

Canyon secures successful \$6.2m placement to institutional and sophisticated investors to advance Minim-Martap Project in Cameroon

Highlights

- Firm commitments to raise **\$6.2 million through strongly supported Placement**
- Canyon Non-executive Director and major shareholder, Mr Peter Su, has subscribed for his pro-rata number of shares in the Placement
- The funds from the Placement will be used for:
 - delivery of the Minim-Martap Project Feasibility Study and other project deliverables;
 - advancing strategic project and off-take discussions; and
 - corporate overheads and general working capital.

Canyon Resources Limited (ASX: CAY) ("**Canyon**" or the "**Company**") is pleased to announce that it has received firm commitments from existing and new institutional and sophisticated investors to raise \$6.0m (before costs), via the issue of 77,257,157 new fully paid ordinary shares in Canyon ("**New Shares**") at \$0.08 per New Share ("**Placement**").

Commenting on the Placement, Canyon Managing Director Phillip Gallagher said:

"Canyon acknowledges the continued strong support from our existing shareholders, including Major Shareholder, Mr Peter Su. Additionally, we welcome a number of new sophisticated and institutional investors to the Canyon register. The Placement will allow Canyon to complete the Feasibility Study and progress the delivery of important agreements required for the development of the Minim-Martap Project with the Government of Cameroon and potential project partners. This is an exciting time for Canyon as we transition from a predominantly exploration driven company to a project builder taking one of the world's most substantial bauxite projects towards development."

Major Shareholder Participation

The Placement was strongly supported by Canyon's largest shareholder and Non-executive Director, Mr Peter Su, who has subscribed for his pro-rata amount of the Placement and will continue to hold more than 9% of Canyon post-Placement.

Mr Su became a strategic shareholder in Canyon in 2020 following a \$5.6m investment.

Mr Su is a Perth-based strategic investor with a diverse range of business interests in Australia and overseas. The Su family have historically held commercial interests in bauxite and alumina refining in China and Mr Su has and will continue to assist the Company with accelerating the development of the Minim Martap Bauxite Project and to provide introductions and commercial assistance relating to bauxite offtake and project financing.

Placement Overview

The Placement will result in the issue of 77,257,157 additional Canyon Shares (**New Shares**), which will rank equally with existing Canyon Shares. Of the New Shares, 6,771,482 are relevant to Mr Peter Su's participation, and the remainder totalling 70,485,675 will be issued utilising the Company's existing placement capacity under ASX Listing Rule 7.1. These are expected to be issued on or around 9 August 2021.

Mr Peter Su, a Non-Executive Director of Canyon, has subscribed for 6,771,482 New Shares as part of the Placement. In accordance with ASX Listing Rule 10.11, Mr Su's participation in the Placement will be subject to approval by Canyon shareholders. The Company anticipates convening a shareholder meeting in mid-September to seek this approval.

The issue price of \$0.08 per New Share represents a:

- 14.0% discount to the last closing price of \$0.093 on 28 July 2021
- 17.8% discount to the 5-day VWAP of \$0.097.

Ashanti Capital Pty Ltd and Foster Stockbroking Ltd acted as Joint Lead Managers to the Placement.

This announcement is authorised for release by the Board of Canyon Resources Ltd.

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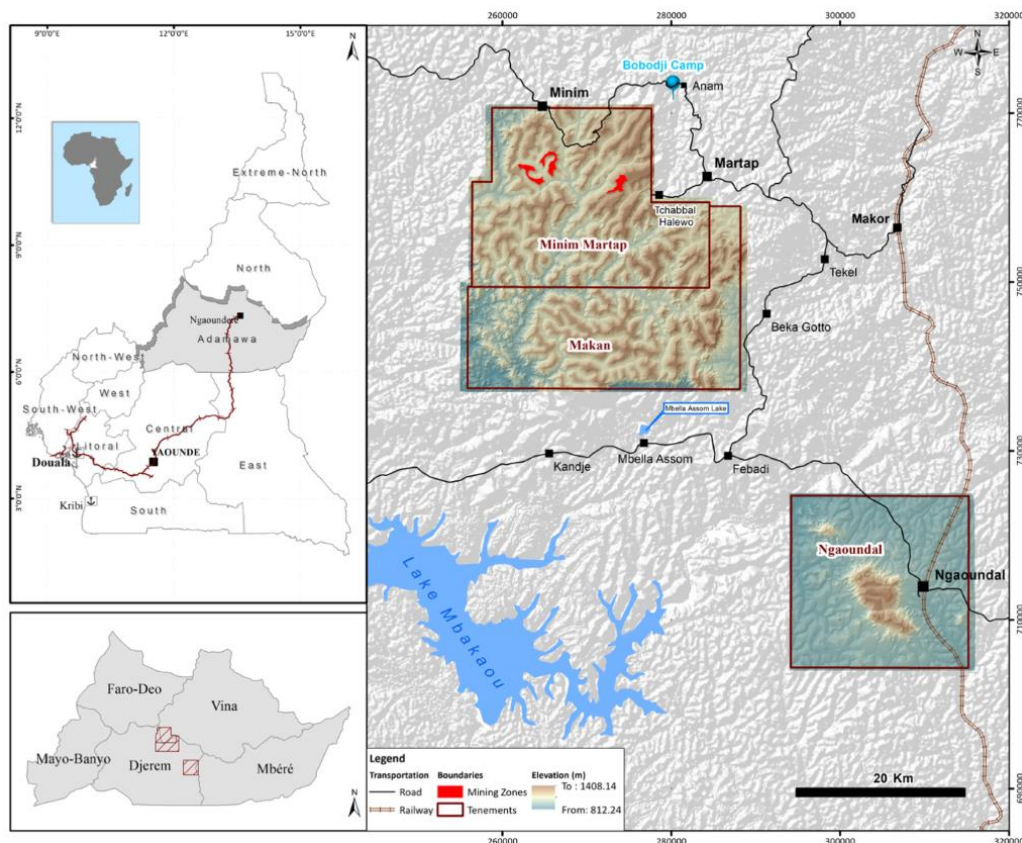
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About Canyon Resources

Summary

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. 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, seaborne bauxite to market to fuel the large and growing aluminium industry as described in the 2020 Pre-Feasibility Study. 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.

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 planned rail extension to access the deep-water port of Kribi.



Pre-Feasibility Study

The Company's previously released **Stage 1 Pre-Feasibility Study** 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. The headline economic outcomes of the Pre-Feasibility Study are as follows:

Minim Martap Project ¹	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

Resources and Reserves

The Project is validated by the **Ore Reserve estimate**, (ASX announcement 25 May 2021), prepared by a Competent Person, in accordance with the JORC Code (2012) and is presented as:

Reserve			
Classification	Tonnes (Mt)	Al ₂ O ₃	SiO ₂
Proven	99.1	51.6%	2.4%
Probable	-		
Total Ore Reserves	99.1	51.6%	2.4%

The underlying **Mineral Resource estimate** (ASX announcement: 11 May 2021) prepared by a Competent Person, in accordance with the JORC Code (2012) is stated as:

Resource (35% Al₂O₃ cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
Total	1,027	45.3% Al ₂ O ₃	2.7% SiO ₂
Measured	382	47.3% Al ₂ O ₃	2.7% SiO ₂
Indicated	597	44.2% Al ₂ O ₃	2.7% SiO ₂
Inferred	48	43.2% Al ₂ O ₃	3.7% SiO ₂
Contained High Grade Resource (45% Al₂O₃ cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
Total	500	49.0% Al ₂ O ₃	2.6% SiO ₂
Measured	268	49.7% Al ₂ O ₃	2.6% SiO ₂
Indicated	218	48.3% Al ₂ O ₃	2.5% SiO ₂
Inferred	14	47.3% Al ₂ O ₃	2.8% SiO ₂

Competent Person's Statement – Ore Reserves

The information in this report that relates to Ore Reserves is based on information compiled or reviewed by Mr John Battista, a Competent Person who is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy and is currently employed by Mining Plus (UK) Ltd. Mr Battista has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code).

Mr Battista consents to the disclosure of information in this report in the form and context in which it appears.

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 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.

Mineral Resource estimate

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 11 May 2021 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 original 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

Pre-Feasibility Study

The data in this announcement that relates to the Pre-Feasibility Study⁴ for the Minim Martap Bauxite Project and associated production targets and forecast financial information, is based on information in the PFS announcement of 1 July 2020. and available to view on the Company's website and ASX.

The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from the production target continue to apply and have not materially changed.

Ore Reserve estimate

The data in this announcement that relates to the Ore Reserve estimate⁵ estimates for the Minim Martap Bauxite Project is based on information in the Ore Reserve update announcement of 25 May 2021 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 original market announcement and, in the case of estimates of Ore Reserves, 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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