

Canyon Resources Limited

ACN 140 087 261

Prospectus

For the offer of one hundred (100) Shares at an issue price of \$0.01 per Share to raise \$1.00 (**Offer**). This Prospectus has been prepared primarily for the purposes of section 708A(11) of the *Corporations Act 2001* (Cth) to remove any trading restrictions on the sale of Shares issued prior to the Closing Date.

IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Shares being offered by this Prospectus should be considered speculative. The general advice provided in the Prospectus has been prepared without taking into account the specific personal circumstances of investors.

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Important information

General

This Prospectus is dated 2 September 2022 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website www2.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information about the Company before making a decision whether or not to invest in the Shares.

No applications for Shares will be accepted nor will Shares be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come

into possession of this Prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9322 7600 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <https://www.canyonresources.com.au/>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Defined terms

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 5 of this Prospectus.

Key risks

For a summary of the key risks associated with an investment in the Company, please refer to the Investment Overview. A more detailed description of the key risks is set out in Section 3 of this Prospectus.

Corporate Directory

Directors Mr Mark Hohnen (Non-Executive Director) Mr David Netherway (Non-Executive Director) Mr Scott Phegan (Non-Executive Director) Mr Wei (Peter) Su (Non-Executive Director)	Share registry* Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 Australia * This entity is included for information purposes only. Computershare Investor Services Pty Ltd has not been involved in the preparation of this Prospectus.
Company Secretary Mr Matt Worner	ASX Code CAY
Registered office 945 Wellington Street West Perth WA 6005 Tel: +61 8 9322 7600 info@canyonresources.com.au	Website https://www.canyonresources.com.au/

Investment Overview

Question	Response	Where to find more information
What is the Offer?	The Company is offering to issue one hundred (100) Shares at an issue price of \$0.01.	Section 1.1 and 1.2
Who should apply?	The Company may invite an investor to apply for the Shares. An Application Form will only be provided to this investor.	Section 1.5
What is the Placement?	<p>As announced on 21 June 2022, the Company proposed to issue approximately 111,111,111 Shares to sophisticated and institutional investors at an issue price of \$0.045 per Share with 111,111,111 options to be issued on a one-for-one basis with an exercise price of \$0.07 each and an expiry date of two years from the date of issue (Placement Options) (Placement).</p> <p>The Placement comprises two tranches:</p> <ul style="list-style-type: none"> (a) tranche 1 comprises 104,636,355 Shares to unrelated sophisticated and professional investors which were issued on 28 June 2022 (Tranche 1); and (b) tranche 2 comprises 5,444,443 Shares to be issued to Directors of the Company and 110,080,798 Placement Options (Tranche 2). Shareholder approval for the issue of Shares and Placement Options under Tranche 2 was granted at a general meeting of the Company held on 10 August 2022. Shares and Placement Options under Tranche 2 are estimated to be issued on or around 5 September 2022. 	
What is the purpose of the Offer?	<p>The primary purpose of the Offer is not to raise capital.</p> <p>The Shares to be issued under Tranche 2 of the Placement will be issued without disclosure under Chapter 6D of the Corporations Act.</p> <p>The Company must ensure those Shares issued are freely tradeable (i.e. are not subject to the secondary trading sale restrictions in the Corporations Act) either by issuing a cleansing notice under section 708A(5) of the Corporations Act, or issuing a prospectus under section 708A(11) of the Corporations Act. The Company is unable to issue a cleansing notice under section 708A(5) of the Corporations Act as its Shares were suspended from trading on the ASX for more than five (5) trading days in the last 12 months.</p> <p>Accordingly, the primary purpose of this Prospectus is to facilitate secondary trading of any Shares that may be issued by the Company under Tranche 2 of the Placement before the Closing Date.</p>	Section 1.1
What is the effect of the Offer?	<p>The effect of the Offer is to remove the secondary trading sale restrictions on the Shares issued under Tranche 2 of the Placement during the period the Offer is open under this Prospectus.</p> <p>If the Directors decide to issue the Shares under the Offer, the Offer will increase the number of Shares on issue by one</p>	Section 2

Question	Response	Where to find more information
	hundred (100) Shares and decrease cash reserves of the Company by approximately \$1,500 (being the estimated expenses of the Offer).	
What are the risks associated with an investment in the Company?	<p>Some of the key risks associated with an investment in the Company are summarised below. These risks are outlined in detail in Section 3 and together with the other risks outlined in Section 3 and other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their financial or other professional adviser before deciding whether to apply for Shares under this Prospectus.</p> <p>Cameroon and Burkina Faso (general)</p> <p>The Company's projects are located in Cameroon and Burkina Faso which are considered to be developing countries and as such subject to emerging legal and political systems compared with the system in place in Australia, and risks and uncertainties including, but not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, terrorism, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. See Section 3.2(a).</p> <p>Civil unrest</p> <p>Cameroon and Burkina Faso, where the Company's projects and operations are located, have recently experienced elements of civil unrest and what have been described as terrorist activities and insurgencies. No assurance can be given that such activities and insurgencies will not continue or recur in Cameroon or Burkina Faso. See Section 3.2(b).</p> <p>Future capital requirements</p> <p>Should it subsequently be established that a mining production operation is technically, environmentally and economically viable, the Company will require additional financing to establish mining operations and production facilities. There can be no guarantee that the Company will be able to access the funds necessary to finance its future activities and successfully achieve all the objectives of the Company's overall business strategy on terms acceptable to the Company, or at all.</p>	Section 3

Question	Response	Where to find more information
	<p>Further, any additional equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. See Section 3.2(c).</p> <p>Exploration, development, mining and processing risks</p> <p>The future profitability of the Company and the value of its Shares are directly related to the results of exploration and any subsequent project development. Until the Company can realise value from its projects, it is likely to incur ongoing operating costs.</p> <p>Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities and the negotiation of sales agreements on suitable commercial terms with acceptable counterparty(s). Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful development and mining operations. See Section 3.2(k).</p> <p>Mineral Resource estimates</p> <p>Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.</p> <p>In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations. See Section 3.2(l).</p> <p>Tenement rights</p> <p>The Company's exploration, development and mining activities are dependent upon the grant, or as the case may be, the maintenance, renewal or re-approval of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to conditions or limitations. The maintenance, renewal and granting of these tenement rights depends on the Company being successful in obtaining required statutory approvals, complying with regulatory processes and complying with the conditions attached to the tenement rights. A failure to obtain these statutory approvals or comply with these regulatory processes or the conditions attaching to the tenement rights may adversely affect the Company's title to its tenements.</p>	

Question	Response	Where to find more information						
	<p>Further, there is no guarantee or assurance that licences, concessions, leases, permits or consents will be renewed or extended as and when required or that new conditions will not be imposed in connection with the Company's permits. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the permits comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. See Section 3.2(m).</p> <p>Access to land</p> <p>The Company will experience delays and cost overruns if it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, harvesting, government legislation, landholder or community activities or other factors.</p> <p>There is no assurance that the Company will be granted all the permits for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such permits are not granted or approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its activities or proceeding with any future exploration or development. See Section 3.2(n).</p>							
<p>What are the key dates of the Offer?</p>	<p>The timetable for the Offer is as follows:</p> <table data-bbox="405 1240 1104 1335"> <tr> <td>Lodge Prospectus with ASIC and ASX</td> <td>2 September 2022</td> </tr> <tr> <td>Opening Date</td> <td>2 September 2022</td> </tr> <tr> <td>Closing Date</td> <td>9 September 2022</td> </tr> </table> <p>The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act and the Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases or withdrawing the Offer.</p>	Lodge Prospectus with ASIC and ASX	2 September 2022	Opening Date	2 September 2022	Closing Date	9 September 2022	<p>Section 1.4</p>
Lodge Prospectus with ASIC and ASX	2 September 2022							
Opening Date	2 September 2022							
Closing Date	9 September 2022							
<p>What is the effect of the Offer on control of the Company?</p>	<p>The Offer will not have an impact on control of the Company.</p>	<p>Section 2.4</p>						

Section 1 Details of the Offer

1.1 Purpose of the Offer

By this Prospectus, the Company is making an offer to an investor by invitation only of one hundred (100) Shares at an issue price of \$0.01 per Share to raise \$1.00 before expenses. Accordingly, the primary purpose of the Offer is not to raise capital.

As announced on 21 June 2022, the Company proposed to issue approximately 111,111,111 Shares to sophisticated and institutional investors at an issue price of \$0.045 per Share with 111,111,111 Placement Options under the Placement.

The Placement comprises two tranches:

- (a) tranche 1 comprises 104,636,355 Shares to unrelated sophisticated and professional investors which were issued on 28 June 2022 (**Tranche 1**); and
- (b) tranche 2 comprises 5,444,443 Shares to be issued to Directors of the Company and 110,080,798 Placement Options (**Tranche 2**). Shareholder approval for the issue of Shares and Placement Options under Tranche 2 was granted at a general meeting of the Company held on 10 August 2022. Shares and Placement Options under Tranche 2 are estimated to be issued on or around 5 September 2022

The Shares issued under the Placement will rank equally in all respects with existing Shares upon issue.

Funds from the Placement will be used to advance the Company's Minim Martap Bauxite Project in Cameroon and for general working capital purposes.

The Shares issued to be issued under Tranche 2 of the Placement will be issued without disclosure under Chapter 6D of the Corporations Act. The Company must ensure those Shares issued under the Placement are freely tradeable (i.e. are not subject to the secondary trading sale restrictions in the Corporations Act) either by issuing a cleansing notice under section 708A(5) of the Corporations Act, or issuing a prospectus under section 708A(11) of the Corporations Act. The Company is unable to issue a cleansing notice under section 708A(5) of the Corporations Act as its securities were suspended from trading on the ASX for more than five (5) trading days in the last 12 months.

Accordingly, the primary purpose of this Prospectus is to facilitate secondary trading of any Shares that may be issued by the Company under Tranche 2 of the Placement before the Closing Date.

Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities of the company that are already quoted on the ASX; and
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made (section 708A(11)(b)(i)); or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued (section 708A(11)(b)(ii)); and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

This Prospectus has also been issued to provide information on the Offer being made under this Prospectus.

1.2 Details of the Offer

By this Prospectus, the Company is making an invitation to apply for one hundred (100) Shares at an issue price of \$0.01 per Share to raise \$1.00 before expenses of the Offer. The Offer is open to persons by invitation from the Company only. An Application Form will only be provided to these persons.

1.3 Minimum Subscription

The minimum level of subscription for the Offer is one hundred (100) Shares to raise \$1.00.

1.4 Timetable

The timetable for the Offer is as follows:

Event	Date
Lodge Prospectus with ASIC and ASX	2 September 2022
Opening Date	2 September 2022
Closing Date	9 September 2022

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases or withdrawing the Offer. No cooling-off rights apply to applications submitted under the Offer. The commencement of quotation of the Shares is subject to confirmation from ASX.

1.5 Applications

You can only apply for the Shares using the Application Form which accompanies a paper copy of this Prospectus. Applications can only be made by persons who are invited to do so by the Company.

Application Forms must be delivered or mailed together with a cheque in Australian currency made payable to "**Canyon Resources Limited – Share Account**" and crossed "**Not Negotiable**" to:

945 Wellington Street
West Perth WA 6005
Australia

not later than midnight (WST) on the Closing Date (which may be varied as noted in Section 1.4 above).

1.6 Issue and allotment of Shares

As noted in Section 1.1, the primary purpose of this Prospectus is to facilitate secondary trading of any Shares that may be issued by the Company before the Closing Date.

If the Directors decide to issue Shares offered under this Prospectus, the Shares will be issued as soon as practicable after the Closing Date. The Directors will decide the recipient(s) of the Shares.

Until allotment and issue of the Shares under this Prospectus, the application monies will be held in trust in a separate bank account maintained for that purpose only. Any interest earned on the application money will be for the benefit of the Company and will be retained by it irrespective of whether allotment and issue of the Shares takes place. Application money will be refunded to unsuccessful applicants without interest as soon as reasonably practicable after the close of the Offer.

The Shares will not be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

1.7 Use of Funds

After paying the expenses of the Offer, no funds will be raised from the Offer.

1.8 ASX Listing

The Company will make an application to ASX within seven (7) days following the date of this Prospectus for official quotation of the Shares to be offered pursuant to this Prospectus. If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue the Shares. A decision by ASX to grant official quotation of the Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Shares now offered for subscription.

1.9 Overseas investors

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the Shares or the Offer or otherwise to permit an offering of securities to any jurisdiction outside Australia.

1.10 Market Prices of Shares on ASX

The highest and lowest closing market prices of Shares on ASX during the period during the three (3) months immediately preceding the date of this Prospectus that the Company's Shares were trading on ASX and the respective dates of those prices were \$0.06 on 21 July 2022 and \$0.043 on 21 July 2022. The latest available market sale price of Shares on ASX immediately before the date of issue of this Prospectus was \$0.048 on 1 September 2022.

1.11 Substantial shareholders

Based on substantial shareholder notices lodged as at the date of this Prospectus, there is a shareholder who, together with its associates, has a relevant interest in 5% or more of the Shares on issue, being Ausglobal Bauxite Pty Ltd, an entity associated with Non-Executive Director, Peter Su. Ausglobal Bauxite Pty Ltd has a disclosed voting power of 63,101,506 Shares, equating to 7.82% of the total Shares on issue.

1.12 Privacy

The Company collects information about each applicant from an Application Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an Application Form, each applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's share registry, the Company's related bodies corporate, agents, contractors and third-party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

If an applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

1.13 Forward Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such 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, as at the date of this Prospectus, 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 and the Directors.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention 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 Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 3 of this Prospectus.

Section 2 Effect of the Offer on the Company

2.1 Principal effects

The principal effects of the Offer (assuming full subscription) are:

- (a) the Company will issue one hundred (100) Shares;
- (b) the Company's cash funds will decrease by approximately \$1,500 (being after the estimated expenses of the Offer of \$1,500);
- (c) the total number of Shares on issue after the Offer and Tranche 2 of the Placement will be 811,866,607 (see the capital structure table in section 2.2 below); and
- (d) the secondary trading sale restrictions on the Shares issued under Tranche 2 of the Placement during the period the Offer is open under this Prospectus will be removed.

2.2 Effect of the Offer on the capital structure

The pro-forma capital structure of the Company following the Offer pursuant to this Prospectus and the issue of Shares under Tranche 2 of the Placement is set out below:

Issued Capital	Number
Shares currently on issue	806,422,064
Shares to be issued under Tranche 2 of the Placement ¹	5,444,443
Shares to be issued under the Offer	100
Total Shares on issue after completion of the Offer and settlement of Tranche 2 of the Placement²	811,866,607
Options currently on issue (each with an exercise price of \$0.20 and expiry date of 7 September 2023)	4,000,000
Placement Options to be issued under Tranche 2 of the Placement ²	110,080,798
Performance rights	12,666,667
Total Securities on issue after completion of the Offer and settlement of Tranche 2 of the Placement	938,614,072

Note:

1. As set out in Section 1.1, the Company has obtained Shareholder approval for the issue of 5,444,443 Shares under Tranche 2 and proposes to issue those Shares on or about 5 September 2022 and in any event prior to the Closing Date of the Offer. Accordingly, the issue of 5,444,443 Shares under the Placement has been accounted for in the above table for the purpose of determining the total number of Shares on completion of the Offer.
2. As set out in Section 1.1, the Company has obtained Shareholder approval for the issue of 110,080,798 Placement Options under Tranche 2, and proposes to issue the Placement Options on or around 5 September 2022.

2.3 Financial effect of the Offer

After paying for the expenses of the Offer of approximately \$1,500, there will be no proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will affect the Company's financial position, being receipt of funds of \$1.00 less expenses of

the Offer of approximately \$1,500. As the issue of the one hundred (100) Shares under this Prospectus will not have a material impact on the Company's financial position, a pro-forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

2.4 Effect of the Offer on control

The Offer will not have an impact on control of the Company.

Section 3 Risk factors

3.1 Overview

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated using safeguards and appropriate systems and controls, but some are outside the control of the Company and its Directors and cannot be mitigated.

This Section 3 identifies the major areas of risk identified by the Directors associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed now or in the future. You should read the entire Prospectus and consult your professional advisers before deciding whether to apply for the Shares offered pursuant to this Prospectus.

3.2 Specific risks

(a) Cameroon and Burkina Faso (general)

The Company's projects are located in Cameroon and Burkina Faso which are considered to be developing countries and as such subject to emerging legal and political systems compared with the system in place in Australia, and risks and uncertainties including, but not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, terrorism, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Possible sovereign risks include, without limitation, changes in the terms of mining legislation including renewal and continuity of tenure of permits, transfer of ownership of acquired permits to the Company, changes to royalty arrangements, changes to taxation rates and concessions, restrictions on foreign ownership and foreign exchange, changing political conditions, changing mining and investment policies, and changes in the ability to enforce legal rights.

Future operations and profitability in Cameroon and Burkina Faso may be affected by changing government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety, and government and local participation. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral tenure and development could result in the loss, reduction or expropriation of entitlements.

Further, the legal system in Cameroon and Burkina Faso may be less developed than more established countries, which may result in risk such as:

- political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;
- a higher degree of discretion on the part of governmental agencies;
- the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and
- relative inexperience of the judiciary and court in such matters.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There

can be no assurance that joint ventures, licences (or licence applications), permits (or permit applications) or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness of the enforcement of such arrangements cannot be assured.

The occurrence of these and other various factors cannot be accurately predicted and could have an adverse effect on the Company's future operations and profitability. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in these or any other country in which the Company may have an interest.

(b) Civil unrest

Cameroon and Burkina Faso, where the Company's projects and operations are located, have recently experienced elements of civil unrest and what have been described as terrorist activities and insurgencies. No assurance can be given that such activities and insurgencies will not continue or recur in Cameroon or Burkina Faso.

The Company undertakes all prudent and recommended actions to ensure that its employees and contractors operating in the region are kept safe from such activities and insurgencies. However, the security of the Company's employees and contractors in Cameroon and Burkina Faso is key to the Company's ability to perform its exploration and development activities and hence its success. The security environment in Cameroon and Burkina Faso may deteriorate and adversely affect the Company's operations or profitability.

(c) Third Party Agreements

The Company is required to negotiate and agree commercial terms with both private companies and Government instrumentalities in order to access rail and port infrastructure and services. These negotiations cannot be finalised until the completion of the Bankable Feasibility Study (**BFS**) and execution of the Mining Convention. There is no certainty that the Company can reach agreement with these parties on terms which have been assumed for the purposes of the BFS or that such agreements can be entered into by the dates required in order to facilitate the Company meeting its development timetable.

Further, the ability to make a final investment decision on the Project is dependent on the Company entering into a number of such agreements and there is no certainty that this can be achieved within the Company's development timetable.

(d) Mining Convention

According to the Cameroon Mining Code, the Company has fulfilled all requirements and has the right to execute the Mining Convention with the State of Cameroon, the Company is now just awaiting the timing for execution of the agreement. The Company can see no legal basis on which the Mining Convention will not be executed with the State of Cameroon, however there is no guarantee that any Mining Convention will be executed or that it will be executed on terms acceptable to the Company.

The settled and agreed Mining Convention is with the Prime Minister of Cameroon for his final approval which is required before it can be executed on behalf of the Government. The Company has no oversight on the timing of this process, although the Company believes it will occur. Further, the Company does not know whether the Prime Minister will approve the draft Mining Convention without further negotiation.

(e) Mining Permit

A valid application for a Mining Permit over the area of the Minim Martap exploration license was submitted in June 2021 and a request for the extensions of the Makan and Ngaoundal exploration licenses was submitted soon after.

Following the Minister of Mines of Cameroon formally accepting the Mining Permit application and Canyon's capacity to develop the Project, in August 2021, the Minister announced the commencement of negotiations for the Project Mining Convention. The negotiations for the terms of the Mining Convention commenced in November 2021 and were completed on 28 January 2022, with 15 relevant Ministries agreeing to the negotiated Mining Convention terms.

The Company is now awaiting formal signing of the Mining Convention with the State of Cameroon. The Mining Permit is to be granted by a decree of the President of the Republic of Cameroon and this is expected to follow the execution of the Mining Convention.

The Company does not know when this will occur, or whether this will occur at all or on terms acceptable to the Company.

(f) Port and Rail

In order for the Project to be operated in the manner described in the BFS it requires:

- (a) the Company to reach agreement with various third party and Government instrumentals on infrastructure, as noted above;
- (b) the existing railway to be upgraded by the railway operator and Government, the funding for which has been announced; and
- (c) the development of the landside and port facilities on the Bonabéri side of the Port of Douala by a third-party contractor and the Port Authority of Douala.

The Company has no control over the ability of the Government or its instrumentalities to be able to source the funding for and the development of the facilities in the time required to meet the Company's development timeline.

(g) Development Costs

In the current construction and development environments, the Company is exposed to potential cost overruns and supply delays which may result in unplanned funding needs and delays to the timing of first ore on ship.

(h) Legal Actions

The Company has entered into an agreement with a third party where the interests of the Company may be adversely affected by a third party's failure to perform or deliver. The Company may become involved in legal proceedings in order to protect its interests or to otherwise assert its rights.

Further third parties may seek to challenge or undermine the rights of the Company to one or more of its tenements in Cameroon however, the Company is confident that it can overcome any such challenge based on both its agreement with the Government which gives the Company rights to international arbitration which agreement is in the form of a Cahier de Charge and the provisions of the Cameroon Mining Code.

(i) Approvals, Licences and Permits

Pursuant to the Cameroon Mining Code, the Company's subsidiary company, Camalco is required to start development of the Project within two years of the date of the Mining Permit being granted and must be mining within 5 years of that date. Currently, the Company does not hold all of the permits, approvals and licenses to start development once the Mining permit is granted. As a practical matter, the grant of permits, approvals and licenses are subject to the discretion of the applicable Government agencies or officials. There is no guarantee that any approvals or licenses will be granted, renewed or obtained in a timely manner, or on terms acceptable to the Company.

(j) Future capital requirements

Should it subsequently be established that a mining production operation is technically, environmentally and economically viable, the Company will require additional financing to establish mining operations and production facilities. There can be no guarantee that the Company will be able to access the funds necessary to finance its future activities and successfully achieve all the objectives of the Company's overall business strategy on terms acceptable to the Company, or at all.

Further, any additional equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(k) Exploration, development, mining and processing risks

The future profitability of the Company and the value of its Shares are directly related to the results of exploration and any subsequent project development. Until the Company can realise value from its projects, it is likely to incur ongoing operating costs. There are risks in undertaking exploration and development activities including:

- the discovery and/or acquisition of economically recoverable reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to tenements;
- obtaining regulatory consents and approvals (including environmental) necessary for the Company's exploration, development and production activities;
- delivery of a DFS to an acceptable standard and in a timely manner;
- a DFS may identify negative aspects of the Company's projects that are not currently known;
- local community actions;
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriate skilled and experienced employees, contractors and consultants; and
- adverse weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment, which may curtail, delay or cancel operations.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities and the negotiation of sales agreements on suitable commercial terms with acceptable counterparty(s). Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful development and mining operations.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty including unusual or unexpected rock formations. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

These factors affect the Company's ability to establish mining operations, continue with its projects, earn income from its operations and will affect the Share price.

(l) Mineral Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter

mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(m) Tenement rights

As noted above, the Company's operations, permits and tenements are located in Cameroon and Burkina Faso and the Company's permits are subject to the jurisdiction of Cameroon and Burkina Faso. Permits and tenements are granted for a specific term and their grant, transfer and renewal are subject to ministerial discretion.

Each permit and tenement carries with it expenditure and periodic reporting commitments, as well as other material statutory conditions requiring compliance, including minimum exploration budgets and work programs and payments of taxes. Failure to observe the conditions, obligations and restrictions attached to a permit or tenement may lead to its withdrawal and could affect its renewal or the grant of a further permit.

The Company's exploration, development and mining activities are dependent upon the grant, or as the case may be, the maintenance, renewal or re-approval of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to conditions or limitations. The maintenance, renewal and granting of these tenement rights depends on the Company being successful in obtaining required statutory approvals, complying with regulatory processes and complying with the conditions attached to the tenement rights. A failure to obtain these statutory approvals or comply with these regulatory processes or the conditions attaching to the tenement rights may adversely affect the Company's title to its tenements.

Further, there is no guarantee or assurance that licences, concessions, leases, permits or consents will be renewed or extended as and when required or that new conditions will not be imposed in connection with the Company's permits. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the permits comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(n) Access to land

The Company will experience delays and cost overruns if it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, harvesting, government legislation, landholder or community activities or other factors.

Access to land often depends on the Company being successful in negotiating with landholders. There is no assurance that the Company will obtain all the permissions required as and when required or that new conditions will not be imposed in connection therewith. To the extent such permissions are not obtained, by the Company's current and future exploration and development activities may be curtailed or their continuation prohibited.

There is no assurance that the Company will be granted all the permits for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such permits are not granted or approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its activities or proceeding with any future exploration or development.

(o) Land rehabilitation requirements

Land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its

mining activities, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

(p) Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

(q) Infrastructure access and suitability risk

The successful development of the Company's projects is dependent on the availability of and access to sufficient and suitable infrastructure such as rail and road networks, ports, power and water infrastructure with the capacity to support its planned operations. The availability and costs of this infrastructure affect capital and operating costs and the Company's ability to maintain anticipated levels of production and sales. Limitations or interruptions in rail or shipping capacity could disrupt the Company's ability to deliver its products on time. This could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

3.3 General risks

(a) COVID-19 risk

The outbreak of COVID-19 is impacting global economic markets. The full nature and extent of the effect of the outbreak of COVID-19 on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company's ability to freely move people and equipment to and from projects may be constrained by these measures which may cause delays or cost increases. The effects of COVID-19 on the Company's Share price may also impede the Company's ability to raise capital or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

(b) Commodity prices

If the Company's existing projects are developed to production, its revenue will be derived from the sale of bauxite. Therefore, its earnings will be closely related to the price and arrangements it enters into for sale of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand, forward selling by producers, the cost of production and general economic conditions such as inflation, interest rates and currency exchange rates.

Fluctuations in bauxite prices will significantly affect the Company's future operations and profitability. Declines in the prices for bauxite could cause the continued development of, and eventually the commercial production from, the Company's projects to be rendered uneconomic. A decline in the market prices of bauxite may also require the Company to write down its mineral resources which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in resources be required, material write-down of the Company's investment in the affected mining properties and increased amortisation, reclamation and closure expenses may be required.

The Company gives no assurance that fluctuations in commodity prices will not affect the timing and viability of its projects.

(c) Environmental liabilities risk

The Company's activities are subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Environmental hazards may exist on the properties on which the Company holds mineral interest which are unknown to the Company at present and which may be caused by previous or existing owners or operators of the properties. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company.

(d) Corporate responsibility risk

The Company's operations and activities interact with a range of community stakeholders who have an interest in the impacts of the Company's activities and require the Company to maintain a social licence to discover, develop and operate mining projects. This encompasses compliance with environmental laws and regulations, occupational health and safety laws and regulations and anti-bribery and corruption laws. It also encompasses establishment and maintenance of community relations in Cameroon and Burkina Faso. These give rise to a range of risks including land access, reputational risk and the risk of losing its social licence to operate. These risks have the potential to reduce access to resources, impact the Company's reputation and increase operating costs including from compliance obligations arising from changes in laws and regulations.

(e) Insurance coverage risk

Exploration and development operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development is not generally available to the Company or to other companies in the industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the Shares.

(f) Exchange rate risk

The revenues and earnings of the Company will be exposed to exchange rate fluctuations, particularly as international prices of various commodities are denominated in USD, whereas a significant portion of its operating expenses will be incurred in USD, Australian or local currency. Fluctuations in exchange rates between currencies in which the Company invests, reports, incurs costs, purchases capital equipment or derives revenue may cause fluctuations in the Company's financial results that are not necessarily related to the Company's underlying operations. For example, a weakening in the value of the USD as compared to the Australian dollar would have an effect of reducing the Australian dollar value of USD bauxite sales. Alternatively, a weakening of the Australian dollar as compared to the USD would have an effect of increasing the Australian dollar cost of expenses incurred in USD. This may adversely affect the Company's financial position and operating results.

(g) Joint venture parties, contractors and agents

The Company is unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, insolvency or other managerial failure by any of the contractors used by the Company in any of its activities, or insolvency or

other managerial failure by any of the other service providers used by the Company for any activities.

(h) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(i) Share market risk

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of the Shares could fluctuate significantly. The market price of the Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in recommendations by research analysts who track the Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Shares is affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Shares, and the attractiveness of alternative investments. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

(j) Litigation risk

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

(k) Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events.

(l) Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(m) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(n) Taxation

The acquisition and disposal of Shares may have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

3.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

Section 4 Additional information

4.1 Continuous disclosure obligations

As the Company is admitted to the Official List, the Company is "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. As a listed company, the Company is required to continuously disclose to the market any information which it has, which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board has adopted a Policy on Continuous Disclosure, which sets out the obligations of Directors, officers and employees of the Company to ensure that information about the Company which may be market sensitive and may require disclosure is brought to the attention of those responsible for ensuring that the Company complies with its continuous disclosure obligations in a timely manner and is kept confidential. The Board has also adopted Continuous Disclosure Compliance Procedures via its Continuous Disclosure Policy which, among other things, are designed to ensure that information about the Company which may be market sensitive, and which may require disclosure under Listing Rule 3.1 is promptly assessed to determine whether it requires disclosure and if it does, is given to ASX promptly and without delay. A copy of the Company's Continuous Disclosure Policy is available on the Company's website at <https://www.canyonresources.com.au/company-overview/corporate-governance/>.

In accordance with section 713 of the Corporations Act, the Company is able to issue a "transaction specific prospectus". In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of the securities offered by a company and the rights attaching to the securities offered. It is not necessary to include general information in relation to the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before deciding whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosing obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person who so requests during the application period under this Prospectus:
 - (i) the annual financial report of the Company for the year ended 30 June 2021;
 - (ii) the interim financial report of the Company for the half-year ended 31 December 2021; and
 - (iii) continuous disclosure notices given by the Company during the period after lodgement of the annual financial report of the Company for the year ended 30 June 2021 and before the lodgement of this Prospectus with ASIC:

Date	Announcement
29/08/2022	Cameroon Community Engagement Update
11/08/2022	Change of Director's Interest Notice
10/08/2022	Results of Meeting
08/08/2022	Final Director's Interest Notice x2
08/08/2022	Initial Director's Interest Notice x2
08/08/2022	Director Appointment/Resignation
29/07/2022	Quarterly Activities/Appendix 5B Cash Flow Report
18/07/2022	Notification regarding unquoted securities – CAY
18/07/2022	Details of Company Address
11/07/2022	Final Director's Interest Notice
11/07/2022	Notice of General Meeting/Proxy Form
11/07/2022	Letter to Shareholders – Upcoming General Meeting
11/07/2022	Board Update and Change to CEO Incentives
28/06/2022	Canyon – Application for Quotation of Shares
28/06/2022	Application for quotation of securities – CAY
28/06/2022	Canyon Investor Briefing
24/06/2022	Cleansing Prospectus
21/06/2022	Reinstatement to Official Quotation
21/06/2022	Proposed issue of securities – CAY
21/06/2022	Proposed issue of securities – CAY
21/06/2022	Proposed issue of securities – CAY
21/06/2022	Canyon Investor Presentation
21/06/2022	Positive Bankable Feasibility Study for Minim Martap Project
21/06/2022	Canyon Secures Successful \$5m Placement
14/06/2022	Voluntary Suspension - Extension
06/06/2022	Voluntary Suspension - Extension
30/05/2022	Voluntary Suspension - Extension

Date	Announcement
23/05/2022	Voluntary Suspension - Extension
16/05/2022	Voluntary Suspension - Extension
09/05/2022	Voluntary Suspension - Extension
04/05/2022	Suspension from Official Quotation
02/05/2022	Trading Halt
02/05/2022	Quarterly Activities/Appendix 5B Cash Flow Report
11/04/2022	Canyon Investor Webinar
16/03/2022	Half Yearly Report and Accounts
28/02/2022	Reinstatement to Official Quotation
28/02/2022	Minim Martap Project Update
23/02/2022	Suspension From Official Quotation
21/02/2022	Trading Halt
07/02/2022	Application for quotation of securities - CAY
04/02/2022	Update - Proposed issue of securities - CAY
04/02/2022	Proposed issue of securities - CAY
03/02/2022	Upcoming Release of Securities from Voluntary Escrow
28/01/2022	Quarterly Activities/Appendix 5B Cash Flow Report
28/01/2022	Canyon Appoints new Director to Camalco Cameroon
21/01/2022	Updated Corporate Governance Statement
13/12/2021	Details of Company Address
08/12/2021	Minim Martap Project - Bankable Feasibility Study Update
08/12/2021	Canyon Negotiates Key Terms of Mining Convention
07/12/2021	Trading Halt
07/12/2021	Pause in Trade
30/11/2021	Results of Meeting
16/11/2021	Appointment of CEO
29/10/2021	Quarterly Activities/Appendix 5B Cash Flow Report
28/10/2021	Notice of Annual General Meeting/Proxy Form

Date	Announcement
28/10/2021	Letter to Shareholders - Upcoming Annual General Meeting
27/10/2021	Commencement of Minim Martap Mining Convention Negotiations
06/10/2021	Minim Martap Project Confirmation of Rail Bridge Suitability
30/09/2021	Corporate Governance Statement

Other than set out in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that:

- (a) investors or their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Shares; and
- (b) it is reasonable for investors and their professional advisers to expect to find in this Prospectus.

4.2 Corporate Governance

The Company has established a corporate governance framework, the key features of which are set out in its corporate governance statement for the financial year ended 30 June 2021 (**Statement**). In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (Principles & Recommendations). The Company has followed each recommendation in the Principles and Recommendations (recommendation) where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements in its Statement reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation in the Statement and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The Company's corporate governance statement and corporate governance charters, policies and procedures are available on the Company's website at <https://www.canyonresources.com.au/> under the 'Corporate Governance' tab.

4.3 Rights attaching to Shares

The Shares offered pursuant to this Prospectus will rank equally in all respects with existing Shares upon issue. Full details of the rights attaching to the Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office and is available on the Company's website at <https://www.canyonresources.com.au/> under the 'Corporate Governance' tab.

The following is a summary of the principal rights that attach to the Shares under the Constitution:

Voting	Subject to the Constitution, every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands. On a poll, every holder of Shares who is present in person or by proxy, attorney or representative
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	<p>has one vote for every Share held by him or her, registered in such Shareholder's name on the Company's share register.</p> <p>A poll may be demanded by the chairman of the meeting, or by any holder of Shares who is present in person or by proxy, attorney or representative.</p>
Dividends	<p>Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may pay a dividend in respect of Shares as, in their judgment, the financial position of the Company justifies.</p>
Transfer of Shares	<p>Subject to the Constitution and the Listing Rules, a member may transfer all or any of the member's Shares by any method of transfer which is required or permitted by the Corporations Act and the ASX.</p> <p>The Company may ask any applicable CS Facility Operator to apply a holding lock to prevent a transfer or may decline to register an instrument of transfer in certain circumstances including in the circumstances permitted or required under the Listing Rules.</p> <p>Subject to the powers vested in the Directors to decline transfers as set out in the Constitution, where the Company receives a complying instrument of transfer it must register the transferee named in the instrument as the holder of the Shares to which it relates.</p>
Meetings and Notice	<p>Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.</p> <p>Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.</p>
Liquidation rights	<p>If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the property of the Company, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.</p>
Shareholder liability	<p>As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.</p>
Changes to the Constitution	<p>The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days written notice, specifying the intention to propose the resolution as a special resolution must be given.</p>
Unmarketable parcels	<p>The Constitution contains provisions permitting it to sell unmarketable parcels of shares on terms consistent with the Listing Rules. Notice must be given to the holder of the intended sale and the holder must be given at least six weeks to notify the Company that it wishes to retain its Shares.</p>
Future increases in capital	<p>Subject to the Constitution, the directors have the right to issue shares or grant options over unissued shares to any person or to settle the manner in which fractions of share, however arising, are to be dealt with, subject to the Corporations Act, Listing Rules and any special rights conferred on the holders of any shares or any class of shares.</p>

Variation of rights	Subject to the Constitution, the rights attached to any class of shares may, unless their terms of issue state otherwise, be varied: (i) with the written consent of the holders of 75% of the shares of the class; or (ii) by a special resolution passed at a separate meeting of preference holders of shares of the class.
Listing Rules	The Company is admitted to the Official List, and as such despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

4.4 Interest of Directors

Directors' Holdings

At the date of this Prospectus, the Directors have a relevant interest in securities of the Company as set out below.

Director or Director associated entity	Shares	Listed Options	Unlisted Options	Performance Rights
Mr Mark Hohnen	450,000	Nil	Nil	Nil
Mr David Netherway	14,413,015	Nil	Nil	Nil
Mr Scott Phegan	Nil	Nil	Nil	Nil
Mr Wei (Peter) Su	63,101,506	Nil	Nil	Nil

Mr Wei (Peter) Su and Mr David Netherway have subscribed for Shares and Placement Options under the Placement. Mr Su subscribed for an amount of 4,444,444 Shares and 4,444,444 Placement Options and Mr Netherway subscribed for an amount of 555,555 Shares and 555,555 Placement Options.

The Shares and Options to be issued to these Directors are included in Tranche 2 of the Placement and participation in the Placement by both Mr Su and Mr Netherway was approved by shareholders at a General Meeting on 10 August 2022. These Shares and Options are expected to be issued on or around 5 September 2022.

Remuneration of Directors

The Constitution provides that non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting. The maximum sum approved by Shareholders is currently \$500,000.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities for the financial year ended 30 June 2020 and for the financial year ended 30 June 2021 are as follows:

Director	FY ended 30 June 2021 (\$)	FY ended 30 June 2020 (\$)
Mr Phillip Gallagher ¹	421,953	627,359
Mr David Netherway	102,500	241,067
Mr Steven Zaninovich ²	215,215	333,982
Mr Wei (Peter) Su	Nil	Nil
Mr Mark (Cliff) Lawrenson ²	83,468	Nil
Mr Scott Phegan ³	Nil	Nil
Mr Mark Hohnen ³	Nil	Nil

1. Phillip Gallagher ceased to be a Director of the Company on 11 July 2022.

2. Steven Zaninovich and Mark (Cliff) Lawrenson ceased to be Directors of the Company on 8 August 2022.

3. Scott Phegan and Mark Hohnen were appointed as Directors of the Company on 8 August 2022.

As announced on 8 August 2022, the Company appointed Mr Mark Hohnen and Mr Scott Phegan to the Board upon the resignation of Mr Cliff Lawrenson and Mr Steven Zaninovich. Fees to be paid have been set an amount of \$75,000 per annum for Mr Hohnen and \$50,000 per annum for Mr Phegan.

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two-year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director,

or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

Deeds of Access and Indemnity

The Company has signed a Deed of Access and Indemnity with each of its Directors which lasts for a period of 7 years after they cease to be a Director (**Term**). The Deeds require the Company to maintain a Director's & Officers Insurance Policy for the Director during the Term.

Under the Deeds of Access and Indemnity the Company indemnifies, to the extent permitted by law, the Director for any loss which the Director may incur, or be liable for arising from, or in connection with, the Director's position as an officer of a Group Company.

4.5 Interests of Named Persons

There is no promoter of the Company or financial services licensee named in the Prospectus, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus.

4.6 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company except as otherwise disclosed in this Prospectus.

4.7 Expenses of the Offer

The estimated expenses of the Offer including legal fees, ASX and ASIC fees are estimated to be \$1,500 excluding GST.

4.8 Governing law

The information in this Prospectus, the Offer and the contracts formed on acceptance of the Offer are governed by the law applicable in Western Australia. Any person who applies for Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

Section 5 Defined terms

\$ means an Australian dollar.

Application Form means the application form accompanying this Prospectus.

ASIC means the Australian Securities & Investments Commission.

Associated Bodies Corporate, in relation to the Company, means:

- (a) a body corporate that is a Related Body Corporate of the Company; or
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%.

ASX means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Closing Date means midnight (WST) on 9 September 2022.

Company or **Canyon** means Canyon Resources Limited (ACN 140 087 261).

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

CS Facility has the same meaning as prescribed CS facility in the Corporations Act.

CS Facility Operator means the operator of a CS Facility.

Definitive Feasibility Study or **DFS** means a formal technical resource and project development study which assesses the viability of developing and mining a deposit identified within the area comprising any or all of the Company's projects reasonably sufficient to support a decision to mine and project finance.

Directors means the directors of the Company as at the date of this Prospectus.

Group Company means the Company or any of its Associated Bodies Corporate.

GST means a goods and services tax, or similar value added tax, levied or imposed in Australia under the GST Law.

GST Law has the meaning given to it in the GST Act.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

Listing Rules means the Listing Rules of ASX.

Mineral Resource has the meaning given to that term in the JORC Code.

Offer means an offer of Shares pursuant to this Prospectus.

Official List means the official list of the ASX.

Option means an option to acquire a Share.

Placement means the proposed placement of 111,111,111 Shares to sophisticated and institutional investors at an issue price of \$0.045 per Share with 111,111,111 options to be issued on a one-for-one basis with an exercise price of \$0.07 each and an expiry date of two years from the date of issue, as announced by the Company on 21 June 2022.

Placement Options means the options offered under the Placement with an exercise price of \$0.07 and an expiry date of two years from the date of issue.

Prospectus means this prospectus dated 2 September 2022.

Related Body Corporate has the same meaning as in section 50 of the Corporations Act.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Tranche 1 means tranche 1 of the Placement comprising 104,636,355 Shares under the Placement.

Tranche 2 means tranche 2 of the Placement comprising 5,444,443 Shares under the Placement and 110,080,798 Placement Options.

USD means United States dollars.

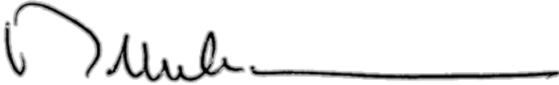
WST means Australian Western Standard Time.

Section 6 Directors' responsibility statement and consent

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 2 September 2022

A handwritten signature in black ink, appearing to read 'Mark Hohnen', followed by a long horizontal line extending to the right.

Mark Hohnen
Non-executive Chairman
for and on behalf of Canyon Resources Limited