

Canyon completes Tranche 1 of successful \$6.2 million Placement

On 9 August 2021, Canyon Resources Limited (ASX: CAY) ("**Canyon**" or the "**Company**") completed Tranche 1 of a successful \$6.2 million capital raising by the issuing 70,485,675 new fully paid ordinary shares as set out in the Company's Appendix 3B dated 2 August 2021.

The Company utilised its Listing Rule 7.1 placement capacity for the issue. An Appendix 2A has been provided separately for the quotation.

As announced on 2 August 2021, Canyon secured firm commitments from new and existing institutional and sophisticated investors to raise \$6.2 million, with Mr Peter Su, a Non-Executive Director of Canyon, subscribing for 6,771,482 New Shares. 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.

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

Pursuant to section 708A(5)(e) of the Corporations Act (Cth) (**Corporations Act**), the Company give notice that:

- (a) the Company issued the shares without disclosure under Part 6D.2 of the Corporations Act;
- (b) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
- (c) as at the date of this notice, the Company has complied with section 674 of the Corporations Act as it applies to the Company; and
- (d) as at the date of this notice, there is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii. that and investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - B. the rights and liabilities attaching to the Shares.

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

-ENDS-

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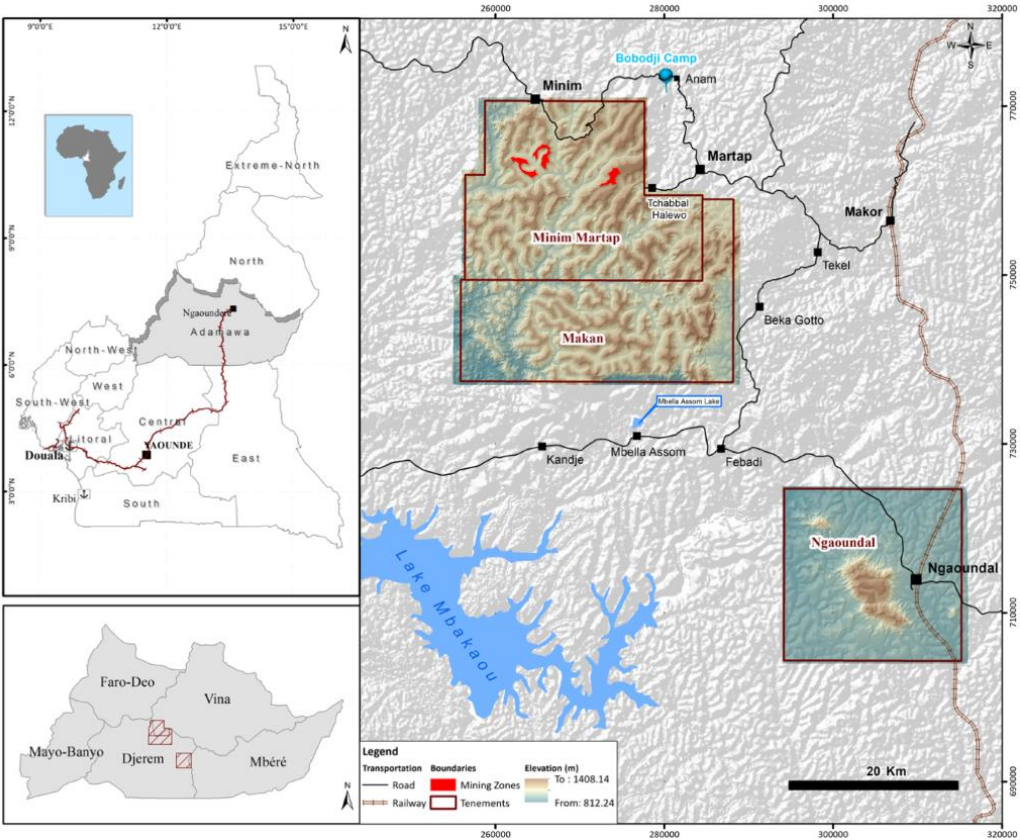
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About Canyon Resources

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 though 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 Project¹	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% Al ₂ O ₃ 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% Al ₂ O ₃ 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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