

Canyon secures premium ~A\$12.1m Strategic Placement to advance development of Minim-Martap

- **Strategic Placement of ~A\$12.1m at \$0.06 per share agreed with Eagle Eye Asset Holdings Pte. Ltd. (“EEA”)**
- **Strategic Placement price represents a significant premium of 41.8% to Canyon’s 30-day volume weighted average price (“VWAP”) of \$0.42 up to and including 20 December 2022**
- **Each Placement Share has, subject to Shareholder approval, an attaching option (exercise price of \$0.07 per option and expiry date of 10 August 2025)**
- **Following completion of the Strategic Placement of Shares, EEA will own 19.9% of the issued Share capital of Canyon and become the Company’s largest shareholder**
- **EEA (branded as Fortuna Holdings SFO) is incorporated and based in Singapore and with branch offices in Dubai**
 - **EEA has a successful track record in investment and developing projects in Africa amongst other geographies.**
 - **EEA has a long-term vision to develop an integrated bauxite and aluminium value chain from Africa**
- **EEA represents a highly attractive, long-term strategic partner, with capability to assist Canyon with project funding solutions to facilitate the Project moving towards development**
- **Upon issue of the Placement Shares, EEA will have the right to nominate one representative to the Canyon Board of Directors**
- **Placement Shares and Placement Options are subject to a 12-month escrow (subject to certain release events – see below)**

Canyon Resources Limited (ASX: CAY) (“Canyon” or the “Company”) is pleased to announce that it has entered into a Subscription Agreement with Eagle Eye Asset Holdings Pte. Ltd. (“EEA”), whereby EEA has agreed to subscribe for \$12,174,000 of fully paid ordinary shares (“Shares”) at \$0.06 per Share (“Placement Shares”) (post-issue, representing a 19.9% shareholding in Canyon Shares on issue) (“Strategic Placement”).

Commenting on the Strategic Placement, EEA’s President & CEO for Mining Investments, Pramod Prusty, said:

“We are pleased to make this strategic investment into Canyon. We are confident about the future development prospects of the Minim-Martap Project and view Cameroon as the new source of high-grade bauxite supply that will feed the world’s growing demand. Our vision with this investment is to participate in the bauxite and aluminium value chain from Africa and importantly, we have a successful track record of investing and developing projects in Africa and are looking to repeat this success with Canyon and the Minim-Martap Project.”

Canyon Chief Executive Officer, Jean-Sebastien Boutet said:

“Canyon is very pleased to welcome EEA as a long-term, strategic investor. EEA’s track record in Africa makes them a highly attractive partner for Canyon as we finalise our permits and approvals required for development. To be able to attract and secure support from EEA is a strong vote of confidence in the Project and the long-term vision for Minim-Martap and we look forward to progressing the Project through the development cycle and creating value for all stakeholders.”

Strategic Investment Overview

The Strategic Placement price of \$0.06 per Placement Share represents a significant premium of:

- 41.8% to Canyon’s 30-day volume weighted average price (“**VWAP**”) of \$0.042 up to and including 20 December 2022; and
- 40.2% to Canyon’s 15-day VWAP of \$0.043 up to and including 20 December 2022.

The Strategic Placement will be undertaken utilising the Company’s existing ASX Listing Rule 7.1 and 7.1A placement capacities, with 81,120,024 Placement Shares to be issued under the Company’s Listing Rule 7.1A capacity and the balance to be issued under the Company’s Listing Rule 7.1 capacity.

Under the Subscription Agreement, EEA will receive one unlisted option for each Placement Share, each with an exercise price of \$0.07 and an expiry date of 10 August 2025 (“**Placement Options**”). The Placement Options are subject to Canyon shareholder approval for the purposes of ASX Listing Rule 7.1 and, if required, ASX Listing Rule 10.11, to be sought at an upcoming extraordinary general meeting to be held on or before 1 March 2023.

The Placement Shares, Placement Options and any Shares issued on exercise of the Placement Options will be subject to a 12-month escrow from the date of issue of the Placement Shares, subject to certain release events as set out in Appendix 1 below.

Funds raised from the Strategic Placement will be used for the development of the Project.

A summary of the material terms of the Subscription Agreement is provided in Appendix 1.

About Eagle Eye Asset Holdings

Eagle Eye Asset Holdings Pte. Ltd. (“**EEA**”) (branded as Fortuna Holdings SFO) is a Monetary Authority of Singapore (“**MAS**”) registered single-family office based in Singapore, with offices in Dubai.

EEA aims to build a robust investment portfolio across the mining, clean-energy and health technology industries. Importantly, EEA has a long and successful track record in identifying and investing in high-quality projects in Africa.

Advisers

Ashanti Capital acted as corporate adviser and Gilbert + Tobin acted as legal adviser to Canyon.

Indicative timetable

Event	Date
Announcement of the Strategic Placement	21 December 2022
Settlement of Strategic Placement	22 December 2022
Issue of Placement Shares	23 December 2022
Issue of cleansing prospectus for the Placement Shares	23 December 2022
Expected date of quotation for Placement Shares	23 December 2022
Notice of Extraordinary General Meeting released	30 January 2022
Extraordinary General Meeting to approve related resolutions	On or before 1 March 2023
Issue of prospectus in connection with offer of Placement Options	2 March 2023
Potential date for issue of Placement Options (assuming Shareholder approval is obtained)	8 March 2023

The timetable above is indicative only and may be subject to change.

An Appendix 3B for the Placement Shares and Placement Options will be released on the date of this announcement.

This announcement is authorised for release by the Board of Canyon Resources Ltd.

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About Canyon Resources

Summary

Canyon Resources is developing its flagship Minim Martap Bauxite Project in Cameroon, which contains over 1 billion tonnes of high-grade, low contaminant bauxite, with significant exploration upside. Minim Martap is a world-class Project supported by a Bankable Feasibility Study. Results from the Study confirmed Minim Martap as a robust long-term project, producing some of the highest-grade bauxite globally for an initial 20 years of mining.

The 20-year mining schedule represents only 10.6% of the current Minim Martap Resource and technical studies have identified opportunities for a significant future increase in production tonnages. Cameroon has enjoyed successful development and construction of industry and infrastructure, particularly agriculture, roads, railways and ports, including a hydro-electric powered aluminium smelter at Edea, utilising imported alumina. Importantly, Cameroon provides a solid foundation to support a significant mining industry, from fundamental infrastructure and mineral deposits, to a highly skilled population with experience in technical vocations, exploration, construction and mining.

Forward looking statements

This announcement contains forward-looking statements. These statements can be identified by words such as “anticipate”, “may”, “will”, “expect”, “intend”, “estimate”, “opportunity”, “plan”, “potential”, “project”, “seek”, “believe”, “could”, “future 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 that could cause the Company’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, regardless of whether any new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and ASX requirements.

Appendix 1 - Summary of material terms of Subscription Agreement

The material terms and conditions of the EEA Subscription Agreement are summarised below:

Subscriber	Eagle Eye Asset Holdings Pte Ltd
Strategic Placement Amount	\$12,174,000
Placement Shares	202,900,000
Placement Share Price	\$0.06 per Placement Share
Placement Capacity	The issue of the Placement Shares will be made under Canyon's existing placement capacity under ASX Listing Rule 7.1 and 7.1A: <ul style="list-style-type: none"> • 81,120,024 under ASX Listing Rule 7.1A capacity; and • 121,779,976 under ASX Listing Rule 7.1 capacity.
Placement Shares completion	Within three business days after execution of the Subscription Agreement.
Placement Options	Under the Subscription Agreement, EEA will receive 202,900,000 Placement Options at an exercise price of \$0.07 with an expiry date of 10 August 2025. The issue of the Placement Options is subject to Canyon shareholder approval for the purposes of ASX Listing Rule 7.1 and, if required, ASX Listing Rule 10.11. The condition may be waived by Canyon if the Placement Options are able to be granted without shareholder approval. Canyon will offer the Placement Options to EEA pursuant to a prospectus in order to provide for the on-sale of the Placement Options and the Shares issued on exercise of the Placement Options without disclosure.
Escrow Period	All Placement Shares and Placement Options issued to EEA will be subject to an escrow period of 12 months from the date of issue of the Placement Shares, subject to the release events noted below. During the relevant escrow period, EEA cannot deal in the Placement Shares and Placement Options. The escrow arrangements will not prevent EEA from exercising the Placement Options in accordance with their terms, however any Shares issued on exercise of those Placement Options will be subject to the remaining portion of the escrow period of the Placement Shares. The securities may be released from escrow in the following circumstances: <ul style="list-style-type: none"> • where shareholder approval for the issue of the Subscription Options is not obtained on or before 1 March 2023 (or that condition to the issue of the Subscription Options is not waived); • Canyon announces an implementation agreement to implement a scheme of arrangement in respect of all or a majority of its issued Shares; • the Company enters into any agreement which would result in a bona fide third party acquiring a relevant interest in more than 20% of Shares or directly or indirectly acquiring control of the whole or vast majority of the Company's business or assets; • to the extent necessary to participate in an equal access buy-back or capital return or reduction;

	<ul style="list-style-type: none"> • an insolvency event occurring with respect to Canyon; • where required by law; • the Company announces a proposal to de-list from the ASX; or • where the Board otherwise determines.
Consultation right	Canyon will provide to EEA confidential notice at least 5 business days before an equity capital raising (excluding equity issues relating to remuneration or incentives), following which EEA and Canyon will negotiate in good faith the terms upon which EEA may participate in the capital raise. If shareholder approval is required for EEA to participate in a capital raise, then Canyon will use reasonable endeavours to obtain such approvals along with the recommendation of all non-interested Directors (subject to their directors' duties).
Board nominee right	Upon the issue of the Placement Shares, at any time that EEA has a relevant interest in 10% or more of Canyon's issued Share capital, EEA will have the right to nominate one representative to the Canyon Board of Directors, subject to usual checks and the nominee having sufficient experience and skills.
Warranties	Customary representations and warranties are provided by Canyon and EEA.