

## CANYON RAISES \$10m, CORNERSTONED BY NEW STRATEGIC INVESTOR

- \$10m placement to institutional, sophisticated and strategic investors
- Mr Peter Su welcomed as a new strategic shareholder, contributing approximately \$5.6m of the Placement (representing a 9.4% shareholding in Canyon post Placement)
- Mr Su is a Perth-based strategic investor with a diverse range of business interests in Australia and overseas. The Su family have historically held commercial interests in bauxite and alumina refining in China
- Mr Su to be appointed to the board of Canyon
- Placement completed at a price of \$0.10 per share, representing a discount of 19.9% to the 30 trading day VWAP
- The funds from the Placement will predominantly be used for:
  - Delivering the DFS on the Minim Martap project;
  - Corporate overheads and general working capital; and
  - Advancing strategic project and off-take discussions.

Canyon Resources Limited (ASX: CAY) (**Canyon** or the **Company**) advises that the Company has agreed to place 100 million new fully paid ordinary shares at \$0.10 per share to institutional and sophisticated and strategic investors to raise a total of \$10m before costs (**Placement**).

### Strategic investment

The Placement has introduced Mr Peter Su as a new strategic investor in Canyon who has agreed to subscribe for approximately \$5.6m at \$0.10 per Share as part of the Placement (representing a 9.4% shareholding in Canyon post Placement).

Mr Su's investment will be made in two equal tranches, with the first tranche of \$2.8 million having been received and the second tranche to be received by 25 September 2020.

Mr Su is based in Western Australia and is actively involved in property investment and development in Australia and overseas. Mr Su is a Perth-based strategic investor with a diverse range of business interests in Australia and overseas. The Su family have historically held commercial interests in bauxite and alumina refining in China.

Under the terms of the subscription agreement, Mr Su will be appointed to the Board of Directors of the Company. Mr Su has the further right under the agreement to appoint a second director to the company, subject to maintaining a minimum shareholding of 7.5%.

The appointment of Mr Su will assist the Company to accelerate the development of the Minim Martap Bauxite Project and to provide introductions and commercial assistance relating to bauxite offtake, EPCM and project financing

### Commenting on the completion of the Placement, Canyon CEO Phillip Gallagher said:

*"Canyon is very pleased to welcome Mr Peter Su and a number of new institutional investors to the register and recognises the continued strong support from our existing shareholders. The high level of demand for the Placement is a recognition of the strategic nature of the Minim Martap project"*

*“We are also delighted to welcome Mr Peter Su to the Board of Directors. Mr Su has an extensive network of relevant business contacts in Australia and overseas regarding mining and mineral processing and has had a commercial interest in alumina refineries in China.”*

*“This is an exciting time for Canyon as we are now funded to deliver the final feasibility studies and take the Minim Martap Project into the development phase.”*

**Mr Peter Su said,** *“I have invested in Canyon Resources as I believe the Minim Martap Project is the best bauxite opportunity in the world. My family has long been involved in bauxite mining and alumina refining in China and I am looking to leverage my high level contacts in the bauxite and alumina industries in Australia and China to develop the project as quickly as possible.”*

## **Share Placement**

The Company has received binding commitments for a \$10 million Placement (before costs) which will be settled through the proposed issue of 100,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.10 per Share. The Placement was undertaken utilising the Company’s existing ASX Listing Rule 7.1 and 7.1A placement capacity. 52,906,783 Shares will be issued pursuant to ASX Listing Rule 7.1 and 47,093,217 Shares will be issued pursuant to ASX Listing Rule 7.1A (**Placement Shares**).

The issue price represents a 33.3% discount to the last price on 25 August 2020 and a discount of 19.9% to the volume weighted average market price (**VWAP**) of Shares over the last 30 trading days.

Peloton Advisory Pty Ltd and Mr Dimitri Bacopanos acted as advisors and introducing parties in relation to Mr Peter Su.

Ashanti Capital acted as Lead Manager and CPS Capital acted as Co-Manager to the balance of the Placement.

Under the terms of the Placement, Ashanti Capital and arranging parties will receive 4,000,000 unlisted options (**Options**) exercisable three years from the date of issue at \$0.20 per share. The Options will be issued using the Company’s capacity under Listing Rule 7.1.

\$7.2m from the Placement is expected to be received by 3 September, with shares expected to be issued by 7 September 2020.

The balance of the Placement represented by Mr Su’s second tranche of \$2.8 million is due to be received by 25 September with shares expected to be issued by 29 September 2020.

## About Canyon Resources

**Canyon Resources is focussed on the development of the 100% owned Minim-Martap Bauxite project, a direct shipping ore (DSO) project development opportunity in central Cameroon.** Canyon is planning the development of the bauxite Project in a 2 Stage, 2 Port execution programme with initial production exported through the port of Douala utilising the existing rail and port infrastructure and Stage 2 unlocking tonnes and reducing costs by utilising the port of Kribi.

**The Company's recently released Stage 1 Pre-Feasibility Study<sup>1</sup>** demonstrated the Minim Martap Bauxite Project's potential as a long-term producer of very high quality, low contaminant bauxite via a multi-stage development program utilising existing infrastructure in Cameroon. Canyon is advancing strategic partnership and off-take agreement discussions with interested parties to accelerate the Project development timeline.

Table 1 - Minim Martap Project headline economics (rounded).

Minim Martap Project <sup>1</sup>	Units	Stage 1
Annual Production Rate	Mtpa	5.0
Project Development Capital	US\$M	120
Average Operating Cost C1	US\$/t	35.1
Project NPV <sub>10</sub>	US\$M	291
Project IRR	%	37
Capital Intensity	US\$/t	24

**The project is situated adjacent to the main rail line linking the region to the Atlantic port of Douala.**

The rail line is currently underutilised and coupled with the existing port of Douala, supports a low capex, low opex solution to deliver high grade, low contaminant, bauxite to market to fuel the large and growing aluminium industry. The country is planning a rail extension and is undergoing rail line debottlenecking upgrades giving longer term potential for export through the newly built, deep-water port of Kribi.

**The Project is underpinned by a large, shallow, high-grade resource dominated by Gibbsite with low levels of reactive silica.** The resource is hosted in a series of plateaux (see below). The Total Mineral Resource<sup>2</sup> estimate, which remains open in all directions, is stated as **892 Mt** 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>). The estimate contains a high-grade Indicated portion of the resource at **410 Mt** at **48.9% 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>). Substantial zones within the resource present at greater than 50% Al<sub>2</sub>O<sub>3</sub> with very low contaminants.

<sup>1</sup> ASX announcement 01 July 2020. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters under the PFS in that announcement continue to apply and have not materially changed.

<sup>2</sup> ASX announcement 27 September 2019. Refer to *Table 2* for a breakdown of the Mineral Resource Estimate. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed.

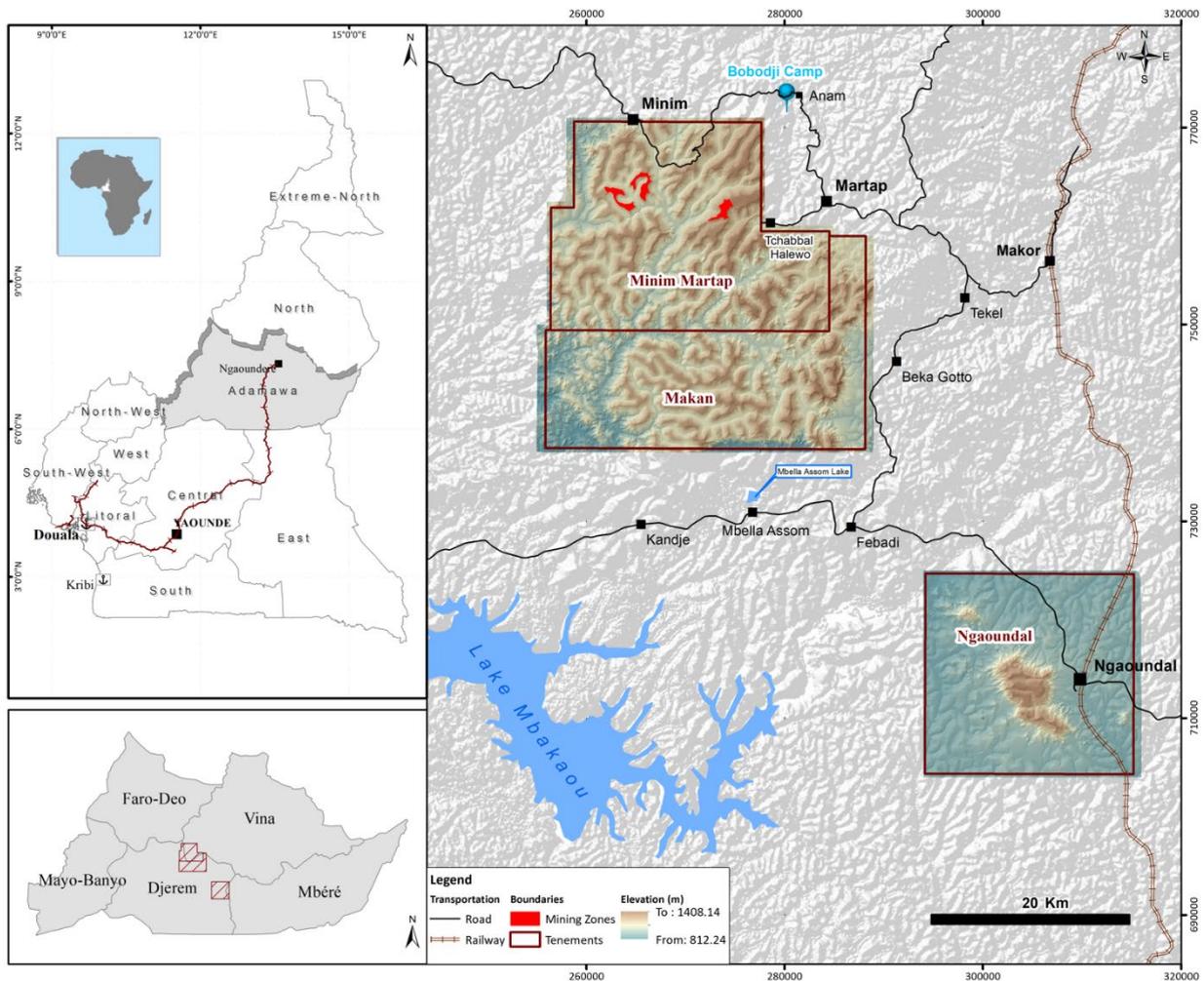


Figure 1 - Minim Martap Project location.

Table 2 - Mineral Resource estimate<sup>3</sup>.

Resource (35% Al <sub>2</sub> O <sub>3</sub> cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
<b>Total</b>	892	45.1% Al <sub>2</sub> O <sub>3</sub>	2.8% SiO <sub>2</sub>
<b>Indicated</b>	839	45.2% Al <sub>2</sub> O <sub>3</sub>	2.8% SiO <sub>2</sub>
<b>Inferred</b>	53	43.8% Al <sub>2</sub> O <sub>3</sub>	3.1% SiO <sub>2</sub>
High Grade Resource (45% Al <sub>2</sub> O <sub>3</sub> cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
<b>Total</b>	431	48.8% Al <sub>2</sub> O <sub>3</sub>	2.6% SiO <sub>2</sub>
<b>Indicated</b>	410	48.9% Al <sub>2</sub> O <sub>3</sub>	2.6% SiO <sub>2</sub>
<b>Inferred</b>	21	47.4% Al <sub>2</sub> O <sub>3</sub>	2.0% SiO <sub>2</sub>

– ENDS –

<sup>3</sup>ASX announcement 27 September 2019. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed.

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

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