



Canyon Resources Limited

ACN 140 087 261

353 Rokeby Road

Subiaco WA 6008

www.canyonresources.com.au

16 October 2015

Canyon Raises \$1m for Cameroon Bauxite Projects

The Directors of **Canyon Resources Ltd** (ASX: CAY) are pleased to announce a \$1,000,000 strategic capital raising by the placement of shares and convertible notes to sophisticated and professional investors (Placement). Capital Investment Partners Pty Ltd has been appointed lead manager to the Placement.

The Company has agreed to issue up to 10 million shares at a price of 5 cents each to raise \$500,000. A further \$500,000 will be raised through the issue of 10 million convertible notes (Notes) at an issue price of 5 cents each. An attaching unlisted option will, with shareholder approval, be issued for every two shares or Notes issued in the Placement. The options are exercisable at 6 cents each and expire 29 September 2017.

The Notes are unsecured with no interest accruing and a maturity date approximately 12 months from the date of issue. The Notes will have a conversion price of 5 cents, or, subject to not being prohibited by the ASX listing rules, if after 1 May 2016 the Company's share price is below 5 cents on the conversion day, the conversion price will be reduced to a 15% discount to the previous 30 day VWAP at the time of conversion. The Notes can be converted at any time before the end of the 12 month period.

With the approval of shareholders, a total of a further 15 million options may be issued to clients of Capital Investment Partners Pty Ltd. Five million options will be issued at a price of 0.1 cents each and will be exercisable at 6 cents each, expiring 30 September 2018; and 10 million options will be issued at a price of 0.05 cents each and will be exercisable at 10 cents each, expiring 30 September 2018.

The funds raised will be utilised to fund ongoing evaluation of the Company's Birsok Bauxite Project in Cameroon and the continuing identification and evaluation of advanced project opportunities within the region as well as working capital.

Enquiries:

Phillip Gallagher

Managing Director

T: +61 8 6143 4256

E: pgallagher@canyonresources.com.au

About Canyon Resources Limited

In 2013, Canyon announced a farm-in transaction to acquire up to 75% of the Birsok Bauxite Project in Cameroon, which is considered highly prospective for high grade DSO bauxite. The Birsok Bauxite Project is strategically located in an emerging bauxite region of Cameroon, contiguous with the world class Minim Martap bauxite deposit and approximately 10km from an operating rail line.

During 2014 Canyon conducted an inaugural drilling program which returned high grade, low impurity bauxite mineralisation over the key plateaux tested, with multiple intersections of >50% Al₂O₃. Canyon also commenced some early broad based laboratory testing of a selection of the drill samples to determine the suitability of the bauxite. Results on the priority plateaus were encouraging with good available Al₂O₃ and low reactive silica.