27 August 2018

$5 Million Institutional Placement Update

Canyon Resources Limited (ASX: CAY) ("**Canyon**" or "the **Company**") announced on 21 August 2018 that it had received commitments from institutional and sophisticated investors to raise $5.0 million at $0.155 per share under the Company's existing 7.1 placement capacity.

The Company advises that 26,129,031 new shares have been issued at $0.155 per share raising a total of $4,050,000 (before costs) as reflected in the attached Appendix 3B. The balance of the capital raise of $950,000 through the issue of 6,129,033 new shares at $0.155 per share is expected to be completed in the next 5 days.

As noted in ASX release 21 August 2018 the proceeds will be used to further develop the Company's Minim Martap Bauxite Project in Cameroon with initial focus on;

- Reviewing existing geological, metallurgical and environmental data;
- Commencing geological works, including confirmatory and exploration drilling;
- Commencing geological, environmental, community & infrastructure studies; and
- Defining an initial JORC (2012) compliant resource

Canyon Resources is the 100% owner of the Minim Martap Bauxite Project, a large-scale bauxite deposit located in the Adamawa region of Cameroon, alongside Canyon's existing Birsok Bauxite Project. The Minim Martap Project encompasses two deposits, namely the Ngouandal and Minim Martap deposits, which are located within 25 km of each other. The total area of the permits is 1349 km2.

The project is located alongside an existing operating rail line and Cameroon has recently built a new deep water port that is potentially suitable for the export of commercial quantities of bauxite.

Principal Office Address

Level 9, 863 Hay Street

PERTH WA 6000

Tel: +61 8 6382 3342

Fax: +61 8 9324 1502

Registered Office Address

Level 1, South Mill Centre
9 Bowman Street

SOUTH PERTH WA 6151

Tel: +61 8 9217 2400

Fax: +61 8 9217 2401

Postal Address

PO Box 270

WEST PERTH WA 6872

Email: info@canyonresources.com.au

Directors & Management

Mr David Netherway

Non-Executive Chairman

Mr Phillip Gallagher

Managing Director

Mr Emmanuel Correia

Non-Executive Director

Mr Robert Marusco

Company Secretary

ASX Code: CAY

Website: www.canyonresources.com.au
ABN 13 140 087 261

About Canyon Resources Limited

Canyon Resources was granted the Minim Martap Bauxite Project on 1st August 2018. The Minim Martap Project is a very large scale project located adjacent to Company's existing Birsok Project. The Projects are considered to be highly prospective for high grade DSO bauxite. The bauxite projects are strategically located in an emerging bauxite region of Cameroon and are approximately 10km from an operating rail line.

In addition to the bauxite assets, Canyon has an established portfolio of prospective mineral exploration projects in Burkina Faso, which cover numerous permits in the Birimian greenstone belts of the West African craton.

Enquiries:

Phillip Gallagher
Managing Director
T: +61 (0)8 6382 3342
E: info@canyonresources.com.au

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

CANYON RESOURCES LIMITED

ABN

13 140 087 261

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	26,204,031
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid Ordinary Shares

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes, the Shares rank equally with the existing class of Ordinary Shares on issue.
5	Issue price or consideration	26,129,031 issued at $0.155 per share. 75,000 issued at $0.06 per share upon exercise of 6 cent options expiring 30 September 2018. A total of $4,054,500 was raised before costs.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Funds raised will be used primarily for Minim Martap Bauxite Project development and general working capital.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	23 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	-

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	-
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	-
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 21,329,917 7.1A – 31,639,299
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	27 August 2018

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	342,522,019	Ordinary shares

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	7,000,000	Options exercisable at 7 cents expiring 30 September 2018.
		12,140,000	Options exercisable at 10 cents expiring 30 September 2018.
		4,485,417	Options exercisable at 6 cents expiring 30 September 2018.
		10,000,000	Options exercisable at 12 cents expiring 19 February 2019.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1 – Shares only

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Questions 35 to 42 are not applicable

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

+ See chapter 19 for defined terms.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Company Secretary Date: 27 August 2018

Print name: Robert Marusco

== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	269,842,773
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	1,975,000 (exercise of approved options) 36,824,738 (exercise of approved options) 6,740,477 (exercise of approved options) 325,000 (exercise of approved options) 150,000 (exercise of approved options) 460,000 (exercise of approved options) 75,000 (exercise of approved options)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
"A"	**316,392,988**

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	47,458,948
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	26,129,031 placement to professional investors
"C"	**26,129,031**
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	47,458,948
Subtract "C" *Note: number must be same as shown in Step 3*	26,129,031
Total ["A" x 0.15] – "C"	**21,329,917** *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	316,392,988
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	31,639,299
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	-
"E"	**-**

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	31,639,299
Subtract "E" *Note: number must be same as shown in Step 3*	-
Total ["A" x 0.10] – "E"	**31,639,299** *Note: this is the remaining placement capacity under rule 7.1A*