

Announcement

28 February 2022

Minim-Martap Bauxite Project

Highlights:

- Canyon has been granted two year extensions for the Makan and Ngaoundal bauxite research permits.

Canyon Resources Limited (**ASX:CAY**) (**Canyon** or **the Company**) is making this announcement to clarify its rights to tenements which adjoin the Minim-Martap Project (**Project**).

Prior to the expiry of the term of the Makan and Ngaoundal research permits in July 2021, Canyon's subsidiary Camalco had applied for extensions to the term of those permits, whilst also applying for an exploitation license over the Minim Martap research permit. Camalco is still awaiting the grant of the exploitation licence but expects this is imminent as is the entry by Camalco and the Government of Cameroon into the Mining Convention for the Project (see ASX announcement 8th December 2021).

On the 18th February 2022, La Société Nationale des Mines (**Sonamines**) and China Railway No. 5 Engineering Group Cooperation Limited_Cameroon (**CREC 5**) announced their entry into a Memorandum of Understanding (**MOU**) with respect to carrying out research work on the area of the Makan and Ngaoundal research permits. Camalco was not a party to the MOU, nor was it aware of Sonamines and CREC 5 negotiating an agreement with respect to the area of the research permits.

On 21st February 2022, the Minister for Mines, Industry and Technological Development (**Minister**) issued a decision to the effect that the actions of Sonamines and CREC 5 were null and void and that those actions were not in accordance with the Mining Code of Cameroon.

The Company is pleased to announce that on 25th February 2022, Canyon's wholly owned Cameroon subsidiary company, Camalco Cameroon SA (**Camalco**), received confirmation from the Minister of the extension of the Makan and Ngaoundal research permits for an additional two years.

Separately, Canyon has written to CREC 5 regarding its entry into the MOU, which action is a clear breach of the terms of the confidentiality agreement entered into between Canyon and CREC 5 on 11 August 2020. Canyon had for a period in 2020 been sharing data with CREC 5 with respect to the Project.

Canyon's Managing Director Mr Phillip Gallagher commented:

"We are delighted that the granting of the extensions of the Makan and Ngaoundal exploration permits removes the uncertainty created by the actions of Sonamines and CREC 5. We would like to publicly acknowledge the swift action of the Minister in addressing the issue, it gives investors great confidence that the State of Cameroon acts swiftly and in the manner which ensures its laws are respected."

"We are also pleased to have recently received the signatures of over 15 relevant Ministries in Cameroon approving the terms of the negotiated Mining Convention for the Minim Martap Permit"

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and we look forward to executing the Mining Convention with the State of Cameroon in the near future.”

Terms of the Makan and Ngaoundal research permits

The extensions of the Makan and Ngaoundal research permits were granted under Ministerial discretion as provided in the Mining Code of Cameroon. The extension period provides the opportunity for Canyon to complete Feasibility Studies on the two additional permits so as to incorporate them into the broader Project.

Details of the permits are;

Granting Date: 25 February 2022

Term : 2 years and are non-renewable

Minimum work obligations

Year 1

- Finalise resource drilling to expand, improve and upgrade the current mineral resource category

Year 2

- Continue infill drilling on priority targets according to JORC standards
- Conduct supplementary feasibility studies including mining, metallurgy and infrastructure programs;
- Resource estimation

This announcement has been approved for release by the Board of Canyon Resources Ltd

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