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High grade assay results from inaugural RC drilling program at Birsok bauxite project, Cameroon

HIGHLIGHTS:

- **Thick, high grade bauxite mineralisation from surface in first round of drilling.**
- **Significant intersections returned to date include:**
  - **9m @ 41.6% Al_2O_3 from surface** (6.3% total SiO_2) **BRRC019**
  - **6m @ 41.4% Al_2O_3 from surface** (3.9% total SiO_2) **BRRC016**
  - **4m @ 45.5% Al_2O_3 from surface** (4.6% total SiO_2) **BRRC041**
  - **8m @ 39.8% Al_2O_3 from surface** (5.5% total SiO_2) **BRRC020**
  - **8m @ 39.2% Al_2O_3 from surface** (2.5% total SiO_2) **BRRC018**
- **Results are from only the first 2 plateau targets out of 19 drilled, which represents 10% of assays submitted for the program.**
- **Early results are highly encouraging, suggestive of potential for the Birsok project to host a large DSO bauxite resource.**
- **Operating rail line capable of transporting bauxite directly to port, passes within 10kms of the Birsok licences.**
- **Canyon moving quickly to expand its footprint by applying for a nearby permit (Mambal), which also abuts the world-class Minim Martap bauxite deposit.**

The Directors of **Canyon Resources Ltd** (ASX:CAY) are pleased to announce first assay results for part of the Company's inaugural AC (aircore)/RC (reverse circulation) drilling program at the Birsok bauxite project have delivered **high-grade, thick intersections from surface**, which highlights the potential for the Company to establish a DSO bauxite resource with similar characteristics to one of the world's largest undeveloped bauxite project, Minim Martap, which is continguous to Canyon's Birsok bauxite project in central Cameroon.

A total of 329 holes for 3,556m of drilling has been completed on 19 plateau targets over the 4 main prospects on the Birsok permit (Table 1, Figure 1).

Assay results received to date are from the first 2 plateaux (DJ27 and DJ26) drilled at the Djombi prospect, and represent about 10% of the total samples submitted. The remainder of the samples are at various stages of processing and assays will be returned steadily over the next 4-6 weeks.

Previous mapping and rock chip sampling completed on the project has yielded outstanding high-grade aluminium oxide (Al_2O_3) in gibbsite hosted bauxite, generally preferred by bauxite refineries due to the ability to recover the alumina at a lower temperature in the Bayer process, hence resulting in a lower refining cost

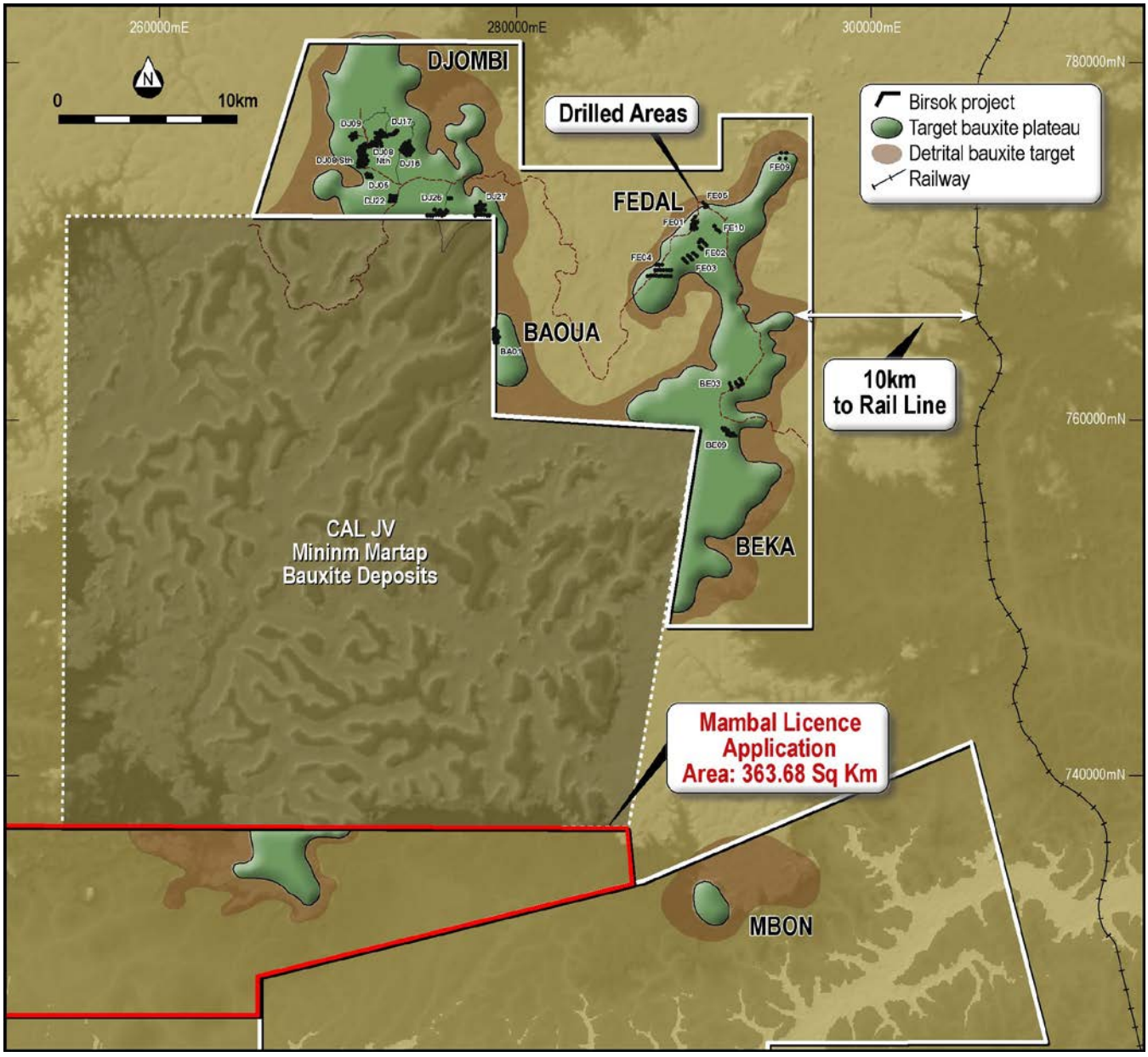

Figure 1 – Drilled Plateau, Birsok Bauxite Project and new Mambal Permit.

New Permit Application – Mambal permit

Canyon has taken steps to expand its bauxite exploration "footprint" in Cameroon by applying for the Mambal permit. Like our existing Birsok Project, the Mambal permit abuts the large Minim Martap bauxite deposit and is approximately 40km south of the Djombi prospect on the Birsok project. The permit has evidence of large lateritic plateaux that warrant mapping and further exploration (Figure 1).

Forward programme

Geologists will remain on site to continue mapping additional plateaux in preparation for the second phase drilling program to commence later this year following the wet season.

Managing Director of Canyon Resources, Phillip Gallagher said;

"We are very happy to receive such promising high grade, low silica, near surface intersections from the first couple of plateaux we drilled. There are several other plateaux that look even more promising, and we eagerly await those assays in the coming weeks. We are confident results from the program will pave the way for Canyon to define an inferred resource in the near future.

We are planning a second round of infill and extension drilling later in the year, after the wet season. In addition to the current drilled plateaux there are several other targets we haven't yet been able drill in this first phase program due to time and access constraints, such as Mbon on the Mandoum permit; as well as a pipeline of prospects in the early exploration mapping and sampling phase.

In addition to the Birsok and Mandoum projects, we have applied for another permit about 40km south of Djombi, contiguous with the southern contact of the CAL Minim Martap permit. This permit has four sizeable plateau targets and preliminary field visits indicate the same style of lateritic material that we are finding at the Birsok project. This is a cost effective opportunity to grow the size of the Company's bauxite projects in Cameroon."

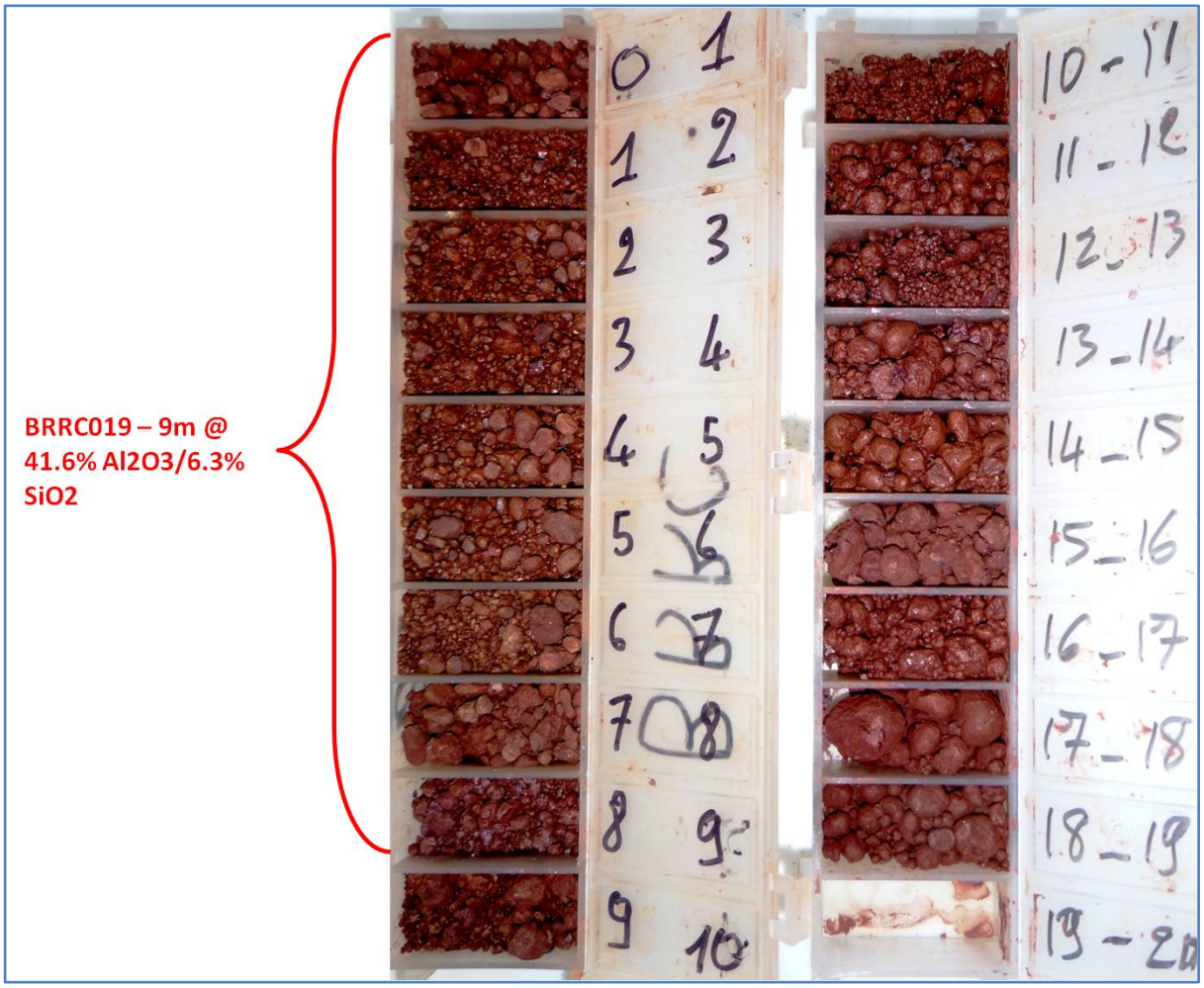

Figure 2-.Rock chips from hole BRRC019 representing 9m @ 41.6% Al_2O_3 and 6.3% total SiO_2

Table 1 – Drilling statistics, Birsok project

HOLES	Plateau	Total Holes	Metres
BRRC001 - 026	DJ27	26	346
BRRC027 - 045	DJ26	19	127
BRRC046 - 054	DJ22	9	58
BRRC055 - 062; 248-262	DJ16	23	196
BRRC063 - 076	FE01	14	123
BRRC077 - 095	FE04	19	185
BRRC096 - 099	FE05	4	35
BRRC100 - 104	FE09	5	41
BRRC105 - 114	FE02	10	121
BRRC115 - 120	FE03	6	77
BRRC121 - 124	FE10	4	37
BRRC125 - 161; 225-241	DJ08 Sth	69	902
BRRC162 - 197; 211-214	DJ08 Nth	40	442
BRRC198 - 210	DJ17	13	163
BRRC215 - 224	DJ09	10	95
BRRC242 - 247	DJ05	6	62
BRRC263 - 273	BE03	11	94
BRRC274 - 303	BA01	30	368
BRRC304 - 314	BE09	11	84
TOTALS	19	329	3,556

DRILLING & ASSAYS

Drilling was conducted on a nominal 320m x 160m staggered grid pattern, and targeted the highest priority areas at Djombi, Fedal, Baoua and Beka prospects. In some areas of stronger looking bauxite, drill spacing was tightened to 80m x 80m to better understand continuity and target size. Drilling has identified surficial bauxitic laterite over all prospects and plateaux.

Drilling at DJ27 has defined a bauxitic laterite surface area of approximately 800m in strike, by up to 500m wide, averaging around 5m thick. Some of the more significant intersections are tabled below (and shown in Figures 3):

Table 2 –Bauxite intersections from RC/AC drilling Djombi plateaus DJ27 & DJ26

HOLEID	PLATEAU	EOH	UTM_E	UTM_N	RL	FROM	TO	INT	Al_2O_3	SiO2	Fe_2O_3	TiO_2	LOI
BRRC003	DJ27	15	278097	771977	1261	0	6	6	38.4	23.1	16.8	2.76	18.1
BRRC004	DJ27	10	278261	771930	1228	0	5	5	35.5	13.7	29.0	2.15	18.4
BRRC006	DJ27	11	278177	771819	1242	1	7	6	37.1	8.40	30.3	2.50	19.8
BRRC008	DJ27	9	278194	771667	1247	0	7	7	36.6	7.67	32.6	3.04	19.6
BRRC009	DJ27	9	278010	771692	1276	0	5	5	38.9	7.05	29.3	2.79	21.6
BRRC011	DJ27	9	277836	771672	1276	0	2	2	38.2	8.65	29.7	2.98	20.9
BRRC015	DJ27	15	277914	771566	1294	0	6	6	39.3	1.56	33.0	3.99	21.3
BRRC016	DJ27	17	277876	771493	1296	0	6	6	41.4	3.91	28.5	3.91	22.2
BRRC017	DJ27	10	278044	771498	1278	0	5	5	40.6	7.75	27.5	3.64	20.7
BRRC018	DJ27	16	277961	771461	1306	0	8	8	39.2	2.55	32.7	4.52	21.2
BRRC019	DJ27	19	277842	771399	1310	0	9	9	41.6	6.33	26.2	3.65	21.4
BRRC020	DJ27	13	277779	771350	1308	0	8	8	39.8	5.51	30.0	3.12	20.9
BRRC021	DJ27	12	277938	771366	1297	1	8	7	35.3	3.09	37.6	3.27	19.1
BRRC022	DJ27	11	278108	771359	1295	0	5	5	38.9	4.57	32.3	3.63	19.7
BRRC023	DJ27	10	278260	771365	1246	1	9	8	36.7	6.90	33.0	3.36	19.3
BRRC024	DJ27	6	278418	771345	1212	0	3	3	43.1	7.83	22.9	2.55	22.2
BRRC033	DJ26	7	275398	771338	1231	0	3	3	39.6	6.72	28.8	3.13	20.6
BRRC034	DJ26	7	275244	771344	1216	0	4	4	38.6	13.3	24.5	2.37	19.8
BRRC038	DJ26	10	276158	771505	1246	0	4	4	41.6	9.27	24.1	3.47	20.6
BRRC041	DJ26	9	276200	771565	1236	0	4	4	45.5	4.62	20.5	3.76	24.1

Notes - Table includes all intercepts that are greater than 2 metre thickness at a grade of greater than 35% Al_2O_3 (2m internal waste) Assay results have been received for Holes BRRC001 – BRRC044, holes not listed in the table do not satisfy the criteria.

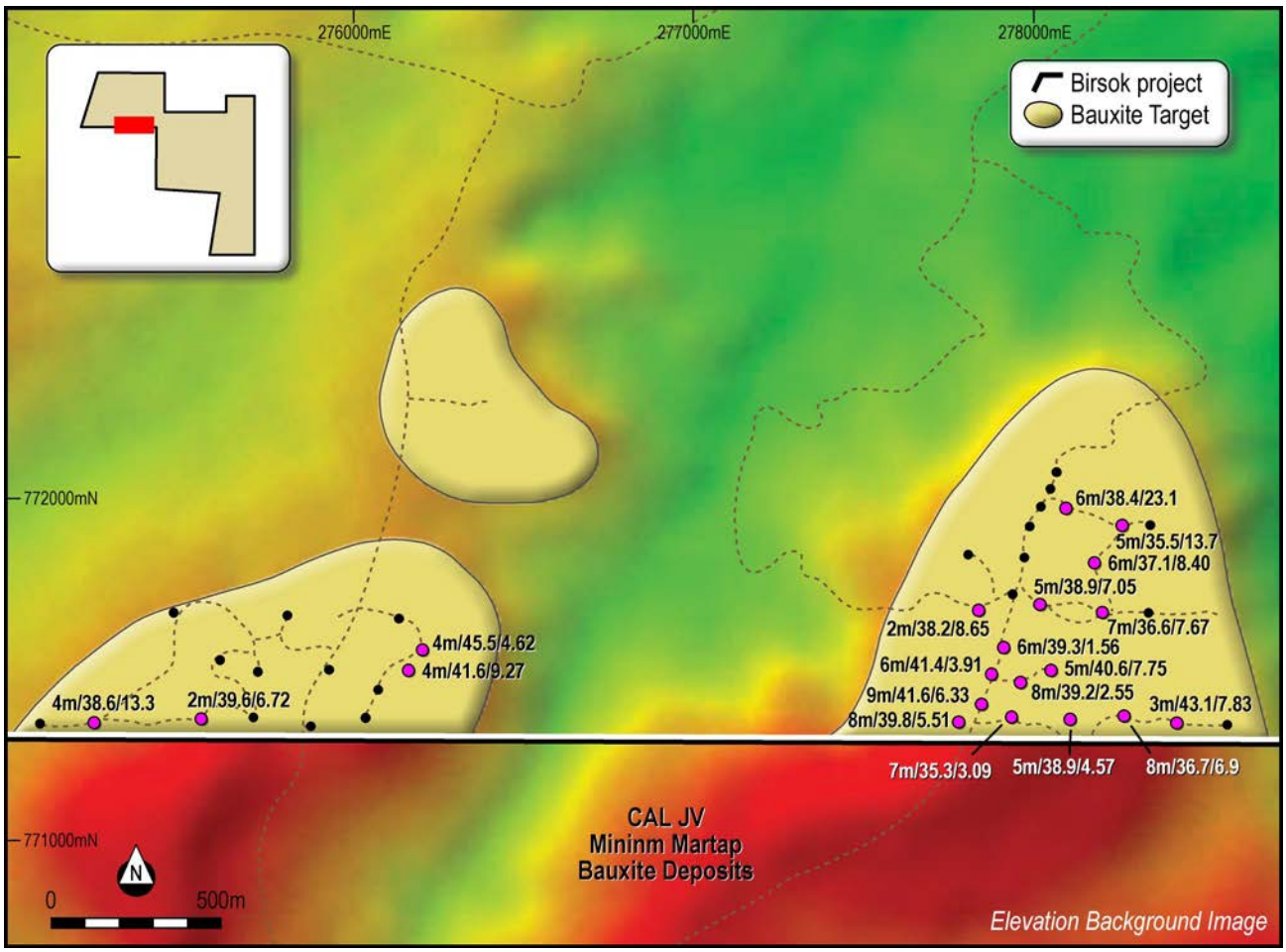

Figure 3 – Drilled Holes and Significant Bauxite Intersections, Djombi Plateaux 26 & 27

Note: 3m/43.1/7.75 = 3m thick, 43.1% Al_2O_3, 7.75% total SiO_2

About Canyon Resources Limited

In 2013, Canyon announced a farm-in transaction to acquire up to 75% of the Birsok bauxite project in Cameroon, which is considered highly prospective for high grade DSO bauxite. The Birsok bauxite project is strategically located in an emerging bauxite region of Cameroon, contiguous with the world class Minim Martap bauxite deposit and approximately 10km from an operating rail line.

In addition to the bauxite assets, Canyon has an established portfolio of highly prospective mineral exploration projects in Burkina Faso, which cover an area of approximately 3,500km² over 17 permits in the Birimian greenstone belts of the West African craton.

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The information in this report that relates to exploration results is based on information compiled by Mr Roger Speers, an employee of the Company and a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Speers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

APPENDIX 1

JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Notes
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Samples are taken every 1m down the hole • Samples are passed through a cyclone mounted on the rig, put into a large plastic bag then split through a industry standard 3 tier riffle splitter, producing one 12.5% by volume sample (1-3kg) which is sent to the lab; the remainder (5-30kg) being collected in the plastic bag, clearly labelled and stored in a sample farm for as long as required. • The 1-3kg samples are split, crushed and pulverised in the lab to provide a charge for XRF fusion.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Drilling was conducted by an independent experienced South African contract company using track mounted reverse circulation (RC) and aircore (AC) methods with a 140mm face sampling hammer or 135mm clay cutting blade bit with 112mm diameter rods. • The compressor produces 35psi/1050cfm air to the rig
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Samples are visually assessed for recovery, moisture and contamination and weighed with scales off the cyclone. The data is recorded digitally and on paper for later reference when looking at grades v recovery analysis. • Cyclone is regularly cleaned, sealed against fines loss and entire sample is split with a riffle splitter to ensure a representative sample is sent to the lab. • From assays to date, no relationship exists between recovery and grade.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• All 1m drill samples were logged for lithology, colour, alteration and weathering by full time company geologists and correlated against assays and surface mapping. It is qualitative in nature. • Chip trays of all 1m drill samples were collected for later reference and re-logging. All samples are logged even if some are not sampled. • No diamond core was drilled.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique.	• Dry 1m samples from the cyclone mounted on the rig are split through a industry standard 3 tier riffle splitter, producing one 12.5% by volume sample (1-3kg) which is sent to the lab. • Any moist or wet samples are laid down

Criteria	Explanation	Notes
	• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	and spear sampled with a PVC tube to the base of the 1m rig sample bag • A field duplicate is taken every 25 samples • Sample sizes are considered appropriate for the style of mineralisation, thickness and consistency of the intersections, the sampling methodology and assay value ranges for bauxite.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Samples were submitted to OMAC laboratory in Ireland for analysis, formally a Stuart Group Lab now owned by ALS Global. • Samples were weighed, dried in an oven at 60^{o}C; crushed so 70% passed -2mm then oversize samples were riffle split to 300g-1kg samples and pulverised so 85% passed 75 micron. A 50-100g pulp is sent to ALS Ireland from Yaounde for XRF analysis. • Samples were analysed by ALS Global, an internationally recognised lab by fused disc XRF and furnace loss of ignition. Technique is standard and international recognised for bauxite. • Owner In-house QA-QC was conducted on the laboratory QC samples (Standards, Blanks and Lab Duplicates). • Canyon inserts their own QA/QC samples into the sample train; 1 CRM, blank and field duplicate every 25 samples. Results to date are well within acceptable limits. Field duplicates correlate at above 95% to original samples. Standards have performed very well. • No geophysical tools were used for any analysis. An Innovex Omega X HPXRF device was used purely for in house comparison and test work. All published data is from laboratory XRF analysis.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• All drilled interval drill cuttings are recorded in chip trays and photographed. Assay results and intersections are visually checked against the chip trays and/or photographs and where possible, in the field, by company geologists and the competent person • Observations were recorded in hard copy then electronically data entered in an auto-validating database structure against library of data codes for consistency. • Hard copy is kept and digital copy is backed up. Sample pulps have been retained. It is planned to use an umpire lab for independent verification of assay results once all initial results have been received. • No twinned holes were drilled.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Hole collars were located using a standard hand held GPS with reported accuracy of less than 5 metres in the X,Y plane using the WGS84 UTM z33N grid. This is appropriate for this stage of exploration. • Down hole surveys have not been taken as

Criteria	Explanation	Notes
		drill holes are all less than 40m in depth and drilled vertically through the predominantly flat lying laterite.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Holes were nominally drilled on a wide spaced reconnaissance type grid of 320 x 160m, though commonly infilled down to a resource style spacing of up to 80m x 80m in places. Spacing is sufficient for Exploration Target to inferred resource size only. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drilling was vertical, the best orientation to test targeted horizontal to mildly undulating surface weathered mineralisation. • Drill patterns were orientated orthogonally across the broad orientation of the plateau targets, holes were staggered to produce a net like grid over the targets where possible
Sample security	• The measures taken to ensure sample security.	• Samples were submitted by the permit owner's employees and chain of custody was recorded. Once submitted to the prep lab samples were entered into the Micromine Geobank sample tracker programme by the owner.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• The owner conducted a review / visit of the Lab facilities in Ireland in 2012 and completed periodic unannounced drop in at the Cameroon Prep Lab. A Canyon representative has also visited the Cameroon Prep Lab before and during the current drill program.

JORC TABLE 1

Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	• Birsok Permis de Recherche 198 and Mandoum Permis de Recherche 174 are currently held by Aucam SA, signatory to the JV agreement with Canyon whereby Canyon can earn 75% in the parent company of Aucam SA or in the parent of any company to which these licences are transferred. All work reported was done on the Birsok Permit. • Birsok is subject to a renewal currently lodged with the government. Mandoum is renewed until Oct 2014. • Legal due diligence on the tenure and holding companies was conducted by independent Cameroon lawyers during Dec 2013. • There are no impediments to exploration, as exploration can continue while Birsok is subject to renewal. Renewal of Birsok is a condition precedent of the agreement with the owners.
Exploration done by other parties	• The Birsok and Mandoum projects are adjacent to the Minim Martap bauxite deposit which was reportedly drilled in 2009. Bauxite plateaux continue onto the projects. Bauxite mineralisation was initially reported by the government and has been followed up by Aucam and Canyon with 719 bauxite samples from in excess of 2,500 observations, and now in excess of 3,000m of AC/RC drilling from over 300 holes.
Geology	• Mineralisation type is laterite bauxite evident on and adjacent to plateaux.
Drill hole Information	• 329 holes have been drilled for 3,556m on 19 plateau targets. The significant results pertaining to this release have been tabulated in the body of the announcement.
Data aggregation methods	• No data aggregation methods have been used.
Relationship between mineralisation widths and intercept lengths	• All drill holes are vertical and intersect the tabular, flat lying mineralisation orthogonally, and represent close to true thickness.
Diagrams	• Diagram provided show drill collar and therefore sample locations with reference to coordinates and a scale. This is appropriate for this early stage exploration.
Balanced reporting	• Only assays for 338 samples from BBRC001-44 from 2 plateau targets have been reported to date, reflecting about 11% of the expected samples. Results in table are reported over 2 metres and above 35% Al_2O3, holes not reported do not satisfy this criteria.
Other substantive exploration data	• None to report.
Further work	• Drilling completed to date indicates the presence of bauxite mineralisation only. Further drilling is required to verify any continuity of intersected bauxite. • Further exploration will involve follow up infill drilling of currently targeted known plateau targets; geological mapping of other bauxite rich plateaux to confirm more primary targets; followed by RC or aircore drilling to test the strike/depth extent of the mineralisation. Access roads have been put in place and will continue to be developed' more detailed environmental approvals are underway. • Additional permit applications have been made targeting more of the bauxite plateau margins of the Minim Martap bauxite plateau system. Country wide targeting is also taking place.