

Canyon Negotiates Key Terms of Minim Martap Mining Convention

Highlights

- **Four rounds of Government negotiation for the Minim Martap Project Mining Convention completed.**
- **Key terms of the Mining Convention negotiated with senior representatives of the Ministry of Mines of Cameroon.**
- **Formal execution of the Mining Convention anticipated for Q1 2022.**

Canyon Resources Limited (ASX: **CAY**) ("**Canyon**" or the "**Company**") is pleased to announce that, through its wholly owned Cameroon subsidiary Camalco Cameroon SA ("**Camalco**"), it has attended four formal sessions with the Government of Cameroon to negotiate terms of the Mining Convention for the Minim Martap Bauxite Project, located in the Adamoua Region of Cameroon. The sessions were attended in person by senior representatives of the Cameroon Government, senior executives from Camalco and Canyon and Camalco's advisors.

The negotiations commenced on the 5th November when Camalco presented the Project to an audience of approximately 80 representatives of the Ministry of Mines and other Government administrators. The meeting involved a detailed presentation of the Project by Camalco management and an extended Q&A session by those in attendance.

Following the Project presentation, the second round of negotiations involved a senior team from the Ministry of Mines reviewing Camalco's draft Mining Convention at a four day retreat between the 10th-13th November 2021.

The third round of negotiations were between the 24th- 26th November 2021. Key terms of the Mining Convention were agreed during the negotiations, which involved Canyon/Camalco, the Ministry of Mines and representatives of Sonamines, the state-owned mining company.

The fourth and final session was hosted by the Minister of Mines on 6th December 2021. The Project was presented to the local communities nearby the Minim Martap Project and determined the priorities for Camalco's social and community engagement as the Project progresses into production.

This finalises the formal negotiations for the Mining Convention between Camalco and the State. Camalco will continue to work closely with the State of Cameroon to finalise the remaining matters relevant to the Mining Convention, aiming to conduct the formal signing in early 2022.

A Mining Convention is the agreement between Camalco and the State of Cameroon that sets out Camalco's fiscal and legal rights and obligations for the Minim Martap Project's development and ongoing operation. A Mining Convention is the penultimate step to be completed by Camalco prior to receiving the Mining License. The completion of negotiations for the Mining Convention which importantly confirms the key financial parameters for the Project, will enable Camalco to enter binding agreements with financing and off take partners and logistics providers.



Figure 1: Official photograph of the Camalco and Government negotiating teams for the Minim Martap Mining Convention

Canyon's Managing Director, Mr Phillip Gallagher commented: *"We are very pleased with the positive outcome of the negotiations and are appreciative of the Ministry of Mines hosting the very productive discussions over the past few weeks. It is clear that all sides involved see the short and long term benefits of the Minim Martap Bauxite Project to the State of Cameroon and there is a positive intent to see the project developed."*

"Having completed this important step with the State of Cameroon, the Company can now enter into binding rail and port agreements as well as advance project financing and strategic partner discussions."

Subject to the approval of the Minister of Mines and travel availability in 2022, Canyon anticipates formal execution of the Mining Convention in the first quarter of 2022.

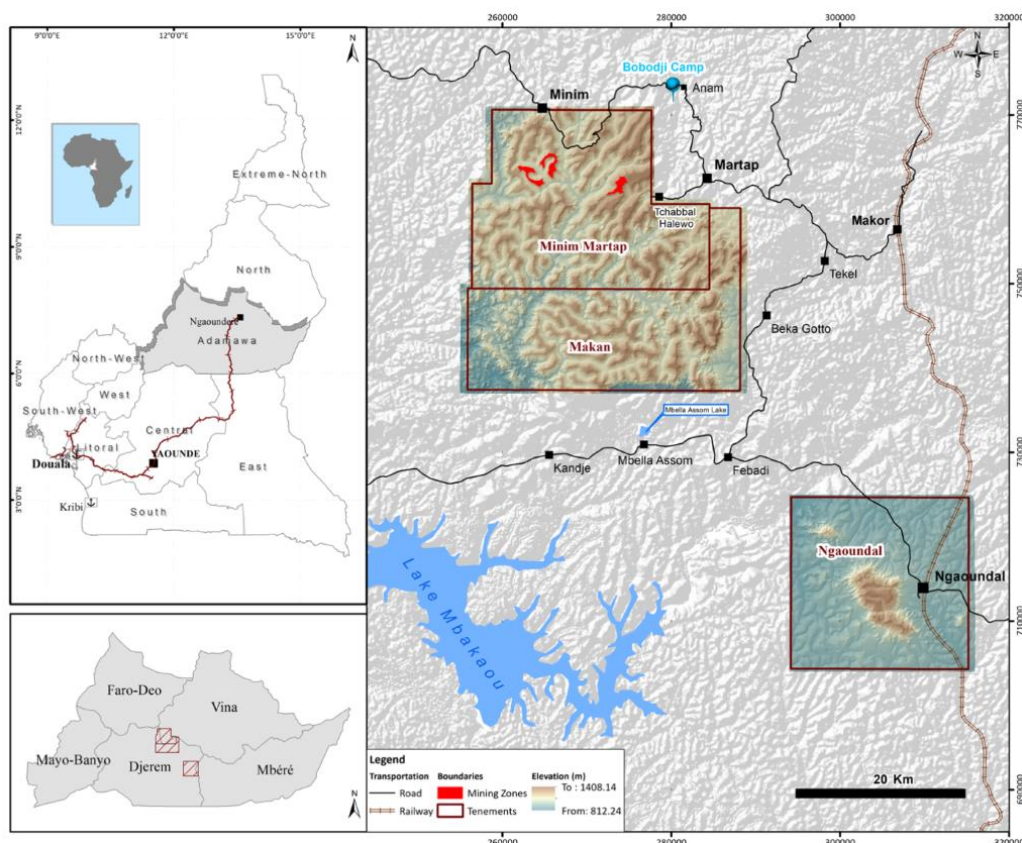
About Canyon Resources

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.

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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

Enquiries:

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CANYON RESOURCES LIMITED – INTEREST IN MINERAL PROPERTIES

| Permits | Location | Interest at 30 December 2020 | Interest at 30 September 2020 |
|-------------------------------|--------------|---|---|
| <u>MINIM MARTAP PROJECT</u> | | | |
| Ngaoundal | Cameroon | Own 100% | Own 100% |
| Minim Martap | Cameroon | | |
| Makan | Cameroon | | |
| <u>BIRSOK BAUXITE PROJECT</u> | | | |
| Birsok | Cameroon | Agreement to earn up to 75%. | Agreement to earn up to 75%. |
| Mandoum | Cameroon | | |
| Mambal (application) | Cameroon | Agreement to earn up to 75%. | Agreement to earn up to 75%. |
| Ndjimom (Mayouom Project) | Cameroon | Own 100% | Own 100% |
| <u>TAPARKO NORTH PROJECT</u> | | | |
| Karga 2 | Burkina Faso | Own 100% | Own 100% |
| Bani | Burkina Faso | | |
| | | | |
| Diobou | Burkina Faso | Rights to 100% | Rights to 100% |
| Tigou | Burkina Faso | | |
| <u>TAO PROJECT</u> | | | |
| Tao | Burkina Faso | Own 100% | Own 100% |
| <u>PINARELLO PROJECT</u> | | | |
| Sokarani | Burkina Faso | Own 49% (sale of 51% to Acacia Mining plc) | Own 49% (sale of 51% to Acacia Mining plc) |
| Niofera | Burkina Faso | | |
| Baniera | Burkina Faso | | |
| Sokarani 2 | Burkina Faso | | |
| Soukoura 2 | Burkina Faso | | |
| <u>KONKOLIKAN PROJECT</u> | | | |
| Konkolikan | Burkina Faso | Own 49% (sale of 51% to Acacia Mining plc) | Own 49% (sale of 51% to Acacia Mining plc) |
| <u>DEROSA PROJECT</u> | | | |
| Bompela | Burkina Faso | 15% interest in joint venture with Rumble Resources Ltd | 15% interest in joint venture with Rumble Resources Ltd |
| Sapala | Burkina Faso | | |