand for bauxite
- Smelters globally are securing long term supplies of bauxite and alumina
- Upward price pressure on high grade bauxite supplies out of West Africa www.bauxiteindex.com

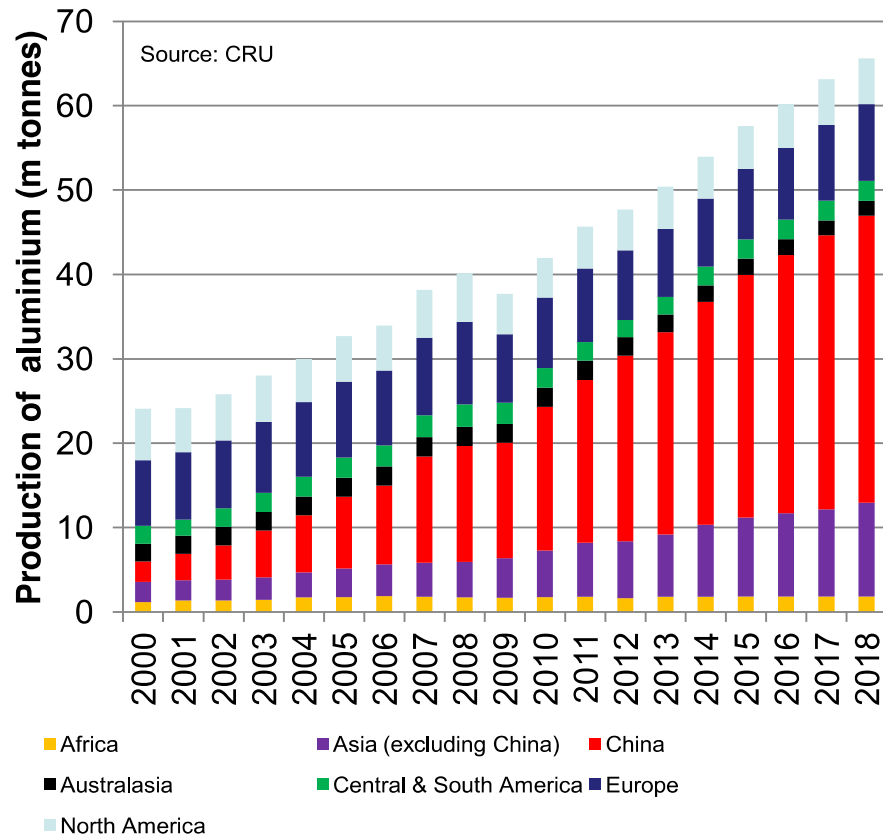
¹ CRU forecast



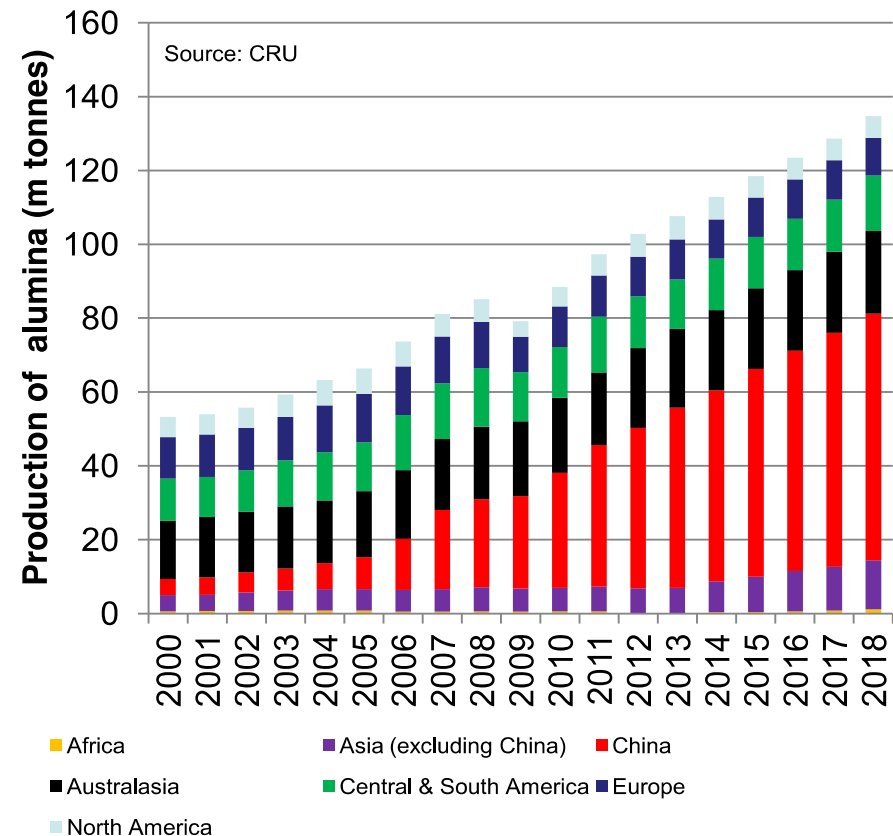
Aluminium Production Increase Drives Demand for Bauxite

5-6 tonnes of bauxite is required to produce 1 tonne of aluminum

Aluminium production, 2000-2018



Alumina production, 2000-2018



Birsok Bauxite Project - The Transaction



- ◀ Canyon is acquiring up to 75% interest in the Birsok Bauxite Project, Cameroon ^{1,2}
- ◀ Initial Consideration minimises cash outlay and dilution
 - ◀ \$150,000 cash payment (to be paid)
 - ◀ 8 million Canyon shares
- ◀ Canyon to spend \$2 million to earn 51% project interest ³
- ◀ Canyon to spend a further \$4 million to earn 75% project interest ⁴
- ◀ Altus may earn deferred consideration upon achievement of certain project milestones
 - ◀ **Milestone A:** \$1.5m worth of CAY shares upon definition of 150Mt JORC Resource with a minimum 45% Al₂O₃ ⁵
 - ◀ **Milestone B:** \$1.5m worth of CAY shares upon completion of a Feasibility Study and raising of all development capital



Rail line near the project area

¹ Local partner has a right to 5% of net profit from the Birsok Project ("Royalty"). Canyon may purchase this Royalty for a cash payment of US\$1 million at any time.

² Subject to satisfaction of conditions precedent as outlined in ASX announcement dated 24 December 2013

³ Canyon will be required to spend \$2 million on the project within 2 years from the date of Canyon issuing the initial consideration shares to the current owners.

⁴ Canyon will be required to spend a further \$4 million on the project within 3 years following the date that Canyon is deemed to have earned its initial 51% interest.

⁵ The 150Mt Resource must have a minimum grade of 45% Al₂O₃ and a maximum of 2% reactive SiO₂.



- Altus Strategies will become one of Canyon's largest shareholders, with 8 million shares post completion of the acquisition of the Birsok Project
- Successful history of discovery and development of projects throughout the African continent
- Has interests in Copper, Iron Ore, Gold, and Bauxite in a number of African jurisdictions
- Altus is +45% owned by its Board and Management (Sprott 18.3% shareholder)

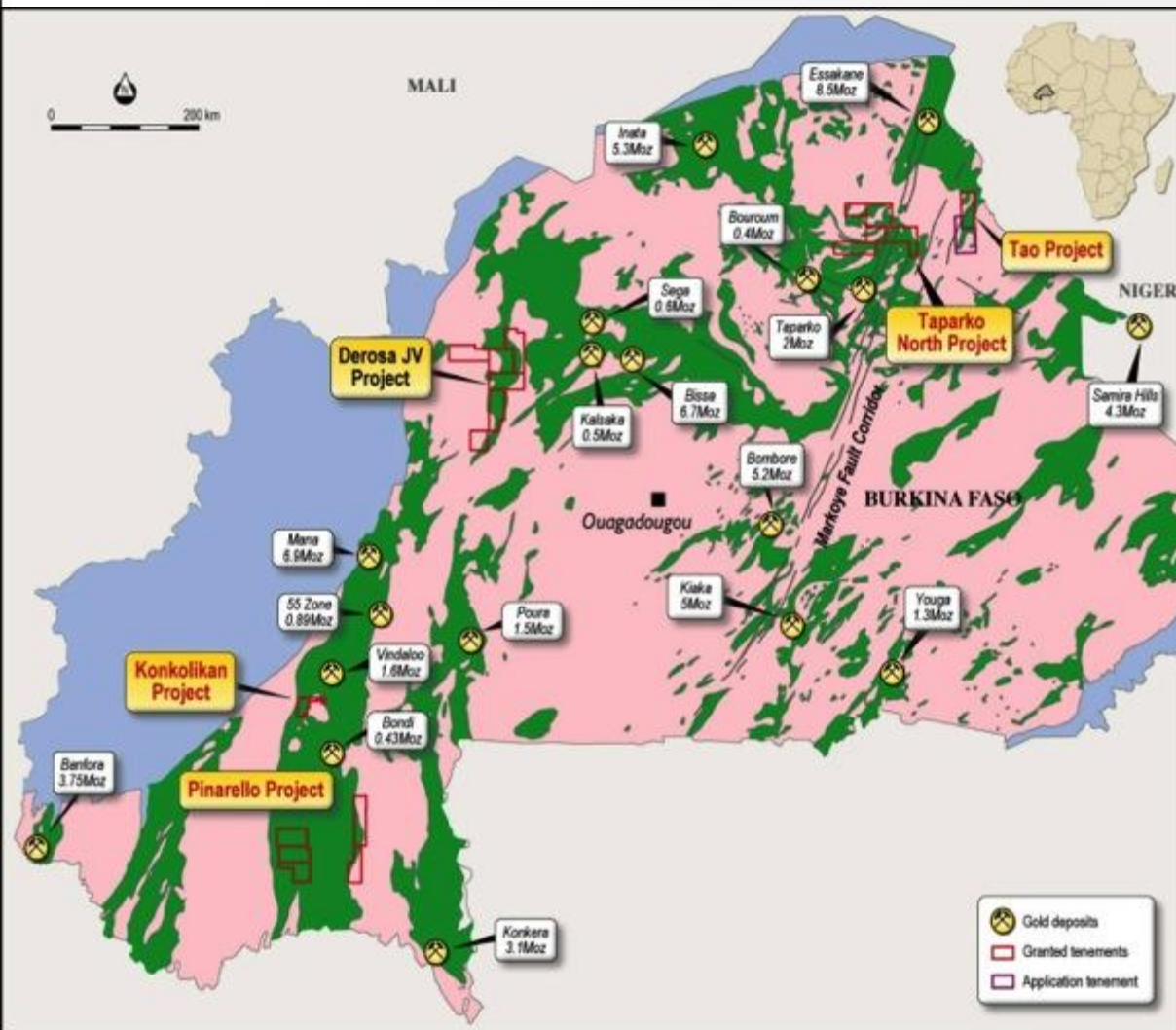
The ongoing involvement of Altus at a project level and its direct equity investment in Canyon will closely align the goals of Altus with all Canyon shareholders

- ☛ Peaceful and politically stable
- ☛ Member of the Commonwealth
- ☛ Officially bilingual (French and English)
- ☛ Capital city is Yaounde (population 2.5 million)
- ☛ Positive tax and regulatory regime
- ☛ Population approx. 20 million
- ☛ Main exports are crude oil, lumber, cocoa beans, coffee, cotton, aluminium and bauxite



Mining Sector

- ☛ Encouraging mining investment and development
- ☛ Significant mining project developments underway include:
 - ☛ Sundance Resources' Mbalam-Nabeba Iron Ore Project
 - ☛ Geovic Mining's Cobalt-Manganese-Nickel Project
 - ☛ Afferro Mining's Nkout Iron Ore Project
 - ☛ The recent sale of Legend Mining's Ngovayang Iron Ore Project to Jindal Steel



Focus on advancing key projects in the 2013/2014 field season

- ▶ **Pinarello Project**
 - ▶ Further testing of the Soukoura, Gaghny and Togoba prospects
- ▶ **Taparko North Project**
 - ▶ High tenor gold soil geochem anomaly
- ▶ **Konkolikan Project**
 - ▶ Initial exploration targeting the trend hosting nearby high grade multi million ounce deposits
- ▶ **Derosa Project**
 - ▶ JV with ASX listed Rumble Resources

- Portfolio of high quality projects in Africa, targeting company-making discoveries:
 - Cameroon:** Targeting a long life, premium grade DSO bauxite export operation
 - Burkina Faso:** Targeting gold and base metal discoveries across approximately 3,500km² in a number of highly mineralised belts including the Houndé gold belt, which hosts several high grade discoveries
- High grade bauxite with low contaminants has been demonstrated by initial drilling
- Positive results from metallurgical testing
- Canyon is one of few junior resource companies providing exposure to bauxite
- Upward pressure on global bauxite prices due to increasing demand, particularly from China
 - Recent contracts from West Africa reported at >\$80 per tonne www.bauxiteindex.com
- Rail infrastructure approximately 10km from the Birsok Project, running direct to port
 - Rail and infrastructure study underway
- Excess port capacity in country, the new deep water Kribi Port is now in operation
- Phase 2 exploration and drilling due to commence before Christmas 2014
- Highly leveraged to exploration success, with a tight capital structure

ASX:CAY

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