



Canyon Resources Limited

ABN 13 140 087 261

Interim Report 31 December 2023

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Directors	Mark Hohnen – Non-Executive Chairman Gaurav Gupta - Non-Executive Director David Netherway - Non-Executive Director Scott Phegan - Non-Executive Director Peter Su - Non-Executive Director
Company secretary	Matt Worner
Registered office	945 Wellington Street West Perth, Western Australia, 6005 T: +61 8 9322 7600
Principal place of business	945 Wellington Street West Perth, Western Australia, 6005 T: +61 8 9322 7600
Share register	Computershare Limited Level 11, 172 St Georges Terrace Perth, Western Australia, 6000 T: +61 8 9323 2000 F: +61 9323 2033 www.computershare.com.au
Auditor	HLB Mann Judd (WA Partnership) Level 4, 130 Stirling Street Perth, Western Australia, 6000
Solicitors	Gilbert + Tobin Level 16, Brookfield Place Tower 2 123 St Georges Terrace Perth, Western Australia, 6000
Stock exchange listing	Canyon Resources Limited shares are listed on the Australian Securities Exchange (ASX code: CAY)
Website	www.canyonresources.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Canyon Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of Canyon Resources Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mark Hohnen – Non-Executive Chairman
Gaurav Gupta - Non-Executive Director (appointed 29 November 2023)
David Netherway - Non-Executive Director
Scott Phegan - Non-Executive Director
Peter Su - Non-Executive Director

Chief Executive Officer

Mr Jean-Sebastien Boutet

Principal activities

The principal activities of the entities within the Group during the half-year were exploration and mining permit application negotiations.

Review of operations

The loss of the Group for the half-year after providing for income tax amounted to \$1,876,226 (31 December 2023: \$2,778,107).

Minim Martap Bauxite Project (the Project) (100% CAY)

During the half year ended 31 December 2023, the Company continued to prepare for the development of the world class Minim Martap Project. The preparation works are designed to position Canyon to maximise the opportunity to create a long-term project of global significance. Achievement of this goal will return the best value for shareholders and deliver lasting employment opportunities and economic benefits for Cameroon.

Strategic Placement to advance Minim Martap development

On 17 August 2023, Canyon announced the intention of Eagle Eye Asset Holdings Pte Ltd ("EEA") to subscribe for \$10.5 million of new ordinary shares and to exercise their existing 202.9 million options at an exercise price of \$0.07 ("the Strategic Investment"). This total injection of capital amounted to \$24.7 million (before costs) and was subject to shareholders approval to be sought at a General Meeting. Subject to the approval of shareholders and licence and infrastructure conditions, Canyon also agreed to 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.

The proposed Strategic Investment transaction and the resulting increase in EEA's relevant interest in the Company required an independent opinion which was sought and provided by BDO Corporate Finance (WA) Pty Ltd ("the Independent Expert").

The willingness of EEA to increase their investment in Canyon demonstrates their commitment to the development of Minim Martap. With a long and successful track record in identifying and investing in high-quality projects in Africa, EEA has firmly indicated they are believers in the quality and long-term potential of the Project and eager to see the development commence.

The financial support provided by EEA has allowed several necessary early stage workstreams to commence that will position the Company for the eventual grant of the Mining Permit.

On 29 November 2023, shareholders voted strongly in favour of the transformational strategic investment with over 82% of votes cast in support of the proposed transaction. Total funds committed at the end of the half year period was \$24.7 million consisting of:

- \$10.5 million from the issue of 150 million new ordinary shares at \$0.07 per share.
- \$14.2 million from the early exercise of 202.9 million options at an exercise price of \$0.07.

Exploration at Makan and Ngaoundal

Exploration activities recommenced in December 2023 on the Makan and Ngaoundal permits within the broader Minim Martap Bauxite Project (see Figure 1). The program is targeting new resources to add to the existing 1,027 million tonnes of high-grade bauxite (Refer to ASX Announcement “Minim Martap Mineral Resource Estimate Upgrade” dated 11 May 2021) and consists of a test pitting, sampling and assaying program across 16 potential targets.

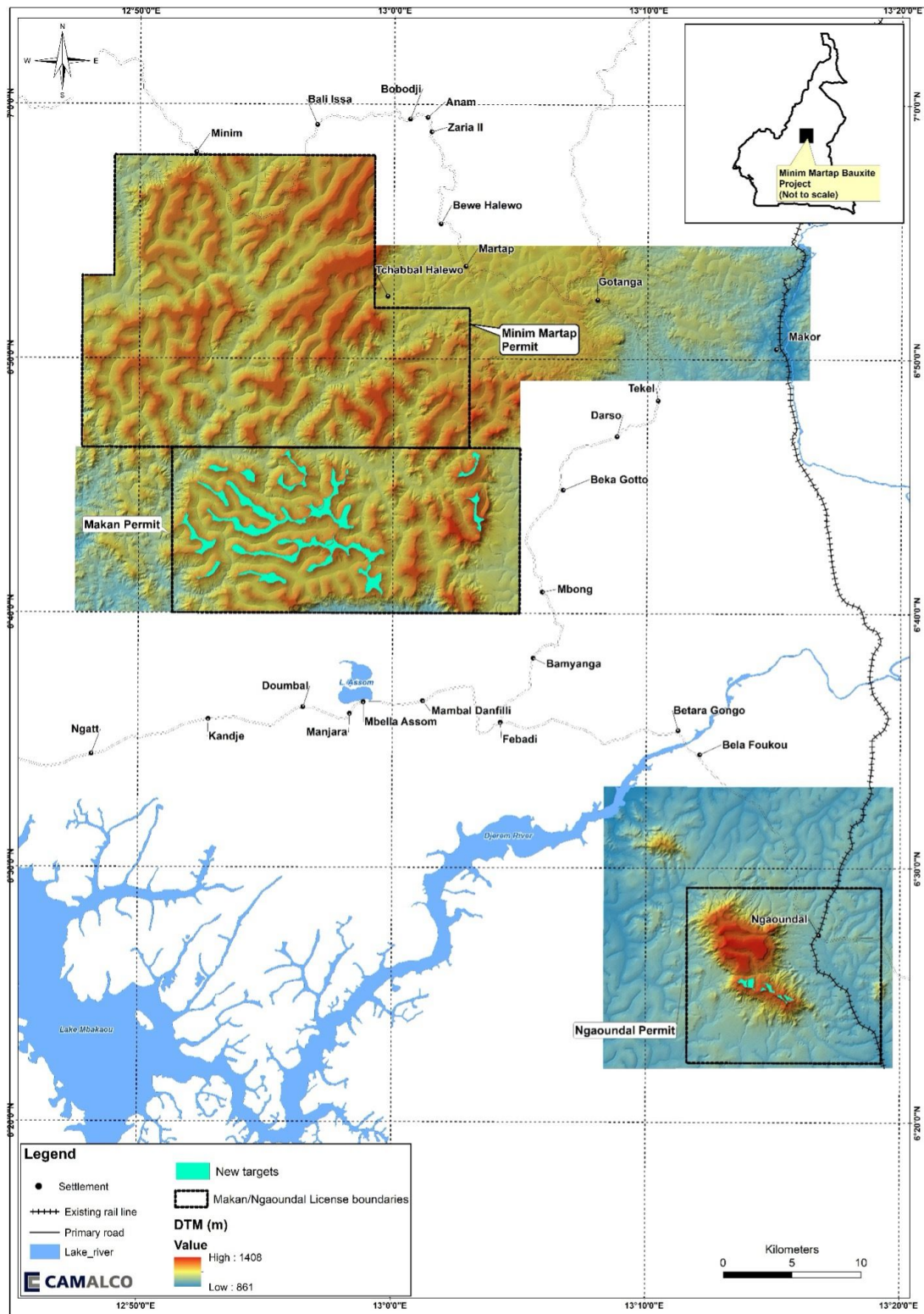


Figure 1: Plan view of Minim Martap, Makan and Ngaoundal Project areas

As a follow-up investigation, systematic drilling and sampling campaigns will be undertaken to recover and test composite samples with a view to confirming the existence of a high-grade, low contaminant bauxite in the new resource areas.

Application for Mining Permit

Camalco Cameroon SA (Camalco), Canyon's wholly owned subsidiary in Cameroon, continues to await the grant of the Mining Licence for development of the Project.

The growing capability of the Canyon team and financial strength provided by EEA has improved the relationship with the Cameroon Government. Canyon continues to actively lobby for the signing of the licence.

CORPORATE

Annual General Meeting and Capital Raising

On 29 November 2023, the Annual General Meeting of Shareholders ("AGM") was held, and all resolutions were passed. This included the ratification of the transformational strategic capital investment by EEA.

Board Changes

Additionally, following the outcome the AGM voting, the Company was pleased to welcome the appointment of Mr. Gaurav Gupta as a Non-executive Director. Mr Gupta manages a Monetary Authority of a Singapore registered family office, with high-growth investment holdings across the mineral and biotech industries, 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.

Management Changes

Patrice L'Huillier was appointed as Project Director on 1 December 2023 to prioritise engagement with the local community in preparation for development and construction. Mr L'Huillier has more than 25 years of experience in metals & mining covering aluminium, copper, manganese and iron ore mostly in operations and project execution.

Camalco also appointed Didier Ouedraogo as Head of Geology and Exploration. He will be responsible for the drilling campaigns and technical oversight in the mine development. Mr Ouedraogo formally commenced on 1 January 2024.

Matters subsequent to the end of the financial half-year

Subsequent to 31 December 2023, a total of 3,943,680 options exercisable at \$0.07 each on or before 10 August 2024 have been exercised raising \$276,058.

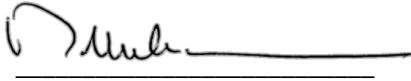
Subsequent to 31 December 2023, Jean-Sebastien Boutet's Tranche 6 performance rights vested and were converted into fully paid ordinary shares. Refer to note 15 or details of the vesting conditions attached to the performance rights.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Mark Hohnen
Non-Executive Chairman

14 March 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Canyon Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2024



L Di Giallonardo
Partner

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Canyon Resources Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	Half-year ended 31 Dec 2023 \$	Half-year ended 31 Dec 2022 \$
Other income	5	-	18,694
Interest received		166,327	7,075
Expenses:			
Employee benefits expense		(956,043)	(1,263,225)
Consultants and contractors		(284,309)	(210,905)
Depreciation and amortisation expense		(41,760)	(32,753)
Loss on disposal of assets		-	(1,017)
Travel expenses		(134,556)	(80,429)
Compliance and regulatory		(36,610)	(50,229)
Legal and professional fees		(49,973)	(74,169)
Share based payments	15	(112,859)	(312,704)
Exploration expenditure	7	(230,454)	(651,335)
Interest expense		-	(2,360)
Occupancy		(41,841)	(27,257)
Administration		(125,934)	(97,493)
Net foreign exchange loss		(28,214)	-
Loss before income tax expense		(1,876,226)	(2,778,107)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,876,226)	(2,778,107)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(473,487)	287,032
Other comprehensive income/(loss) for the half-year, net of tax		(473,487)	287,032
Total comprehensive loss for the half-year		(2,349,713)	(2,491,075)
		Cents	Cents
Basic loss per share		(0.18)	(0.34)
Diluted loss per share		(0.18)	(0.34)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	31 Dec 2023 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents		30,818,915	10,726,199
Trade and other receivables		103,671	182,648
Other		985,017	401,642
Total current assets		31,907,603	11,310,489
Non-current assets			
Property, plant and equipment	6	531,345	197,061
Exploration and evaluation	7	19,043,654	18,073,713
Total non-current assets		19,574,999	18,270,774
Total assets		51,482,602	29,581,263
Liabilities			
Current liabilities			
Trade and other payables		750,460	708,980
Employee benefits		21,822	32,915
Total current liabilities		772,282	741,895
Total liabilities		772,282	741,895
Net assets		50,710,320	28,839,368
Equity			
Issued capital	8	113,112,046	89,004,240
Reserves	9	6,480,459	6,841,087
Accumulated losses		(68,882,185)	(67,005,959)
Total equity		50,710,320	28,839,368

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

Canyon Resources Limited
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2023



	Issued capital \$	Foreign currency reserve \$	Share based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	76,733,044	(786,966)	6,476,469	(62,019,248)	20,403,299
Loss after income tax expense for the half-year	-	-	-	(2,778,107)	(2,778,107)
Other comprehensive income for the half-year, net of tax	-	287,032	-	-	287,032
Total comprehensive income/(loss) for the half- year	-	287,032	-	(2,778,107)	(2,491,075)
<i>Transactions with owners in their capacity as owners:</i>					
Share issued for cash	12,419,000	-	-	-	12,419,000
Share issue costs	(311,950)	-	-	-	(311,950)
Value of performance rights expensed	-	-	259,680	-	259,680
Issue of options	-	-	53,024	-	53,024
Balance at 31 December 2022	88,840,094	(499,934)	6,789,173	(64,797,355)	30,331,978
	Issued capital \$	Foreign currency reserve \$	Share based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	89,004,240	60,220	6,780,867	(67,005,959)	28,839,368
Loss after income tax expense for the half-year	-	-	-	(1,876,226)	(1,876,226)
Other comprehensive loss for the half-year, net of tax	-	(473,487)	-	-	(473,487)
Total comprehensive loss for the half-year	-	(473,487)	-	(1,876,226)	(2,349,713)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 8)	24,107,806	-	-	-	24,107,806
Share-based payments (note 15)	-	-	112,859	-	112,859
Balance at 31 December 2023	113,112,046	(413,267)	6,893,726	(68,882,185)	50,710,320

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Canyon Resources Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2023



	Note	Half-year ended 31 Dec 2023 \$	Half-year ended 31 Dec 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees (including exploration costs expensed)		(2,369,818)	(3,007,334)
Interest received		197,379	7,075
Interest and other finance costs paid		-	(2,360)
Net cash used in operating activities		(2,172,439)	(3,002,619)
Cash flows from investing activities			
Payments for property, plant and equipment	6	(384,930)	(36,522)
Payments for exploration and evaluation	7	(1,296,769)	(521,599)
Net cash used in investing activities		(1,681,699)	(558,121)
Cash flows from financing activities			
Proceeds from issue of shares	8	24,703,000	12,419,000
Share issue transaction costs		(595,194)	(68,470)
Net cash from financing activities		24,107,806	12,350,530
Net increase in cash and cash equivalents		20,253,668	8,789,790
Cash and cash equivalents at the beginning of the period		10,726,199	4,478,367
Effects of exchange rate changes on cash and cash equivalents		(160,952)	5,996
Cash and cash equivalents at the end of the period		30,818,915	13,274,153

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Canyon Resources Limited as a Group consisting of Canyon Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Canyon Resources Limited's functional and presentation currency.

Canyon Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

945 Wellington Street
West Perth, Western Australia, 6005
T: +61 8 9322 7600

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 14 March 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

In the Directors' opinion, none of the new or amended Accounting Standards and Interpretations have had, or will have, a material effect on the Group's financial performance or position.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of half-year financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing the half-year report, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the Group when compiling its 30 June 2023 financial statements.

Note 4. Operating segments

The following table presents the profit & loss and assets & liabilities information by segment provided to the Board of Directors:

	Exploration (Africa) \$	Unallocated (Corporate) \$	Total \$
Half-year ended 31 Dec 2023			
Interest income	-	166,327	166,327
Expenses	(984,243)	(1,058,310)	(2,042,553)
Loss before income tax expense	(984,243)	(891,983)	(1,876,226)
Income tax expense			-
Loss after income tax expense			(1,876,226)

31 Dec 2023

Assets

Segment assets	20,903,987	30,578,615	51,482,602
Total assets			51,482,602

Liabilities

Segment liabilities	262,649	509,633	772,282
Total liabilities			772,282

	Exploration (Africa) \$	Unallocated (Corporate) \$	Total \$
Half-year ended 31 Dec 2022			
Interest income	-	7,075	7,075
Expenses	(1,364,428)	(1,420,754)	(2,785,182)
Loss before income tax expense	(1,364,428)	(1,413,679)	(2,778,107)
Income tax expense			-
Loss after income tax expense			(2,778,107)

30 Jun 2023

Assets

Segment assets	18,744,786	10,836,477	29,581,263
Total assets			29,581,263

Liabilities

Segment liabilities	388,147	353,748	741,895
Total liabilities			741,895

Note 5. Other income

	Half-year ended 31 Dec 2023 \$	Half-year ended 31 Dec 2022 \$
Net foreign exchange gain	-	18,694

Note 6. Non-current assets - property, plant and equipment

	31 Dec 2023	30 Jun 2023
	\$	\$
Plant and equipment - at cost	623,051	567,670
Less: Accumulated depreciation	(398,390)	(382,717)
	<u>224,661</u>	<u>184,953</u>
Computer equipment - at cost	97,866	66,047
Less: Accumulated depreciation	(56,947)	(54,471)
	<u>40,919</u>	<u>11,576</u>
Office equipment - at cost	337,947	61,670
Less: Accumulated depreciation	(72,182)	(61,138)
	<u>265,765</u>	<u>532</u>
Total	<u>531,345</u>	<u>197,061</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year and previous financial year are set out below:

	Field equipment \$	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 July 2022	220,556	15,487	3,136	239,179
Additions	2,840	4,622	33,040	40,502
Disposals	-	(1,017)	(33,040)	(34,057)
Exchange differences	13,107	(2,315)	92	10,884
Depreciation expense	(51,550)	(5,201)	(2,696)	(59,447)
Balance at 30 June 2023	184,953	11,576	532	197,061
Additions	70,435	31,155	283,340	384,930
Exchange differences	(5,644)	2,016	(5,258)	(8,886)
Depreciation expense	(25,083)	(3,828)	(12,849)	(41,760)
Balance at 31 December 2023	<u>224,661</u>	<u>40,919</u>	<u>265,765</u>	<u>531,345</u>

Note 7. Non-current assets - exploration and evaluation

	31 Dec 2023	30 Jun 2023
	\$	\$
Exploration and evaluation phase - Minim Martap	19,043,654	18,073,713
	<u>19,043,654</u>	<u>18,073,713</u>

Note 7. Non-current assets - exploration and evaluation (continued)

Reconciliations

Reconciliations of the carrying values at the beginning and end of the current financial half-year and previous financial year are set out below:

	\$
Balance at 1 July 2022	16,424,121
Expenditure during the year	1,339,481
Exchange differences	860,111
Impairment of assets *	(550,000)
Balance at 30 June 2023	18,073,713
Expenditure during the year	1,296,769
Exchange differences	(326,828)
Balance at 31 December 2023	19,043,654

* Earn in arrangements in relation to the Birsok Bauxite Project in Cameroon were terminated during the prior year.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation or sale of the respective areas.

As the Minim Martap tenements expired in 2022 and have been in the process of being renewed since, expenditure incurred of \$230,454 in the current period (31 December 2022: \$651,335), is required to be expensed until such time that the renewals are finalised, in accordance with the Group's accounting policy.

Confirmation was received that the Makan and Ngaoundal research permits were extended for an additional two years on 25 February 2022, whilst the mining convention negotiations continue for Minim Martap. Expenditure on the Makan and Ngaoundal exploration permits re-commenced to be capitalised from 22 February 2022.

Note 8. Equity - issued capital

	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 \$	30 Jun 2023 \$
Ordinary shares - fully paid	1,368,666,507	1,015,766,507	113,112,046	89,004,240

Movements in ordinary share capital

Details	Issue date	Shares	\$
Balance at 1 July 2022	1 July 2022	806,422,064	76,733,044
Shares issued for cash	7 September 2022	5,444,443	245,000
Shares issued for cash	22 December 2022	202,900,000	12,174,000
Performance rights converted	15 March 2023	1,000,000	90,000
Cost of share issues		-	(237,804)
Balance at 30 June 2023		1,015,766,507	89,004,240
Shares issued for cash (i)	27 December 2023	150,000,000	10,500,000
Exercise of 202,900,000 options at \$0.07 exercisable on or before 10 August 2025	27 December 2023	202,900,000	14,203,000
Cost of share issues		-	(595,194)
Balance as at 31 December 2023		1,368,666,507	113,112,046

Note 8. Equity - issued capital (continued)

- (i) As part of the issue of 150,000,000 ordinary shares to Eagle Eye Asset Holdings Pte Ltd ('EEA') on 27 December 2023, EEA was issued 500,000,000 unlisted options with an exercise price of \$0.07 on or before 26 December 2026.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 9. Equity - reserves

	31 Dec 2023 \$	30 Jun 2023 \$
Foreign currency reserve	(413,267)	60,220
Share-based payments reserve	6,893,726	6,780,867
	6,480,459	6,841,087

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Foreign currency \$	Share based payments \$	Total \$
Balance at 1 July 2023	60,220	6,780,867	6,841,087
Foreign currency translation	(473,487)	-	(473,487)
Value of performance rights expensed	-	112,859	112,859
Balance at 31 December 2023	(413,267)	6,893,726	6,480,459

Note 10. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Financial instruments

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Note 12. Contingent liabilities

There are no contingencies outstanding as at 31 December 2023.

Note 13. Commitments

Commitments remain as those disclosed in the 30 June 2023 annual financial report.

Note 14. Events after the reporting period

Subsequent to 31 December 2023, a total of 3,943,680 options exercisable at \$0.07 each on or before 10 August 2024 have been exercised raising \$276,058.

Subsequent to 31 December 2023, Jean-Sebastien Boutet's Tranche 6 performance rights vested and were converted into fully paid ordinary shares. Refer to note 15 or details of the vesting conditions attached to the performance rights.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 15. Share-based payments

Performance rights

CEO Jean-Sebastien Boutet was issued 10,000,000 Performance Rights on 18 July 2022. The Performance Rights were issued for nil cash consideration and are convertible into fully paid ordinary shares in the capital of the Company on the terms and conditions under the Canyon Long Term Incentive Plan and subject to the following vesting conditions:

Tranche	Vesting conditions	Share Price	Employment Tenure	Project Milestones
1	Achievement of a 10-day Volume Weighted Average Price ("VWAP") of \$0.10	1,000,000	-	-
2	Achievement of a 10-day VWAP of \$0.15	1,000,000	-	-
3	Achievement of a 10-day VWAP of \$0.20	1,000,000	-	-
4	Achievement of a 10-day VWAP of \$0.25	1,000,000	-	-
5	12 months continuous employment (i)	-	1,000,000	-
6	24 months continuous employment (ii)	-	1,000,000	-
7	36 months continuous employment	-	1,000,000	-
8	Fully approved mining licence	-	-	1,000,000
9	Complete rail access agreement	-	-	1,000,000
10	Executed binding off take agreement for a minimum 2MT for a 12 month period	-	-	1,000,000
		4,000,000	3,000,000	3,000,000

(i) The Tranche 5 performance rights vested during the year ended 30 June 2023.

(ii) As disclosed in note 14, the Tranche 6 performance rights vested subsequent to balance date.

These performance rights were valued using a valuation methodology based on the guidelines set out in AASB 2 *Share-based Payment*.

Note 15. Share-based payments (continued)

Assumptions:

Share price vesting conditions	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Number of performance rights	1,000,000	1,000,000	1,000,000	1,000,000
Valuation date	1 January 2022	1 January 2022	1 January 2022	1 January 2022
Interest rate	1.85%	1.85%	1.85%	1.85%
Volatility rate	100%	100%	100%	100%
Vesting share price	\$0.100	\$0.150	\$0.200	\$0.250
Share price on valuation date	\$0.096	\$0.096	\$0.096	\$0.096
Indicative value per Performance Right	\$0.084	\$0.075	\$0.071	\$0.070
Total value	\$84,300	\$74,900	\$71,100	\$69,700

Assumptions:

Employment tenure conditions	Tranche 5	Tranche 6	Tranche 7
Number of performance rights	1,000,000	1,000,000	1,000,000
Valuation date	1 January 2022	1 January 2022	1 January 2022
10 day VWAP	\$0.090	\$0.090	\$0.090
Indicative value per Performance Right	\$0.090	\$0.090	\$0.090
Total value	\$90,000	\$90,000	\$90,000

Assumptions:

Project Milestone	Tranche 8	Tranche 9	Tranche 10
Number of performance rights	1,000,000	1,000,000	1,000,000
Valuation date	1 January 2022	1 January 2022	1 January 2022
10 day VWAP	\$0.090	\$0.090	\$0.090
Indicative value per Performance Right	\$0.090	\$0.090	\$0.090
Total value	\$90,000	\$90,000	\$90,000

The value of the Performance Rights is being expensed over the deemed life of the Rights. During the period, \$112,859 (31 December 2022: \$259,680) was recognised as an expense in relation to the rights.

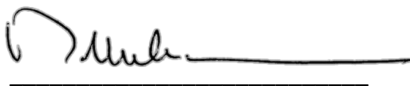
	Half-year ended 31 Dec 2023 \$	Half-year ended 31 Dec 2022 \$
<i>Share-based payments expense</i>		
Employee performance rights	112,859	259,680
Director options	-	53,024
	<hr/> 112,859	<hr/> 312,704

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Mark Hohnen
Non- Executive Chairman

14 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Canyon Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report Canyon Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Canyon Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2024



L Di Giallonardo
Partner