



Canyon advances discussions with potential Minim Martap Project partners

Highlights

- Chief Development Officer Rick Smith connects Canyon with potential strategic offtake, equity and development partners.
- Minim Martap Project development generates interest from **existing international bauxite/alumina/aluminium companies**.
- Canyon is currently shipping **bulk samples** for testing by interested potential offtake partners.
- Discussions are advancing on **potential strategic partnerships and offtake**, following parties accessing Canyon's data room under confidentiality agreements.
- **Minim Martap PFS on track, due before end of June 2020**, underpinned by exceptional 2019 Mineral Resource estimate of 892Mt at 45.1% Al₂O₃, 2.8% SiO₂ (35% Al₂O₃ cut-off) including 431Mt at 48.8% Al₂O₃ and 2.6 SiO₂.

Canyon Resources Limited (**Canyon** or the **Company**) is pleased to provide an update on recent Business Development activities related to its 100%-owned Minim Martap Bauxite Project in Cameroon, West Africa.

Following the appointment of Mr Rick Smith as Chief Development Officer in March 2020, the Company has had positive engagements with some of the world's leading and largest bauxite, alumina and aluminium producers. Mr Smith, who is well known within the bauxite, alumina and aluminium industries following his success as Project Director for the US\$1.4 billion GAC bauxite mine in Guinea, has introduced the Company to senior decision makers within major companies in the sector.

Following in-person and video conference meetings with potential strategic partners, bauxite offtake parties and project construction/service-related companies led by Managing Director Phillip Gallagher and Rick Smith, the Company continues to receive interest from companies and end users regarding participation in the Minim Martap Project development.

Canyon has received interest from companies looking to secure long term bauxite supply and who acknowledge the scale and quality of Minim Martap bauxite. The long-term high grade and low contaminant bauxite profile that the Minim Martap Project offers can potentially improve the environmental footprint compared with typical standard grade bauxite. In particular, the consistently low reactive silica profile of the Minim Martap bauxite is expected to give rise to substantially lower ongoing caustic soda usage¹ and associated reduced environmental impact during refinery operation.

"The Project has been well received by major organisations within the bauxite, alumina and aluminium industry, with many expressing an interest to be involved in the Project as partners with Canyon. Some of the parties requested the opportunity to conduct independent analysis on the Minim Martap bauxite. We are currently shipping representative bulk samples to their nominated laboratories." Mr Gallagher said.

¹Wood Mackenzie Bauxite Price Forecast Model

“The organisations we have engaged with include state owned and private companies, encompassing major investors and project funding providers, alumina and aluminium producers and major infrastructure construction companies with direct African experience.”

“The discussions with potential strategic, offtake and construction partners are ongoing and we are confident that the PFS will be the catalyst to further enhance discussions, and provide the platform for securing strategic project partnerships.”

Ongoing data sharing and positive dialogue following Canyon’s meetings with potential strategic partners, including groups planning construction of new alumina refineries, highlights the strategic value of the anticipated product quality from Minim Martap, as well as the opportunity for strategic geopolitical diversification from existing supply jurisdictions.

Mr Gallagher said: “The Minim Martap Project has the capacity to export a large quantity of the world’s highest grade bauxite with extremely low silica, with a stable grade profile for many decades making the Project a strategic long-term option for alumina producers looking to secure long-term, high-grade offtake.

“With approximately 50% of all global seaborne bauxite currently being exported from Guinea, and more than half of China’s bauxite imports also coming from Guinea, we believe that major alumina producers are now considering Cameroon bauxite from Minim Martap as a geopolitical hedge and a means of diversifying the concentration of supply of the West African very high grade bauxite and reliance on one country.”

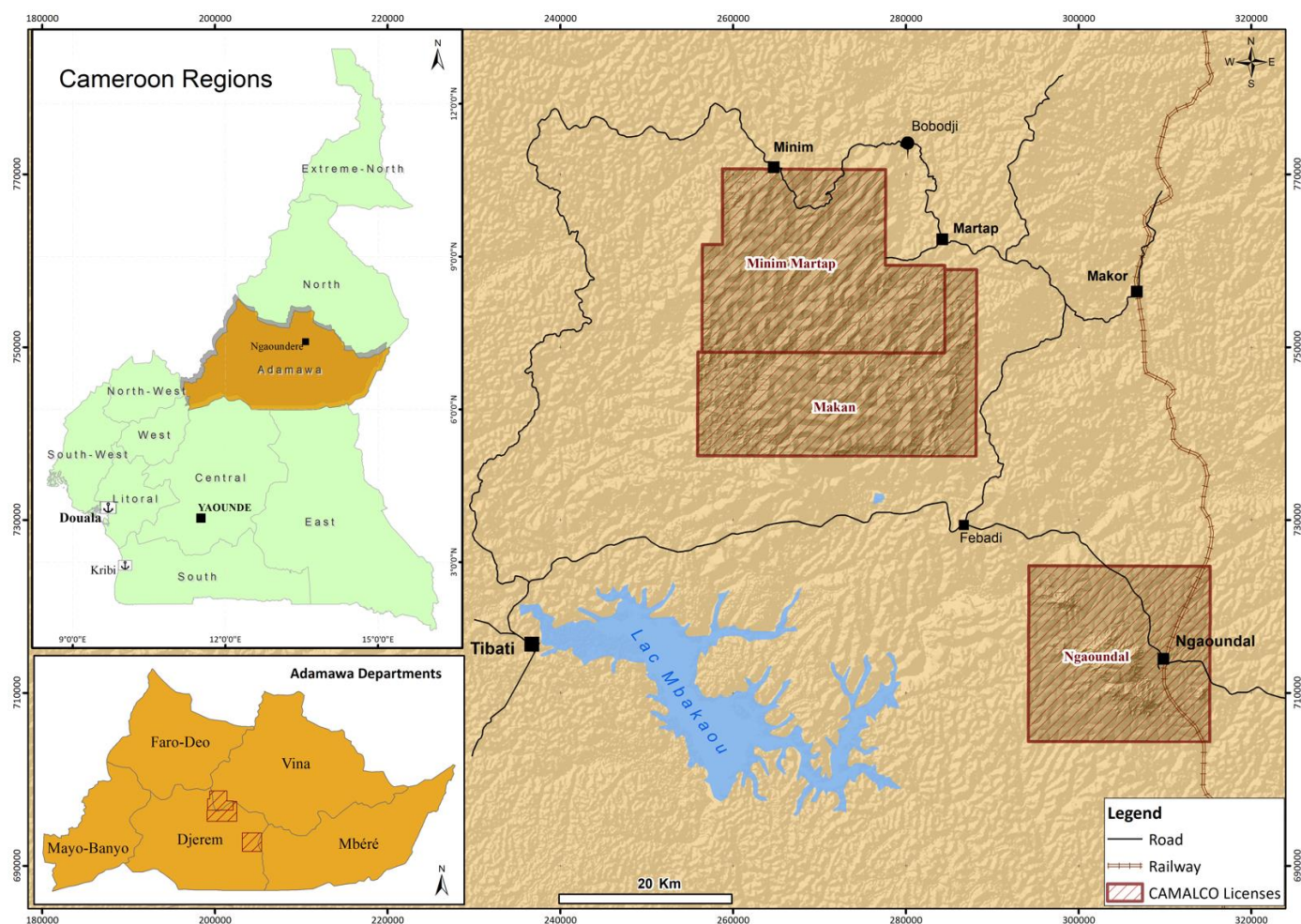
About Canyon Resources

Canyon Resources is focussed on the development of the 100% owned Minim-Martap Bauxite project, a direct shipping ore (DSO) project development opportunity in central Cameroon. The project is situated adjacent to the main rail line linking the region to the Atlantic port of Douala. The rail line is currently underutilised and coupled with the existing port of Douala, supports a low capex, low opex solution to deliver high grade, low contaminant, seaborne bauxite to market to fuel the large and growing aluminium industry. The country is planning a rail extension and is undergoing rail line debottlenecking upgrades giving longer term potential for export through the newly built, deep-water port of Kribi.

The Project is underpinned by a large, shallow, high-grade resource dominated by Gibbsite with low levels of reactive silica. The resource is hosted in a series of plateaux (see below). The Total Mineral Resource² estimate, which remains open in all directions, is stated as **892 Mt** at **45.1% Al₂O₃, 2.8% SiO₂** (Cut-off Grade 35% Al₂O₃). The estimate contains a high-grade Indicated portion of the resource at **410 Mt** at **48.9% Al₂O₃, 2.6% SiO₂** (Cut-off Grade 45% Al₂O₃). Substantial zones within the resource present at greater than 50% Al₂O₃ with very low contaminants.

Canyon is planning the development of the Project in a 2-Stage, 2-Port execution programme with initial production exported through the port of Douala utilising the existing rail and port infrastructure and Stage-2 unlocking tonnes and reducing costs by utilising the port of Kribi.

² 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 underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed



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.

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This announcement has been approved for release by the Board.

Nick Allan
COMPANY SECRETARY

Enquiries:

PHILLIP GALLAGHER | Managing Director | Canyon Resources Limited T: +61 8 6382 3342
E: info@canyonresources.com.au
