

December 2023 Quarterly Activities Report

Key Events

- **Completion of additional strategic investment by Eagle Eye Asset Holdings Pte Ltd (“EEA”) providing capital of \$24.7 million.**
- **The investment by EEA was ratified at the Annual General Meeting GM held on 29 November 2023.**
- **Additional exploration commenced on the Makan and Ngaoundal permits within broader Minim Martap Bauxite Project.**
- **The exploration program aims to add new resources across 16 potential targets and includes 772 planned drillholes.**
- **Appointment of Project Director and Head of Geology and Exploration to facilitate the advancement of the Minim Martap Project.**

Canyon Resources Limited (ASX: CAY) (“Canyon” or “the Company”) is pleased to report on activities at its projects including its flagship 100%-owned Minim Martap Bauxite Project (“Minim Martap” or “the Project”) in Cameroon, for the quarter ended 31 December 2023.

MINIM MARTAP BAUXITE PROJECT (100% CAY)

During the December quarter, Canyon Resources has achieved important milestones in anticipation of the Cameroon Government granting a Mining Permit for the development of Minim Martap.

A subscription agreement with Eagle Eye Asset Holdings Pte Ltd (“EEA”) was announced on Thursday, 17 August 2023 with the investment subsequently ratified at the Annual General Meeting (AGM) on 29 November 2023. Shareholders voted strongly in favour of the transformational strategic investment with over 82% of votes cast in support of the proposed transaction.

Total funds committed at the end of the quarter was \$24.7 million consisting of:

- \$10.5 million through the issue of 150,000,000 new fully paid ordinary shares at \$0.07 per share.
- \$14.2 million through the early exercise of 202,900,000 options at an exercise price of \$0.07.

The agreement also contains the provision for 500,000,000 new unlisted options with an exercise price of \$0.07 and an expiry date of 26 December 2026 (“New Options”) to be granted to EEA.

The New Options are conditional on:

- the grant of the Mining Licence for the Minim Martap Project (Project or Minim Martap);
- a binding contract for port access and rail transportation of product on terms relevant to the Project and customary in the Central African market being executed by the Company and counterparties.

If the New Options are exercised, the direct investment by EEA in Canyon as a result of this transaction will grow to \$59.7 million.

The strategic investment by EEA has provided Canyon with necessary funds to progress the development of the Project with confidence. Specifically, it has allowed CAY management to activate several work programs.

Exploration Program

Drilling commenced during the quarter on the Makan and Ngaoundal permits within the broader Minim Martap Bauxite Project (see Figure 1). The program is targeting new resources to add to the existing 1,027 million tonnes of high-grade bauxite.¹

The program includes test pitting, sampling and assaying across 16 potential targets to identify

additional bauxite intercepts for further investigation. The follow-up investigation will include systematic drilling and sampling to confirm the existence of a high-grade, low contaminant bauxite in the new resource areas. Results from this exploration work are expected to be available in Q1 2024.

New Project Leaders

Patrice L'Huillier was appointed Project Director and commenced his role in Cameroon at the beginning of December 2023. Mr L'Huillier has more than 25 years of experience in Metals & Mining covering Aluminium, Copper, Manganese and Iron Ore mostly in Operations and Project Execution.

Mr L'Huillier most recent position was COO of ERG-Africa Cu & Co mines and CEO of Aluminerie Alouette in Quebec (Canada). Mr L'Huillier comes with an extensive experience in open pit mining, railways and port operation in CIS & Africa including Gabon & DRC serving as COO of Eramet Manganese Division and Vice-President Technical for ENRC in Kazakhstan. Patrice is a graduate from Ecole National des Ponts & Chaussées, Paris, France.

Upon his arrival in Cameroon, Patrice conducted an extensive tour of the project areas alongside Mr Alain Pfammatter, Director of Human Resources and Communities, to familiarise himself with the infrastructure, available resources and local capability of partners.

Subsequent to the end of the reporting period, Canyon subsidiary Camalco has appointed Didier Ouedraogo as Head of Geology and Exploration to lead the current drilling campaign. Mr Ouedraogo will also provide technical oversight in the mine development plans.

Didier is a senior mineral resource geologist, with a broad experience in exploration and mining operation in West and Central Africa, Canada, Saudi Arabia and Sultanate of Oman. He is a member in good standing of the Ordre des Géologues du Québec and the Australian Institute of Geoscientists, and a qualified person (QP) under NI43-101 and the JORC Code for precious metals, uranium, and base metals mineral resources.

¹ Refer to ASX Announcement "Minim Martap Mineral Resource Estimate Upgrade" dated 11 May 2021.

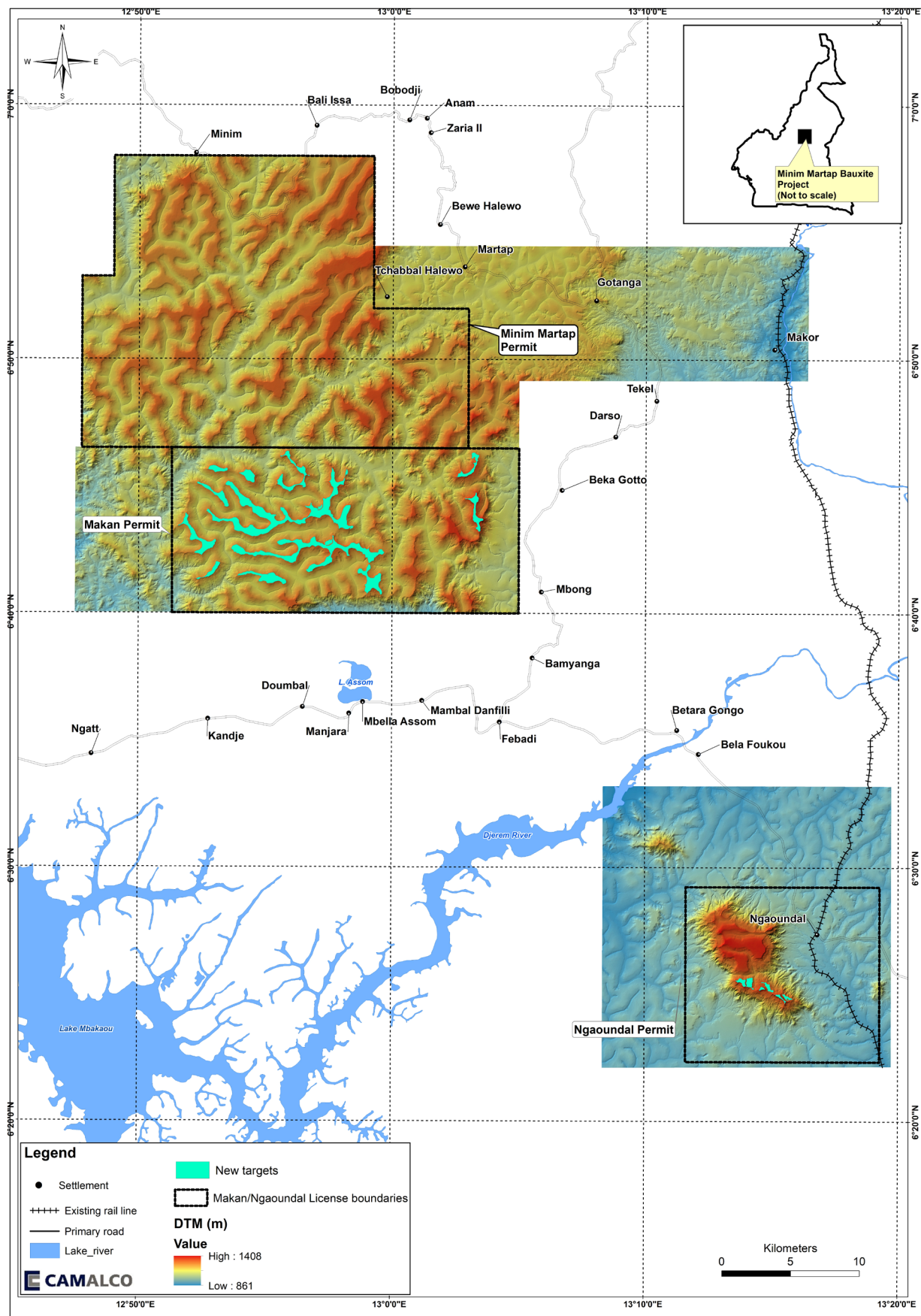


Figure 1: Plan view of Minim Martap, Makan and Ngaoundal Project areas

Corporate Activities

During the Quarter, expenditure on the Project totalled \$1.65 million as disclosed in the accompanying Appendix 5B and focused on maintaining the tenements that the Company holds.

Payments totalling approximately \$63,000 were made to related parties of the Company during the quarter ended 31 December 2023, as shown in the Appendix 5B. These payments related to executive director salaries and non-executive directors' fees.

All resolutions put to the Annual General Meeting of Shareholders ("AGM") were passed on 29 November 2023.

As a result of the voting at the AGM, Mr Gaurav Gupta has been appointed as a Non-executive Director to the Canyon Board of Directors. Mr Gupta manages a Monetary Authority of a Singapore registered family office, with high growth / investment holdings across the mineral and biotech industries. With over 25 years' experience in international trade and a history of successful project development in Africa, the Company is pleased to welcome Mr Gupta to the Board.

The Company had a cash balance of AUD \$30.82 million at quarter end.

ENDS

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

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CANYON RESOURCES LIMITED – INTEREST IN MINERAL PROPERTIES

Permits	Location	Interest at 30 June 2022	Interest at 31 March 2022
<u>MINIM MARTAP PROJECT</u>			
Ngaoundal	Cameroon	Own 100%	Own 100%
Minim Martap	Cameroon		
Makan	Cameroon		

Mineral Resources Estimate

The data in this announcement that relates to the Mineral Resource estimates for the Project is based on information in the 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 as presented have not been materially modified from the original market announcement.

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. 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 is being undertaken 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.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Canyon Resources Limited

ABN

13 140 087 261

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(992)	(1,028)
	(b) development		
	(c) production		
	(d) staff costs	(657)	(1,103)
	(e) administration and corporate costs	(311)	(526)
1.3	Dividends received (see note 3)		
1.4	Interest received	95	197
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(1,865)	(2,460)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(88)	(343)
	(d) exploration & evaluation	(661)	(1,297)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(749)	(1,640)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,500	10,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	14,203	14,203
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(311)	(311)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	24,392	24,392

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,186	10,726
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,865)	(2,460)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(749)	(1,640)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	24,392	24,392

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(145)	(199)
4.6	Cash and cash equivalents at end of period	30,819	30,819

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	30,815	1,186
5.2	Call deposits	4,000	8,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30,819	9,186

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	63
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,865)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(661)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,526)
8.4 Cash and cash equivalents at quarter end (item 4.6)	30,819
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	30,819
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	12.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30 January 2024.....

Authorised by:
 Board of Directors
 (Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.