

December 2024 Quarterly Activities Report

Key Highlights

MINIM MARTAP BAUXITE PROJECT

- Completion of RC and Diamond Drill Program at Minim Martap, Makan and Ngaoundal tenements
 - Drill program comprised of 1,526 boreholes for 23,254m with exceptional drill core recovery achieved across all diamond drill holes
 - Analysis of drill results is ongoing and planned to be used to update the existing JORC Mineral Resource Estimate
- Subsequent to the end of the reporting period, Canyon signed underwriting agreement to acquire rolling stock for the development of Minim Martap

CORPORATE

- Annual General Meeting held on 28 November 2024 and all resolutions were passed by way of a poll
- Cash position at 31 December 2024 of AUD\$15.6 million
- Subsequent to the end of the reporting period, Mr Kudzai Mtsambiwa appointed as Chief Financial Officer

UPCOMING MILESTONES

- Canyon is advancing its flagship Minim Martap Bauxite Project through multifaceted workstreams including:
 - Results of drilling campaign to be assessed and released in 1H 2025
 - JORC-compliant Mineral Resource Estimate to be updated in 1H 2025
 - Advance discussions on logistics (port and rail access agreements) with agreements expected to be completed in 1H 2025
 - Progressing the Definitive Feasibility Study (DFS) towards scheduled release in Q3 2025
 - Progress and finalise offtake agreements in 2H 2025
 - Mining permits for Makan & Ngaoundal – 2H 2025
 - Finalise financing by the end of 2025

Canyon Resources Limited (**ASX: CAY**) ("**Canyon**" or "**the Company**") is pleased to report on activities at the 100%-owned Minim Martap Bauxite Project ("**Minim Martap**" or "**the Project**") in Cameroon, for the quarter ended 31 December 2024 ("**the Quarter**").

MINIM MARTAP BAUXITE PROJECT (100% CAY)

Completion of RC and Diamond Drill Program

The Company completed its RC and Diamond Drill program across the Minim Martap, Makan and Ngaoundal tenements located in Cameroon.

The program commenced in December 2023 with the original objective of completing 772 drill holes. Canyon's management team decided to expand the drilling campaign in both size and scale to create a robust data set that would support analysis of the geology of the broader Minim Martap Project, ahead of an update to the existing JORC Mineral Resource Estimate.

Upon completion, the drill program totalled 1,526 boreholes for 23,254m.

The program was led by Camalco Cameroon SA ('**Camalco**') operators and supported by SRK Australia and additional exploration consultants.

The drill program generated exceptional drill core recoveries across all diamond holes. Assays were shipped from Cameroon to Australia between August and October 2024 with analysis ongoing. Results from the drill program will be announced in 1H 2025 and will be implemented into an updated JORC-compliant Mineral Resource Estimate to support the ongoing Definitive Feasibility Study.



Image 1: Minim Martap drilling team

Underwriting agreement to acquire rolling stock for the development of Minim Martap

Subsequent to the end of the reporting period, Canyon announced that the Company's major shareholder, Eagle Eye Asset Holdings Pte Ltd ('**EEA**'), agreed to underwrite the full debt requirements to finance the purchase of 22 locomotives and 550 wagons ('**rolling stock**') and the purchase of a 5 year warranty and

service agreement on that rolling stock for Minim Martap. The full underwritten loan amount stands at USD123,956,539 and under the terms of the agreement, an underwriting fee of 3% of the total underwritten amount, equivalent to USD3,718,696 will be payable upfront to EEA and where EEA is called upon under its underwriting, EEA will lend the money to Camalco on an unsecured basis.

The purpose of the financing is to allow Camalco to close out negotiations and then place an order for the delivery of the rolling stock for Minim Martap. The purchase of these long-lead items will mark a significant milestone for the Project and will ensure control over logistics, cost efficiency and reliability, with investment into this essential infrastructure demonstrating unwavering confidence in the Project. Camalco is in advanced stages of agreeing the terms for access to the rail assets of CamRail.

The Company is now working towards finalising the acquisition of the rolling stock and upon completion will bolster Minim Martap's logistical framework and most importantly, underscores Canyon's commitment in rapidly developing the Project towards production status, at a time when the Definitive Feasibility Study (DFS) is in progress and on track for release in Q3 2025.

Future Work Program

Canyon has a busy work program planned for financial year 2025, with a key focus on completing several key development workstreams and progressing Minim Martap towards production. Key focus areas include:

- Results of drilling campaign to be assessed and released – 1H 2025
- JORC-compliant Mineral Resource Estimate to be updated – 1H 2025
- Agreements for rail and port access and secure logistics support – 1H 2025
- Release of DFS – Q3 2025
- Finalise offtakes – 2H 2025
- Mining permits for Makan & Ngaoundal – 2H 2025
- Finalise financing – by the end of 2025

PROJECTS & ASSETS

In accordance with ASX Listing rule 5.3.3, the Company advises:

- No tenements were acquired or disposed of during the Quarter;
- No farm-in or farm-out agreements were entered into during the Quarter; and
- The following tenements were held at the end of the Quarter:

PERMITS	Ministry Order / Presidential Decree Number	LICENCE NUMBER	LOCATION	AREA (KM ²)	STATUS	BENEFICIAL INTEREST
<u>MINIM MARTAP PROJECT</u>						
Ngaoundal	Ministry Order No: AR000069/A/MINMIDT/SG/DM/SDCM of February 25, 2022	514	Cameroon	180	Live	100%
Minim Martap	Presidential Decree No: 2024/382 of September 2, 2024	513	Cameroon	499	Live	100%
Makan	Ministry Order No: AR000068/A/MINMIDT/SG/DM/SDCM of February 25, 2022	566	Cameroon	302	Live	100%

CORPORATE

Appointment of Chief Financial Officer

Subsequent to the end of the reporting period, Canyon appointed Mr Kudzai Mtsambiwa as Chief Financial Officer (CFO) taking effect 15 January 2025. Mr Mtsambiwa also assumed the role of Company Secretary and management of the investor relations function for Canyon.

Mr Mtsambiwa will support the financing function of the business, including negotiations relating to rail and port access agreements, completion of the DFS, progressing discussions with various parties regarding potential offtake and progressing financing opportunities.

Mr Mtsambiwa holds over a decade of experience as a Chartered Accountant and is an experienced CFO. Most recently, Mr Mtsambiwa was CFO of Coda Minerals Ltd (ASX: COD) between September 2021 to January 2025 and prior to that, held the position of Group Financial Controller and Group Planning and Business Analyst at Perseus Mining Ltd (ASX: PRU).

Annual General Meeting

The Company held a General Meeting on the 28th November 2024. All resolutions were passed by way of a poll.

Financial Position & Use of Funds

During the Quarter, expenditure on the Project totalled \$3.5 million as disclosed in the accompanying Appendix 5B and focused on the completion of the RC and Diamond Drill program across the Minim Martap, Makan and Ngaoundal tenements as well as maintaining the tenements that the Company holds.

In accordance with ASX Listing rule 5.3.2, nil was spent on mine production and development activities during the Quarter.

In accordance with ASX Listing rule 5.3.5, the aggregate amount of payments made to related parties and their associates for the Quarter is ~\$67,000. These payments consisted of Director's fees, salaries and superannuation and were made on normal commercial terms.

During the Quarter, 3,000,000 vested performance rights previously issued under the Company's employee incentive plan were exercised and 3,000,000 fully paid ordinary shares issued.

In addition to the above, 15,000,000 options (exercisable at \$0.10 and expiring on 8 October 2027) were issued under the employee incentive plan as approved by shareholders on 9 September 2024.

The Company had a cash balance of AUD \$15.6 million at quarter end.

ENDS

This announcement has been approved for release by the Board of Canyon Resources Limited

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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.

About Canyon Resources

Canyon Resources is developing its flagship Minim Martap Bauxite Project in Cameroon, which contains over 1 billion tonnes of high-grade, low contaminant bauxite, with significant exploration upside.

Minim Martap is a world-class Project supported by a Bank Feasibility Study released in June 2022. Results from the BFS confirmed Minim Martap as a robust long-term project, containing some of the highest-grade bauxite globally for an initial 20 years of mining.

The 20-year mining schedule represents only 10.6% of the current Minim Martap Resource and technical studies have identified opportunities for a significant future increase in production tonnages.

Cameroon has enjoyed successful development and construction of industry and infrastructure, particularly agriculture, roads, railways and ports, including a hydro-electric powered aluminium smelter at Edea, utilising imported alumina. Importantly, Cameroon provides a solid foundation to support a significant mining industry, from fundamental infrastructure and mineral deposits to a highly skilled population with experience in technical vocations, exploration, construction and mining.

CANYON RESOURCES LIMITED – INTEREST IN MINERAL PROPERTIES

Permits	Location	Interest at 31 December 2024	Interest at 30 September 2024
<u>MINIM MARTAP PROJECT</u>			
Ngaoundal	Cameroon	Own 100%	Own 100%
Minim Martap	Cameroon		
Makan	Cameroon		

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Canyon Resources Limited

ABN

13 140 087 261

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(835)	(3,083)
	(b) development		
	(c) production		
	(d) staff costs	(881)	(1,422)
	(e) administration and corporate costs	(651)	(1,107)
1.3	Dividends received (see note 3)		
1.4	Interest received	179	611
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(2,188)	(5,001)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(4)	(130)
	(d) exploration & evaluation	(2,691)	(3,908)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(2,695)	(4,038)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	2,764
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(20)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(5)	2,744

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,289	22,166
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,188)	(5,001)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,695)	(4,038)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	2,744

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	152	(318)
4.6	Cash and cash equivalents at end of period	15,553	15,553

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,153	5,889
5.2	Call deposits	9,400	14,400
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,553	20,289

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	67
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,188)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,691)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(4,879)
8.4	Cash and cash equivalents at quarter end (item 4.6)	15,553
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	15,553
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a		

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.