



12 October 2018

## **Canyon Consolidates Ownership of Minim Martap Bauxite Province**

### **HIGHLIGHTS:**

- **Canyon Resources Ltd has reached a conditional agreement to acquire 100% of the Birsok Project from joint venture partner Altus Strategies Plc.**
- **Previous joint venture to be cancelled and full ownership of the Birsok permits to be transferred to Canyon.**
- **Canyon now controls 100% of the bauxite plateaux in the region surrounding the Birsok and Minim Martap Projects.**
- **Potentially significant development synergies to be delivered as a result of ownership consolidation.**

**Canyon Resources Ltd (ASX: CAY) (Canyon)** announces that it signed a Letter of Intent ("LoI") with Altus Strategies Plc (Altus), to transfer to Canyon a 100% interest in the Birsok and Mandoum licences (the "Birsok project") and to terminate its existing bauxite Joint Venture Agreement ("JVA") with Altus.

Under the terms of the LoI Canyon will acquire 100% interest in the Birsok project.

The Birsok project is located in central Cameroon and is contiguous with exploration licences covering the Minim Martap bauxite deposit (the "Minim Martap project") which is owned by Canyon.

Canyon Managing Director Mr Phillip Gallagher said "*Canyon has secured a deal with Altus Strategies that consolidates 100% of the Birsok Project. The Birsok Project permits are located between the Minim Martap Project and the rail line and there were some shared bauxite plateaux between the Projects. Canyon now controls all of this area and this transaction removes the need to consult and potentially reach agreement with minority joint venture partners in relation to our development plans to build a long term, high grade bauxite mining and export operation.*"

### **Terms of the LoI**

Part A: In lieu of the termination of the JVA, Canyon will issue to Altus:

- 15,000,000 ordinary free trading Canyon shares (the "Initial Issue shares")
- 10,000,000 ordinary Canyon shares, to be issued 12 months following the Initial Issue shares and subject to a 12 month voluntary escrow

Part B: In lieu of the transfer of the Birsok project:

- 5,000,000 ordinary Canyon shares, to be issued upon the execution of a mining convention on the Minim Martap project and subject to a 12 month voluntary escrow
- a US\$1.50 per tonne royalty on ore mined and sold from the Birsok project

The issue of shares by Canyon to Altus will be subject to final documentation, the termination of the JVA, the transfer of the Birsok project, Canyon shareholder approval and any regulatory or other approvals as may be required. Completion of the transaction is expected to occur by the end of this year.

### The Minim Martap Bauxite Project

The Minim Martap Project is located in the Adamawa region of Cameroon, alongside Canyon's existing Birsok Bauxite Project. The Minim Martap Project encompasses two deposits, namely the Nguouandal and Minim Martap deposits, which are located within 25km of each other. The total area of the permits is 1349 km<sup>2</sup>.

The three exploration permits are valid for a three-year period and contain a number of predefined work commitments that are consistent with the Company's development proposal.

Previous work completed by Canyon Resources on the contiguous Birsok Project, sometimes sharing plateaux with the Minim Martap Project, has given the Company a strong understanding of the physical and geochemical characteristics of the local bauxite. The bauxite is generally high alumina, low total and reactive silica, high gibbsite, low boehemite and low on other contaminants.

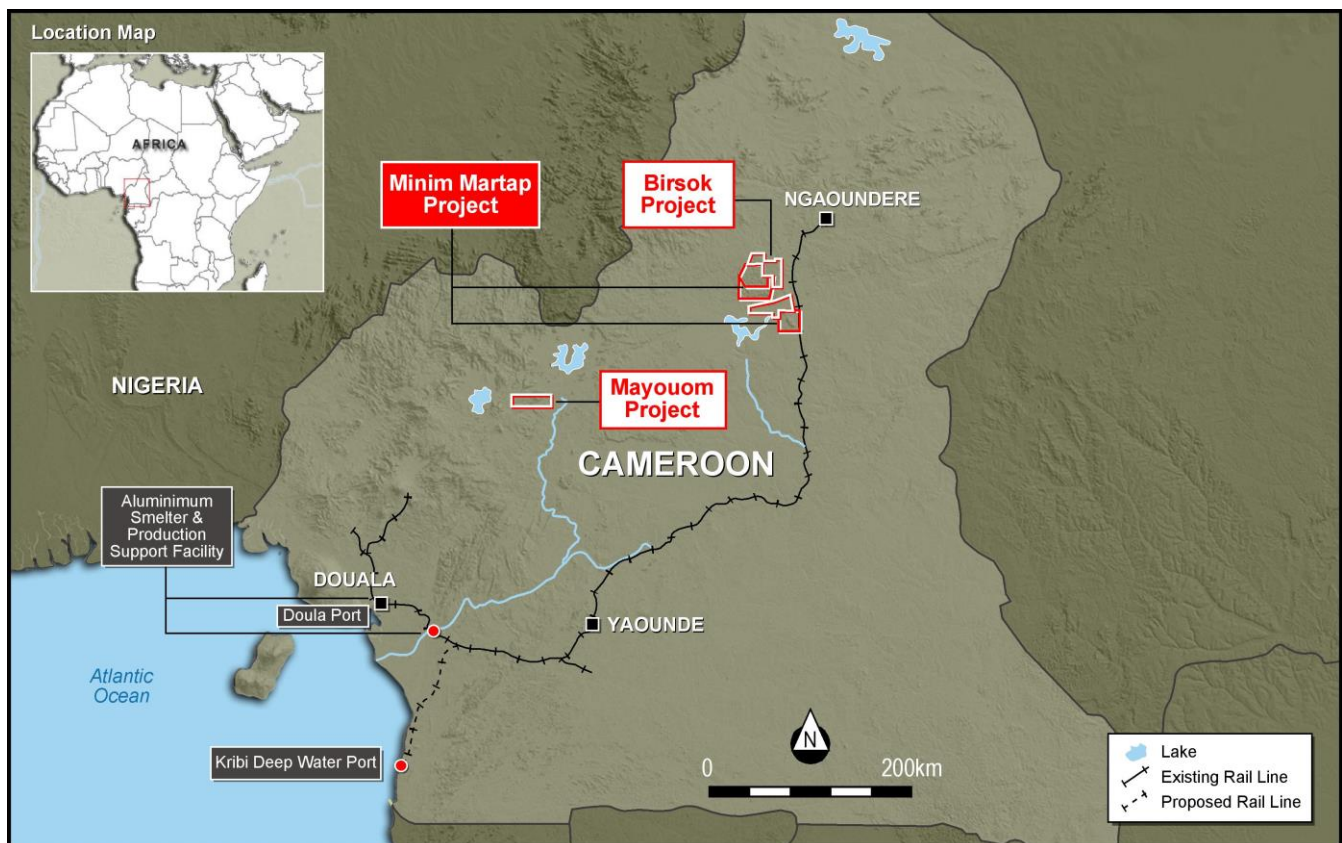


Figure 1: Location map of Minim Martap & Birsok Bauxite Projects & the Mayouom Kaolin Project in Cameroon.

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