

June 2023 Quarterly Activities Report

Key Events

- **Planning sessions have been held in country between the Ministry of Mines, Camalco and Eagle Eye Asset Holdings.**
- **Management meetings in Cameroon with local community and government officials continue to apply pressure regarding granting of the Mining Permit.**
- **The Mining Permit requires final signature from President Biya to be completed.**

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 30 June 2023.

MINIM MARTAP BAUXITE PROJECT (100% CAY)

The Company held multiple in-country meetings to apply further pressure on the Cameroon Government for the granting of the Mining Permit for the development of Minim Martap.

These meetings included a working session with the interim Minister of Mines and his team on May 31 to discuss operational plans for Minim Martap. Canyon strategic investor Eagle Eye Asset Holdings (“EEA”) was represented alongside Camalco to contribute their knowledge and experience in developing projects in Africa.



Figure 1: Working group session between Canyon Resources and the Cameroon Minister of Mines



Figure 2: Canyon CEO, Jean-Sebastien Boutet presenting as part of a working group session in Cameroon

EEA continues to support the progression of Minim Martap along the approval process. With their long and successful track record in identifying and investing in high-quality projects in Africa, EEA has been an important supporter to Canyon in assisting with key discussions to progress Minim Martap through these relevant approval processes.

EEA remains a supportive strategic partner and continues to assist Canyon investigate project funding solutions to develop Minim Martap. Having EEA contribute during the planning sessions with the Ministry of Mines has further demonstrated the capability and willingness to develop the Minim Martap Project.

While in country, the CEO and Camalco General Manager, Mr. Andre Henry, also travelled to the Minim Martap project site and met with local regional leaders, the préfet of Martap and the Lamido of Ngaoundéré. These local leaders maintain a respected influence at the local community level and within the national government. Importantly, they remain supportive of the project and continue to lobby for its approval.



Figure 3: Canyon team members meeting with the Lamido of Ngaoundéré



Figure 4: Canyon executive team members visiting the Minim Martap project site

Application for Mining Permit

As stated previously, Camalco Cameroon SA (Camalco), Canyon’s wholly owned subsidiary in Cameroon, has progressed the application for the grant of the Mining Permit for development of the Project through the process in a systematic and methodical manner. The application now requires the final signature of the President of Cameroon, Mr Paul Biya. This is the final hurdle for the Company to overcome so that subsequent project development activities can continue.

To facilitate this final signature, Canyon management, including Chief Executive Officer, Mr Jean-Sebastien Boutet, have continued to lobby the Cameroon Government, including Prime Minister Ngute, who has personally expressed his support for the Project and signed his approval to proceed. Finalising this agreement remains the primary focus of the Company and its management.

CORPORATE

Appointment of Director of Human Resources and Communities

Subsequent to the period, Mr Alain Pfammatter has been appointed the Director of Human Resources and Communities. His appointment is an important step for the Company as we look to start building a development and construction team. As discussed with the government of Cameroon, employment at the Minim Martap site will prioritise local community members to maximise the economic return to the region. Mr Pfammatter will be responsible for all Human Resources outreach programs to find and determine the employment suitability of candidates both in country and where necessary, externally.

Payments to Related Parties

Payments totalling approximately \$83,000 were made to related parties of the Company during the quarter ended 30 June 2023, as shown in the Appendix 5B dated 27 July 2023. These payments related to executive director salaries and non-executive directors’ fees.

Exploration Activities

During the Quarter, expenditure on the Project totalled \$450,000 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 March 2023	Interest at 30 June 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%.	-
Mandoum	Cameroon		
Mambal (application)	Cameroon	Agreement to earn up to 75%.	-

The Company advises that earn in arrangements in relation to the Birsok Bauxite Project in Cameroon were terminated during the Quarter.

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")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	(953)
(b) development		
(c) production		
(d) staff costs	(512)	(2,267)
(e) administration and corporate costs	(527)	(1,462)
1.3 Dividends received (see note 3)		
1.4 Interest received	102	134
1.5 Interest and other costs of finance paid	-	(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	(937)	(4,552)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(4)	(41)
(d) exploration & evaluation	(450)	(1,339)
(e) investments		
(f) other non-current assets		

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 (12 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	(454)	(1,380)

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	87	(238)
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	87	12,181

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,061	4,479
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(937)	(4,552)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(454)	(1,380)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	87	12,181

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(31)	(2)
4.6	Cash and cash equivalents at end of period	10,726	10,726

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	1,726	3,061
5.2	Call deposits	9,000	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)	10,726	12,061

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	83
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. 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)	(937)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(450)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,387)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,726
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	10,726
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.73
<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:27 July 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.