

Canyon progresses PFS for Tier-1 Minim Martap Bauxite Project 2-Stage, 2-Port development pathway identified

Highlights

- **Pre-Feasibility Study (PFS)** for Minim Martap Bauxite Project is **progressing well**.
- **Two stage project development pathway identified**.
- **Interim PFS** economic and technical outcomes, presented as a **Scoping Study, due in the coming weeks**.
 - Scoping Study anticipated to show **Stage-1** of a 2-Stage, 2-Port project development path, beginning with a lower capex and potentially faster start up by initially **exporting through Douala**.
 - Stage-1 to provide the platform for delivery of Stage-2, encompassing exporting through the Kribi deep-water port.
- Minim Martap has a **Total Mineral Resource estimate of 892Mt at 45.1% Al₂O₃, 2.8% SiO₂** (Cut-off Grade 35% Al₂O₃);
 - Indicated resource of **839Mt at 45.2% Al₂O₃, 2.8% SiO₂**;
 - Includes a **high-grade** (Cut-off Grade 45% Al₂O₃) **Indicated resource of 431Mt at 48.8% Al₂O₃, 2.6% SiO₂** (total) containing **substantial zones of >50% Al₂O₃** with very low contaminants.¹
- Mine scheduling shows **long-term high-grade product potential** from beginning of mining.
- Optimised mining regions are close together resulting in **simple, consolidated and low-cost infrastructure requirements**.

Canyon Resources Limited (**ASX: CAY**) (**Canyon** or the **Company**) is pleased to provide an update on its Pre-Feasibility Study (PFS) for Minim Martap Bauxite Project in Cameroon.

The Company has identified the potential for a 2-Stage, 2-Port project development pathway for the Minim Martap Bauxite Project via the utilisation of the existing Camrail rail infrastructure and the two operating ports in Cameroon.

The Stage-1 development of the Project is planned to export bauxite ore through the Douala Port, potentially providing a lower start-up capital expenditure requirement and faster commencement of operations by utilising the existing rail infrastructure in its current configuration. The existing Camrail rail line runs from nearby the Minim Martap Project location directly to the wharf of the Douala Port.

Stage-2 of the project development will be to continue to work towards the development of the rail link to the Kribi Deep Water Port located in the south west of Cameroon for a higher tonnage, direct ship loading option for the Project.

The advantage of the 2-Stage, 2-Port strategy is the opportunity for the Company to be in production and exporting bauxite ore while the Stage-2 infrastructure is being constructed.

¹ Please refer to the ASX announcement released by the Company on 27 September 2019. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters unpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed.

Canyon has partnered with scheduling software company Minemax in conjunction with PFS consultants Mining Plus and Ausenco, to complete pit optimisation studies which demonstrate the potential for long-term high-grade product, beginning from a cluster of localised plateaux as shown in Figure 1 below. **(Stage-1 Cluster).**

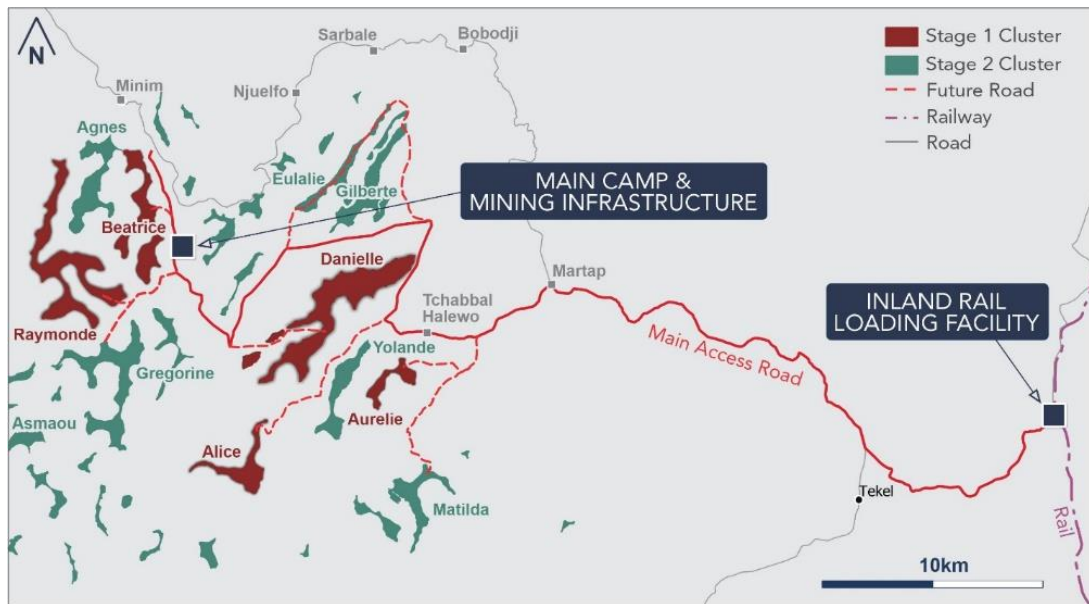


Figure 1 – Cluster of plateaux identified from pit optimisation schedules

The optimisation programme utilised the recently upgraded mineral resource model in conjunction with preliminary cost assumptions, initial mine design, and product price and specification profiles from marketing partners Wood Mackenzie.

The schedule optimisation has identified a cluster of high grade, low contaminant bauxite plateaux that have been identified as being suitable for the commencement of mining operations. The Stage-1 Cluster allows for simple and consolidated infrastructure aimed at minimising capex whilst also potentially maximising early beneficial returns to the project.

This PFS milestone will allow for the completion of an interim PFS report at scoping level (**Scoping Study**). The Scoping Study is expected to be presented in the coming weeks to demonstrate technical solutions, economic outcomes and the strategic pathway for a 2-Stage, 2-Port project utilising the existing rail and port infrastructure and exporting through Douala. A Douala export solution (**Stage-1**) is intended to demonstrate a quick simple, and lower capex pathway to commencing mining and export operations.

Canyon Project Director James Durrant said: “Minim Martap continues to show its potential as a strategic global asset for major refiners looking to secure alternate streams of long-term, high-grade bauxite.

The optimisation results demonstrate the potential viability of the resource to produce product early via a 2-Stage, 2-Port strategy from consolidated infrastructure, maximising project value.

Whilst continuing good progress on the PFS we are now working to complete an initial Scoping Study in the coming weeks on the viability of the two stage approach to the Project that will allow us to accelerate the development of the Minim Martap Project.”

In September 2019, the Company announced an increased Mineral Resource estimate at Minim Martap of **892Mt at 45.1% Al₂O₃, 2.8% SiO₂** including an Indicated resource of **839Mt at 45.2% Al₂O₃, 2.8% SiO₂** and a high-grade resource of **431Mt at 48.8% Al₂O₃, 2.6% SiO₂**.

The Mineral Resource upgrade showed the Minim Martap Project has one of the largest high-grade, low contaminant bauxite deposits, in the world, located outside of Guinea with accessible and operating infrastructure including an existing rail and two potential port options.



Figure 2. Location map of the Company's Bauxite Projects and proximity of Camrail rail line

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About Canyon Resources

The Minim-Martap Bauxite Project

The Minim Martap Project is located in the Adamawa region of Cameroon, adjacent to Canyon's existing Birsok Bauxite Project, encompassing two deposits, Ngouandal and Minim Martap, which are located within 25km of each other. The total area of the permits is 1,349 km².

The Project is adjacent to an operating rail line with heavy ore transport capacity directly to Douala and with a proposed extension to the Kribi deep-water port which has the ability to direct ship load Panamax size vessels.

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 & reactive silica, high gibbsite, low boehemite and low on other contaminants.

Corporate Snapshot

Directors and Management

David Netherway – Chairman

Phillip Gallagher – Managing Director

Emmanuel Correia – Non-executive Director

Steven Zaninovich – Non-executive Director

John Lewis – Company Secretary

James Durrant – Project Director

COMPETENT PERSON'S STATEMENT

The information in this ASX release that relates to current exploration results is based on information compiled by Dr Alexander Shaw, Chief Geologist of Canyon Resources Ltd.

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. The information in the announcement is an accurate representation of the available data and study for the Minim Martap Project.

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.

The information in this announcement that relates to mineral resources is based on information compiled or reviewed by Mr Mark Gifford, an independent Geological expert consulting to Canyon Resources Limited. Mr Mark Gifford is a Fellow of the Australian Institute of Mining and Metallurgy 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Mr Gifford 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 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.