

Strong Community Support for the Minim Martap Bauxite Project

Highlights

- Written letters of support for Canyon have been received from the traditional leaders and elders of the region local to the Minim Martap Bauxite Project .
 - Community leaders include the Governor of the Adamaoua Region, Lamido of Ngaoundere, Sous-Prefet of Martap and Chiefs of the villages of Haleo, Makor, Minim and Martap.
 - The letters highlight Canyon's very strong social license and overwhelming community support for development of the Project.
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Canyon Resources Limited (ASX: CAY) (**Canyon**, or the **Company**) is pleased to announce the receipt of seven letters of support from the key Government and traditional rulers in the region around the Minim Martap Bauxite Project (**Project**). The letters were addressed to Canyon's wholly owned Cameroon subsidiary company, Camalco SA and have been formally presented to the Ministry of Mines and other Government representatives.

The Governor of the Adamaoua Region wrote to the Director General of Camalco (translated from French);

"I have the honor to let you know that three years after the official launch of the bauxite exploration phase at MINIM-MARTAP, MAKAN and NGAOUNDAL with you in charge, the local administrative authorities and I have noted with satisfaction the progress of the work in the field. Also the professionalism and conduct of the staff of your company in this large-scale project, which is part of the projects that bring together and create local jobs as integrated into the National Development Strategy 2020-2030 (SND2030).

It should be noted that the public consultations for the evaluation of the environmental impacts of this operation that I personally chaired lead me to believe that Camalco has all the material and human skills to carry out the exploitation of the Minim-Martap bauxite.

In view of all the above, I would like to testify to you of the support of the active forces of the Adamaoua Region and of my own with a view to supporting the request for the issue of an operating license for your company, which raises many hopes."

The Paramount Traditional and Spiritual Leader for the region, known as the Lamido of Ngaoundere, wrote:

"I have the honor to convey to you, on behalf of all the people of Vina Division, which covers all my traditional command territory, our sincere congratulations and encouragement.

It should be noted here that this is the very first mining project in Cameroon and our absolute wish is its effective start for direct employment opportunities for young Cameroonians.

We pray to Allah the most merciful, that the phase of exploitation of this gigantic project takes place in peace and serenity and that it benefits all Cameroonians.

Please believe, Mr. Director General, the expression of my sincere consideration."



Figure 1: Camalco management team with the Lamido of Ngaoundere at his traditional palace

The Company also received letters of support from the Sous-Prefet of Martap and the Chiefs of the villages of Haleo, Makor, Minim and Martap.

Canyon's Managing Director, Mr Phillip Gallagher said *"These letters of overwhelming support from our very important local and regional stakeholders and friends are a credit to the Camalco team in Cameroon. We are indeed humbled.*

The people in the Adamaoua Region have high aspirations for the Project and the Camalco team and it is very pleasing that we have received these letters of affirmation. Our early recognition that community support is essential and the time and effort we have committed to working with the community has provided us with a strong social license to develop the Minim Martap Bauxite Project.

I am proud of the way that our team has conducted themselves and the work we have completed over the past 3 years. Our team's positive engagement with the local communities underpins our pathway to success. This stands us in very good stead for the future and the imminent granting of the Mining License as we forge towards the construction phase of the Project."

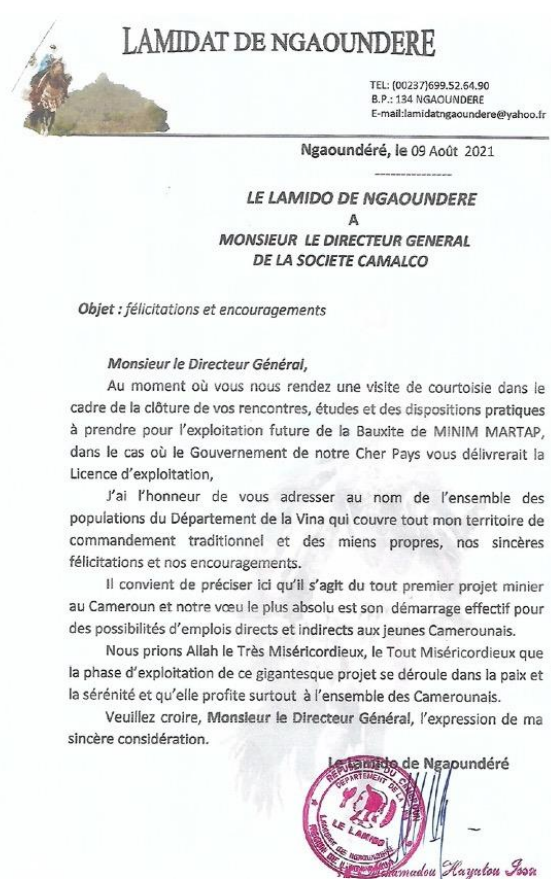
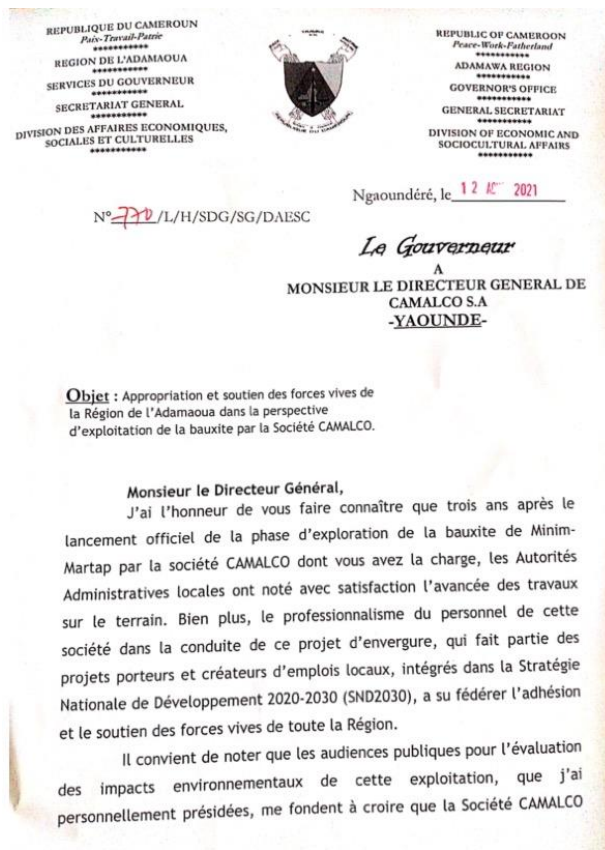


Figure 2: Letters from the Governor of the Adamoua Region and the Lamido of Ngaoundere to Camalco

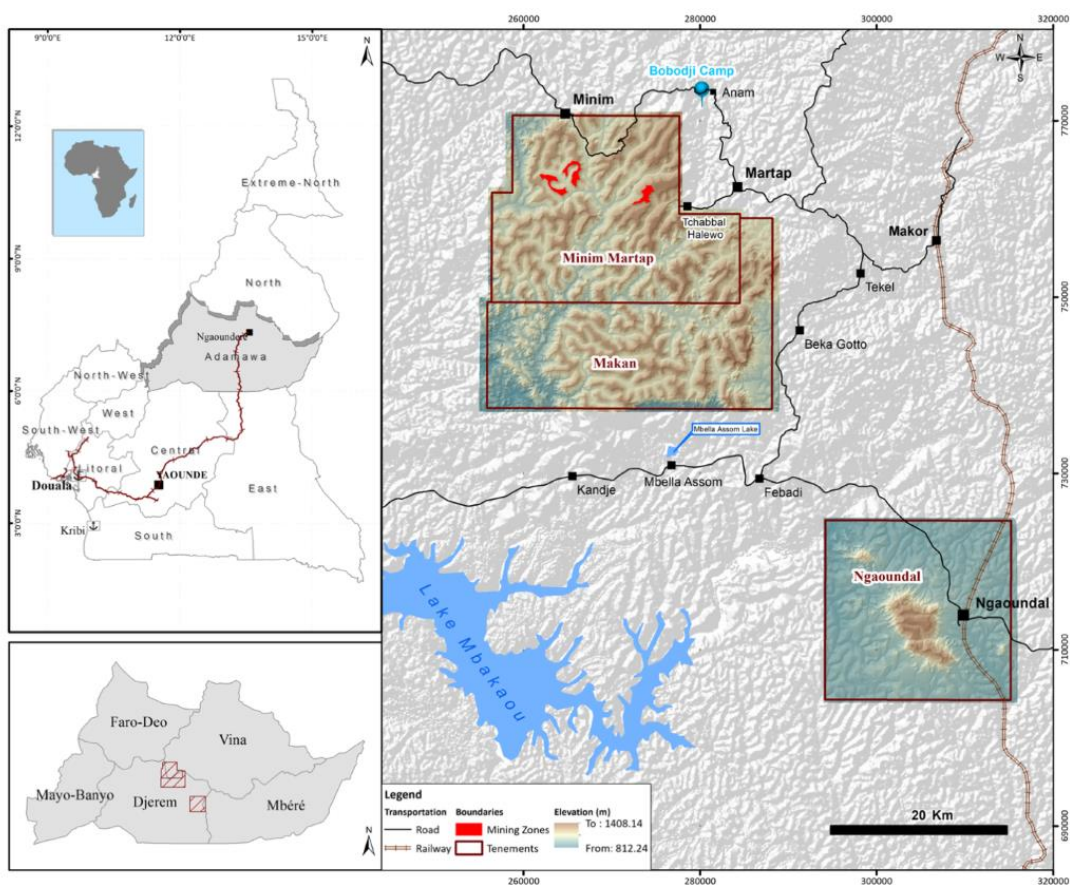
About Canyon Resources

Summary

Canyon is focussed on the development of its 100% owned Minim Martap Bauxite Project, a direct shipping ore (DSO) 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 Study¹. 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.

¹ ASX announcement 1 July 2020



Pre-Feasibility Study

The Company's Stage 1 Pre-Feasibility Study² 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. Subsequent to the PFS, the mining costs have been updated to reflect cost inputs from mining contractors to demonstrate outcomes for mining contract, rather than owner operated, mining operations. The headline economic outcomes of the Pre-Feasibility Study and the subsequent update are shown below. Canyon is advancing strategic partnership and off-take agreement discussions with interested parties to accelerate the Project development timeline.

Minim Martap Project	Units	PFS (Owner Mining) ²	PFS (Contractor Mining) ³
Annual Production Rate	Mtpa	5.0	5.0
Project Development Capital	US\$M	120	109
Average Operating Cost C1	US\$/t	35.1	36.1
Project NPV ₁₀	US\$M	291	289
Project IRR	%	37	38
Capital Intensity	US\$/t	24	24

² ASX announcement 1 July 2020

Reserves and Resources

The Project is validated by the **Ore Reserve estimate**³ prepared by a Competent Person, in accordance with the JORC Code (2012) and is stated as:

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

The underlying **Mineral Resource estimate**⁴ 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 announcement 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 is being undertaken 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 announcement 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. 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

³ ASX announcement 25 May 2021

⁴ ASX announcement 11 May 2021

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.

Mineral Resource estimate

The data in this announcement that relates to the Mineral Resource estimates for the 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 Study for the 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 estimate for the Project is based on information in the maiden Ore Reserve 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.

About Cameroon

Canyon is exploring and developing high grade bauxite reserves in Cameroon, a central-west African country between Nigeria and Equatorial Guinea with Yaounde as the capital. The country has enjoyed the development of industry and infrastructure, particularly agriculture, roads, railways and ports and including a hydro-electric powered aluminium smelter at Edea, currently utilising imported alumina. Cameroon is a producer, consumer and exporter of gas, having exported 6,262,113 million BTU by the end of May 2020, and crude oil and has rich deposits of cobalt, iron ore, gold, diamonds and vast high grade bauxite ore reserves. Revenues from the extractive industries accounted for 5.43% of GDP and 33.23% of total exports in 2015. Cameroon has the fundamental infrastructure and mineral deposits to support a significant mining industry and the population is generally highly skilled in the technical vocations commensurate to exploration, construction and mining.

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 of Canyon Resources Limited

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