

Mining Convention for Minim-Martap Bauxite Project in Cameroon signed

Canyon Resources Limited (**ASX:CAY**) (**Canyon**) announces the signing of a mining convention (**Mining Convention**) for the Minim-Martap Bauxite Project in Cameroon (**Minim-Martap or Project**) which details the agreement by which Canyon's subsidiary, Camalco Cameroun SA (the **Company**) can mine and export Alumina and bauxite at the Project on the grant to the Company of a mining permit. The entry into of the Mining Convention is a requirement ahead of the grant of the mining permit for the Project area.

The Mining Convention was formally executed during a signing ceremony attended by Camalco's Chief Executive Officer, Mr. Rana Pratap Singh and the Interim Minister of Mines, Fuh Calistus Gentry. A summary of the Mining Convention is included in Annexure A.

The signing of the Mining Convention marks the culmination of an extensive approval process, allowing the Company to now proceed with further development plans for Minim-Martap as outlined in the Project's Bankable Feasibility Study, which was released to ASX on 21 June 2022. This milestone is a testament to the strong partnership and collaboration between Canyon and the Government of Cameroon.

The entry into of the Mining Convention will also allow the Company to proceed with additional certainty in progressing critical workstreams in relation to rail and port access, which are essential to the development of Minim-Martap prior to transitioning into production.



Jean-Sebastien Boutet, Chief Executive Officer of Canyon, commented: *"The execution of the Mining Convention is an important step for our Minim-Martap Bauxite Project. Canyon can now look to progress key workstreams required to advance the Project including progressing discussions with potential offtake and funding partners.*

There remains a lot of work to be done to progress the Project from here, including sourcing funding for development and concluding outstanding issues in relation to port and rail access.

I would like to thank the Government of Cameroon for its ongoing support of Minim-Martap and we look forward to working closely with them and our partners as we progress Minim Martap towards production and unlock the significant value on behalf of both Canyon shareholders and the people of Cameroon."

The Company has been active in recent months on developing local site infrastructure and laying foundational groundwork in preparation for the signing of the Mining Convention. Canyon has undertaken work in partnership with local communities and relevant transport authorities to establish a clear project framework to help ensure lasting positive impacts and benefits for all stakeholders involved.

ENDS

This announcement has been approved for release by Canyon Resources Limited's Board of Directors.

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Annexure A – Summary of Mining Convention

Key Term	Description
Parties	The Republic of Cameroon (State) Camalco Cameroon S.A (Camalco S.A.)
Ownership of Products and Marketing Conditions	Camalco S.A. plans to mine and export bauxite and to transform a portion of that bauxite into alumina to supply the aluminium smelter in Cameroon under market conditions to be agreed. Camalco S.A. commits to avail at least 30% of the overall bauxite or alumina produced for the local industry, under market conditions and negotiations of both parties agreements., where demand is expressed by local industries.
Feasibility Study	Camalco S.A. shall within a period of two years from the date of signature of the mining permit (Commencement Date), submit to the State, a report on the feasibility study of establishing a refinery to process a portion of the bauxite, which is to be mined, into alumina.
Construction	Camalco S.A. commits to start the construction of an alumina refinery within two years and six months from the Commencement Date.
Term	The Mining Convention shall have an initial duration of 20 years, renewable for periods of ten years, from the date of granting of the mining permit.
Annual Contributions	Camalco S.A. shall make the following payments for: <ul style="list-style-type: none"> • the Mining Sector Development Fund, the annual contribution of which is set at 1% of the value of Camalco S.A.'s gross annual production; • the Fund for the Restoration, Rehabilitation and Closure of Mining Sites and Quarries, the annual contribution of which is 7,062,180,288 FCFA but may be updated as and when the Environmental Preservation and Rehabilitation Program is evaluated every three (3) years at the request of the State or any structure mandated for this purpose; and

	<ul style="list-style-type: none"> the Special Account for the Development of Local Capacities, the amount of contributions of which shall be fixed at 1% of the total amount of the Project company's turnover (excluding taxes) as from the first year of commercial production.
Royalties	<ul style="list-style-type: none"> Camalco S.A. undertakes to pay the proportional royalty (ad valorem tax) under the Cameroon Mining Code (Mining Code), upon submission of any application for the granting or renewal of a mining permit.
State Shareholding and Share of Production	<p>On the grant of the mining permit:</p> <ul style="list-style-type: none"> The mining permit compulsorily awards to the State, or any Institution duly mandated 10% (ten per cent) of the shares of the Project Company., free of charge, in accordance with the Mining Code. which shareholding will be non-dilutionary; and 5% of Camalco S.A.'s marketable product, shall be allocated to the State as a production sharing agreement. <p>The State may, at its own cost and after agreement by the parties, increase its holding in the Project company, which shares shall not exceed the additional 25% in accordance with Section 47(4) of the Mining Code.</p>
Legal, Fiscal and Custom Guarantees	<p>The State shall guarantee Camalco S.A. the legal, fiscal and customs stability under the conditions set out by the Mining Code.</p>
Undertaking and Stability Period	<p>Camalco S.A. has committed to achieve a benchmark internal rate of return.</p> <p>The State has agreed to a stability period not exceeding 15 years, in which the Project is able to achieve an internal rate of return of 15% as indicated in the feasibility study and set out in the Mining Agreement</p>
Local Investment	<p>Camalco S.A. is to make 10% of its capital available to Cameroon nationals, natural or legal persons, against payment,, provided that due diligence is carried out and the shareholders of Camalco S.A. agree.</p>

Access Rights	Where Camalco S.A constructs its infrastructure for its use, third parties may seek access to that infrastructure, subject to the Company's agreement other than where the grant of access is in the public interest.
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