



# ESIA Submission for Canyon's Minim Martap Bauxite Project

---

## Highlights

- The Environmental and Social Impact Assessment (**ESIA**) for the **Minim Martap Project** is **complete and has been submitted** to the Ministry of Mines, Cameroon on 1 June 2021.
  - The **ESIA covers all three exploration tenements and supply chain**, including the mine, haul road, rail, port and transshipment locations.
  - The **ESIA recommends proceeding with development of the Minim Martap Bauxite Project** given the identification of positive benefits to the regional population and no significant adverse impacts from the project.
  - The **ESIA is a key component of the application for a mining permit** and for obtaining an environmental and social license to operate
  - The **ESIA was managed by African expert consultancy Environmental and Social Sustainability (ESS)**, and involved international consultants Golder and Cameroon consultants Rainbow Environment Consult.
- 

Canyon Resources Limited (ASX: CAY) (**Canyon, the Company**) is pleased to announce that the Environmental and Social Impact Assessment (**ESIA**) for the Minim Martap Bauxite Project (the **Project**) was submitted on 1 June 2021 to the Ministry of Mines, Industry and Technological Development (MINMIDT).

ESS (Environmental and Social Sustainability), an Africa-based advisory services firm focused on Health, Safety, Environment and Communities (HSEC) management, managed the development of the ESIA on behalf of, and in collaboration with, Canyon.

The ESIA is a critical component of the mining permit application process and has being undertaken in line with national legislation, the International Finance Corporation (**IFC**) Performance Standards and other key international standards, frameworks and guidelines. The scope of the ESIA covers the three exploration tenements (Minim Martap, Makan and Ngaoundal), and includes the haul route between the mine and the inland rail facility at Makor, the rail line itself between Makor and Douala, infrastructure at the port of Douala, as well as the transshipment route and deep water anchorage location.

National Cameroonian consultancy Rainbow Environment Consult and international consultancy Golder Associates were selected to support ESS with the ESIA. Baseline studies were undertaken covering physico-chemical, biodiversity and socio-economic parameters. Public consultations were undertaken with communities and other stakeholders to provide feedback and to contribute to the development of socio-culturally appropriate management measures.

Key impacts that the ESIA addresses through aspect specific socio-environmental management plans (**SEMP**) include land acquisition and compensation, air quality, noise, water resources and limited biodiversity impacts. The ESIA contains a fully costed management plan for how the Project will mitigate each impact,

## ESIA Submission for Canyon’s Minim Martap Bauxite Project

including with regard to mine closure and rehabilitation. The costs are consistent with those forecasted in the Pre-Feasibility Study (PFS)<sup>1</sup>.

Canyon recognises that HSEC management requires a long-term engagement, and the impact of COVID-19 has meant that a phased approach to addressing identified impacts has been adopted. As is usual for a project of this magnitude, further targeted studies and management planning will be undertaken as part of identified mitigation measures.

Adrian Mill, Managing Director of ESS and Project HSEC Lead, stated: “ESS is very pleased to have supported Canyon via our Cameroon-based team in delivering the ESIA under tight deadlines and given the challenges of operating during the COVID-19 pandemic. We look forward to supporting Canyon in setting up the HSEC management systems and managing HSEC throughout the development cycle.”

James Durrant, Director of Projects for Canyon Resources added: “The ESIA completion and submission is an excellent achievement and milestone, and thanks is given to all the participants in delivering this to schedule. The ESIA highlights the project as having low-to modest adverse impacts which are simple to manage given the development and implementation of robust management systems which is the next phase of our ESG journey”.



Figure 1: The final ESIA document for submission

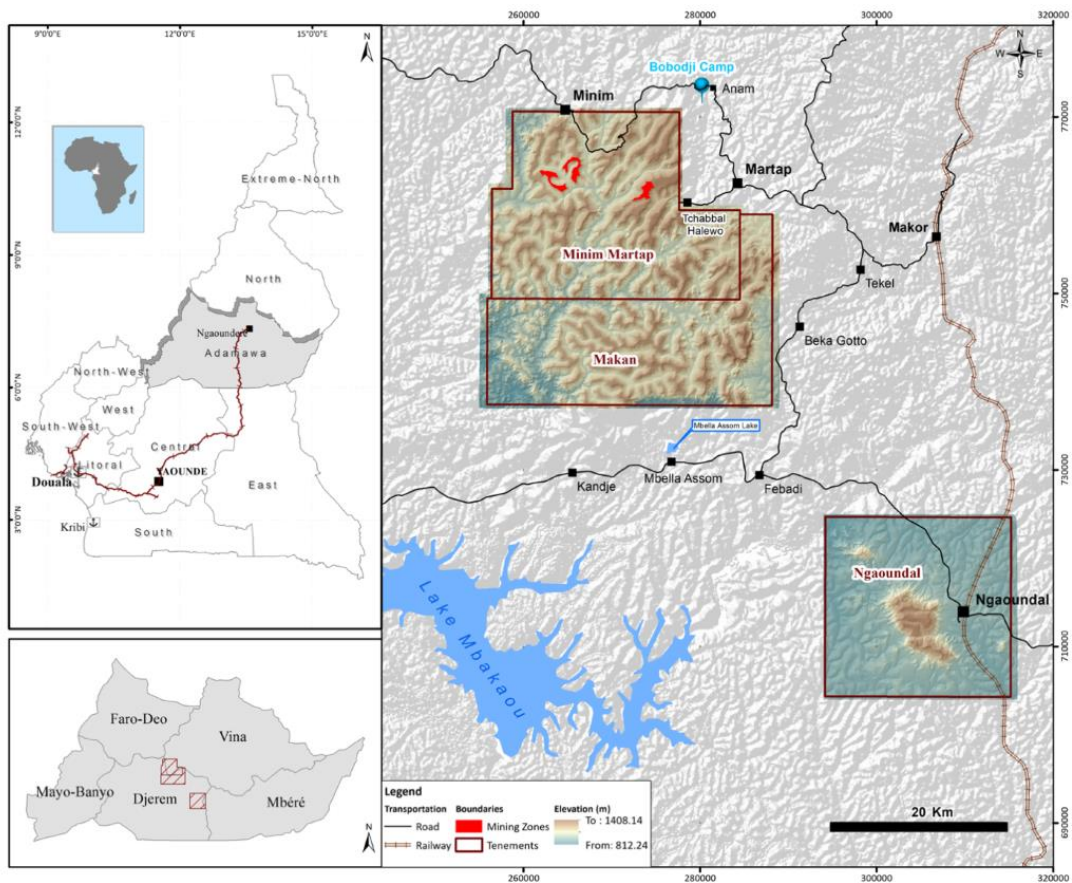
<sup>1</sup> ASX Announcement 01 July 2020.

## 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<sup>2</sup>. 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.



<sup>2</sup> ASX announcement 1 July 2020

## Pre-Feasibility Study

The Company's Stage 1 Pre-Feasibility Study<sup>3</sup> 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) <sup>2</sup>	PFS (Contractor Mining) <sup>3</sup>
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 <sub>10</sub>	US\$M	291	289
Project IRR	%	37	38
Capital Intensity	US\$/t	24	24

## Reserves and Resources

The Project is validated by the **Ore Reserve estimate**<sup>4</sup> 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 <sub>2</sub> O <sub>3</sub>	2.4% SiO <sub>2</sub>
Probable	-	-	-
Total Ore Reserves	99.1	51.6% Al <sub>2</sub> O <sub>3</sub>	2.4% SiO <sub>2</sub>

The underlying **Mineral Resource estimate**<sup>5</sup> prepared by a Competent Person, in accordance with the JORC Code (2012) is stated as:

Resource (35% Al <sub>2</sub> O <sub>3</sub> cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
<b>Total</b>	1,027	45.3% Al <sub>2</sub> O <sub>3</sub>	2.7% SiO <sub>2</sub>
<b>Measured</b>	382	47.3% Al <sub>2</sub> O <sub>3</sub>	2.7% SiO <sub>2</sub>
<b>Indicated</b>	597	44.2% Al <sub>2</sub> O <sub>3</sub>	2.7% SiO <sub>2</sub>
<b>Inferred</b>	48	43.2% Al <sub>2</sub> O <sub>3</sub>	3.7% SiO <sub>2</sub>
Contained High Grade Resource (45% Al <sub>2</sub> O <sub>3</sub> cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
<b>Total</b>	500	49.0% Al <sub>2</sub> O <sub>3</sub>	2.6% SiO <sub>2</sub>
<b>Measured</b>	268	49.7% Al <sub>2</sub> O <sub>3</sub>	2.6% SiO <sub>2</sub>
<b>Indicated</b>	218	48.3% Al <sub>2</sub> O <sub>3</sub>	2.5% SiO <sub>2</sub>
<b>Inferred</b>	14	47.3% Al <sub>2</sub> O <sub>3</sub>	2.8% SiO <sub>2</sub>

<sup>3</sup> ASX announcement 1 July 2020

<sup>4</sup> ASX announcement 25 May 2021

<sup>5</sup> ASX announcement 11 May 2021

### 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 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 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 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.

### 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 Study 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 estimate for the Minim Martap Bauxite 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 Resources Ltd 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.**

**Enquiries:**

PHILLIP GALLAGHER | Managing Director | Canyon Resources Limited T: +61 8 6382 3342

E: [info@canyonresources.com.au](mailto:info@canyonresources.com.au)