

March 2023 Quarterly Activities Report

Key Events

- **Finalisation of Strategic Placement to Eagle Eye Asset Holdings Pte. Ltd to progress Minim Martap Bauxite Project**
- **Memorandum of Understanding signed with Port Authority of Douala**
- **Ongoing positive communication with Cameroon Government regarding granting of the Mining Permit**

Canyon Resources Limited (ASX: CAY) (“Canyon” or “the Company”) is pleased to report on activities at its projects including its flagship 100%-owned Minim Martap Bauxite Project (“Minim Martap” or “the Project”) in Cameroon, for the quarter ended 31 March 2023.

MINIM MARTAP BAUXITE PROJECT (100% CAY)

During the Quarter, the Company continued to press Cameroon Government officials for the granting of the Mining Permit for the development of the Project. Discussions also remain ongoing with multiple parties interested in offtake, pursuing joint venture and strategic partner arrangements. Alongside these efforts, the Company continues to progress negotiations in relation to logistics required to develop the Project.

Strategic Placement ratified to advance Minim Martap Project

As announced during December 2022, Canyon secured the support of a strategic partner in Eagle Eye Asset Holdings Pte. Ltd (EEA) who agreed to a placement of ~\$12.1m at \$0.06 per share. This placement price represented a significant premium of 41.8% to Canyon’s 30-day VWAP of \$0.042 up to and including 20 December 2022. The completion of the Placement was ratified with Shareholder approval at a general meeting held on 28 February 2023.

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. EEA has a long-term vision to develop an integrated bauxite and aluminium value chain from Africa.

EEA is a highly attractive, long term strategic partner, with capability to assist Canyon with project funding solutions to facilitate the Minim Martap Project moving towards development.

Under the terms of the strategic placement, EEA has the right to nominate one representative to the Canyon Board.

MOU with the Port of Douala

On 9 January 2023, Canyon announced the signing of a Memorandum of Understanding (‘MOU’) outlining the declaration of intent with the Port Authority of Douala (‘PAD’) regarding future development of critical infrastructure at the Port of Douala-Bonabéri.

The Port Authority of Douala is responsible for the development and control of port security and operations. As one of the major port operations of Cameroon, it is recognised that development of the Port of Douala is

a catalyst for increasing the competitiveness of the national economy of Cameroon. Primarily, the PAD aims to deliver an efficient operation that services the region by acting as a logistics hub for the Gulf of Guinea.

The MOU creates the framework for PAD and Canyon to work together in the future to upgrade the existing Industrial Port area on the Wouri River. Future feasibility studies will investigate the design, financing, construction, operation and maintenance of a mineral terminal for the transport, storage, handling and export of bauxite from the Minim Martap Project at the Port of Douala-Bonabéri.

Application for Mining Permit

As stated previously, Camalco Cameroon SA (Camalco), Canyon's wholly owned subsidiary in Cameroon, has completed the application process in Cameroon for the grant of the Mining Permit for development of the Project. All applications and negotiations have been successfully completed and submitted.

Canyon management, including Chief Executive Officer, Mr Jean-Sebastien Boutet, continue to hold constructive meetings with representatives of the Cameroon Government, including Prime Minister Ngute, who has personally expressed his support for the Project. Through Camalco, Canyon continues to actively lobby at all levels of government for the finalisation of the Mining Permit. Finalising this agreement is the primary focus of the Company and its management.

The Company appreciates the assistance that has already been provided by EEA in the ongoing discussions with the Cameroonian Government. EEA's demonstrable track record of delivering projects in Africa has added significant positive weight for the grant of the Mining Permit.

CORPORATE

General Meeting

A General Meeting of shareholders was held on Tuesday, 28 February 2023 to ratify the placement of shares to EEA as part of the Strategic Placement. All resolutions put to a poll were carried.

Payments to Related Parties

Payments totalling approximately \$56,000 were made to related parties of the Company during the quarter ended 31 March 2023, as shown in the Appendix 5B dated 26 April 2023. These payments related to executive director salaries and non-executive directors' fees.

Exploration Activities

During the Quarter, expenditure on the Project totalled \$317,000 and was focussed progressing the Project towards execution of the formal Mining Permit as disclosed in the accompanying Appendix 5B.

This announcement has been approved for release by the Board

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Forward looking statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Canyon, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘intend’, ‘may’, ‘opportunity’, ‘plan’, ‘potential’, ‘project’, ‘seek’, ‘will’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Canyon that could cause Canyon’s actual results to differ materially from the results expressed or anticipated in these statements.

Canyon cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Canyon does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

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 Bank 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.

CANYON RESOURCES LIMITED – INTEREST IN MINERAL PROPERTIES

Permits	Location	Interest at 31 Dec 2022	Interest at 31 Mar 2023
<u>MINIM MARTAP PROJECT</u>			
Ngaoundal	Cameroon	Own 100%	Own 100%
Minim Martap	Cameroon		
Makan	Cameroon		
<u>BIRSOK BAUXITE PROJECT</u>			
Birsok	Cameroon	Agreement to earn up to 75%.	Agreement to earn up to 75%.
Mandoum	Cameroon		
Mambal (application)	Cameroon	Agreement to earn up to 75%.	Agreement to earn up to 75%.

The Company advises that certain projects, being Taparko and Derosa, in Burkina Faso have lapsed due to inactivity and uncertain political situation in country.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Canyon Resources Limited

ABN

13 140 087 261

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(34)	(1,025)
(b) development		
(c) production		
(d) staff costs	(327)	(1,755)
(e) administration and corporate costs	(312)	(935)
1.3 Dividends received (see note 3)		
1.4 Interest received	25	32
1.5 Interest and other costs of finance paid	(2)	(4)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(650)	(3,687)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(35)	(37)
(d) exploration & evaluation	(283)	(817)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(318)	(854)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	12,419
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(257)	(325)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(257)	12,094

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	13,274	4,479
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(650)	(3,687)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(318)	(854)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(257)	12,094

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	12	29
4.6	Cash and cash equivalents at end of period	12,061	12,061

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,061	13,274
5.2	Call deposits	9,000	
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,061	13,274

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	56
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	
7.2	Credit standby arrangements	
7.3	Other (please specify)	
7.4	Total financing facilities	
7.5	Unused financing facilities available at quarter end	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	(650)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(283)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(933)
8.4	Cash and cash equivalents at quarter end (item 4.6)	12,061
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	12,061
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	12.93
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:26 April 2023.....

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.