

Agreement for transformational strategic investment to advance development of Minim Martap

- **Transformational strategic capital investment by Eagle Eye Asset Holdings Pte Ltd (“EEA”) through a minimum commitment of \$24.7 million, potentially increasing up to \$59.7 million on exercise of options.**
- **Placement of 150 million new shares at \$0.07 per share and an agreement by EEA to exercise all its existing 202.9 million options at an exercise price of \$0.07, subject to shareholder approval.**
- **Following completion of the Placement, exercise of existing options, and subject to shareholder approval, EEA will own up to 40.61% of the issued share capital of Canyon.**
- **Canyon to issue a further 500 million new options to EEA with exercise price of \$0.07 per option, expiry date of 26 December 2026, with exercise conditions relating to positive progression of the Minim Martap Bauxite Project in Cameroon, also subject to shareholder approval.**
- **Investment further strengthens the strategic relationship with EEA, which has:**
 - **a successful track record in investment and developing projects in Africa; and**
 - **a long-term vision to develop an integrated African bauxite and aluminium value chain**
- **Canyon shareholders will retain exposure to potential project value appreciation as work continues on the development of the Minim Martap Project.**
- **Mr Gaurav Gupta to be appointed to the Canyon Board.**
- **Canyon will be hosting an investor call in the coming days, with details to be released shortly.**

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 \$10.5 million of new fully paid ordinary shares (“Shares”) at \$0.07 per Share (“Placement Shares”) and to exercise its existing 202.9 million options at an exercise price of \$0.07 each to acquire the corresponding number of Shares on exercise (“Exercise Shares”), which following satisfaction of conditions including shareholder approval will provide the Company an injection of capital totalling \$24.7 million (before costs) (“Strategic Investment”). The Company will also issue EEA with 500 million new unlisted options to acquire Shares, each with an exercise price of \$0.07 and an expiry date of 26 December 2026 (“New Options”).

The issue of the Placement Shares, Exercise Shares and Shares on exercise of the New Options and the resulting increase in EEA’s relevant interest in the Company is subject to Canyon shareholder approval under item 7 of section 611 of the *Corporations Act 2001* (Cth) (“Corporations Act”). The issue of the New Options is subject to Canyon shareholder approval for the purposes of ASX Listing Rule 7.1. The necessary shareholder approvals will be sought at an extraordinary general meeting to be held in or around November 2023. A notice of meeting, accompanied by an independent expert’s report, will be provided to shareholders in due course.

The exercise of the New Options will be subject to:

- the grant of the Mining Licence for the Minim Martap Project (**Project or Minim Martap**); and
- a binding contract for port access and rail transportation of product on terms relevant to the Project and customary in the Central African market being executed by the Company and counterparties, (the **Exercise Conditions**).

Commenting on the Strategic Investment, Canyon Chief Executive Officer, Jean-Sebastien Boutet said:

“We welcome this ongoing show of support from Eagle Eye Asset Holdings. This significant Strategic Investment demonstrates the commitment and enthusiasm EEA has for both Canyon and the Minim Martap Bauxite Project in Cameroon. The ability of Canyon to attract investment of this calibre is further evidence of the quality of our world-class Minin Martap Project. EEA has significant investments across various industries throughout the African continent and their knowledge base and ability to assist in moving resources projects through the mining lifecycle makes EEA a welcome investor in and partner for Canyon.

In addition, increasing the strength of Canyon’s balance sheet will assist the Company as it progresses discussions with the Government of Cameroon regarding the issue of a Mining Licence for Minim Martap Project and progressing toward production status.”

EEA’s President & CEO for Mining Investments, Pramod Prusty, said:

“We are pleased to make this transformational strategic investment in Canyon. We strongly believe that the project can transform Cameroon and position the country as the new hub in the green bauxite and aluminium sector. We have a successful track record of investing in and developing world-class projects in Africa and our aim is to repeat it with Canyon and the project.”

The Strategic Investment reinforces the commitment of EEA to support Canyon in progressing the development of Minim Martap. 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 the relevant approval processes. That support will be solidified as a result of the Strategic Investment.

As previously announced, Camalco Cameroon SA, 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 subsequent project development activities can continue.

Funds raised from the issue of Placement Shares and Exercise Shares will be applied towards development of the Project, including:

- satisfying any conditions of the Mining Convention and the Company’s mining tenements;
- a drilling program at the Company’s Makan and Ngaoundal permits;
- contracting and front end engineering design works; and
- general working capital and any other ancillary purpose.

Benefits of the Strategic Investment

Directors of Canyon believe the Strategic Investment will provide the Company and its shareholders with the following benefits:

- The issue of Placement Shares and EEA exercising its existing options will provide Canyon with critical funds to progress the development of the Project. This allows the CAY management to focus on mine development and pursue an integrated green aluminium strategy for CAY.
- The strategic partnership with EEA will help drive the commercial success of the Project for the benefit of all shareholders, with EEA providing ongoing support in discussions to obtain the final approvals for the Project and send a strong indication to the Cameroon government that CAY has strong shareholders' commitment and a well capitalised balance sheet to build the asset to production.
- EEA brings capital, expertise and relationships that will assist Canyon and its Shareholders.
- The New Options Exercise Conditions will ensure EEA's interests are aligned with Canyon's shareholders and the progression of the Minim Martap Project.

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

Board Appointment

At the General Meeting seeking shareholder approval for the Strategic Investment, the Company will also seek shareholder approval for the appointment of Mr Gaurav Gupta to the Board of the Company as a Non-Executive Director. Mr Gupta will be appointed to the Board of Canyon as a nominee of EEA.

Mr Gupta manages a Monetary Authority of a Singapore registered family office, with high-growth/investment holdings across the mineral and biotech industries. Within the mining sector, these investments encompass base and precious metals, coloured gemstones, and the broader Electric Vehicle (EV) supply chain, including a major holding in Canyon through EEA.

Mr Gupta has over 25 years' experience in international trade and is a qualified Chartered Accountant. He holds a Bachelor of Commerce Degree from the University of Delhi.

On and from the date on which the Placement Shares and New Options are issued, EEA will be entitled to nominate two additional directors to the Board of the Company. In addition, on and from completion of the Strategic Investment and for so long as EEA has a relevant interest in at least 10% of the total issued shares of the Company, EEA will be entitled to nominate one additional Director to the Board of Canyon (if a replacement for Mr Gupta is required at any time).

About Eagle Eye Asset Holdings

Eagle Eye Asset Holdings Pte. Ltd. ("**EEA**") (branded as Fortuna Holdings SFO) is a Monetary Authority of Singapore 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.

More recently, EEA was a supporter and investor in Prospect Resources (ASX:PSC), which prior to its US\$378m sale to Zhejiang Huayou Cobalt Co Ltd, controlled the Arcadia Lithium Project in Zimbabwe. EEA has various ongoing mineral interests and projects in Africa.

EEA has a vision to create a bauxite and aluminium value chain in Africa and gaining access to the high-quality bauxite ore of the Minim Martap Project is an important step to realise this goal.

An Appendix 3B for the Placement Shares and New 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 (EEA)
Share Placement	150,000,000 ordinary shares in the Company (Placement Shares) at \$0.07 per Placement Share to raise \$10,500,000 (before costs).
Exercise of Existing Options	EEA to exercise all of its existing 202,900,000 options (Existing Options) to acquire ordinary shares (Exercise Shares), each with an exercise price of \$0.07 to raise \$14,203,000 (before costs).
New Options	500,000,000 options to acquire ordinary shares with an exercise price of \$0.07 each and an expiry date of 26 December 2026 (New Options).
Conditions	<p>Completion is subject to the following conditions precedent being satisfied or waived:</p> <ul style="list-style-type: none"> (a) ASX not indicating to the Company on or before the general meeting seeking shareholder approval that the terms and conditions of the New Options are not appropriate and equitable for the purpose of ASX Listing Rule 6.1; (b) an Independent Expert providing an Independent Expert's Report to the Company on or before 30 September 2023, stating that, in the Independent Expert' opinion, the issue of the Placement Shares, Exercise Shares and the ordinary shares on the exercise of New Options is fair and reasonable, or not fair but reasonable, to Shareholders (other than EEA and its associates) and the Independent Expert does not change that opinion before the general meeting seeking shareholder approval; and (c) the Company obtaining shareholder approval for: <ul style="list-style-type: none"> (i) the issue of the Placement Shares and the acquisition by the Subscriber of a relevant interest in voting shares in the Company upon the issue of the Placement Shares, Exercise Shares and the ordinary shares on exercise of the New Options and the resulting increases in EEA's voting power in the Company, for the purposes of item 7 of section 611 of the Corporations Act and all other purposes; (ii) the issue of the New Options for the purposes of ASX Listing Rule 7.1; and (iii) the appointment of Gaurav Gupta as a director of the Company. <p>If any condition precedent is not satisfied or waived by 15 November 2023 or becomes incapable of being satisfied by that date, or if the Independent Expert provides an opinion, or indicates that it will be providing an opinion, that the issue of the Placement Shares or the issue of shares on exercise of the Existing Options or the New Options is not fair and not reasonable to shareholders, then:</p> <ul style="list-style-type: none"> (a) either party may give the other party a notice; (b) upon delivery of that notice, the parties will consult in good faith as to whether a report from a second Independent Expert should be commissioned or if the terms of this agreement, can be amended to allow the transactions under it to proceed on revised terms acceptable to the parties; and. (c) if a report from a second Independent Expert is to be commissioned, that the date for satisfaction of the conditions precedent will be automatically extended to 15 December 2023.

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	On and from the date on which the Placement Shares and New Options are issued, EEA will be entitled to nominate two additional directors to the Board of the Company. In addition, for so long as EEA has a relevant interest in at least 10% of the total issued shares of the Company, EEA will be entitled to nominate one additional Director to the Board of Canyon (the first being Mr Gupta).
Warranties	Customary representations and warranties are provided by Canyon and EEA.