



29 July 2016

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Directors & Management

Mr David Netherway
Non-Executive Chairman

Mr Phillip Gallagher
Managing Director

Mr Emmanuel Correia
Non-Executive Director

Mr Robert Marusco
Company Secretary

ASX Code: CAY

Website: www.canyonresources.com.au

ABN 13 140 087 261

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2016

HIGHLIGHTS:

- Kribi Deep Sea Port site visit completed by Canyon technical team.
- A continued focus on determining the optimal logistical and commercial solution for a DSO bauxite export operation in Cameroon .
- A \$682,000 capital raising completed during the quarter.
- Appointment of new Chairman & Non-Executive Director

The Directors of **Canyon Resources Ltd** (ASX: **CAY**) are pleased to report on the Company's activities for the quarter ending 30 June 2016.

Canyon Resources ("**Canyon**" or the "**Company**") has continued the focus on the definition of an end-to-end logistical solution for the development of a bauxite mining and DSO (Direct Shipping Ore) export operation in the Adamawa Region of Cameroon, where the Company's Birsok project is located.

Canyon's Birsok Project is located nearby to an existing operating rail line that runs to the operating Douala Port. The Cameroon Government has recently completed the construction of stage 1 of the new Kribi Deep Sea Port, which is located in the south west of the country. During a recent visit by Canyon's technical team to the Kribi port, the team sighted the construction of the road and rail corridor that will link the port to the existing road and rail networks in country.

The Company continues to engage with rail operators and the local port authority to understand the technical details of the rail and port infrastructure to develop an appropriate logistics solution that minimises Canyon's capital expenditure requirements. As the Project is located approximately 700km along an existing rail line to an existing port, defining a logistics solution to transport the bauxite to port is crucial to the successful development of a bauxite project in that area.

Canyon continues to assess and review advanced project opportunities in Cameroon to add to the Birsok Project. Canyon is working to secure advanced projects that are consistent with Company's strategy of developing a profitable mining operation utilising existing infrastructure in the country.



Figure 1: Construction underway of the road and rail corridor immediately east of the Kribi Deep Sea Port

Corporate

During June 2016 the Company announced the completion of a raising of \$682,000. The Company issued 6,200,000 shares at a price \$0.11 per share.

The placement was managed by Barclay Wells Limited.

Director Changes

Mr David Netherway, previously a Non-Executive Director of the Company, become the Non-Executive Chairman of Canyon on the 20 July 2016 following the resignation of Mr Rhod Grivas. Mr Netherway has been a Non-Executive Director of Canyon since March 2014. He is the Chairman of Altus Strategies Ltd, based in the United Kingdom, TSX listed Kilo Goldmines Ltd and is a Non-Executive Director of LSE listed Aureus Mining Ltd. He is a mining engineer with over 35 years of experience in the mining industry, he has been involved in the construction and development of various mines in West Africa and has mining experience in Africa, Australia, China, Canada, India and the Former Soviet Union.

Mr Emmanuel Correia was appointed to the board on 20 July 2016 as a Non-Executive Director. Mr Correia is a Chartered Accountant and founding director of Peloton Capital and Peloton Advisory and has over 25 years public company and corporate finance experience in Australia, North America and the United Kingdom. He has held various senior positions with Deloitte and other accounting firms and boutique corporate finance houses

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 (Figure 2), contiguous with the world class Minim Martap bauxite deposit and approximately 10km from an operating rail line.

In addition to the bauxite assets, Canyon has an established portfolio of highly prospective mineral exploration projects in Burkina Faso, which cover an area of approximately 2,400km² over 13 permits in the Birimian greenstone belts of the West African craton.

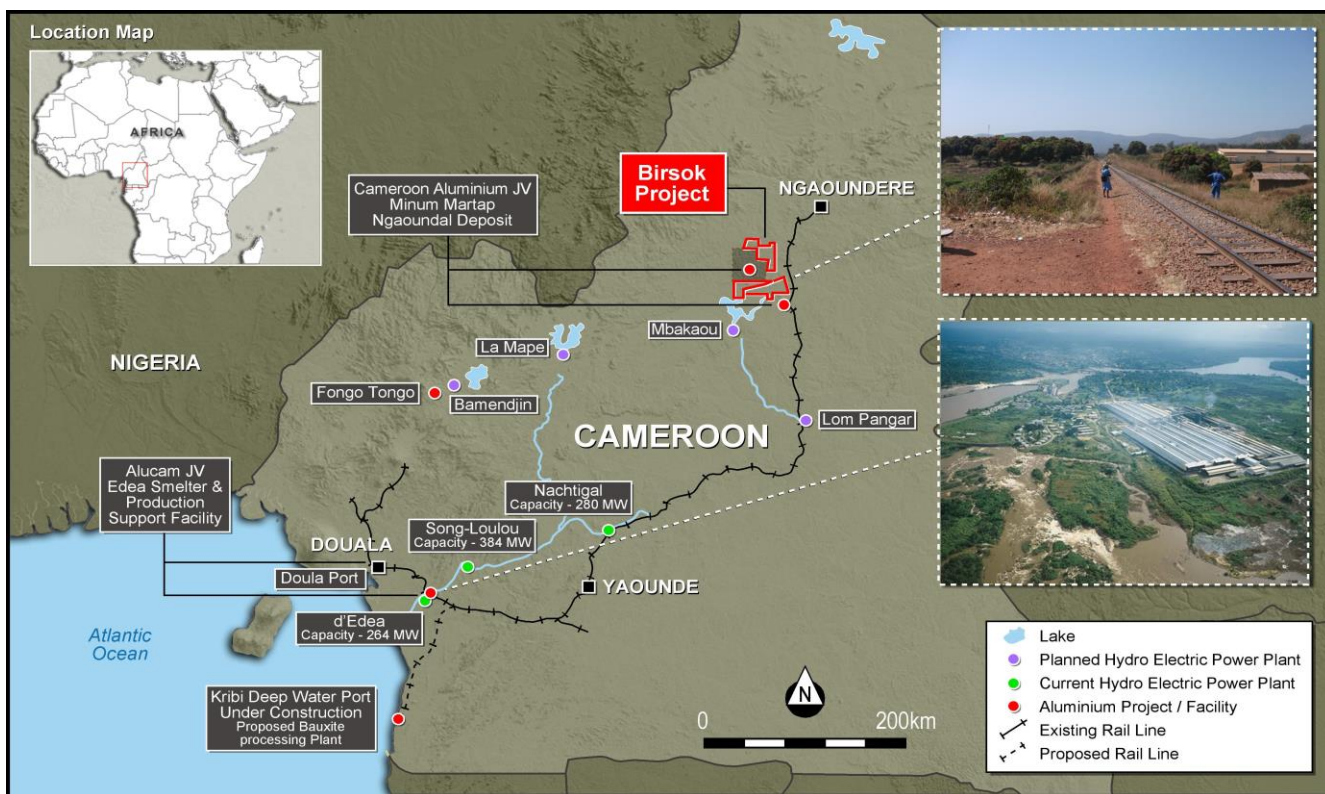


Figure 2: Location of Canyon's Birsok Bauxite Project, Cameroon, West Africa



Canyon Resources Limited – Interest in Mineral Properties

Permits	Location	Interest at 31 December 2015	Interest at 31 March 2016
<u>Birsok Bauxite Project</u>			
Birsok	Cameroon	Agreement to earn up to 75%.	Agreement to earn up to 75%.
Mandoum	Cameroon		
Mambal (application)	Cameroon	Agreement to earn up to 75%.	Agreement to earn up to 75%.
<u>Taparko North Project</u>			
Karga 2	Burkina Faso	Own 100%	Own 100%
Bani	Burkina Faso		
Diobou	Burkina Faso		
Tigou	Burkina Faso	Rights to 100%	Rights to 100%
<u>Tao Project</u>			
Tao	Burkina Faso	Own 100%	Own 100%
<u>Pinarello Project</u>			
Sokrani	Burkina Faso	Agreement to acquire 49% (sale of 51% to Acacia Mining plc)	Own 49% (Acacia Mining plc 51%)
Niofera	Burkina Faso		
Baiera	Burkina Faso		
Sokrani 2	Burkina Faso		
Soukoura 2	Burkina Faso		
<u>Konkolikan Project</u>			
Konkolikan	Burkina Faso	Agreement to acquire 49% (sale of 51% to Acacia Mining plc)	Own 49% (Acacia Mining plc 51%)
<u>Derosa Project</u>			
Bompela	Burkina Faso	15% interest in joint venture with Rumble Resources Ltd	15% interest in joint venture with Rumble Resources Ltd
Sapala	Burkina Faso		

Enquires:

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