



Canyon provides Minim Martap Bauxite Technical Specification for offtake negotiations

Highlights

- Canyon provides a Bauxite **Technical Specification** data sheet for its high quality bauxite product, branded as “**Camalco Premium Bauxite**”
- The specification sheet provides a **basis for commercial and technical progression** of bauxite offtake agreements.
- **The bauxite specifications are underpinned by mine scheduling, and physical and metallurgical testwork** included within the 2020 Pre-Feasibility Study¹ and the 2019 Mineral Resource².
- The recently completed PFS¹ demonstrates the potential for a robust, first stage, **5 Mtpa DSO bauxite project** with an **NPV₁₀ of USD \$291m** and an **IRR of 37%** on a **capex of USD \$120m** and an average **opex of USD 35.1/t**.
- The PFS is underpinned by the 2019 Mineral Resource². The Minim Martap Project has a **Total Mineral Resource** estimate of **892Mt at 45.1% Al₂O₃, 2.8% SiO₂** (Cut-off Grade 35% Al₂O₃) and a **High Grade Mineral Resource** estimate of **431Mt at 48.8% Al₂O₃, 2.6% SiO₂** (Cut-off Grade 45% Al₂O₃)

Canyon Resources Limited (**Canyon** or the **Company**) is pleased to provide its Bauxite Technical Specification data sheet which will provide a basis for ongoing offtake and strategic partnership negotiations. The Bauxite Technical Specification is indicative of the product able to be produced at Minim Martap and is underpinned by the recently released pre-feasibility study (PFS) which itself is based on the 892 million tonne Mineral Resource estimate².

The Bauxite Technical Specification data sheet follows the multi element update to the resource block models, the completion of detailed quarterly mine scheduling as part of the PFS, the completion of the Tunra material testing programme and the integration of the basic metallurgical testing programme and data within the current Mineral Resource Estimate². The data sheet provides indicative physical, chemical and metallurgical performance and is now displayed on Canyon’s website. The product specification data sheet will be subject to refinement as more details are integrated with the resource modelling and mine scheduling.

Director of Projects, James Durrant, said: *“It is pleasing to have the necessary data and modelling now completed to show to our stakeholders and future offtake partners the technical specifications of the Minim Martap bauxite”.*

Chief Development Officer, Rick Smith, said: *“The Bauxite Technical Specification sheet is further validation of the very high quality of the Minim Martap bauxite as a future premium bauxite product. This integrates with our offtake strategy and will be shared with key global alumina refiners”.*

¹ ASX announcement 1 July 2020. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters under the PFS in that announcement continue to apply and have not materially changed.

² ASX announcement 27 September 2019. Refer to Table 2 for a breakdown of the Mineral Resource Estimate. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed.

July 2020

Bauxite Technical Specification**Metallurgical Grade Bauxite**

Product name	Camalco Premium Bauxite
Mineralogy¹	Alumina Trihydrate (>90%)
Refining	Low and High temperature
Availability²	
Volume	Up to 5 Mtpa
Year	2023 (estimated)
Port	Douala, Cameroon, West Africa
Vessel size	Capesize

DSO primary chemical properties ¹	Typical ²	Maximum	Minimum
Total Alumina (Al₂O₃)	52%	52%	51%
Total Silica (SiO₂)	2.0%	2.2%	1.8%
Alumina to Silica ratio	26	24	28
Total Iron (Fe₂O₃)	13.9%	15.3%	12.8%
Total Titanium (TiO₂)	4.9%	5.8%	4.4%
Loss on Ignition (LOI)	26.0%	26.8%	24.1%
Total organic carbon (TOC)	0.03%-0.15%		
Monohydrate Alumina	< 0.5% – (Minimal Boehmite or Diaspore)		

Digestion (LT-145°C) ¹	Typical ²	Maximum	Minimum
Available Al₂O₃ @ 90%³	47%	47%	46%
Reactive SiO₂ @ 70%⁴	1.4%	1.5%	1.2%
Alumina to Silica ratio	34	31	38

DSO secondary chemical properties ¹					
Oxide	Typical	Max	Oxide	Typical	Max
Cr ₂ O ₃	0.07%	0.08%	ZnO	0.01%	0.01%
CaO	0.01%	0.01%	MnO	0.02%	0.03%
P ₂ O ₅	0.11%	0.12%	V ₂ O ₅	0.07%	0.07%
SO ₃	0.07%	0.07%	K ₂ O	0.01%	0.01%
ZrO ₂	0.10%	0.10%	MgO	0.04%	0.05%
BaO	0.01%	0.01%	SrO	0.01%	0.01%
Na ₂ O	0.02%	0.02%			

Physical properties ⁵			
Moisture (wt)	10%	14% (Saturated)	AS 1038
Dust extinction moisture (DEM)	7.4%		AS 4156.6-2000
Bulked density (S.G)	1.3 - 1.5	1.4 - 1.7 (DEM)	
Strength	40 Mpa (Typ)		
Angle of repose	37°	42° (DEM)	32° (Dynamic)
Drawdown angle	55°	68° (DEM)	

¹ As included within the 2019 Mineral Resource Estimate update: ASX announcement 27 September 2019.² Based on first 5 years of PFS mining schedule: ASX announcement 01 July 2020.³ Results calculated at a 90% average conversion of total alumina.⁴ Results calculated at a 70% average conversion of total silica.⁵ Tunra report: Minim Martap Bauxite Handleability Testing Raymonde and Danielle Composite Samples.

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Detailed quarterly mining schedules, as part of the PFS, were designed from the strategic schedules and honed to produce stable material movement and product grade profiles. These schedules demonstrate a consistently high grade product with a low and stable strip ratio mined in a practical strip mining operation using surface miners and have determined the detailed product specification data.

The multi element update to the block model introduced the grades for the following elements: BaO, CaO, Cr₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SO₃, SrO, TiO₂, V₂O₅, Zn, ZrO₂ and LOI (Loss On Ignition). Analysis for the suite of secondary elements and LOI was completed in 2019 during analysis for the 2019 Mineral Resource¹. The secondary elements, whilst a minor part of the bauxite, are all within acceptable limits for low temperature refining and highlight the low contaminant nature of the Minim Martap Project bauxite. Mining Plus performed a Nearest Neighbour estimate, and validated these estimates using Inverse Distance Squared and Ordinary Kriged estimates for comparison.

About Canyon Resources

Canyon Resources is focussed on the development of the 100% owned Minim-Martap Bauxite project, a direct shipping ore (DSO) project development opportunity in central Cameroon. Canyon is planning the development of the bauxite Project in a 2 Stage, 2 Port execution programme with initial production exported through the port of Douala utilising the existing rail and port infrastructure and Stage 2 unlocking tonnes and reducing costs by utilising the port of Kribi.

The Company's recently released Stage 1 Pre-Feasibility Study³ demonstrated the Minim Martap Bauxite Project's potential as a long-term producer of very high quality, low contaminant bauxite via a multi-stage development program utilising existing infrastructure in Cameroon. Canyon is advancing strategic partnership and off-take agreement discussions with interested parties to accelerate the Project development timeline.

Table 1 - Minim Martap Project headline economics (rounded).

Minim Martap Project ³	Units	Stage 1
Annual Production Rate	Mtpa	5.0
Project Development Capital	US\$M	120
Average Operating Cost C1	US\$/t	35.1
Project NPV ₁₀	US\$M	291
Project IRR	%	37
Capital Intensity	US\$/t	24

The project is situated adjacent to the main rail line linking the region to the Atlantic port of Douala. The rail line is currently underutilised and coupled with the existing port of Douala, supports a low capex, low opex solution to deliver high grade, low contaminant, bauxite to market to fuel the large and growing aluminium industry. The country is planning a rail extension and is undergoing rail line debottlenecking upgrades giving longer term potential for export through the newly built, deep-water port of Kribi.

The Project is underpinned by a large, shallow, high-grade resource dominated by Gibbsite with low levels of reactive silica. The resource is hosted in a series of plateaux (see below). The Total Mineral Resource⁴ estimate, which remains open in all directions, is stated as **892 Mt at 45.1% Al₂O₃, 2.8% SiO₂ (Cut-off Grade 35% Al₂O₃).** The estimate contains a high-grade Indicated portion of the resource at **410 Mt at 48.9% Al₂O₃, 2.6% SiO₂ (Cut-off Grade 45% Al₂O₃).** Substantial zones within the resource present at greater than 50% Al₂O₃ with very low contaminants.

³ ASX announcement 01 July 2020. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters under the PFS in that announcement continue to apply and have not materially changed.

⁴ ASX announcement 27 September 2019. Refer to Table 2 for a breakdown of the Mineral Resource Estimate. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed.

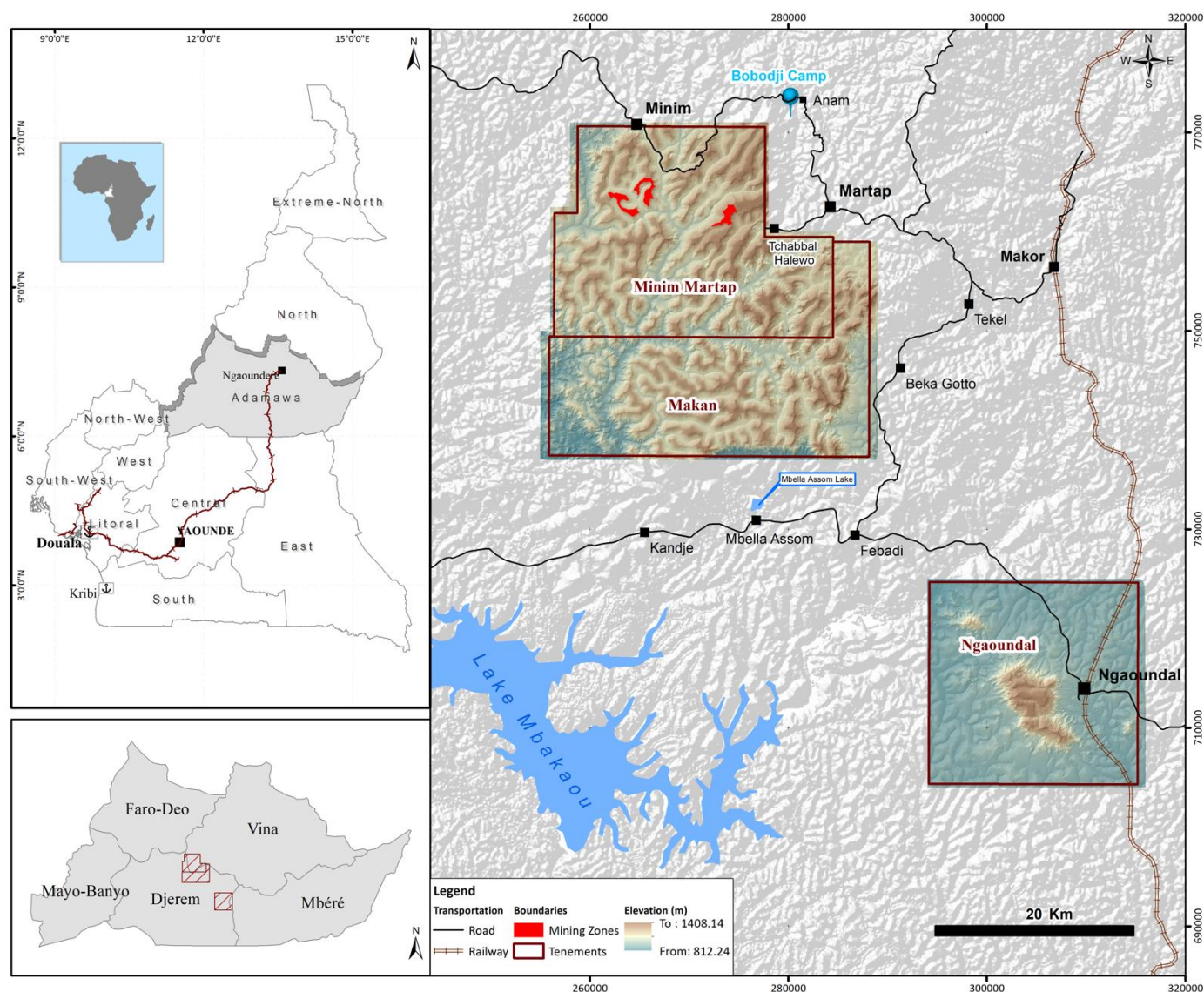


Figure 1 - Minim Martap Project location.

Table 2 - Mineral Resource estimate⁵.

Resource (35% Al ₂ O ₃ cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
Total	892	45.1% Al ₂ O ₃	2.8% SiO ₂
Indicated	839	45.2% Al ₂ O ₃	2.8% SiO ₂
Inferred	53	43.8% Al ₂ O ₃	3.1% SiO ₂
High Grade Resource (45% Al ₂ O ₃ cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
Total	431	48.8% Al ₂ O ₃	2.6% SiO ₂
Indicated	410	48.9% Al ₂ O ₃	2.6% SiO ₂
Inferred	21	47.4% Al ₂ O ₃	2.0% SiO ₂

⁵ASX announcement 27 September 2019. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed.

Competent Person's Statement – Mineral Resources

The information in this announcement that relates to mineral resources is based on information compiled or reviewed by Mr Mark Gifford, an independent Geological expert consulting to Canyon Resources Limited. Mr Mark Gifford is a Fellow of the Australian Institute of Mining and Metallurgy 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Mr Gifford consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The data in this announcement that relates to the Mineral Resource Estimates for the Minim Martap Bauxite Project is based on information in the Resources announcement of 27 September 2019 and available to view on the Company's website and ASX. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original⁶ market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and the context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward looking statements

All statements other than statements of historical fact included in this announcement 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.

This announcement has been approved for release by the Board

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