

3 June 2015

## **Drilling Commenced on the Birsok Project, Cameroon**

### **HIGHLIGHTS**

- ◀ **Canyon owned drill rig is on site and has commenced drilling**
- ◀ **Mapping, clearing & drill site preparation complete at 9 targets on the Birsok permit and 6 targets on the Mandoum permit**
- ◀ **Pitting operations underway on high priority bauxite plateau target at Mandoum**
- ◀ **Pathway to significant resource inventory developing with potential to establish a DSO mining operation supported by an existing, direct to port operating rail line within 10kms of the Project**

The Directors of **Canyon Resources Ltd** (ASX: CAY) are pleased to announce that drilling has commenced on the Birsok Project in Cameroon. The program is planned to test 15 newly defined target plateaux over the Mandoum and Birsok permits before the onset of the wet season. In addition to the drilling program, exploration work at the high priority Djombi prospect targets on the Birsok permit, and several plateaux on the Mandoum permit continues to progress. All geological target mapping, site preparation and drill rig access work was completed earlier in the season and pitting of certain plateaux is also underway (Figure 2).

Priority target plateaux have been prepared on the Birsok permit and the Mandoum permits (Figure 3), for up to 3,000m of aircore drilling (Figure 4). Approximately 45km of vehicular access between hole locations and plateaux were hand cut at Birsok and 25km at Mandoum to minimise environmental disturbance.

Work has commenced on digging exploration pits at one of the target plateaux at Mandoum that is inaccessible by drill rig, in areas of high grade, consistent and massive looking bauxite outcrop.

Canyon has completed the legal and administrative document transfers associated with the recent purchase of the in-country, Landcruiser mounted drill rig (refer announcement 26 March 2015). A follow-up, detailed pre-drill ready technical assessment by Canyon's experienced Burkina Faso based drilling contractor confirmed the rig as being in excellent condition.

Canyon has identified additional advanced project opportunities in Cameroon that are consistent with Company's strategy of developing a profitable mining operation utilising existing infrastructure in the country. Technical due diligence and commercial negotiations are currently underway with respect to these opportunities. Further advice will be given to the market on the progress of these discussions when it is appropriate to do so.



**Figure 1 – Hand clearing and cutting for drilling rig access on the Mandoum Permit**

Managing Director of Canyon Resources, Phillip Gallagher said;

*“We are excited to re-start drilling and extending the potential bauxite deposits at Birsok with the newly mapped and defined Djombi prospect plateaux, and to drill the first holes into the Mbon prospect plateaux on the Mandoum permit. We are confident that the results will enable us to significantly increase the tonnage potential on both permits and continue our journey towards a sizeable DSO bauxite operation.*

*These new prospects, combined with the successfully defined bauxite plateaux from the first round of drilling, will form the basis of the Company’s future resource estimate, and advance the objective of developing a 2-3 million tonne per annum DSO mining operation utilising the existing rail and port infrastructure.”*

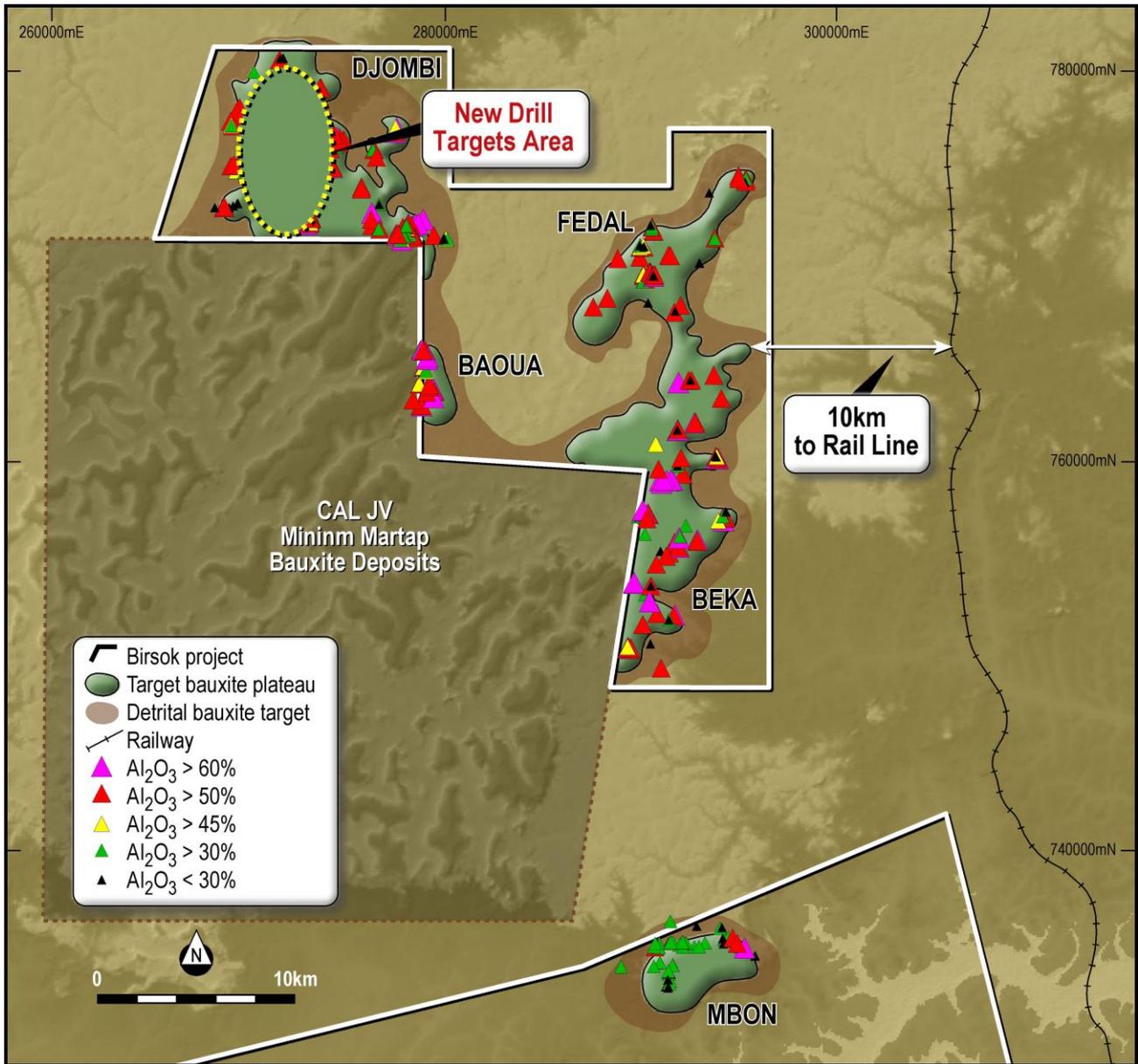
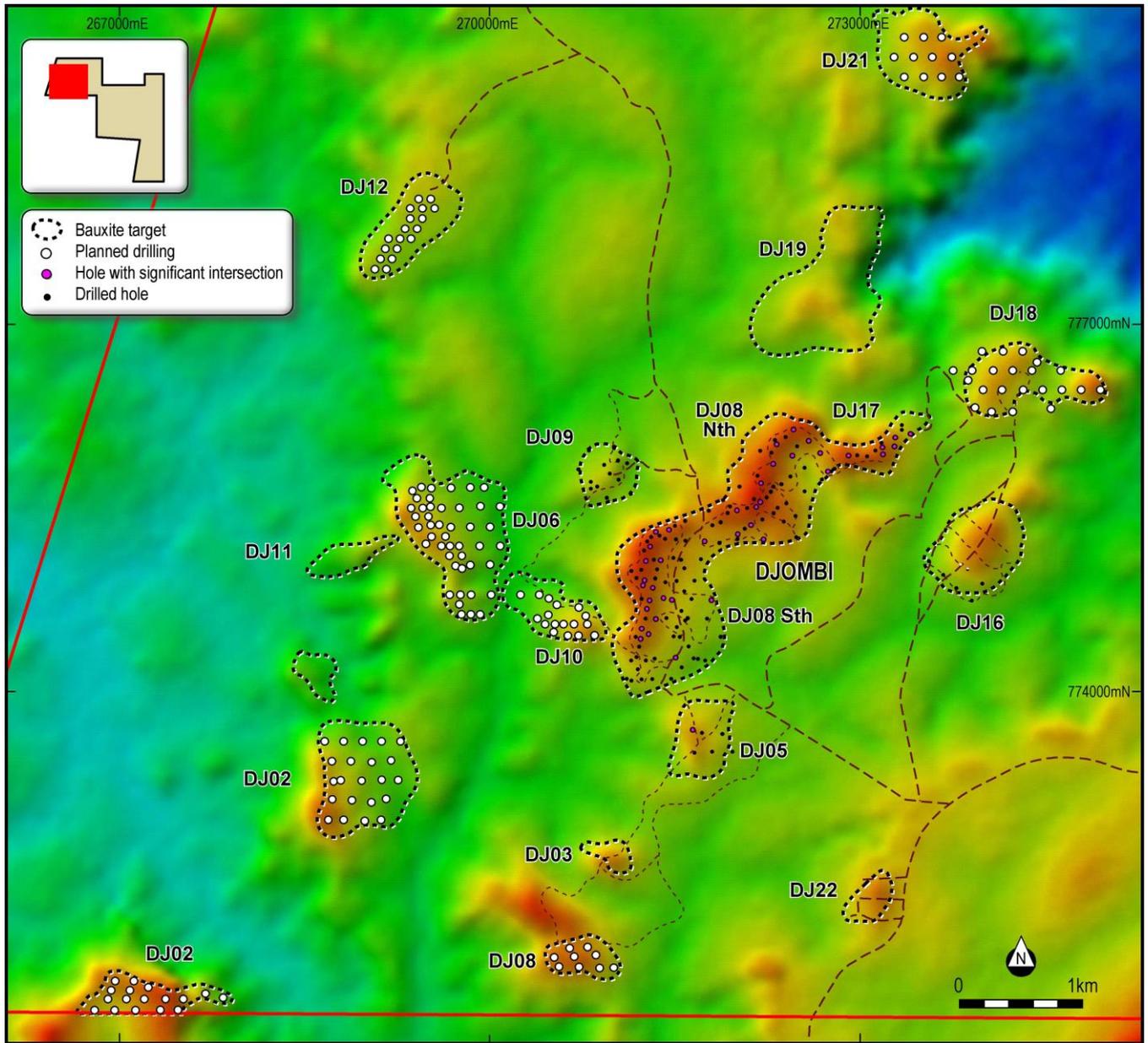
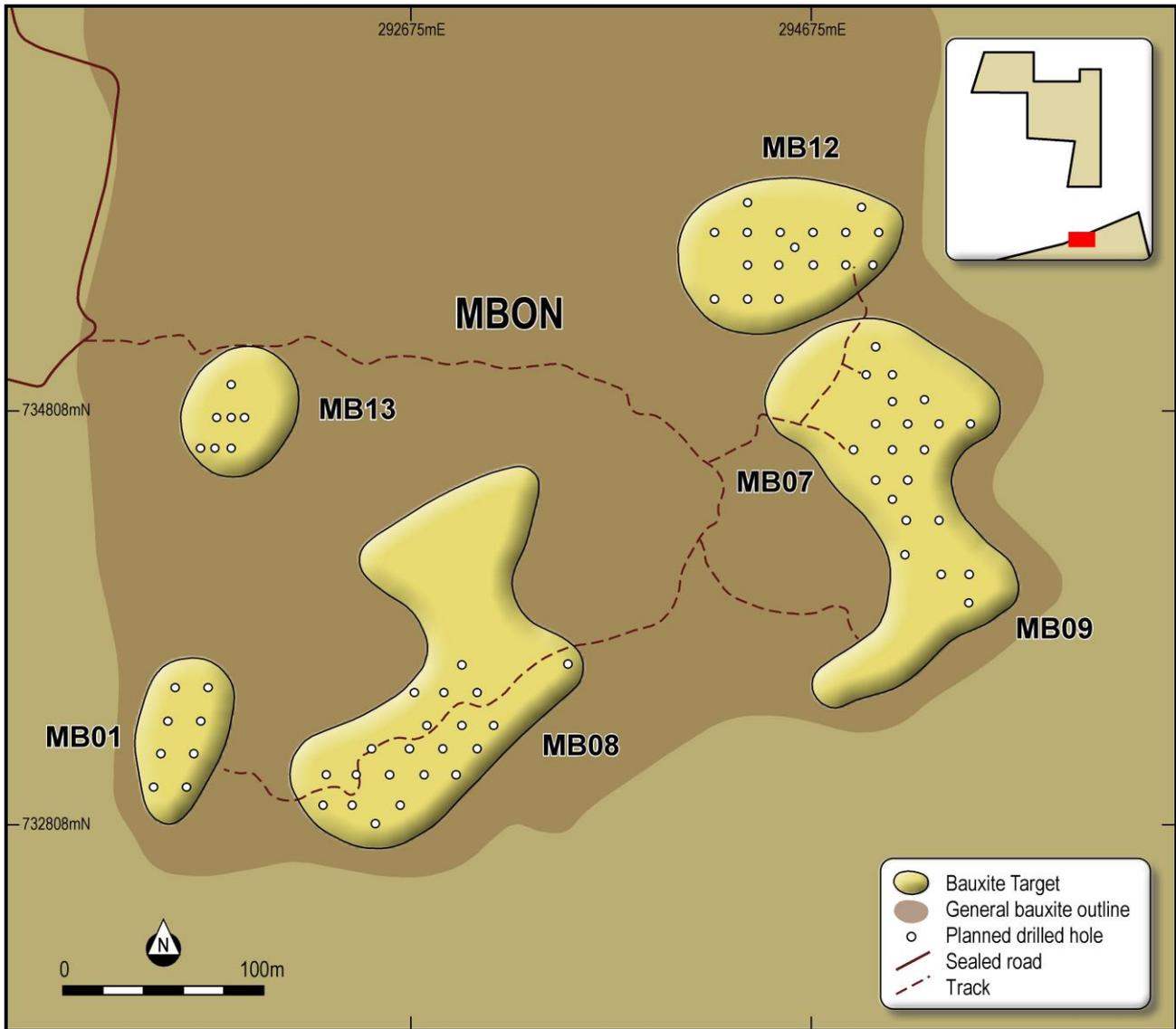


Figure 2 – Combined map of project area, permits with generally defined plateau prospects.



**Figure 3 – Newly defined target plateau and drill hole locations on the Djombi Prospect**  
*(Planned drill holes are illustrative and final drill hole number and locations will be dependent the geological logging of early results)*



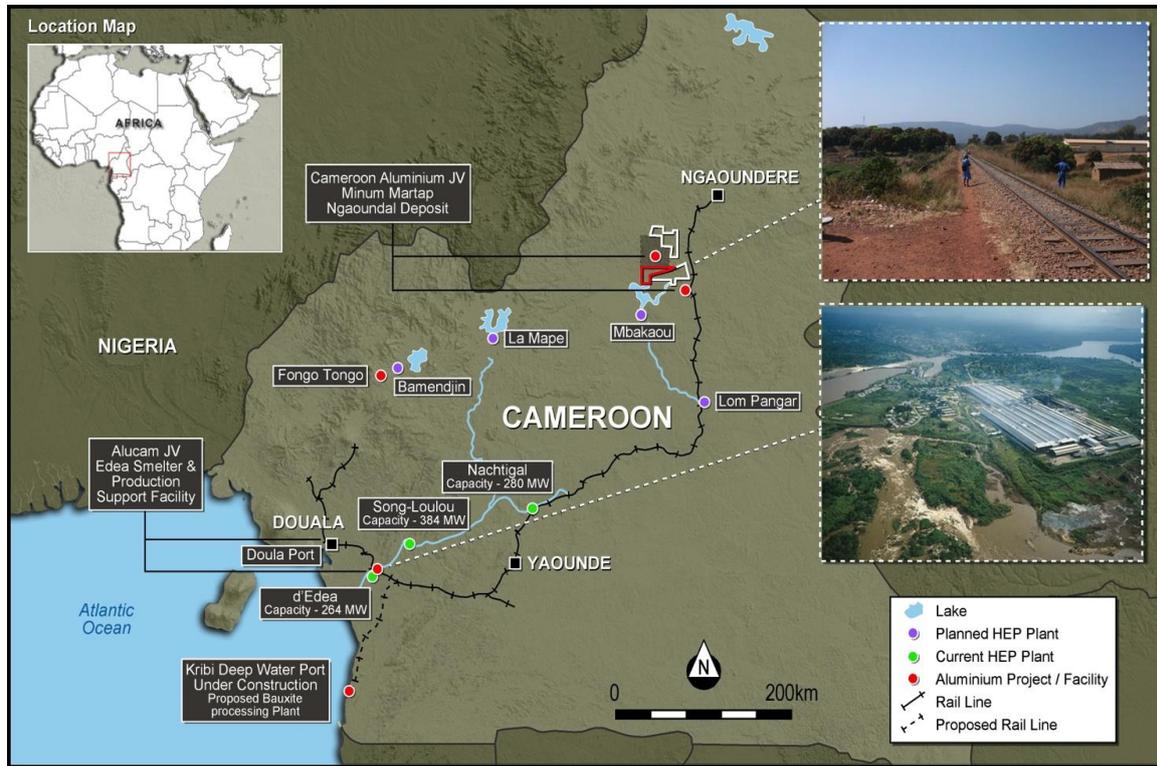
**Figure 4 –Newly defined target plateau and drill hole locations on the Mandoum Permit**  
*(Planned drill holes are illustrative and final drill hole number and locations will be dependent the geological logging of early results)*

## About Canyon Resources Limited

In 2013, Canyon announced a farm-in transaction to acquire up to 75% of the Birsok Bauxite Project in Cameroon, which is considered highly prospective for high grade DSO bauxite. The Birsok Bauxite Project is strategically located in an emerging bauxite region of Cameroon (Figure 5), contiguous with the world class Minim Martap bauxite deposit and approximately 10km from an operating rail line.

During 2014 Canyon conducted an inaugural drilling program which returned high grade, low impurity bauxite mineralisation over the key plateaux tested, with multiple intersections of  $>50\% \text{Al}_2\text{O}_3$ . Canyon also commenced some early broad based laboratory testing of a selection of the drill samples to determine the suitability of the bauxite. Results on the priority plateaux were encouraging with good available  $\text{Al}_2\text{O}_3$  and low reactive silica.

In addition to the bauxite assets, Canyon has an established portfolio of highly prospective mineral exploration projects in Burkina Faso, which cover an area of approximately 2,600km<sup>2</sup> over 13 permits in the Birimian greenstone belts of the West African craton. The Company has recently farmed out the Pinarello/Konkolikan project to Acacia Mining plc.



**Figure 5 – Location of Canyon’s Birsok Bauxite Project, Cameroon, West Africa**

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*The information in this report that relates to exploration results is based on information compiled by Mr Roger Speers, an employee of the Company and a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Speers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. The exploration results are available to be viewed on the Company website [www.canyonresources.com.au](http://www.canyonresources.com.au). The Company confirms it is not aware of any new information that materially affects the information included in the original announcement. The Company confirms that the form and context in which the Competent Person’s findings are present have not been materially modified from the original announcements. Mr Speers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*