



Canyon Resources Limited

ACN 140 087 261

353 Rokeby Road

Subiaco WA 6008

www.canyonresources.com.au

17 March 2016

The Manager
Australian Stock Exchange Limited ("ASX")
Company Announcements Office

Dear Sir

Placement of Shares and Options

Canyon Resources Limited (ASX: CAY) has completed a placement of 14,300,000 fully paid ordinary shares at a price of 5 cents per share and 14,300,000 attaching unlisted options exercisable at 6 cents each and expiring 29 September 2017 (Placement) to raise \$715,000 before costs of the issue. The terms of the placement were previously announced on 11 March 2016. As announced the Company has also issued unlisted options to the Lead Manager to the Placement or its nominees.

Subject to shareholder approval, Directors intend to participate in the Placement on the same terms for up to 300,000 shares and 300,000 attaching options.

Information Required Under Listing Rule 3.10.5A

The Placement shares were issued pursuant to ASX listing rules 7.1A. The unlisted options were issued pursuant to listing rule 7.1. Canyon provides the following information as required under ASX listing rule 3.10.5A:

- a) The dilution to existing shareholders at the time of the Placement as a result of the issue under ASX listing rule 7.1A was 8.5%.

Details of the approximate percentage of the issued capital post the Placement of shares under ASX listing rule 7.1A held by the pre-Placement shareholders and new shareholders are:

Pre-Placement shareholders who did not participate in the Placement	91.5%
Pre-Placement shareholders who did participate	4.0%
Participants in the Placement who were not previously shareholders	4.5%

- b) Canyon issued shares to sophisticated and institutional investors as it was considered to be a more efficient mechanism for raising the funds for this Placement. The Placement did not expose the Company to market volatility that it may have experienced over a more extended capital raising process such as a pro-rata issue;

- c) No underwriting arrangements were in place for the Placement; and

- d) The capital raising fees payable to the brokers to the Placement are 6% of the total funds raised. In addition to the capital raising fee, the lead manager or its nominees have been issued 7.15 million unlisted options on the terms outlined in the Placement announcement dated 11 March 2016.

Section 708A Notice

The shares issued are part of a class of securities quoted on the ASX Limited. The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The securities are issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act. The Company, as at the date of this notice, has complied with:

the provisions of Chapter 2M of the Corporations Act; and
Section 674 and 675 of the Corporations Act.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

An appendix 3B for these share and option issues follows.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Phillip MacLeod', written in a cursive style.

Phillip MacLeod
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

CANYON RESOURCES LIMITED

ABN

13 140 087 261

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | 1. Shares
2. Unlisted options
3. Unlisted employee options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 14,300,000
2. 21,450,000
3. 1,000,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Ordinary fully paid
2. unlisted options exercisable at 6 cents each expiring 29 September 2017.
3. unlisted options exercisable at 7 cents each expiring 30 September 2018. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	1. Yes 2. and 3. No. Shares issued on the conversion of the options will rank equally with existing ordinary shares.
5 Issue price or consideration	1. 5 cents each 2. Nil options attaching to 1. 3. Nil
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. and 2. Funds raised will be used to meet the Company's ongoing working capital requirements, including to meet the costs of the Company's ongoing identification and evaluation of advanced project opportunities in Cameroon, including costs associated with legal and technical consultants and advisory costs in both Australia and Cameroon as well as the ongoing evaluation of the Company's Birsok Bauxite Project 3. Issue under the Company's employee option scheme.
6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b The date the security holder resolution under rule 7.1A was passed	27 November 2015

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	21,450,000
6d	Number of +securities issued with security holder approval under rule 7.1A	14,300,000
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	-
6f	Number of +securities issued under an exception in rule 7.2	1,000,000 Exception 9
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. Issue date: 16 March 2016 Agreement date: 8 March 2016 Issue price:\$0.05 15 day VWAP: \$0.0511 VWAP source: Miraqle (Orient Capital P/L)
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 1,661,989 7.1A – 1,107,992
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	16 March 2016

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		168,379,928	Ordinary shares
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	60,843,977	Options exercisable at 6 cents each expiring 31 January 2017
		Number	⁺ Class
		10,000,000	Options exercisable at 6.8 cents expiring 22 February 2017
		46,714,500	Options exercisable at 6 cents expiring 29 September 2017
		10	Class B convertible securities
		10,000,000	Convertible notes maturing 1 November 2016.
		8,000,000	Options exercisable at 7 cents expiring 30 September 2018.
		13,000,000	Options exercisable at 10 cents expiring 30 September 2018.
		5,000,000	Options exercisable at 6 cents expiring 30 September 2018.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	-
12	Is the issue renounceable or non-renounceable?	-

⁺ See chapter 19 for defined terms.

13	Ratio in which the ⁺ securities will be offered	-
14	⁺ Class of ⁺ securities to which the offer relates	-
15	⁺ Record date to determine entitlements	-
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	-
17	Policy for deciding entitlements in relation to fractions	-
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	-
19	Closing date for receipt of acceptances or renunciations	-
20	Names of any underwriters	-
21	Amount of any underwriting fee or commission	-
22	Names of any brokers to the issue	-
23	Fee or commission payable to the broker to the issue	-
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	-
25	If the issue is contingent on security holders' approval, the date of the meeting	-

⁺ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	-
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	-
28	Date rights trading will begin (if applicable)	-
29	Date rights trading will end (if applicable)	-
30	How do security holders sell their entitlements <i>in full</i> through a broker?	-
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	-
32	How do security holders dispose of their entitlements (except by sale through a broker)?	-
33	⁺ Issue date	-

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company secretary

Date: 17 March 2016

Print name: Phillip MacLeod

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	122,906,489
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	644,444 13,993,281 6,250,000 285,714 10,000,000
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	154,079,928

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	23,111,989
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	21,450,000
“C”	21,450,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	23,111,989
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	21,450,000
Total [“A” x 0.15] – “C”	1,661,989 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	154,079,928
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	15,407,992
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	-
“E”	15,407,992

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	15,407,992
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	14,300,000
Total [“A” x 0.10] – “E”	1,107,992 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.