



ASX Code : CAY

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CANYON COMMENCES DRILLING AT MINIM MARTAP

HIGHLIGHTS:

- Initial drilling and exploration program underway at Minim Martap Project, Cameroon
- Drilling targeting very-high grade plateaux within the existing bauxite resource
- Early drill holes have produced significantly thicker bauxite profiles than previous results
- Canyon has identified new, large and previously untested bauxite plateaux for future drilling programs
- Initial reconnaissance on untested plateaux identifies significant bauxite profiles containing abundant visible gibbsite
- Airborne LIDAR survey completed to identify additional drill targets
- Canyon Board members & advisor Tolga Kumova visited the Project and reviewed 2019 exploration strategy

Canyon Resources Ltd (ASX: CAY) is pleased to announce that it has commenced an initial air-core drilling campaign and exploration program on its Minim Martap Project in Cameroon, central Africa, targeting very high-grade bauxite plateaux the Company has identified across the Project tenements.

Canyon's initial reconnaissance and exploration on the Project highlighted the opportunity to substantially increase the size of the Minim Martap Project resource beyond the current JORC (2012) resource estimate of 550MT at an average grade of 45.5% Al₂O₃ and 2.06% SiO₂ (see Table 1). Canyon has identified a substantial number of new previously untested bauxite plateaux within the Project area, and the Company now estimates that the drilling completed on the Project by the previous owners tested less than 30% of the available bauxite plateaux.

Drilling and Reconnaissance Exploration Underway

Canyon commenced drilling on the Project during December 2018. The drilling and reconnaissance exploration is focused on upgrading the grade and scale of the previously published JORC 2012-compliant Minim Martap and Ngaoundal bauxite resource. A detailed review of the Project area identified a substantially larger number of bauxite plateaux at a larger size than previously understood. All the newly identified bauxite plateaux are at a similar altitude and have the same characteristics as previously drilled plateaux on the Project.

Canyon is utilising its own air-core drilling rig and a team of experienced personnel to conduct the first phase of drilling in the North West quadrant of the Minim Martap licence. The initial drill program will target the previously drilled Beatrice, Agnes and Raymonde plateaux and the adjacent plateaux

within the previously announced highly prospective North East/South West oriented high-grade bauxite plateau corridor.

The first phase of drilling on the Beatrice, Agnes and Raymonde plateaux will be on a 250 x 250 metre grid to infill previous drilling. Canyon will also twin several holes from earlier drilling programs to verify historic assays.

Logging of the early drill holes on the Beatrice Plateau has suggested that the bauxite profile is significantly thicker than previously reported. Canyon is preparing one metre composite samples for submission to ALS for detailed geochemical analysis at its facility in Loughrea, Ireland.



Figure 1: Drilling underway on the high-grade Beatrice bauxite plateau on the Minim Martap Project

In addition to the drilling, the Company has a team of local Cameroonian geologists conducting initial reconnaissance exploration on previously untested bauxite plateau adjacent to the Beatrice, Agnes and Raymonde plateau. These untested bauxite plateaux are within the high-grade bauxite plateaux corridor zone. This initial reconnaissance exploration has identified many new zones of bauxite with a high level of visible gibbsite. These new areas will be a high priority for future drilling and exploration.



Figure 2: A rock chip sample showing high levels of gibbsite-hosted Al₂O₃ from a previously untested area.

The next phase of the exploration drilling program will commence in early 2019 on a 500 x 250 metre grid and will make use of results from a high-resolution airborne LIDAR (light imaging, detection and ranging) survey recently completed over the project to delineate prospective plateaux within the high-grade corridor.

The LIDAR survey is an extremely high resolution ortho-photographic survey over the full permit area. Canyon will use this to identify high priority bauxite plateaux for future exploration drilling. This will save a significant amount of time as the high resolution imagery will show bauxitised plateaux with similar characteristics to the currently identified high-grade plateaux. The LIDAR survey will also be utilized as part of Canyon's Pre-Feasibility and Environmental and Social Impact studies for the Project.

Project Site Visit



Figure 3: Canyon Board and Management representatives with the Préfet and Sous-Préfet of the Tibaati Region that covers the Minim Martap Project area.

Canyon's Chairman David Netherway, Managing Director Phillip Gallagher and advisor Tolga Kumova recently visited the Minim Martap Project site and stayed at the Company's exploration camp. The visit included a detailed review of the Company's exploration strategy and highlighted the potential for a substantial upgrade to the exploration program of the Project. The Company will implement this strategy in early 2019 as it focuses on upgrading the scale of the resource on the Project.

Previous work completed by Canyon Resources on the contiguous Birsok Project, sometimes sharing plateaux with the Minim Martap Project, has given the Company a strong understanding of the physical and geochemical characteristics of the local bauxite. The bauxite is generally high alumina, low total and reactive silica, high gibbsite, low boehmite and low on other contaminants.

Project Background

The Minim Martap Project is in the Adamawa region of Cameroon, alongside Canyon's existing Birsok Bauxite Project. The Minim Martap Project encompasses two deposits, the Ngouandal and Minim Martap deposits, which are within 25km of each other. The total area of the permits is 1,349km².

The three exploration permits are valid for a three-year period and contain several predefined work commitments that are consistent with the Company's development proposal.

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Tables 1 & 2 below highlight the results from the very high grade plateau within the Resource previously published on 9 August 2018 as JORC 2004 compliant which was subsequently upgraded to JORC 2012 compliant on 20 September 2018

Table 1: Minim Martap Mineral Resource JORC (2012) Table

Resource Class	Tonnes (million)	Total Al ₂ O ₃ (average)	Total SiO ₂ (average)	Permit	No of Plateaux
Indicated	88	41.8%	1.3%	Ngaoundal	3
Inferred	466	46.2%	2.2%	Minim Martap	11
Total	550	45.5%	2.06%		14

Table 2: Minim Martap Very High-Grade Plateaux Resource JORC (2012)

Plateau	Thickness	Al ₂ O ₃	Fe ₂ O ₃	SiO ₂	TiO ₂	Tonnes
Raymonde	9.1	49.2%	19.0%	2.1%	4.2%	73,537,378
Beatrice	7.3	50.8%	16.4%	2.7%	3.9%	37,093,601
Agnes	8.3	47.0%	22.1%	2.5%	3.6%	34,493,143
Total (W Av)		49.09%	19.22%	2.35%	4.00%	
Total (T)						145,124,122

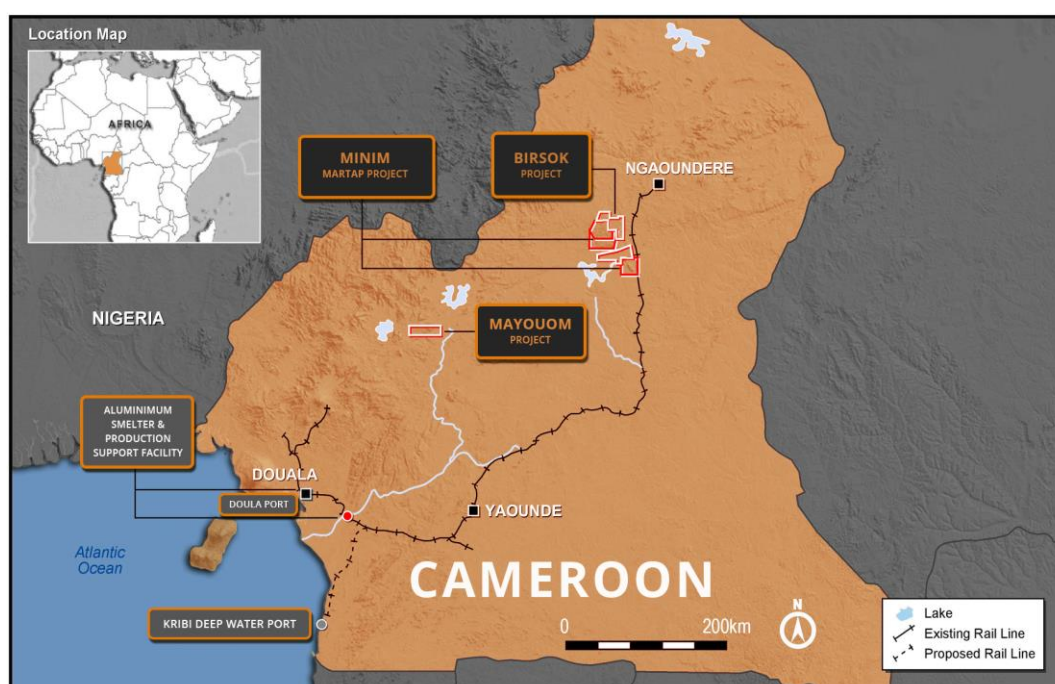


Figure 4: Location of Canyon's Minim Martap and Birsok Bauxite Projects and the Mayouom Kaolin Project in Cameroon

COMPETENT PERSON'S STATEMENT

The information in this document that relates to previous exploration results is based upon information from the report titled Minim Martap-Ngaoundal Bauxite Deposit Exploration Program and Resource Assessment by SRK Consulting (Australasia), September 2009 and available data compiled by Dr Alexander Shaw, Chief Geologist of Canyon Resources Ltd. Dr Shaw is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Dr Shaw consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included on this website including, without limitation, statements regarding future plans and objectives of Canyon, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'anticipate', "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Canyon that could cause Canyon's actual results to differ materially from the results expressed or anticipated in these statements.

Canyon cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Canyon does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

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