



16 October 2018

Canyon acquires historic drilling core and samples from the Minim Martap Bauxite Project

HIGHLIGHTS:

- **Canyon enters an agreement to acquire the majority of the drill core from past exploration.**
- **The core and samples are from the drilling in 2008 and 2009 that comprised the recently announced JORC (2012) compliant resource on the Minim Martap Project.**
- **The samples were used for the analytical work which formed the foundation of the previous owner's resource calculations.**
- **Canyon believes this acquisition will reduce future drilling requirements thereby reducing costs and associated time frames.**

Canyon Resources Ltd (ASX: **CAY**) (Canyon) is pleased to announce the acquisition of the majority of the diamond drill core and coarse rejects and pulps from approximately 9,000 samples prepared for analysis from the drilling completed in 2009 by the previous owners of the Minim Martap Project, Cameroon Alumina Ltd (CAL). Canyon has located and subsequently entered into an agreement with the owner of the facility where the samples have been stored since 2009. The samples acquired comprise approximately 70% of the samples and core from the 2009 CAL drilling campaign.

As a result of securing the drill core and samples, Canyon is now in the enviable position of being able to use the extremely well preserved, stored and carefully documented material as a reference for future analysis and studies.



Figure 1: Minim Martap drill core boxes and sample bags in long term storage in Yaounde

Canyon Chief Geologist, Dr Alexander Shaw, said *“By acquiring a significant quantity of the diamond drill core, coarse rejects and pulps that were used for the analytical work which formed the foundation of the initial CAL resource Canyon is in an enviable position of being able to use the material as a reference for future analysis and studies.*

Having ownership of the samples adds a degree of security and validation to the previous work on the project. I am very impressed with the quality of the samples, the clear and legible logging and well ordered storage within the shed. This is a valuable acquisition for Canyon that will reduce the costs and requirements of future drilling campaigns.”

“The integrity of the samples although not “fresh” is still sufficiently good to use as duplicates for any geochemical refereeing or due diligence that might be required to validate the 2012 JORC compliant SRK resource model. Despite being almost 10 years old the samples are in excellent condition and can easily be matched up with the sample numbers in the previous database.”

Canyon has paid the owner of the storage facility 15,000,000 fcfa (approx. AUD\$37,000) for full and unencumbered ownership of all of the drilling core and samples.

Canyon believe they will be able to reduce future drilling requirements thereby reducing costs and the timeframes of for future study programs.



Figure 2: An example of the high quality storage of the drilling core, sealed in wooden boxes and covered



Figure 3: The previous drilling core in Fig 2 uncovered

Upcoming Work Program

Canyon is preparing for the imminent commencement of drilling on the Minim Martap Project. The Company is currently upgrading access roads and tracks to the bauxite plateaux along with upgrading the camp and support infrastructure for the drilling.

Canyon will utilise its own 6 wheel drive Landcruiser mounted Rotary Air Blast (RAB) rig to commence the drilling program in the coming weeks.

The initial drilling program will focus on confirmatory drilling on the previously drilled high grade bauxite plateaux as well as targeting previously untested parts of the bauxite plateaux that the Canyon technical team have identified as potentially providing additional high grade bauxite tonnage.

The Minim Martap Bauxite Project

The Minim Martap Project is located in the Adamawa region of Cameroon, alongside Canyon's existing Birsoke 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 km².

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 on the contiguous Birsoke Project, sometimes sharing the plateaux with the Minim Martap Project, has provided the Company with 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.

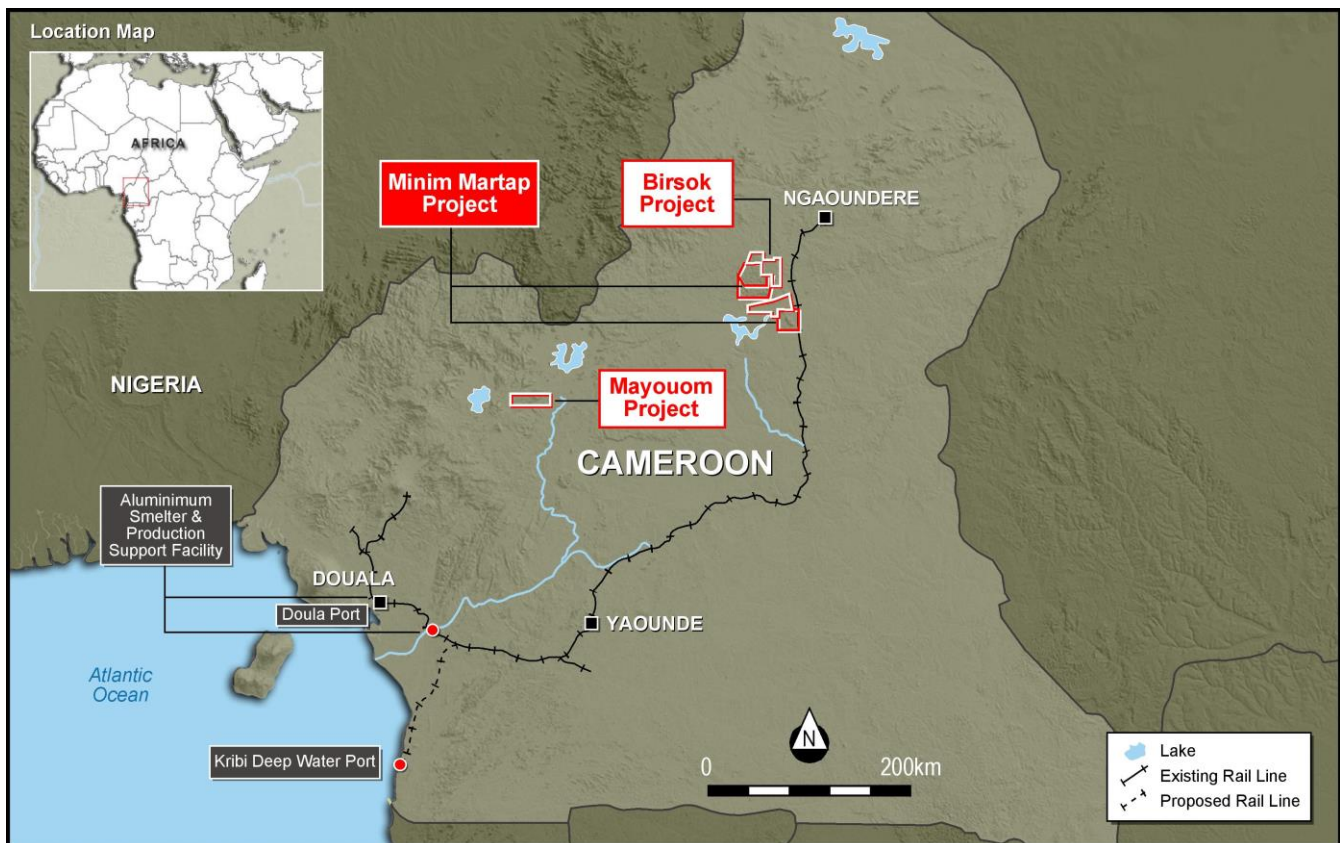


Figure 4: Location map of the Minim Martap and Birsoke Bauxite Projects and the Mayouom Kaolin Project in Cameroon.

Competent Person Statement

The information in this document that relates to previous exploration results is based upon information from the report titled Minim Martap-Ngaoundal Bauxite Deposit Exploration Program and Resource Assessment by SRK Consulting (Australasia), September 2009 and available data compiled by Dr Alexander Shaw, Chief Geologist of Canyon Resources Ltd. Dr Shaw is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Dr Shaw consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

All statements other than statements of historical fact included in this website 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.

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