

## September 2023 Quarterly Activities Report

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### Key Events

- **Strategic investment by Eagle Eye Asset Holdings Pte Ltd (“EEA”) proposed through a placement and exercise of options to invest up to A\$59.7 million.**
  - **Major shareholder EEA has added significant weight to the development proposal of Canyon with their successful reputation of investment and development of projects in Africa.**
  - **They have a long-term vision to develop an integrated African bauxite to aluminium value chain.**
  - **Mr Alain Pfammatter has commenced as Director of Human Resources and Communities and will prioritise assembly of a team to execute the Minim Martap Bauxite Project.**
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Canyon Resources Limited (ASX: CAY) (“Canyon” or “the Company”) is pleased to report on activities at its projects including its flagship 100%-owned Minim Martap Bauxite Project (“Minim Martap” or “the Project”) in Cameroon, for the quarter ended 30 September 2023.

### MINIM MARTAP BAUXITE PROJECT (100% CAY)

The Company continues to make progress in anticipation of the Cameroon Government granting the Mining Permit for the development of Minim Martap. A proposed Subscription Agreement with EEA was announced on 17 August 2023 to further assist the Company as it progresses discussions with the Government of Cameroon regarding the issue of a Mining License. As the key strategic partner, EEA’s experience in financing and developing projects in Africa has already proven to be beneficial to the Company during ongoing discussions to finalise planning with the Ministry of Mines.

The proposed deal includes a Placement of 150 million new shares at \$0.07 per share and an agreement by EEA to exercise all its existing 202.9 million options at an exercise price of \$0.07, subject to shareholder approval.

Subject to shareholders approving of the transaction, at the completion of the Placement and exercise of existing options, EEA will own 40.61% of the issued share capital of Canyon.

Canyon will issue a further 500 million new options to EEA with an exercise price of \$0.07 per option and expiry date of 26 December 2026, with exercise conditions relating to positive progression of the Minim Martap Bauxite Project in Cameroon, also subject to shareholder approval.

Proceeds from the issue of Placement Shares and Exercise Shares will be allocated towards development of the Minim Martap Project, including:

- satisfying conditions of the Mining Convention and the Company’s mining tenements;
- a drilling program at the Company’s Makan and Ngaoundal permits;
- contracting and front-end engineering design works; and
- general working capital and any other ancillary purpose

EEA's ongoing support towards the establishment of Minim Martap has been well received in Cameroon. Their expertise across various industries and their ability to facilitate development of resources projects makes EEA a welcome investor and partner for Canyon.

### **Independent Expert Report**

The issue of the Placement Shares, Exercise Shares and Shares on exercise of the New Options and the resulting increase in EEA's relevant interest in the Company is subject to Canyon shareholder approval under item 7 of section 611 of the Corporations Act 2001 (Cth) ("Corporations Act"). The issue of the New Options is subject to Canyon shareholder approval for the purposes of ASX Listing Rule 7.1.

Subsequent to the end of the period, the Company has announced the necessary shareholder approvals will be sought at an extraordinary general meeting anticipated to be held on Wednesday, 29 November 2023. A formal notice of meeting that will be accompanying independent expert's report, which provides an opinion as to the fairness and reasonableness of the proposed transaction with EEA, has now been provided to shareholders.

### **Progress in Cameroon**

While in country during the quarter, the management team had discussions with officials from the Port Authority of Douala ('PAD') with the goal of establishing and gaining approval for export from the Port. The PAD is responsible for all development and command of port security and operations. For the Minim Martap Project to reach the full development capacity, additional infrastructure within the Port envelope will be required.

### **Appointment of Director of Human Resources and Communities**

During the quarter, Mr Alain Pfammatter commenced as Director of Human Resources and Communities. His appointment plays a pivotal role for the Company as the Minim Martap Project moves forward with preparation for development and construction. The role will prioritise engagement with the local community to maximise economic returns to the region. Mr Pfammatter will be responsible for Human Resources programs to build the team both in country and externally. The initial focus is to build the team with recruitment activities underway for positions such as: Project Director, Head of Geology and Exploration and support roles for the Douala office.

### **Payments to Related Parties**

Payments totalling approximately \$38,000 were made to related parties of the Company during the quarter ended 30 September 2023, as shown in the Appendix 5B dated 26 October 2023. These payments related to executive director salaries and non-executive directors' fees.

### **Exploration Activities**

During the Quarter, expenditure on the Project totalled \$672,000 as disclosed in the accompanying Appendix 5B and focused on maintaining the tenements that the Company holds.

The Company had a cash balance of AUD \$9.186 million at quarter end.

**This announcement has been approved for release by the Board**

**Enquiries:**

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**Forward looking statements**

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Canyon, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘intend’, ‘may’, ‘opportunity’, ‘plan’, ‘potential’, ‘project’, ‘seek’, ‘will’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Canyon that could cause Canyon’s actual results to differ materially from the results expressed or anticipated in these statements.

Canyon cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Canyon does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

## About Canyon Resources

### SUMMARY

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

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

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

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

**CANYON RESOURCES LIMITED – INTEREST IN MINERAL PROPERTIES**

Permits	Location	Interest at 30 September 2023	Interest at 30 June 2023
<b><u>MINIM MARTAP PROJECT</u></b>			
<b>Ngaoundal</b>	Cameroon	Own 100%	Own 100%
<b>Minim Martap</b>	Cameroon		
<b>Makan</b>	Cameroon		

## Appendix 5B

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

Name of entity

Canyon Resources Limited

ABN

13 140 087 261

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(36)	(36)
	(b) development		
	(c) production		
	(d) staff costs	(446)	(446)
	(e) administration and corporate costs	(215)	(215)
1.3	Dividends received (see note 3)		
1.4	Interest received	102	102
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(595)</b>	<b>(595)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(255)	(255)
	(d) exploration & evaluation	(636)	(636)
	(e) investments		
	(f) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(891)</b>	<b>(891)</b>

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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	10,726	10,726
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(595)	(595)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(891)	(891)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(54)	(54)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>9,186</b>	<b>9,186</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,186	1,726
5.2 Call deposits	8,000	9,000
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,186</b>	<b>10,726</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	38
6.2 Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

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

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

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(595)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(636)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,231)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,186
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	9,186
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	7.46
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a		

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

Answer: n/a

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

## Compliance statement

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

Date: .....26 October 2023.....

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

## Notes

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