

Momentum builds for Canyon's Minim Martap

BY GREG PLUMB, SENIOR CLIENT ADVISER AT BARCLAY WELLS

Greg Plumb has been in the finance industry for 25 years, including nearly 10 years' experience in stockbroking at Barclay Wells in Perth. Prior to that he was a Senior Adviser at Patersons Securities. He specialises in small/mid-cap stocks, capital raising requirements, and portfolio management. Barclay Wells is a boutique financial services firm which advises both retail and wholesale clients across a range of investments, including listed and unlisted shares, derivatives and managed funds.



Canyon Resources team members on site in Cameroon

Canyon Resources continues strengthening the prospects of its Minim Martap bauxite project in Cameroon and its momentum and impressive metrics are propelling it into the next stage of development.

Minim Martap is a massive bauxite deposit of nearly 900 million tonnes and growing – possibly the only of its size and grade outside Guinea, in a time when global demand for high-grade and low contaminant bauxite continues to increase. Bringing the deposit into production is a must for diversifying supply options for bauxite buyers, and Canyon is getting all its ducks in a row to make sure this happens.

In my role as a senior adviser, I scour the market looking for world-class assets that meet certain criteria in terms of scale and grade. Every investor wants to find a “tier one” project that is going to deliver value. In bauxite, Canyon's Minim Martap project undoubtedly fits that description.

Canyon is up to the task of developing this project, passing several important milestones in the past few months, despite the global Covid-19 pandemic. The Pre-Feasibility Study announced in July showed the project has the potential to be a long-term producer of high-quality, low contaminant bauxite for at least 20 years. Canyon followed this with a maiden ore reserve of 97.3 million tonnes at 51.1% total alumina and 2.3% total silica announced in August.

Areas modelled for the Ore Reserve represented nominal production rates of 5Mtpa – which Canyon has planned for the first stage of its two-stage production strategy, using the Douala port before moving to the deepwater Kribi port to export larger tonnages once a rail link is built. The company believes it can ramp up to 20Mtpa in Stage 2.

Significant opportunity exists to extend mining beyond the initial modelled period of 20 years, and given Canyon has only drill tested about 15 of 79 bauxite plateaus at Minim Martap for inclusion in its Mineral Resource and only three included in the Reserve, there is plenty of scope for this project to become much larger.

With these important milestones complete for Minim Martap, Canyon's discussions on offtake and strategic partnership deals with industry players are picking up speed with help from Chief Development Officer Rick Smith. Rick is a bauxite guru and was heavily involved in bringing Guinea Alumina Corporation's (GAC) US\$1.4 billion capex bauxite project in Guinea online prior to joining Canyon. He is focused on supply chain, offtake and strategic partner negotiations and pairs well with Canyon's tenacious MD Phil Gallagher, who spent three years negotiating access to the project.

Securing the right partner has potential to accelerate the project's development and I expect we will see it in production before 2023.



Greg Plumb