

---

## **CANYON RESOURCES LIMITED**

**ACN 140 087 261**

### **NOTICE OF ANNUAL GENERAL MEETING**

---

Notice is given that the Meeting will be held at:

**TIME:** 10.00 am (WST)  
**DATE:** 27 November 2019  
**PLACE:** Level 9, 863 Hay Street  
Perth, Western Australia

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST time) on 26 November 2019.***

---

## BUSINESS OF THE MEETING

---

### AGENDA

---

#### 1. FINANCIAL STATEMENTS AND REPORTS – PERIOD JULY 2018 – JUNE 2019

To receive and consider the annual financial statements, the Directors' Report and the Audit Report of the Company for the year ended 30 June 2019.

**Note: there is no requirement for Shareholders to approve these reports.**

---

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual remuneration report as set out in the directors' report for the financial year ended 2019."*

Please note that in accordance with section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any member of the Key Management Personnel of the Company whose remuneration is included in the remuneration report, or a closely related party of such member. However, the Company will not disregard any votes cast on this Resolution by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair of the Meeting voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

---

#### 3. RESOLUTION 2 – ELECTION OF STEVE ZANINOVICH AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That for the purposes of rule 12.7 (b) of the Constitution, ASX listing Rule 14.4 and for all other purposes, Steve Zaninovich, a Director of the Company, who was appointed as an additional director on 30 January 2019 retires, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

---

#### 4. RESOLUTION 3 – RE-ELECTION OF DAVID NETHERWAY AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That David Netherway, being a Director of the Company, who retires by rotation in accordance with Listing Rule 14.4 and clause 12.3 of the Company's Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

---

## 5. RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

*“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities under the Additional 10% Placement Facility (except a benefit solely by reason of being a holder of ordinary securities), or any Associate of those persons. However, the Company will not disregard a vote cast on this Resolution by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chair of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Important note:** The persons to whom any Equity Securities under the Additional 10% Placement Facility may be issued to are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

---

## 6. RESOLUTION 5 – ISSUE OF SHARES – CAMEROON LOCAL PARTNER – SERGE ASSO'O

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any Associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## 7. RESOLUTION 6 – ISSUE OF SHARES – ALTUS STRATEGIES PLC

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 15,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a

holder of ordinary securities in the entity) or any Associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## 8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES - PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any Associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## 9. RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO STEVE ZANINOVICH NON EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,800,000 Performance Rights to Steve Zaninovich (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any Associates of those Directors. The Company will also exclude any person whose, in the opinion of the ASX under rule 10.14.3, relationship with the entity, a Director or Associate of a Director of the entity is such that approval should be obtained. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Where the Chair is the related party the subject of this Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of this Resolution.

---

## 10. RESOLUTION 9 – ADOPTION OF THE CANYON LONG TERM INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled the Canyon Long Term Incentive Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), or any Associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Where the Chair is the related party the subject of this Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of this Resolution.

---

## 11. RESOLUTION 10 – FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.17 and Clause 12.8 of the Company's Constitution, the maximum aggregate amount of directors' fees that may be paid to the Company's non-executive directors per annum is increased by \$100,000, from \$300,000 per annum to \$400,000 per annum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, or any Associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Where the Chair is the related party the subject of this Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of this Resolution.

**Dated: 24 October 2019**

**By order of the Board**

A handwritten signature in black ink, appearing to read 'J. Lewis', with a large, stylized initial 'J'.

**John Lewis**  
**Company Secretary**

### **Voting in person**

---

To vote in person, attend the Meeting at the time, date and place set out above.

### **Voting by proxy**

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6382 3342.***

---

## EXPLANATORY STATEMENT

---

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

---

### 1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General Meeting. The Annual Financial Statements for the period ended June 2019 are included in the Company's Annual Report to shareholders (**Annual Report**), a copy of which can be accessed on-line at [www.canyonresources.com.au](http://www.canyonresources.com.au). Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, HLB Mann Judd, will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 20 November 2019 to the Company Secretary on +61 6382 3342.

---

### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 Background

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2019 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 2019 Annual Report. The Annual Report is available on the Company's website at [www.canyonresources.com.au](http://www.canyonresources.com.au).

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 2019.



The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and key management personnel.

The Chair of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

## 2.2 Regulatory Requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, sections 250U and 250V of the Corporations Act sets out a "two strikes" re-election process, pursuant to which:

- (a) if, at a subsequent annual general meeting (**Later Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted are against the adoption of that remuneration report;
- (b) at the immediately preceding annual general meeting (**Earlier Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted were against the adoption of that remuneration report; and
- (c) a resolution was not put to the vote at the Earlier Annual General Meeting under an earlier application of section 250V of the Corporations Act,

then the Company must put to vote at the Later Annual General Meeting a resolution, requiring Shareholders to vote on whether the Company must hold another general meeting (**Spill Meeting**) to consider the appointment of all of the Directors at the time the Directors Report was approved by the Board who must stand for re-appointment (other than the Managing Director) (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding the Managing Director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end the Spill Meeting and may stand for re-election at the Spill Meeting.

At the Company's 2018 Annual General Meeting, less than 25% of the eligible votes cast in respect of the 2018 remuneration report were cast against the adoption of the 2018 remuneration report. Accordingly, a Spill Resolution will not be put to the Meeting even if 25% or more of the votes cast in respect of the 2019 Remuneration Report are against the adoption of the 2019 Remuneration Report.

## 2.3 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

---

### **3. RESOLUTION 2 – ELECTION OF STEVEN ZANINOVICH AS A DIRECTOR**

#### **3.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed to fill a casual vacancy or as an addition to the Board must not hold office, without re-election, past the next annual general meeting of the Company.

Mr Zaninovich, having been appointed by other Directors on 30 January 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

#### **3.2 Qualifications and other material directorships**

Mr Zaninovich has spent more than 20 years in project development, maintenance and operational readiness in the mining industry including, most recently, as Project Director of Tawana Resources, responsible for the delivery of the Bald Hill Lithium Project. Prior to that, he served as Chief Operating Officer with Gryphon Minerals Limited (**Gryphon**) before assuming the role of Vice President of Major Projects, and becoming part of the Executive Management Team, at Teranga Gold Corporation (**Teranga**) following its acquisition of Gryphon. During his time with Teranga and Gryphon, and also earlier in his career, Mr Zaninovich gained specific expertise in the development of multiple mining operations across various commodities and jurisdictions in West Africa. He has also taken on consultant project management roles for companies including BHP Billiton, Newmont Mining and Gold Fields.

Mr Zaninovich's responsibilities during previous senior executive roles have included operational running of companies, business and strategic planning, feasibility studies and project development, site exploration operations, health and safety, environmental and social responsibility, human resources, risk management, project generation, strategic direction and procurement and contracts.

During the past three years, Mr Zaninovich has held a directorship with Indiana Resources Ltd.

#### **3.3 Independence**

In his current capacity as a non-executive director of the Company, Mr Zaninovich has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers that Mr Zaninovich will be an independent director.

#### **3.4 Board recommendation**

The Directors (other than Steve Zaninovich) unanimously recommend that Shareholders vote in favour of Resolution 2.

---

### **4. RESOLUTION 3 – RE-ELECTION OF DAVID NETHERWAY AS A DIRECTOR**

#### **4.1 Background**

In accordance with Listing Rule 14.5 and clause 12.3 of the Company's Constitution, at every annual general meeting an election of Directors must take place. Listing Rule 14.4 prevents a Director from holding office (without re-

election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

For this reason, David Netherway retires by way of rotation and, being eligible, offers himself for re-election as a Director.

David Netherway is a mining engineer with over 40 years of experience in the mining industry and until the takeover by Gryphon, was CEO of Shield Mining Limited, an ASX listed exploration company. He was involved in the construction and development of the New Liberty, Iduapriem, Siguiri and Kiniero gold mines in West Africa and has extensive mining experience in Africa, Australia, China, Canada, India and the former Soviet Union.

David Netherway currently serves as non-executive Chairman of Canyon. Over the past three years, David Netherway was also the non-executive Chairman of Kilo Goldmines [TSX-V: KGL] and of Altus Strategies plc [ALS:AIM & ALTS:TSX-V] and he is a non-executive director of Avesoro Resources [TSX/AIM: ASO] and of Kore Potash plc [ASX, AIM & JSE: KP2].

Further details about David Netherway are set out in the Company's 2019 Annual Report which is available at [www.canyonresources.com.au](http://www.canyonresources.com.au).

## **4.2 Board Recommendation**

The Directors (other than David Netherway) unanimously recommend that Shareholders vote in favour of Resolution 3.

---

## **5. RESOLUTION 4 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

### **5.1 Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 4 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(b) of this Notice of Annual General Meeting below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

### **5.2 Regulatory Requirements**

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

(a) **Minimum Issue Price**

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 5 business days.

(b) **Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 443,276,469 Shares on issue. Accordingly, if Shareholders approve Resolution 4, the Company will have the capacity to issue approximately 44,327,647 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

**(A x D) – E**

**A =** the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4; and
- (d) less the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D =** 10%

**E =** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		0.078 50% decrease in Issue Price	\$0.155  Issue Price	\$0.233  50% increase in Issue Price
<b>Current Variable A</b>  443,276,469 Shares	Shares issued (10% Voting Dilution)	44,327,646 New Shares	44,327,646 New Shares	44,327,646 New Shares
	Funds raised	\$3,435,393	\$6,870,785	\$10,306,178
<b>50% increase in current Variable A</b>  664,914,704 Shares	Shares issued (10% Voting Dilution)	66,491,470 New Shares	66,491,470 New Shares	66,491,470 New Shares
	Funds raised	\$5,153,089	\$10,306,179	\$15,459,267
<b>100% increase in current Variable A</b>  886,552,938 Shares	Shares issued (10% Voting Dilution)	88,655,293 New Shares	88,655,293 New Shares	88,655,293 New Shares
	Funds raised	\$6,870,785	\$13,741,570	\$20,612,356

**The table has been prepared on the following assumptions:**

1. Variable A is 443,276,469 being the number of ordinary securities on issue at the date of this Notice of Meeting.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. No Options or Performance Rights are exercised into Shares before the date of issue of the Equity Securities.
4. The Company has not issued any other Equity Securities using its placement capacity under Listing Rule 7.1 or 7.1A in the 12 months preceding this Notice of Meeting.

5. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
8. The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares.
9. The issue price is \$0.155, being the closing price of the Shares on ASX on 23 October 2019, being the last trading day before the date of this Notice of Annual General Meeting.

(c) **Issue Period**

If Shareholders approve Resolution 4, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period.

(d) **Purpose of Issues**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards project development and general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to which the Company

will issue the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The persons to whom the Company will issue Equity Securities under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and / or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the persons to whom the Company will Equity Securities under the 10% Placement Facility will be the vendors of the new resources assets or investments.

(f) **Previous issues of Equity Securities under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2018 Annual General Meeting held on 23 November 2018.

In the 12 months preceding the date of the Annual General Meeting, the Company has issued 71,000,000 Equity Securities which represents 19% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of the Equity Securities issued in the 12 month period are outlined in Schedule 3 to this Notice of Meeting.

(g) **Voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

### 5.3 Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 4.

---

## 6. BACKGROUND TO MINIM MARTAP BAUXITE PROJECT

### 6.1 General

As announced to the ASX on 9 August 2018, the Minister of Mines of Cameroon granted to Camalco Cameroon S.A., a wholly-owned affiliate of Canyon Resources Ltd the following three exploration licences for bauxite and related minerals that comprise the Minim Martap Bauxite Project in Cameroon (**Minim Martap Project**):

- the Minim Martap Exploration Licence;
- the Makan Exploration Licence; and
- the Ngouandal Exploration Licence,

(together, the **Licences**).

The Minim Martap Project is a large scale bauxite deposit located in the Adamawa region of Cameroon, alongside Canyon's existing Birsok Bauxite Project. The Minim Martap Project encompasses two deposits, namely the Ngouandal and Minim Martap deposits, which are located within 25 km of each other. The total area of the permits is 1,349 km<sup>2</sup>.

The Licences are valid for a three (3) year period and contain a number of predefined work commitments that are consistent with the Company's development proposal.

Previous work completed by Canyon 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 and reactive silica, high gibbsite, low boehemite and low on other contaminants.

On 4 September 2018 Canyon announced the upgrade of the JORC (2004) compliant resource for its Minim Martap Project to a JORC (2012) compliant resource. The Mineral Resource upgrade from JORC 2004 to JORC 2012 was independently completed by SRK Consulting (Australasia) Pty Ltd. Consequently, the Minim Martap Project then had a JORC (2012) compliant resource of 550Mt at an average grade of 45.5% total Al<sub>2</sub>O<sub>3</sub> and total 2.06% SiO<sub>2</sub>, comprising:

- an Indicated Resource of 88Mt averaging 41.8% Al<sub>2</sub>O<sub>3</sub> and 1.3% SiO<sub>2</sub>; and
- an Inferred Resource of 466Mt averaging 46.2% Al<sub>2</sub>O<sub>3</sub> and 2.2% SiO<sub>2</sub>.

On 26 September 2019 the Company reported a significant resource upgrade to Minim Martap Project with the total tonnes increasing 62% and the Indicated Resource component increasing by 850%.

The Minim Martap Project now has a total resource estimate of 892Mt at 45.1% Al<sub>2</sub>O<sub>3</sub>, 2.8% SiO<sub>2</sub> (Cut-off Grade 35% Al<sub>2</sub>O<sub>3</sub>), which is comprised of:

- an Indicated resource of 839Mt at 45.2% Al<sub>2</sub>O<sub>3</sub>, 2.8% SiO<sub>2</sub> (Cut-off Grade 35% Al<sub>2</sub>O<sub>3</sub>); and



- a high-grade Indicated resource of 431Mt at 48.8% Al<sub>2</sub>O<sub>3</sub>, 2.6% SiO<sub>2</sub>. (Cut-off Grade 45% Al<sub>2</sub>O<sub>3</sub>).<sup>1</sup>

With still only 40% of available bauxite plateaux previously tested, the Minim Martap Project offers the potential to significantly increase the total tonnage defined and to identify substantial very high grade, low impurity zones within the deposit. Canyon will commence activities to further define the deposit size and to identify very high-grade zones within the total deposit area.

## 6.2 Project Infrastructure

The Minim Martap Project is supported by its relative proximity to an operating rail line connecting the Project area to the existing port of Douala. In addition, Canyon has engaged with the Government of Cameroon regarding an extension of the existing rail line to the new Kribi Deep Sea Port, which lies approximately 130km from the existing rail line. The Government is at an advanced feasibility and planning stage for this extension and has already started land clearing of the road and rail corridor to connect the port to the existing road and rail infrastructure.

Whilst operating the Birsok Bauxite Project over the past five years, Canyon has been working with Camrail, SA, the rail operator and the Government of Cameroon regarding the under-utilised capacity of the existing rail line.

## 6.3 Brief History of the Minim Martap Project

The Minim Martap Project encompasses two deposits, namely the Minim Martap and Ngaoundal deposits in the Adamawa region of Cameroon. The Cameroon Government's Mines and Geology division (**MGD**) discovered the Minim Martap and Ngaoundal deposit in 1958. The deposit was studied initially by MGD and then by BRGM (The French Geological Survey) between 1958 and 1961. Exploration resumed between 1969 and 1972 by SEBACAM (Societe d'Etudes des Bauxite du Cameroun), a partnership between the Cameroon Government and French company, Groupe Pechiney (Pechiney Ugine Kuhlmann).

Cameroon Alumina Ltd Sarl (**CAL**), applied for and was granted two exploration permits over the Minim Martap and Ngaoundal deposits around 2006. Systematic exploration occurred in 2008 and 2009 with a drilling and assaying program at both Minim Martap and Ngaoundal. The drilling program was conducted by SRK Consulting on behalf of CAL and completed 852 holes for 11,358m of drilling across 14 plateaux on both the Minim Martap and Ngaoundal deposits.

The exploration work conducted by CAL was reported to be of an international standard and the Resource evaluation complied with the JORC Code (2004), pre-dating the JORC Code (2012) standard. In 2016 the permits comprising the Project were returned to the state of Cameroon.

## 6.4 Local Cameroon Partner

Canyon spent over three years in discussions with the Government of Cameroon regarding the acquisition of the Minim Martap Project.

The Company engaged Mr Serge Asso'o under a consultancy arrangement to assist it in its negotiations with the Government and to navigate the many levels of Government involved in the process (**Consultancy Agreement**).

---

<sup>1</sup> This Mineral Resources estimate was initially announced to the ASX on 27 September 2019. For further details, including the assumptions and methodology and competent persons statement in connection with the Mineral Resources estimate, please refer to that announcement. The Company confirms that it is not aware of any new information or data that materially affects the information included in that market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed.

The Company agreed to pay Mr Asso'o a success fee comprised of Shares upon the successful granting of the Minim Martap Project to Canyon and the satisfaction of a number of project related milestones.

Under the terms of the Consultancy Agreement, Mr Asso'o is entitled to receive, subject to shareholder approval, Shares based on the satisfaction of hurdles as follows:

- (a) the issue of 30,000,000 Shares on the date the Company receives the final approval for the grant of the Minim Martap Project from the Government of Cameroon (**Licence Commencement Date**), subject to 50% of these Shares being subject to a 6 month voluntary escrow from the date of issue (**Tranche 1**). Shareholders approved the resolution to issue Tranche 1 at the Company's AGM on 23 November 2018. The Shares were issued on 17 December 2018;
- (b) the issue of 20,000,000 Shares on the date being 12 months after the Licence Commencement Date subject to the Company still being the registered holder or entitled to the benefit of the Minim Martap Project, and 50% of these Shares being subject to a 6 month voluntary escrow from the date of issue (**Tranche 2**);
- (c) the issue of 20,000,000 Shares upon the completion and execution of a final detailed Mining Convention with the Government of Cameroon for the mine and infrastructure related to the Minim Martap Project. A final Mining Convention includes all rail, port, other infrastructure and land access agreements for the Project, all taxation agreements and other duties relating to the Project, commitments regarding local employment, environmental and community agreements and all other agreements with the Government of Cameroon that relate to the long term operation of the Project (**Tranche 3**); and
- (d) the issue of 30,000,000 Shares upon the issuing of a Mining Permit, the securing and confirmation of full mine funding and the Final Investment Decision by the Board to commence mine construction. A mining permit can only be issued by the Government of Cameroon upon the execution of the Mining Convention, a detailed Bankable Feasibility Study (BFS) being accepted by the Government and the securing of full funding for the mine construction (**Tranche 4**).

---

## **7. RESOLUTION 5 – APPROVAL FOR THE OF ISSUE OF SHARES – CAMEROON LOCAL PARTNER - SERGE ASSO'O**

As announced to the ASX on 9 August 2018, the Company received the final approval for the grant of the Minim Martap Project from the Government of Cameroon. Subsequently, Shareholders approved the issue of the Tranche 1 Shares at the Company's AGM on 23 November 2018 and the Tranche 1 Shares were issued on 17 December 2018.

Resolution 5 seeks Shareholder approval for the issue of the Tranche 2 Shares to Mr Asso'o in accordance with the Consultancy Agreement. The Company will seek any necessary approval for Tranches 3 and 4 (summarised in Section 6.4 above) at the appropriate time.

### **7.1 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Shares to be issued is 20,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting;

- (c) the Shares are issued in consideration of the services to be provided under the Consultancy Agreement set out in Section 6.4 above;
- (d) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares are to be issued to Mr Serge Asso'o. The subscriber is not and will not be a related party of the Company;
- (f) the Shares will be issued no later than 3 months after the date of the Meeting, being no later than 26 February 2020. The Shares will not be issued progressively;
- (g) no funds were raised from this issue as the issue of Shares is in consideration for services provided and to be provided under the Consultancy Agreement; and
- (h) a Voting Exclusion Statement has been provided for this Resolution in the Agenda Section of this Notice of Meeting.

---

## **8. BACKGROUND TO BIRSOK PROJECT**

### **8.1 General**

In 2013, the Company entered into a Farm-In and Incorporated Joint Venture Agreement (**Birsok JV Agreement**) with wholly-owned subsidiaries of Altus Strategies plc (**Altus**) including Alures Mining Limited, Avance African Group Limited and several other parties, pursuant to which Canyon had the right to earn up to a 75% interest in the Birsok Project. In accordance with the Birsok JV Agreement, the Company issued 8,000,000 Shares (**Initial Consideration Shares**) to Altus on 24 December 2014, following approval at the Company's 2014 annual general meeting.

As announced on 12 October 2018, the parties have now agreed to terminate the Birsok JV Agreement and enter into a new transaction, pursuant to which the Company will acquire 100% of the Birsok Project (**Proposed Acquisition Agreement**). Further details of this proposed agreement are set out in Section 8.2 below.

The Birsok Project is strategically located in an emerging bauxite region of Cameroon contiguous with the Minim Martap Project deposit and approximately 10km from an operating rail line.

Altus currently has a Voting Power of 0.60% of the Company as a result of the sale of a number of the shares issued as the Initial Consideration Shares in 2014. Upon the issue of all Shares required to be issued under the Proposed Acquisition Agreement (details of which are set out below), Altus will increase its Voting Power to 6.90% (based on the number of Shares on issue as at the date of this Notice of Meeting and assuming no Options are exercised or other Shares are issued). Mr David Netherway who is a Director and Chairman of the Company is also a Director and Chairman of Altus and holds a 6.1% interest in Altus. However, Altus is not a related party for the purposes of the Corporations Act or the ASX Listing Rules.

### **8.2 Summary of the Proposed Acquisition Agreement**

Under the Proposed Acquisition Agreement, the Company has agreed to acquire 100% of the Birsok Project in consideration for:

- (a) the issue of 15,000,000 Shares to be issued upon completion of the transfer (**Milestone A Shares**);

- (b) the issue of 10,000,000 Shares to be issued 12 months following the issue of the Milestone A Shares and subject to a 12 month voluntary escrow period (**Milestone B Shares**);
- (c) the issue of a further 5,000,000 Shares to be issued upon the earlier of 24 months following the issue of the Milestone A Shares or the execution of the final mining convention on the Minim Martap Project and subject to a 12 month voluntary escrow period (**Milestone C Shares**); and
- (d) a US\$1.50 per tonne royalty on ore mined from the Birsok Project.

The parties have also agreed that if a change of control event occurs in relation to the Company, the Company will issue all remaining Milestone A, B and/or C Shares and all voluntary escrow arrangements will be terminated.

The above obligations are in addition to the Initial Consideration Shares and are subject to Shareholder approval, formal documentation and any other regulatory approvals as required.

Resolution 6 of this Notice of Meeting relates to the issuance of the Milestone A Shares only. The Company will seek additional Shareholder approval for the issue of the Milestone B Shares and Milestone C Shares at the appropriate time in the future.

---

## 9. **RESOLUTION 6 – APPROVAL FOR THE OF ISSUE OF SHARES – ACQUISITION OF THE BIRSOK PROJECT**

Resolution 6 seeks Shareholder approval for the issue of the Milestone A Shares to Altus, in accordance with the Proposed Acquisition Agreement. Shareholders approved the issue of the Milestone A Shares at the AGM on 23 November 2018. However, Altus failed to complete the transaction within the 3 month period permitted by the ASX Listing Rules and the Company now seeks Shareholders reapproval of this Resolution to issue the Shares.

### 9.1 **Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the maximum number of Shares to be issued is 15,000,000;
- (b) the Shares will be issued upon the completion of the transfer of the Birsok Project to the Company which is expected to occur no later than 3 months after the date of the meeting or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules;
- (c) the Shares will be issued in partial consideration for the acquisition of a 100% interest in the Birsok Project;
- (d) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares are to be issued to Altus Strategies plc who is not a related party of the Company;
- (f) no funds will be raised from this issue as the issue of Shares is in partial consideration for the Company acquiring a 100% interest in the Birsok Project; and
- (g) a Voting Exclusion Statement has been provided for this Resolution in the Agenda Section of this Notice of Meeting.

---

## **10. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES - PLACEMENT**

### **10.1 General**

On 29 July 2019, the Company issued a total of 25,000,000 Shares at \$0.16 per Share as a capital raise in the form of a placement to institutional and sophisticated investors to raise \$4,000,000 before costs (**2019 Placement**).

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **10.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 25,000,000 Shares were issued on 29 July 2019 under the Company's placement capacity pursuant to ASX Listing Rule 7.1;
- (b) the issue price was \$0.16 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to institutional and sophisticated investor clients of BW Equities Pty Ltd. None of these subscribers are related parties of the Company;
- (e) funds raised from this issue are to be used to further evaluate exploration of the Minim Martap Project in Cameroon and provide general working capital; and
- (f) a Voting Exclusion Statement has been provided for this Resolution in the Agenda Section of this Notice of Meeting.

---

## **11. RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO STEVE ZANINOVICH NON EXECUTIVE DIRECTOR**

### **11.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue Performance Rights to Steve Zaninovich (**Related Party**) on the terms and conditions set out below.

Accordingly, Shareholders are being asked to approve Resolution 8 to allow 1,800,000 Performance Rights that may vest under the Company's Long Term Incentive Plan to be issued to Mr Zaninovich, as set out below.

## 11.2 Rationale

The primary purpose of the issue of the Performance Rights under Resolutions 8 is to:

- (a) recognise the outstanding achievements realised by the Related Party to date, including in relation to the upgrade of the JORC Resource at the Minim Martap Project; and
- (b) provide a performance linked incentive component in the remuneration package for the Related Party to motivate and reward the performance of the Related Party in his role as Directors.

The Board has determined that the grant of Performance Rights to the Related Party will align the interests of the Related Party with those of Shareholders by creating a stronger link between performance resulting in increased Shareholder value and reward to the Related Party. Each Related Party will have a greater involvement with, and share in, any future growth and profitability of the Company.

The grant of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Party.

It is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed.

## 11.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

If Shareholder approval is given under ASX Listing Rule 10.14, then the Company is not required to seek approval under ASX Listing Rule 7.1.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights to the Directors:

- (a) The Performance Rights are proposed to be issued to Mr Steve Zaninovich, who is a Related Party to the Company by virtue of being Director.
- (b) The maximum number of Performance Rights to be issued under Resolution 8 is 1,800,000 Performance Rights.
- (c) The Performance Rights will be in consideration of the past and future performance of the Directors. No funds will be raised from the issue of the Performance Rights.
- (d) The following persons referred to in ASX Listing Rule 10.14 received securities under the Company's Long Term Incentive Plan since its last approval:

<b>Name</b>	<b>Type of Security</b>	<b>Number of Securities</b>	<b>Acquisition price of Securities</b>
David Netherway	Performance Shares	2,500,000	Nil subject to vesting milestones which have now been satisfied
Phillip Gallagher	Performance Shares	2,500,000	Nil subject to vesting milestones which have now been satisfied
Emmanuel Correia	Performance Shares	3,000,000	Nil subject to vesting milestones which have now been satisfied
Employees and consultants	Performance Shares	3,000,000	Nil subject to vesting milestones which have now been satisfied
David Netherway	Performance Rights	5,000,000	Nil subject to vesting milestones one third of which have now been satisfied
Phillip Gallagher	Performance Rights	8,000,000	Nil subject to vesting milestones one third of which have now been satisfied
Emmanuel Correia	Performance Rights	5,000,000	Nil subject to vesting milestones one third of which have now been satisfied

- (e) All Directors are entitled to participate in the Plan.
- (f) A Voting Exclusion Statement has been provided for Resolution 8 in the Agenda Section of this Notice of Meeting.
- (g) The Performance Rights will be issued subject to the following vesting conditions and otherwise on the terms set in the Company's Long Term Incentive Plan, a summary of which is outlined in Schedule 4:
  - (i) One third will vest upon the completion of 12 months tenure as a Non-executive director of the Company from the date of the AGM ;
  - (ii) One third will vest upon the Company completing a capital raising of a minimum of \$10.0 million within the next 24 months;
  - (iii) One third will vest upon the Company completing a PFS, over the Minim Martap Bauxite Project, from which a maiden Bauxite Ore Reserve can be calculated
- (h) The Performance Rights will be issued to Mr Zaninovich no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date.

#### **11.4 Section 208 Corporations Act**

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

It is the view of the Directors that the proposed issue of Performance Rights pursuant to Resolution 8 falls within the "reasonable remuneration" exception under section 211 of the Corporations Act given the circumstances of the Company and the position held by Mr Zaninovich.

Accordingly, the Directors have determined not to seek Shareholder approval for the purposes of section 208 of the Corporations Act for the issue of Performance Rights to Mr Zaninovich.

The Company has nevertheless determined to include the information requirements of section 219 of the Corporations Act below for the benefit of Shareholders, even though the Company is not seeking Shareholder approval for the purposes of section 208 of the Corporations Act. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution 8.

- (a) The Performance Rights are proposed to be issued to Mr Steve Zaninovich, a related Party to the Company by virtue of being a Director (**Related Party**).
- (b) Resolution 8 seeks approval from Shareholders to allow the Company to issue the Performance Rights to Mr Zaninovich as set out in section 11.1 above for nil consideration. The terms of the Performance Rights are set out in section 11.4(g) and Schedule 1.
- (c) The value of the Performance Rights the subject of Resolution 8 and the pricing methodology is set out in Schedule 2.
- (d) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	26 cents	23-Nov-2018
Lowest	14 cents	11 - 13 and 17 - 19 September 2019
Last	15.5 cents	23-Oct-2019

- (e) If the maximum number of Performance Rights are issued under Resolution 8, a total of 1,800,000 Performance Rights would be issued. Upon the vesting of these Performance Rights (based on the number of Shares and Options on issue as at the date of this Notice of Meeting and assuming that no Options are exercised and no other Shares are issued) the shareholding of existing Shareholders would be diluted by an aggregate of 0.41%.
- (f) The relevant interests of the Directors in securities of the Company as at the date of this Notice of Meeting are set out below:

Related Parties	Shares	Performance Shares	Performance Rights	Options
David Netherway	11,079,682	Nil	3,333,334	Nil
Phillip Gallagher	10,095,433	Nil	5,333,333	Nil



Emmanuel Correia	5,746,530	Nil	3,333,333	Nil
Steve Zaninovich	Nil	Nil	Nil	Nil

- (g) The remuneration and emoluments from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

<b>Related Parties</b>	<b>2019 Financial Year<sup>1</sup></b>	<b>2018 Financial Year<sup>1</sup></b>
David Netherway	1,122,785 <sup>2</sup>	185,163
Phillip Gallagher	1,989,842 <sup>2,3</sup>	385,923
Emmanuel Correia	1,110,085 <sup>2</sup>	158,963
Steve Zaninovich	33,330	Nil

**Notes**

<sup>1</sup> Includes salary & fees, superannuation and equity based payments.

<sup>2</sup> The increase in the remuneration of the Directors for the 2019 Financial Year is largely due to the inclusion of the security- based payments (being valued at \$1,001,118 in the case of David Netherway; \$1,594,115 in the case of Phillip Gallagher and \$1,001,118 in the case of Emmanuel Correia) through the issue of securities approved by Shareholders at the Annual General Meeting held on 23 November 2018 and as disclosed in the Company's 2019 Annual Report.

<sup>3</sup> This figure includes accrued annual leave of \$24,591.

## 11.5 Section 200B and 200E Corporations Act

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term "benefit" has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan including the discretion to determine the accelerated vesting or automatic vesting of Performance Rights in certain circumstances.

Under the Plan, a participant may become entitled to accelerated vesting or automatic vesting of Performance Rights if there is a change of control of the Company or if the Board exercises its discretion upon cessation of employment.

Accordingly, Shareholder approval is sought for the Directors to be given any such benefit in connection with his retirement from office or employment with the Company if that occurs within 3 years of the date of this Meeting;

If Shareholder approval is given under Resolution 8, the Company will still be required to comply with ASX Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit will depend on the number of Performance Rights that may vest and the market value of the Shares at the time of cessation of employment.

## 11.6 Board recommendations

Mr Zaninovich declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution

on the basis that he is to be issued Performance Rights should Resolution 8 be passed.

Mr Netherway, Mr Gallagher and Mr Correia recommend that Shareholders vote in favour of those Resolution 8 for the reasons stated in section 11.2 above.

In forming their recommendations, each Director considered the experience of the Related Party, the existing and proposed contribution of the Related Party to the Company and the current market practices when determining the number of Performance Rights to be granted.

## 12. RESOLUTION 9 – APPROVAL OF CANYON LONG TERM INCENTIVE PLAN

Resolution 9 seeks Shareholders approval for the adoption of the employee incentive scheme titled the Canyon Long Term Incentive Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to issue options, performance rights or performance shares (**Plan Securities**) under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that the following securities have previously been issued under the Plan.

Name	Type of Security	Number of Securities	Acquisition price of Securities
David Netherway	Performance Shares	2,500,000	Nil subject to vesting milestones which have now been satisfied
Phillip Gallagher	Performance Shares	2,500,000	Nil subject to vesting milestones which have now been satisfied
Emmanuel Correia	Performance Shares	3,000,000	Nil subject to vesting milestones which have now been satisfied
Employees and consultants	Performance Shares	3,000,000	Nil subject to vesting milestones which have now been satisfied
David Netherway	Performance Rights	5,000,000	Nil subject to vesting milestones one third of which have now been satisfied
Phillip Gallagher	Performance Rights	8,000,000	Nil subject to vesting milestones one third of which have now been satisfied

Name	Type of Security	Number of Securities	Acquisition price of Securities
Emmanuel Correia	Performance Rights	5,000,000	Nil subject to vesting milestones one third of which have now been satisfied

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Plan Securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Plan Securities to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 4. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (+61 8 6382 3343). Shareholders are invited to contact the Company if they have any queries or concerns.

---

### 13. **RESOLUTION 10 – FEES PAYABLE TO NON-EXECUTIVE DIRECTORS**

In accordance with Clause 12.8 of the Company's Constitution and ASX Listing Rule 10.17, Shareholder approval is sought to increase the maximum aggregate amount of directors' fees per annum that may be paid by the Company to its non-executive directors (**Fee Pool**) by \$100,000, from \$300,000 per annum to a maximum aggregate amount of \$400,000 per annum.

Under the ASX Listing Rules, the term "directors' fees" includes committee fees, superannuation contributions and fees which a director sacrifices for other benefits, but does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees or securities issued to non-executive directors with approval of Shareholders in accordance with the ASX Listing Rules.

The Directors are seeking Shareholder approval to increase the Fee Pool for the following reasons:

- For the current financial year, the estimated aggregate amount of non-executive directors' fees is \$250,000. As a result of the diversification of the Company over recent years, the Directors continue to review the size and composition of the Board. The increase in the Fee Pool will provide the Board with the ability to appoint additional directors with the requisite skills and experience as appropriate; and
- The increase will ensure that the Company maintains the ability to pay non-executive directors remuneration at levels commensurate with market rates and as necessary to attract and retain directors of the highest calibre.

The level of non-executive directors' remuneration is reviewed annually to ensure alignment with the market. The Directors are satisfied that the proposed Fee Pool will be within the average bands applying to companies within the Company's industry that are of similar size, profitability, growth and risk profiles and that the proposed increase is appropriate for the reasons set out above.

The following securities have been issued to non-executive directors of the Company under ASX Listing Rules 10.11 or 10.14 at any time within the last three years.

<b>Name</b>	<b>Type of Security</b>	<b>Number of Securities</b>	<b>Acquisition price of Securities</b>
David Netherway	Performance Shares	2,500,000	Nil subject to vesting milestones which have now been satisfied
Emmanuel Correia	Performance Shares	3,000,000	Nil subject to vesting milestones which have now been satisfied
David Netherway	Performance Rights	5,000,000	Nil subject to vesting milestones one third of which have now been satisfied
Emmanuel Correia	Performance Rights	5,000,000	Nil subject to vesting milestones one third of which have now been satisfied

Additional information regarding the remuneration paid to each non-executive director for the financial year ended 30 June 2019, and the Company's approach to the remuneration of non-executive directors, is set out in the Remuneration Report.

---

## GLOSSARY

---

**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the meaning given to that term in the ASX Listing Rules.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** or **Canyon** means Canyon Resources Limited (ACN 140 087 261).

**Constitution** means the Company's constitution adopted on 11 June 2010.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Final Investment Decision** has the meaning given to it in the Birsok JV Agreement.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Key Management Personnel** has the meaning given to that term in section 9 of the Corporations Act.

**Long Term Incentive Plan** means the Long Term Incentive Plan Rules document that empowers the Company to operate the Canyon Resources Limited Long Term Incentive Plan (**Plan**) on the terms outlined in that document and in accordance with the ASX Listing Rules and the Corporations Act.

**Notice, Notice of Annual General Meeting** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Performance Right** means a performance right allocated in accordance with the Plan that is subject to restrictions on Dealing, Vesting Conditions (as defined in the Plan) and/or other restrictions or conditions.

**Plan** means the Canyon Long Term Incentive Plan

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means, unless otherwise stated, a section of the Explanatory Statement.

**Security** means an equity security issued by the Company, including a Share, Option, Convertible Note and Performance Right.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Voting Power** has the meaning given to that term in the Corporations Act.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

Item	Summary
Eligibility	Offers may be made at the discretion of the board of directors of Canyon ( <b>Board</b> ) to employees of Canyon or any other person that the Board determines to be eligible to receive a grant under the Plan.
Performance Rights	A Performance Right is the right to acquire a Share subject to relevant vesting conditions.
Nature of a Performance Right	A Performance Right is effectively a zero priced option that vests subject to the satisfaction of relevant vesting conditions. The vesting conditions are typically a combination of time and performance based milestones.
Offers under the Plan	<p>Unless otherwise specified in an offer document, the Board has the discretion to settle performance rights with a cash equivalent payment.</p> <p>The Board may make offers at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer options, performance shares and Performance Rights in individual offer documents.</p>
Issue Price	Unless the Board determines otherwise, no payment is required for a grant of a Performance Right under the Plan.
Vesting	Vesting of Performance Rights under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document.
Lapsing and forfeiture	Subject to the rules of the Plan ( <b>Rules</b> ) and the terms of the specific offer document, any Performance Rights will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.
Cessation of Employment	Under the Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is proposed that individual offer documents will provide more specific detail on how the entitlements will be treated if the participating employee ceases employment.
Clawback and preventing inappropriate benefits	The Rules provide the Board with customary "clawback" powers if, amongst other things, the participant has acted fraudulently or dishonestly, engaged in gross misconduct or if the participant's entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.
Change of Control	The Board may determine that all or a specified number of a participant's Performance Rights will vest or cease to be subject to restrictions where there is a change of control event in accordance with the Rules. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated on a change of control.

---

## SCHEDULE 2 – VALUATION OF PERFORMANCE RIGHTS

---

Valuation methodology based on rules set out in Division 83A of the Income Tax Assessment Act Guide to market valuation.

The Performance Rights to be issued to the Related Parties pursuant to Resolution 8 have been independently valued.

Using the valuation model noted above and based on the assumptions set out below, the Performance Rights were ascribed a value range, as follows:

<b>Assumptions:</b>	
Valuation date	4 October 2018
Market price of Shares as at 4 October 2018	\$0.15
10 day VWAP	\$0.16
Valuation	50% of 10 day VWAP
<b>Indicative value per Performance Right</b>	<b>\$0.08</b>
- Mr Steve Zaninovich	\$144,000

Note: The valuation ranges noted above are not necessarily the market prices that the Performance Rights could be traded at and they are not automatically the market prices for taxation purposes.



## SCHEDULE 3– DETAILS OF EQUITY SECURITIES ISSUED IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

Issue Date	Number	Type	The persons to whom the Equity Securities were issued or the basis on which those persons were determined	Issue Price	Discount to market price at issue date	Funds raised	Use of Funds
29 July 2019	25,000,000	Shares	Various via Placement to professional and sophisticated investors.	\$0.16 per share	Issued at a 6% discount to the closing price on 30 July 2019 of \$0.17.	\$4,000,000	Currently \$800,000 of the Funds raised has been spent on Minim Martap Bauxite Project development and general working capital purposes.  The remaining \$3,200,000 will also be used primarily for Minim Martap Bauxite Project development and general working capital purposes.
21 February 2019	10,000,000	Shares	Various optionholders via conversion of unlisted options	10,000,000 issued at \$0.12 per share upon exercise of unlisted options.	Issued at a 49% discount to the closing price on 21 February 2019 of \$0.235.	\$1,200,000 raised before costs	The Funds raised were spent on the Minim Martap Bauxite Project development and general working capital purposes.
30 January 2019	6,000,000	Shares	David George Netherway Emmanuel Correia, and Phillip John Gallagher.	Shares issued for nil cash consideration upon conversion of Performance Rights issued to the Directors of the Company pursuant to shareholder approval obtained on 23 November 2018.  Current value: \$930,000, based on the closing price on 23 October 2019 of \$0.155.	N/A.	N/A	N/A
	12,000,000	Performance Rights	David George Netherway Emmanuel Correia, and Phillip John Gallagher.	Performance Rights issued for nil cash consideration to the Directors of the Company pursuant to shareholder approval obtained on 23 November 2018 as an incentive for future performance.  The fair value as at the date of this Notice based on a closing price of \$0.155 as at 23 October 2019 valuation is \$1,860,000.	N/A	N/A	N/A

Issue Date	Number	Type	The persons to whom the Equity Securities were issued or the basis on which those persons were determined	Issue Price	Discount to market price at issue date	Funds raised	Use of Funds
17 December 2018	30,000,000	Shares	Serge Asso'o	<p>Shares issued for nil cash consideration to a consultant in satisfaction of success fees due upon the grant of the Minim Martap Project Licence as approved by shareholders on 23 November 2018.</p> <p>Current value: \$4,650,000, based on the closing price on 23 October 2019 of \$0.155.</p>	N/A.	N/A.	N/A.

---

## SCHEDULE 4 – TERMS AND CONDITIONS OF CANYON LONG TERM INCENTIVE PLAN

---

Item	Summary
Eligibility	Offers may be made at the discretion of the Board to employees of Canyon or any other person that the Board determines to be eligible to receive a grant under the Plan.
Types of securities	<p>The Plan Rules provide flexibility for Canyon to grant one or more of the following securities as incentives, subject to the terms of individual offers:</p> <ul style="list-style-type: none"> <li>- options;</li> <li>- performance rights; or</li> <li>- performance shares.</li> </ul> <p>Options are straightforward, they are an entitlement for the holder to receive a share on satisfaction of relevant vesting conditions, by paying an applicable exercise price. Typically the vesting conditions for an option plan are limited to time based hurdles.</p> <p>A performance right is effectively a zero priced option that vests subject to the satisfaction of relevant vesting conditions. The vesting conditions are typically a combination of time and performance based milestones. The Board has discretion to determine the vesting conditions (and particularly any performance based hurdles such as TSR metrics) for each individual grant.</p> <p>Performance Shares are not dissimilar to performance rights, although the share is issued up-front (for nil consideration) and is subject to buy-back/forfeiture arrangements should the relevant vesting conditions (including performance base metrics) not be met.</p>
Offers under the Plan	<p>Unless otherwise specified in an offer document, the Board has the discretion to settle performance rights or options with a cash equivalent payment.</p> <p>The Board may make offers at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer options, performance rights and performance shares in individual offer documents.</p>
Issue price	Unless the Board determines otherwise, no payment is required for a grant (as oppose to exercise) of an option, performance right or performance share under the Plan.
Vesting	<p>Options must be exercised by the employee and the employee is required to pay the exercise price to be allocated Shares.</p> <p>Vesting of options, performance rights and performance shares under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document.</p>
Lapsing and forfeiture	Subject to the Rules and the terms of the specific offer document, any option, performance rights or performance shares will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.

Item	Summary
Cessation of employment	Under the Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is proposed that individual offer documents will provide more specific detail on how the entitlements will be treated if the participating employee ceases employment.
Clawback and preventing inappropriate benefits	The Rules provide the Board with customary "clawback" powers if, amongst other things, the participant has acted fraudulently or dishonestly, engaged in gross misconduct or if the participant's entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.
Change of control	The Board may determine that all or a specified number of a participant's options, performance rights or performance shares will vest or cease to be subject to restrictions where there is a change of control event in accordance with the Rules. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated on a change of control.

## PROXY FORM

CANYON RESOURCES LIMITED  
ACN 140 087 261

### GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Level 9, 863 Hay Street, Perth, Western Australia, on 10.00am (WST) at 27 November 2019, and at any adjournment thereof.

**Important for Resolutions 1, 8, 9 and 10:** If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intentions below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 1, 8, 9 and 10 even though the Items are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of Canyon.

#### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

**The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.**

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of remuneration report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Steve Zaninovich as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of David Netherway as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of additional 10% placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares to Serge Asso'o	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares to Altus Strategies PLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Performance Rights to Steve Zaninovich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Adoption of the Canyon Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Fees payable to Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

#### Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_

Consent for contact by e-mail  
in relation to this Proxy Form:

YES ☐ NO ☐

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Canyon Resources Limited, PO Box 7606 Cloisters Square Perth 6850; or
  - (b) facsimile to the Company on facsimile number +61 8 9324 1502; or
  - (c) email to the Company at [jlewis@canyonresources.com.au](mailto:jlewis@canyonresources.com.au),so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**