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## **CANYON RESOURCES LIMITED**

**ACN 140 087 261**

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 3:00 pm (WST)  
**DATE:** 30 November 2020  
**PLACE:** Level 9, 863 Hay Street  
Perth, Western Australia

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the Company will not be despatching physical copies of the Notice of Meeting. Instead, Shareholders can access a copy of the Notice of Meeting at the following link:

<https://www.canyonresources.com.au/2020-agm/>

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 3:00pm (WST time) on 28 November 2020.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS – PERIOD JULY 2019 – JUNE 2020

To receive and consider the annual financial statements, the Directors' Report and the Audit Report of the Company for the year ended 30 June 2020.

**Note: there is no requirement for Shareholders to approve these reports.**

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual remuneration report as set out in the directors' report for the financial year ended 2020.”*

Please note that in accordance with section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any member of the Key Management Personnel of the Company whose remuneration is included in the remuneration report, or a closely related party of such member. However, the Company will not disregard any votes cast on this Resolution by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair of the Meeting voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

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#### 3. RESOLUTION 2 – ELECTION OF PETER SU AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That for the purposes of rule 12.3 of the Constitution, ASX listing Rule 14.4 and for all other purposes, Peter Su, a Director of the Company, who was appointed as an additional director on 16 September 2020 retires, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

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#### 4. RESOLUTION 3 – ELECTION OF DIMITRI BACOPANOS AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That for the purposes of rule 12.3 of the Constitution, ASX listing Rule 14.4 and for all other purposes, Dimitri Bacopanos, a Director of the Company,*

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who was appointed as an additional director on 19 October 2020 retires, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

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## 5. RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

*"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities under the Additional 10% Placement Facility (except a benefit solely by reason of being a holder of ordinary securities), or any Associate of those persons. However, the Company will not disregard a vote cast on this Resolution by such person if:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Important note:** The persons to whom any Equity Securities under the Additional 10% Placement Facility may be issued to are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

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## 6. RESOLUTION 5 – ISSUE OF SHARES – ALTUS STRATEGIES PLC

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Altus Strategies PLC (or their nominee) and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### 7. **RESOLUTION 6(A) – RATIFICATION OF PRIOR ISSUE OF SHARES - ASX LISTING RULE 7.1**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 68,531,783 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### 8. **RESOLUTION 6(B) – RATIFICATION OF PRIOR ISSUE OF SHARES - ASX LISTING RULE 7.1A**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 47,093,217 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 9. RESOLUTION 7 – ISSUE OF SHARES TO DAVID NETHERWAY NON EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 150,000 Shares to David Netherway (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

### **ASX Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by David Netherway (or his nominee) and any person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (exception a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 10. RESOLUTION 8 – ISSUE OF SHARES TO EMMANUEL CORREIA NON EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 133,333 Shares to Emmanuel Correia (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by Emmanuel Correia (or his nominee) and any person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (exception a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 11. RESOLUTION 9 – ISSUE OF SHARES TO STEVE ZANINOVICH NON EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 133,333 Shares to Steve Zaninovich (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by Steve Zaninovich (or his nominee) and any person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (exception a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;

- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## 12. RESOLUTION 10 – ISSUE OF SHARES TO PHILLIP GALLAGHER MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 200,000 Shares to Phillip Gallagher (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by Phillip Gallagher (or his nominee) and any person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (exception a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**13. RESOLUTION 11 – ISSUE OF PERFORMANCE RIGHTS TO DAVID NETHERWAY NON EXECUTIVE DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of sections 195(4), 200B and 200E of the Corporations Act, ASX Listing Rules 10.14 and 10.19 and for all other purposes, approval is given for the Company to issue 1,500,000 Performance Rights to David Netherway (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of David Netherway or a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Long-Term Incentive Plan in respect of which the approval is sought, and any Associate of those persons, or an officer of the Company or any of its child entities who is entitled to participate in a termination benefit. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**14. RESOLUTION 12 – ISSUE OF PERFORMANCE RIGHTS TO EMMANUEL CORREIA NON EXECUTIVE DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of sections 195(4), 200B and 200E of the Corporations Act, ASX Listing Rules 10.14 and 10.19 and for all other purposes, approval is given for the Company to issue 1,500,000 Performance Rights to Emmanuel Correia (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Emmanuel Correia or a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Long-Term Incentive Plan in respect of which the approval is sought, and any Associate of those persons, or an officer of the Company or any of its child entities who is entitled to participate in a termination benefit. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**15. RESOLUTION 13 – ISSUE OF PERFORMANCE RIGHTS TO STEVE ZANINOVICH NON EXECUTIVE DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of sections 195(4), 200B and 200E of the Corporations Act, ASX Listing Rules 10.14 and 10.19 and for all other purposes, approval is given for the Company to issue 1,500,000 Performance Rights to Steve Zaninovich (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Steve Zaninovich or a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Long-Term Incentive Plan in respect of which the approval is sought, and any Associate of those persons, or an officer of the Company or any of its child entities who is entitled to participate in a termination benefit. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 16. RESOLUTION 14 – ISSUE OF PERFORMANCE RIGHTS TO PETER SU NON EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of sections 195(4), 200B and 200E of the Corporations Act, ASX Listing Rules 10.14 and 10.19 and for all other purposes, approval is given for the Company to issue 1,500,000 Performance Rights to Peter Su (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

### **ASX Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Peter Su or a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Long-Term Incentive Plan in respect of which the approval is sought, and any Associate of those persons, or an officer of the Company or any of its child entities who is entitled to participate in a termination benefit. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;

- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 17. RESOLUTION 15 – ISSUE OF PERFORMANCE RIGHTS TO DIMITRI BACOPANOS NON EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of sections 195(4), 200B and 200E of the Corporations Act, ASX Listing Rules 10.14 and 10.19 and for all other purposes, approval is given for the Company to issue 1,500,000 Performance Rights to Dimitri Bacopanos (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

### **ASX Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dimitri Bacopanos or a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Long-Term Incentive Plan in respect of which the approval is sought, and any Associate of those persons, or an officer of the Company or any of its child entities who is entitled to participate in a termination benefit. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and

- (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 18. RESOLUTION 16 – ISSUE OF PERFORMANCE RIGHTS TO PHILLIP GALLAGHER MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purposes of sections 195(4), 200B and 200E of the Corporations Act, ASX Listing Rules 10.14 and 10.19 and for all other purposes, approval is given for the Company to issue 1,500,000 Performance Rights to Phillip Gallagher (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

### **ASX Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Phillip Gallagher or a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Long-Term Incentive Plan in respect of which the approval is sought, and any Associate of those persons, or an officer of the Company or any of its child entities who is entitled to participate in a termination benefit. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and

- (d) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 19. RESOLUTION 17 – FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 10.17 and Clause 12.8 of the Company's Constitution, the maximum aggregate amount of directors' fees that may be paid to the Company's non-executive directors per annum is increased by \$100,000, from \$400,000 per annum to \$500,000 per annum."*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, or any Associates of those Directors. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) the person is acting as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- (b) the person is the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (a) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (a) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Dated: 29 October 2020**

**By order of the Board**

**Nick Allan**  
**Company Secretary**

## **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

## **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6382 3342.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

### 1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General Meeting. The Annual Financial Statements for the period ended June 2020 are included in the Company's Annual Report to shareholders (**Annual Report**), a copy of which can be accessed on-line at [www.canyonresources.com.au](http://www.canyonresources.com.au). Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, HLB Mann Judd, will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 20 November 2020 to the Company Secretary on +61 6382 3342.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 Background

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2020 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 2020 Annual Report. The Annual Report is available on the Company's website at [www.canyonresources.com.au](http://www.canyonresources.com.au).

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 2020.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and key management personnel.

The Chair of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

## 2.2 Regulatory Requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, sections 250U and 250V of the Corporations Act sets out a "two strikes" re-election process, pursuant to which:

- (a) if, at a subsequent annual general meeting (**Later Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted are against the adoption of that remuneration report;
- (b) at the immediately preceding annual general meeting (**Earlier Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted were against the adoption of that remuneration report; and
- (c) a resolution was not put to the vote at the Earlier Annual General Meeting under an earlier application of section 250V of the Corporations Act,

then the Company must put to vote at the Later Annual General Meeting a resolution, requiring Shareholders to vote on whether the Company must hold another general meeting (**Spill Meeting**) to consider the appointment of all of the Directors at the time the Directors Report was approved by the Board who must stand for re-appointment (other than the Managing Director) (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding the Managing Director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end the Spill Meeting and may stand for re-election at the Spill Meeting.

At the Company's 2019 Annual General Meeting, less than 25% of the eligible votes cast in respect of the 2019 remuneration report were cast against the adoption of the 2019 remuneration report. Accordingly, a Spill Resolution will not be put to the Meeting even if 25% or more of the votes cast in respect of the 2020 Remuneration Report are against the adoption of the 2020 Remuneration Report.

## 2.3 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

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### **3. RESOLUTION 2 – ELECTION OF PETER SU AS A DIRECTOR**

#### **3.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed to fill a casual vacancy or as an addition to the Board must not hold office, without re-election, past the next annual general meeting of the Company.

Mr Su, having been appointed by other Directors on 16 September 2020 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

#### **3.2 Qualifications and other material directorships**

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 has historically held commercial interests in bauxite and alumina refining in China.

During the past three years, Mr Su has held no other material directorships.

#### **3.3 Independence**

In his current capacity as a non-executive director of the Company, Mr Su has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers that Mr Su will be an independent director.

#### **3.4 Board recommendation**

The Directors (other than Peter Su who abstains) unanimously recommend that Shareholders vote in favour of Resolution 2.

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### **4. RESOLUTION 3 – ELECTION OF DIMITRI BACOPANOS AS A DIRECTOR**

#### **4.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed to fill a casual vacancy or as an addition to the Board must not hold office, without re-election, past the next annual general meeting of the Company.

Mr Bacopanos, having been appointed by other Directors on 21 October 2020 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

#### **4.2 Qualifications and other material directorships**

Mr Bacopanos is a Chartered Accountant and Fellow of the Securities Institute of Australia with more than thirty years of experience in a wide range of industries, geographies and roles. He was previously an Executive Director with Ernst & Young in their Transaction Advisory Services division and has held executive director roles in public and private operating entities in China.

Mr Bacopanos was previously a director of the first privately owned steel mill in Vietnam, VinauSteel, and Finance Director and Company Secretary for Compact Steel. More recently Mr Bacopanos has undertaken consulting roles in the lithium, copper, gold and nickel sectors that have involved advising on and negotiating EPC contracts, funding structures and offtake agreements.

During the last three years Mr Bacopanos has held a directorship with Threat Protect Australia Ltd (ASX:TPS)

#### **4.3 Independence**

In his current capacity as a non-executive director of the Company, Mr Bacopanos has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers that Mr Bacopanos will be an independent director.

#### **4.4 Board recommendation**

The Directors (other than Dimitri Bacopanos who abstains) unanimously recommend that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

#### **5.1 Background**

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less (**Eligible Entity**). The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$73.7 million based on the closing Share price on 16 October 2020.

Resolution 4 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 5.2(b) of this Notice of Annual General Meeting below). The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to

pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to a combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Shareholder approval.

**5.2 If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities (i.e. the Additional 10% Placement Capacity) without Shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1. Regulatory Requirements**

In compliance with the information requirements of ASX Listing Rule 7.3A, Shareholders are advised of the following information:

**(a) Minimum Issue Price**

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities (being Shares).

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

**(b) Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 613,903,552 Shares on issue. Accordingly, if Shareholders approve Resolution 4, the Company will have the capacity to issue approximately 61,390,355 Equity Securities under the Additional 10% Placement Facility in accordance with ASX Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

**(A x D) – E**

**A =** the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- (b) plus the number of fully paid shares issued in the 12 months on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:

- (i). the convertible securities were issued or agreed to be issued before the 12 month period; or
  - (ii). the agreement to issue was approved, or taken to have been approved under ASX Listing Rule 7.1 or 7.4;
- (c) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
- (i). the agreement was entered into before the 12 month period; or
  - (ii). the agreement to issue was approved, or taken to have been approved under ASX Listing Rule 7.1 or 7.4;
- (d) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (e) plus the number of fully paid shares issued in the previous 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4; and
- (f) less the number of fully paid shares cancelled in the previous 12 months.

*Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D =** 10%

**E =** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that

do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.06 50% decrease in Issue Price	\$0.12 Issue Price	\$0.18 50% increase in Issue Price
Current Variable A  613,903,552 Shares	Shares issued (10% Voting Dilution)	61,390,355 New Shares	61,390,355 New Shares	61,390,355 New Shares
	Funds raised	\$3,683,421	\$7,431,643	\$11,050,264
50% increase in current Variable A  920,855,328 Shares	Shares issued (10% Voting Dilution)	92,085,533 New Shares	92,085,533 New Shares	92,085,533 New Shares
	Funds raised	\$5,525,132	\$11,050,264	\$16,575,396
100% increase in current Variable A  1,227,807,104 Shares	Shares issued (10% Voting Dilution)	122,780,710 New Shares	122,780,710 New Shares	122,780,710 New Shares
	Funds raised	\$7,366,843	\$14,733,685	\$22,100,528

**The table has been prepared on the following assumptions:**

1. Variable A is 613,903,552 being the number of ordinary securities on issue at the date of this Notice of Meeting.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. No Options or Performance Rights are exercised into Shares before the date of issue of the Equity Securities.
4. The Company has not issued any other Equity Securities using its placement capacity under ASX Listing Rule 7.1 or 7.1A in the 12 months preceding this Notice of Meeting.
5. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
8. The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares.

9. The issue price is \$0.12, being the closing price of the Shares on ASX on 16 October 2019, being the last trading day before the date of this Notice of Annual General Meeting.

(c) **Issue Period**

If Shareholders approve Resolution 4, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under ASX Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period and the approval will cease to be valid in the event that holders of the eligible entity's ordinary securities approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

(d) **Purpose of Issues**

The Company will only seek to issue the Equity Securities under the Additional 10% Placement Facility for cash consideration for the following purposes:

- (i) exploration and development activities at its Minim Martap Project and Birsok Project in Cameroon;
- (ii) general working capital; and
- (iii) the acquisition of new resource assets and investments.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.3.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to which the Company will issue the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, a rights issue, a placement and a pro rata offer, a placement and an offer under securities purchase plan or other issues in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company; and

- (v) advice from corporate, financial and broking advisers (if applicable).

The persons to whom the Company will issue Equity Securities under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and / or new Shareholders who are not related parties or associates of a related party of the Company.

(f) **Previous issues of Equity Securities under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 2019 Annual General Meeting held on 27 November 2019.

In the 12 months preceding the date of the Annual General Meeting, the Company has issued 47,093,217 Equity Securities under ASX Listing Rule 7.1A.2 which represents 11% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of the Equity Securities issued in the 12 month period are outlined in Schedule 3 to this Notice of Meeting.

(g) **Voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

In these circumstances (and in accordance with guidance in ASX Guidance Note 21 relating to ASX Listing Rule 7.1A), ASX considers a material benefit to be one that is likely to induce the recipient of the benefit to vote in favour of the transaction regardless on its impact on ordinary security holders. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

### **5.3 Board Recommendation**

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 4.

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## **6. BACKGROUND TO BIRSOK PROJECT**

### **6.1 General**

In 2013, the Company entered into a Farm-In and Incorporated Joint Venture Agreement (**Birsok JV Agreement**) with wholly-owned subsidiaries of Altus Strategies plc (**Altus**) including Alures Mining Limited, Avance African Group Limited and several other parties, pursuant to which Canyon had the right to earn up to a 75% interest in the Birsok Project. In accordance with the Birsok JV

Agreement, the Company issued 8,000,000 Shares (**Initial Consideration Shares**) to Altus on 24 December 2014, following approval at the Company's 2014 annual general meeting.

As announced on 12 October 2018 and confirmed by executed agreements on 14 February 2019, the parties agreed to terminate the Birsok JV Agreement and entered into a new transaction, pursuant to which the Company will acquire 100% of the Birsok Project (**Acquisition Agreement**). Further details of this agreement are set out in Section 6.2 below.

The Birsok Project is strategically located in an emerging bauxite region of Cameroon contiguous with the Minim Martap Project deposit and approximately 10km from an operating rail line.

Altus currently has a Voting Power of 2.60% of the Company as a result of the sale of a number of the shares issued as the Initial Consideration Shares in 2014. Upon the issue of all Shares required to be issued under the Acquisition Agreement (details of which are set out below), Altus will increase its Voting Power to 4.90% (based on the number of Shares on issue as at the date of this Notice of Meeting and assuming no Options are exercised or other Shares are issued). Mr David Netherway who is a Director and Chairman of the Company is also a Director and Chairman of Altus and holds a 6.1% interest in Altus. However, Altus is not a related party for the purposes of the Corporations Act or the ASX Listing Rules.

## 6.2 Summary of the Acquisition Agreement

Under the Acquisition Agreement, the Company has agreed to acquire 100% of the Birsok Project in consideration for:

- (a) the issue of 15,000,000 Shares to be issued upon completion of the transfer (**Milestone A Shares**). The issue of the Milestone A Shares was approved by shareholders at the Company's 2019 AGM and the Milestone A Shares were issued on 7 February 2020;
- (b) the issue of 10,000,000 Shares to be issued 12 months following the issue of the Milestone A Shares and subject to a 12 month voluntary escrow period (**Milestone B Shares**);
- (c) the issue of a further 5,000,000 Shares to be issued upon the earlier of 24 months following the issue of the Milestone A Shares or the execution of the final mining convention on the Minim Martap Project and subject to a 12 month voluntary escrow period (**Milestone C Shares**); and
- (d) a US\$1.50 per tonne royalty on ore mined from the Birsok Project.

The parties have also agreed that if a change of control event occurs in relation to the Company, the Company will issue all remaining Milestone A, B and/or C Shares and all voluntary escrow arrangements will be terminated.

The above obligations are in addition to the Initial Consideration Shares and are subject to Shareholder approval, formal documentation and any other regulatory approvals as required.

Resolution 5 of this Notice of Meeting relates to the issuance of the Milestone B Shares only. The Company will seek additional Shareholder approval for the issue of the Milestone C Shares at the appropriate time in the future.

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## 7. RESOLUTION 5 – APPROVAL FOR THE OF ISSUE OF SHARES – ACQUISITION OF THE BIRSOK PROJECT

Resolution 6 seeks Shareholder approval for the issue of the Milestone B Shares to Altus, in accordance with the Acquisition Agreement.

## 7.1 Summary of ASX Listing Rule 7.1

As noted above, the Company has agreed to issue the Milestone B Shares to Altus (the **Issue**).

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Issue does not fall within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under ASX Listing Rule 7.1.

Resolution 5 seeks the required shareholder approval to the Issue under and for the purposes of ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the Issue and will issue the Milestone B Shares to Altus. In addition, the Issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 5 is not passed, the Issue can only proceed to the extent that the Company has the capacity to issue Equity Securities without shareholder approval under ASX Listing Rule 7.1 in the future.

## 7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Shares to be issued is 10,000,000;
- (b) the Shares will be issued on or around 7 February 2021, being the date 12 months from the issue of the Milestone A Shares and will be subject to a 12 month voluntary escrow period and in any event no later than 3 months after the date of the meeting or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules;
- (c) the Shares will be issued in partial consideration for the acquisition of a 100% interest in the Birsok Project;
- (d) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares are to be issued to Altus Strategies plc who is not a related party of the Company;
- (f) no funds will be raised from this issue as the issue of Shares is in partial consideration for the Company acquiring a 100% interest in the Birsok Project;
- (g) a summary of the Acquisition Agreement, under which the Milestone B Shares are to be issued, is set out in section 6.2 of this Notice; and
- (h) a Voting Exclusion Statement has been provided for this Resolution in the Agenda Section of this Notice of Meeting.

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## 8. RESOLUTION 6(A) AND 6(B) – RATIFICATION OF PRIOR ISSUE OF SHARES - PLACEMENTS

### 8.1 General

On 24 December 2019, the Company issued a total of 15,625,000 Shares at \$0.16 per Share as a capital raise in the form of a placement to institutional and sophisticated investors to raise \$2,500,000 before costs, under ASX Listing Rule 7.1 (**2019 Placement**).

On 7 September 2020 and 29 September 2020, the Company issued a total of 100,000,000 Shares at \$0.10 per Share capital raise in the form of a placement to institutional and sophisticated investors to raise \$10,000,000 before costs (**2020 Placement**). With respect to the 2020 Placement, 52,906,783 Shares were issued under ASX Listing Rule 7.1 (**2020 Placement - 7.1**) and 47,093,217 Shares were issued under ASX Listing Rule 7.1A (**2020 Placement - 7.1A**).

Resolutions 6(A) and 6(B) seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares under the 2019 Placement and 2020 Placement (**Share Issues**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting at which the Shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

The issue of the Shares under the 2019 Placement, the 2020 Placement - 7.1 and 2020 Placement 7.1A do not fit within any of the exceptions under ASX Listing Rule 7.1 and 7.1A, and as these Share issues have not yet been approved by Shareholders, they effectively use up part of the 15% limit in ASX Listing Rule 7.1 and the 10% limit in ASX Listing Rule 7.1A, reducing Canyon's capacity to issue further Equity Securities without Shareholder approval under these Listing Rules for the 12 month period following the date of issue of the Shares under the 2019 Placement and 2020 Placement.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 or ASX Listing Rule 7.1A and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

Canyon wishes to maintain as much flexibility as possible to issue Equity Securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1 and 7.1A.

If Resolution 6(A) is passed, the Equity Securities issued in the 2019 Placement and the 2020 Placement - 7.1 will be excluded in calculating Canyon's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the 2019 Placement and the 2020 Placement - 7.1.

If Resolution 6(A) is not passed, the Equity Securities issued in the 2019 Placement and the 2020 Placement - 7.1 will be included in calculating Canyon's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the 2019 Placement and the 2020 Placement - 7.1.

If Resolution 6(B) is passed, the Equity Securities issued in the 2020 Placement - 7.1A will be excluded in calculating Canyon's 10% limit in ASX Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the 2020 Placement - 7.1A.

If Resolution 6(B) is not passed, the Equity Securities issued in the 2020 Placement - 7.1A will be included in calculating Canyon's 10% limit in ASX Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the 2020 Placement - 7.1A.

The Shares issued, for which approval and ratification is sought under Resolutions 6(A) and 6(B), comprise 18.5% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting).

## **8.2 Technical information required by ASX Listing Rule 7.4 – 2019 Placement and the 2020 Placement - 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification of the 2019 Placement and 2020 Placement - 7.1:

- (a) 15,625,000 Shares were issued on 24 December 2019 under the 2019 Placement and 52,906,783 Shares were issued under the 2020 Placement - 7.1 under the Company's placement capacity pursuant to ASX Listing Rule 7.1;
- (b) the issue price was \$0.16 per Share under the 2019 Placement and \$0.10 per Share under the 2020 Placement - 7.1;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares under the 2019 Placement were issued to institutional and sophisticated investor clients of CPS Capital Group Pty Ltd and the Shares under the 2020 Placement – 7.1 were issued to institutional and sophisticated investor clients of Ashanti Capital Pty Ltd;
- (e) funds raised from these issues are to be used to further evaluate exploration of the Minim Martap Project in Cameroon, advance strategic project and off-take discussions and provide general working capital; and
- (f) a Voting Exclusion Statement has been provided for this Resolution in the Agenda Section of this Notice of Meeting.

## **8.3 Technical information required by ASX Listing Rule 7.4 – 2020 Placement - 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification of the 2020 Placement:

- (g) In aggregate, 47,093,217 Shares were issued on 7 September 2020 and 29 September 2020 under the Company's placement capacity pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (h) the issue price was \$0.10 per Share;
- (i) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (j) the Shares were issued to interests associated with Mr Peter Su and to institutional and sophisticated investor clients of Ashanti Capital Pty Ltd;

- (k) funds raised from this issue are to be used to further evaluate exploration of the Minim Martap Project in Cameroon, advance strategic project and off-take discussions and provide general working capital; and
- (l) a Voting Exclusion Statement has been provided for this Resolution in the Agenda Section of this Notice of Meeting.

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## 9. RESOLUTIONS 7, 8, 9 AND 10 – ISSUE OF SHARES TO DIRECTORS

### 9.1 General

As announced on ASX on 1 May 2020, in acknowledgement of the uncertainty in relation to the COVID-19 virus and the potential impact on the Company, the Directors accepted a cash payment deferral of their remuneration for the period 1 May 2020 to 31 August 2020 as set out below:

- (a) The Non Executive Directors accepted a 50% cash payment deferral of their remuneration; and
- (b) The Managing Director accepted a 20% cash payment deferral of his remuneration.

It was further agreed that the deferred portion of remuneration be settled by way of the issue of Shares (subject to Shareholder approval).

Accordingly, the Company has agreed, subject to obtaining Shareholder approval, to issue Shares to each of Messrs David Netherway, Emmanuel Correia, Steve Zaninovich and Phillip Gallagher (**Participating Directors**) on the terms and conditions set out below.

Shareholders are being asked to approve Resolutions 8 to 11 to allow Shares to be issued to the Directors, as set out below.

Resolution	Director	Number of Shares
7	Mr David Netherway	150,000
8	Mr Emmanuel Correia	133,333
9	Mr Steve Zaninovich	133,333
10	Mr Phillip Gallagher	200,000
<b>TOTAL</b>		<b>616,666</b>

### 9.2 ASX Listing Rule 10.11

The Company is proposing to issue the Shares to the Participating Directors (the **Director Share Issues**).

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3; or

- a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Director Share Issues fall within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. They therefore require the approval of the Company's shareholders under ASX Listing Rule 10.11.

Resolutions 7 to 10 seeks the required shareholder approval to the Director Share Issues under and for the purposes of ASX Listing Rule 10.11.

If Resolutions 7 to 10 are passed, the Company will be able to proceed with the Director Share Issues and issue the Shares to the Participating Directors.

If Resolutions 8 to 11 are not passed, the Company will not be able to proceed with the Director Share Issues.

As Shareholder approval is being sought under ASX Listing Rule 10.11, approval is not also required under ASX Listing Rule 7.1.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Director Options to the Directors:

- The Shares are proposed to be issued to Messrs Netherway, Correia, Zaninovich and Gallagher, each of whom are related parties to the Company (ASX Listing Rule 10.11.1 category) by virtue of being Directors.
- The maximum number of Shares to be issued under Resolutions 8 to 11 is set out in section 9.1 above.
- the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- The Shares will be issued as soon as practicable after the date of the meeting and in any event within one month.
- The Shares will be issued at an issue price of \$0.10 per share, in settlement of the remuneration cash payment deferral as set out in Section 9.1 above.
- The current total remuneration packages for each of the Participating Directors are as follows.

<b>4. Related Parties</b>	<b>2021 Financial Year<sup>1</sup></b>	<b>2020 Financial Year<sup>1</sup></b>
David Netherway	187,500	241,067
Emmanuel Correia	177,500	231,067
Steve Zaninovich	177,500	333,982
Phillip Gallagher	397,500	627,359

**Notes**

<sup>1</sup> Includes salary & fees, superannuation and equity based payments.

- A Voting Exclusion Statement has been provided for these Resolutions in their respective Agenda Sections in this Notice of Meeting.

### 9.3 Section 208 Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 210 of the Corporations Act states that Member approval is not needed to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

The Directors have determined that, as the issue of Shares is proposed to take place on the same terms as the 2020 Placement, the financial benefit given by the Company is reasonable in the circumstances if the Company and the recipients were dealing at arm's length. Accordingly, Shareholder approval is not required under Chapter 2E of the Corporations Act.

### 9.4 Board recommendations

Mr Netherway declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Rights should Resolution 8 be passed. However, in respect of Resolutions 9 and 10, Mr Netherway recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 9.1 above.

Mr Correia declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 9 be passed. However, in respect of Resolutions 8, 10 and 11, Mr Correia recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 9.1 above.

Mr Zaninovich declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 10 be passed. However, in respect of Resolutions 8, 9 and 11, Mr Correia recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 9.1 above.

Mr Gallagher declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 11 be passed. However, in respect of Resolutions 8, 9 and 10, Mr Gallagher recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 9.1 above.

In forming their recommendations, each Director considered the experience of each other Related Parties, the existing and proposed contribution of each Related Parties to the Company and the current market practices when determining the number of Performance Rights to be granted.

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## 10. RESOLUTIONS 11, 12, 13, 14, 15 AND 16 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

### 10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue Performance Rights to each of Messrs David Netherway, Emmanuel Correia, Steve Zaninovich, Peter Su and Dimitri Bacopanos (**Related Parties**) on the terms and conditions set out below.

Accordingly, Shareholders are being asked to approve Resolutions 11 to 16 to allow Performance Rights that may vest under the Company's Long Term Incentive Plan to be issued to the Directors, as set out below.

Resolution	Director	Number of Performance Rights
1	Mr David Netherway	1,500,000
12	Mr Emmanuel Correia	1,500,000
13	Mr Steve Zaninovich	1,500,000
14	Mr Peter Su	1,500,000
15	Mr Dimitri Bacopanos	1,500,000
16	Mr Phillip Gallagher	1,500,000
<b>TOTAL</b>		<b>9,000,000</b>

### 10.2 Rationale

The primary purpose of the issue of the Performance Rights under Resolutions 11 to 16 is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors.

The Board has determined that the grant of Performance Rights to the Related Parties will align the interests of the Related Parties with those of Shareholders by creating a stronger link between performance resulting in increased Shareholder value and reward to the Related Parties. Each Related Party will have a greater involvement with, and share in, any future growth and profitability of the Company.

The grant of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties.

It is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed.

### 10.3 Section 195(4) Corporations Act

Each of the Directors has a material personal interest in the outcome of Resolutions 11 to 16 (as applicable to each Director) in this Notice of Meeting by virtue of the fact that Resolutions 11 to 16 are concerned with the issue of Performance Rights to Directors.

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

#### **10.4 ASX Listing Rule 10.14**

As noted in section 10.1, the Company is proposing to issue Performance Rights to Directors under the Long Term Incentive Plan (**Incentive Issues**).

Listing Rule 10.14 provides that a company must not issue, under an employee incentive scheme, Equity Securities to:

- (i) a director of the Company;
- (ii) an associate of a director of the Company;
- (iii) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by the Shareholders,

unless the issue has been approved by holders of ordinary securities.

The Incentive Issues fall within Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 11 to 16 seek the required Shareholder approval to the Issues under and for the purposes of Listing Rule 10.14.

If approval is given by Shareholders under Listing Rule 10.14, the Company will be able to proceed with the Incentive Issues.

If approval is not given by Shareholders under Listing Rule 10.14, the Incentive Issues will not be able to proceed.

Accordingly, under Resolutions 11 to 16, the Company seeks approval from Shareholders for the issue of Performance Rights to the Directors, who by virtue of their position as Directors of the Company are related parties of the Company.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed Incentive Issues to the Directors:

- (a) The Performance Rights are proposed to be issued to Messrs Netherway, Correia, Zaninovich, Su, Bacopanos and Gallagher, each of whom are Directors and as such, are Related Parties to the Company in accordance with ASX Listing Rule 10.11.1.
- (b) The maximum number of Performance Rights to be issued under Resolutions 11 to 16 is set out in section 10.1 above.
- (c) The Performance Rights will be in consideration of the future performance of the Directors. No funds will be raised from the issue of the Performance Rights.
- (d) The following persons referred to in ASX Listing Rule 10.14 received securities under the Company's Long Term Incentive Plan since its last approval:

<b>Name</b>	<b>Type of Security</b>	<b>Number of Securities</b>	<b>Acquisition price of Securities</b>
David Netherway	Shares	3,333,333	Nil subject to vesting milestones which have now been satisfied, issued on conversion of Performance Rights
Emmanuel Correia	Shares	3,333,334	Nil subject to vesting milestones which have now been satisfied, issued on conversion of Performance Rights
Steve Zaninovich	Shares	1,200,000	Nil subject to vesting milestones which have now been satisfied, issued on conversion of Performance Rights
	Performance Rights	600,000	Nil subject to vesting milestones
Phillip Gallagher	Shares	5,333,333	Nil subject to vesting milestones which have now been satisfied, issued on conversion of Performance Rights
Employees and consultants	Shares	1,533,333	Nil subject to vesting milestones which have now been satisfied, issued on conversion of Performance Rights
Employees and consultants	Performance Rights	2,066,667	Nil subject to vesting milestones

- (e) All Directors are entitled to participate in the Long Term Incentive Plan. The Directors are the only people referred to in ASX Listing Rule 10.14 currently eligible to participate in the Long Term Incentive Plan. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the Long Term Incentive Plan after these Resolutions are approved and who are not named in Notice of Annual General Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.
- (f) No loans have or will be made by the Company in connection with the proposed issue of Performance Rights.
- (g) A Voting Exclusion Statement has been provided for these Resolutions in their respective Agenda Sections in this Notice of Meeting.
- (h) The Performance Rights will be issued subject to the following vesting conditions and otherwise on the terms set in the Company's Long Term Incentive Plan, a summary of which is outlined in Schedule 2:
- (i) one-quarter vest on the participant remaining with the Company for a minimum of 12 months from the date of issue;
  - (ii) one-quarter vest on the Company achieving a total one-year shareholder return of at least 40% at the end of the first year following the issue of the Performance Rights;

- (iii) one-quarter vest on the Company achieving a total two-year shareholder return of at least 96% at the end of the second year following the issue of the Performance Rights; and
- (iv) one-quarter vest on the Company achieving a total three-year shareholder return of at least 174% at the end of the third year following the issue of the Performance Rights.

For the purposes of this vesting conditions (ii), (iii) and (iv), the shareholder return will be based on the ten-day volume weighted average ordinary share price of the company (**10-Day VWAP**) and calculated at the end of a respective year as follows:

$$\text{Total shareholder return} = \frac{10 \text{ Day VWAP at the end of the respective year}}{10 \text{ Day VWAP at the date of issue of the Performance Rights}} - 1$$

In the event that vesting condition (iv) is satisfied, any Performance Rights subject to vesting conditions (ii) and (iii) that have not already vested will immediately vest.

Any unvested Performance Rights at the expiry date will automatically lapse.

- (i) The Performance Rights will be issued to the Directors no later than 36 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date.

Details of any securities issued under the Long Term Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who became entitled to participate in an issue of securities under the Long Term Incentive Plan after the resolution is approved and who were not named in the Notice of Annual General Meeting will not participate until approval is obtained under that rule.

## 10.5 Section 208 Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (iii) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (iv) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

It is the view of the Directors that the proposed issue of Performance Rights pursuant to Resolutions 11 to 16 falls within the "reasonable remuneration" exception under Section 211 of the Corporations Act given the circumstances of the Company and the position held by the Directors.

Accordingly, the Directors have determined not to seek Shareholder approval for the purposes of Section 208 of the Corporations Act for the issue of the Performance Rights to the Directors.

As each Director of the Company may receive Shares under Resolutions 11 to 16, the Company has nevertheless determined to include the information at section 10.5 below for the benefit of Shareholders, even though the Company is not

seeking Shareholder approval for the purposes of Section 208 of Chapter 2E of the Corporations Act.]

- (a) The Performance Rights are proposed to be issued to Messrs Netherway, Correia, Zaninovich, Su, Bacopanos and Gallagher, each of whom are related parties to the Company by virtue of being Directors (**Related Parties**).
- (b) Resolutions 11 to 16 seeks approval from Shareholders to allow the Company to issue the Performance Rights to the Directors as set out in section 10.1 above for nil consideration. The terms of the Performance Rights are set out in section 10.4(g) and Schedule 2.
- (c) The value of the Performance Rights the subject of Resolutions 11 to 16 and the pricing methodology is set out in Schedule 2.
- (d) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	21.5 cents	19 November 2019
Lowest	5 cents	27 March 2020
Last	12 cents	16 October 2020

- (e) If the maximum number of Performance Rights are issued under Resolution 11 to 16, a total of 9,000,000 Performance Rights would be issued. Upon the vesting of these Performance Rights (based on the number of Shares and Options on issue as at the date of this Notice of Meeting and assuming that no Options are exercised and no other Shares are issued) the shareholding of existing Shareholders would be diluted by an aggregate of 1.47%, comprising 0.24% by each of Messrs Netherway, Correia, Zaninovich, Su, Bacopanos and Gallagher.
- (f) The relevant interests of the Directors in securities of the Company as at the date of this Notice of Meeting are set out below:

Related Parties	Shares	Performance Shares	Performance Rights	Options
David Netherway	14,413,015	Nil	Nil	Nil
Emmanuel Correia	8,761,114	Nil	Nil	Nil
Steve Zaninovich	1,200,000	Nil	600,000	Nil
Peter Su	56,330,024	Nil	Nil	Nil
Dimitri Bacopanos	Nil	Nil	Nil	Nil
Phillip Gallagher	15,460,017	Nil	Nil	Nil

- (g) The remuneration and emoluments from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Parties	2021 Financial Year <sup>1</sup>	2020 Financial Year <sup>1</sup>
David Netherway	187,500	241,067
Emmanuel Correia	177,500	231,067
Steve Zaninovich	177,500	333,982
Peter Su	160,404	Nil

Dimitri Bacopanos	153,171	Nil
Phillip Gallagher	397,500	627,359

**Notes**

<sup>1</sup> Includes salary & fees, superannuation and equity based payments.

## 10.6 Section 200B and 200E Corporations Act

The Corporations Act restricts the benefits that can be given to persons who hold a “managerial or executive office” (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan including the discretion to determine the accelerated vesting or automatic vesting of Performance Rights in certain circumstances.

Under the Long Term Incentive Plan, a participant may become entitled to accelerated vesting or automatic vesting of Performance Rights if there is a change of control of the Company or if the Board exercises its discretion upon cessation of employment. It is the Board's current intention to exercise its discretion so that the Performance Rights to be issued to Messrs Netherway, Correia, Zaninovich, Su, Bacopanos and Gallagher for past performance shall not be forfeited by virtue of their resignation. Accordingly, Shareholder approval is sought for Messrs Netherway, Correia, Zaninovich, Su, Bacopanos and Gallagher to be given a benefit in connection with their retirement from office with the Company.

Accordingly, Shareholder approval is sought for the Directors to be given any such benefit in connection with his retirement from office or employment with the Company if that occurs within 3 years of the date of this Meeting;

If Shareholder approval is given under Resolutions 11 to 16 , the Company will still be required to comply with ASX Listing Rules 10.18, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit relating to any Performance Rights held by Messrs Netherway, Correia, Zaninovich, Su, Bacopanos and Gallagher which will arise in connection with their retirement cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (a) the market price of the Company's Shares on ASX at the relevant time; and
- (b) the risk free rate of return in Australia and the estimated volatility of the Company' Shares on ASX at the relevant time.

## 10.7 Listing Rule 10.19

Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. As noted in section 10.6 of this Notice, it is the Board's intention to exercise its discretion so that the Performance Rights to be issued to Messrs Netherway, Correia, Zaninovich, Su, Bacopanos and Gallagher (or their nominees) for past performance shall not be forfeited by virtue of their resignation.

The value of the termination benefit payable to Messrs Netherway, Correia, Zaninovich, Su, Bacopanos and Gallagher (or their nominees) under Resolutions 11 to 16 depends on the factors set out above in section 10.6 of this Notice. It is possible that the provision of the benefit associated with the vesting and exercise of Performance Rights in the future may exceed 5% of the equity interests of the Company at the relevant time, although it is unlikely.

## **10.8 Board recommendations**

Mr Netherway declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Performance Rights should Resolution 121 be passed. However, in respect of Resolutions 12 to 16, Mr Netherway recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 10.2 above.

Mr Correia declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 12 be passed. However, in respect of Resolutions 11 and 13 to 16, Mr Correia recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 10.2 above.

Mr Zaninovich declines to make a recommendation to Shareholders in relation to Resolution 13 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 13 be passed. However, in respect of Resolutions 11, 12 and 14 to 16, Mr Zaninovich recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 10.2 above.

Mr Su declines to make a recommendation to Shareholders in relation to Resolution 14 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 14 be passed. However, in respect of Resolutions 11 to 13, 15 and 16, Mr Su recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 10.2 above.

Mr Bacopanos declines to make a recommendation to Shareholders in relation to Resolution 15 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 15 be passed. However, in respect of Resolutions 11 to 14 and 16, Mr Bacopanos recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 10.2 above.

Mr Gallagher declines to make a recommendation to Shareholders in relation to Resolution 16 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights should Resolution 16 be passed. However, in respect of Resolutions 11 to 15, Mr Gallagher recommends that Shareholders vote in favour of those Resolutions for the reasons stated in section 10.2 above.

In forming their recommendations, each Director considered the experience of each other Related Parties, the existing and proposed contribution of each Related Parties to the Company and the current market practices when determining the number of Performance Rights to be granted.

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**11. RESOLUTION 17 – FEES PAYABLE TO NON-EXECUTIVE DIRECTORS**

In accordance with Clause 12.8 of the Company's Constitution and ASX Listing Rule 10.17, Shareholder approval is sought to increase the maximum aggregate amount of directors' fees per annum that may be paid by the Company to its non-executive directors (**Fee Pool**) by \$100,000, from \$400,000 per annum to a maximum aggregate amount of \$500,000 per annum.

Under the ASX Listing Rules, the term "directors' fees" includes committee fees, superannuation contributions and fees which a director sacrifices for other benefits, but does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees or securities issued to non-executive directors with approval of Shareholders in accordance with the ASX Listing Rules.

The Directors are seeking Shareholder approval to increase the Fee Pool for the following reasons:

- For the current financial year, the estimated aggregate amount of non-executive directors' fees is \$370,000. As a result of the diversification of the Company over recent years, the Directors continue to review the size and composition of the Board. The increase in the Fee Pool will provide the Board with the ability to appoint additional directors with the requisite skills and experience as appropriate; and
- The increase will ensure that the Company maintains the ability to pay non-executive directors remuneration at levels commensurate with market rates and as necessary to attract and retain directors of the highest calibre.

The level of non-executive directors' remuneration is reviewed annually to ensure alignment with the market. The Directors are satisfied that the proposed Fee Pool will be within the average bands applying to companies within the Company's industry that are of similar size, profitability, growth and risk profiles and that the proposed increase is appropriate for the reasons set out above.

The following securities have been issued to non-executive directors of the Company under ASX Listing Rules 10.11 or 10.14 at any time within the last three years.

<b>Name</b>	<b>Type of Security</b>	<b>Number of Securities</b>	<b>Acquisition price of Securities</b>
David Netherway	Performance Shares	2,500,000	Nil subject to vesting milestones which have now been satisfied
	Performance Rights	5,000,000	Nil subject to vesting milestones which have now been satisfied
Emmanuel Correia	Performance Shares	3,000,000	Nil subject to vesting milestones which have now been satisfied
	Performance Rights	5,000,000	Nil subject to vesting milestones which have now been satisfied
Steve Zaninovich	Performance Rights	1,800,000	Nil subject to vesting milestones, two-thirds of which have now been satisfied

<b>Name</b>	<b>Type of Security</b>	<b>Number of Securities</b>	<b>Acquisition price of Securities</b>
Peter Su	N/A	Nil	N/A
Dimitri Bacopanos	N/A	Nil	N/A

Additional information regarding the remuneration paid to each non-executive director for the financial year ended 30 June 2020, and the Company's approach to the remuneration of non-executive directors, is set out in the Remuneration Report.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the meaning given to that term in the ASX Listing Rules.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** or **Canyon** means Canyon Resources Limited (ACN 140 087 261).

**Constitution** means the Company's constitution adopted on 23 November 2018.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Final Investment Decision** has the meaning given to it in the Birsok JV Agreement.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Key Management Personnel** has the meaning given to that term in section 9 of the Corporations Act.

**Long Term Incentive Plan** means the Long Term Incentive Plan Rules document that empowers the Company to operate the Canyon Resources Limited Long Term Incentive Plan (**Plan**) on the terms outlined in that document and in accordance with the ASX Listing Rules and the Corporations Act.

**Notice, Notice of Annual General Meeting** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Performance Right** means a performance right allocated in accordance with the Plan that is subject to restrictions on Dealing, Vesting Conditions (as defined in the Plan) and/or other restrictions or conditions.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means, unless otherwise stated, a section of the Explanatory Statement.

**Security** means an equity security issued by the Company, including a Share, Option, Convertible Note and Performance Right.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Voting Power** has the meaning given to that term in the Corporations Act.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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Item	Summary
Eligibility	Offers may be made at the discretion of the board of directors of Canyon ( <b>Board</b> ) to employees of Canyon or any other person that the Board determines to be eligible to receive a grant under the Plan.
Performance Rights	A Performance Right is the right to acquire a Share subject to relevant vesting conditions.
Nature of a Performance Right	A Performance Right is effectively a zero priced option that vests subject to the satisfaction of relevant vesting conditions. The vesting conditions are typically a combination of time and performance based milestones.
Offers under the Plan	<p>Unless otherwise specified in an offer document, the Board has the discretion to settle performance rights with a cash equivalent payment.</p> <p>The Board may make offers at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer options, performance shares and Performance Rights in individual offer documents.</p>
Issue Price	Unless the Board determines otherwise, no payment is required for a grant of a Performance Right under the Plan.
Vesting	Vesting of Performance Rights under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document.
Lapsing and forfeiture	Subject to the rules of the Plan ( <b>Rules</b> ) and the terms of the specific offer document, any Performance Rights will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.
Cessation of Employment	Under the Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is proposed that individual offer documents will provide more specific detail on how the entitlements will be treated if the participating employee ceases employment.
Clawback and preventing inappropriate benefits	The Rules provide the Board with customary "clawback" powers if, amongst other things, the participant has acted fraudulently or dishonestly, engaged in gross misconduct or if the participant's entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.
Change of Control	The Board may determine that all or a specified number of a participant's Performance Rights will vest or cease to be subject to restrictions where there is a change of control event in accordance with the Rules. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated on a change of control.

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## SCHEDULE 2 – VALUATION OF PERFORMANCE RIGHTS

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Valuation methodology based on rules set out in Division 83A of the Income Tax Assessment Act Guide to market valuation.

The Performance Rights to be issued to the Related Parties pursuant to Resolution 8 have been independently valued.

Using the valuation model noted above and based on the assumptions set out below, the Performance Rights were ascribed a value range, as follows:

<b>Assumptions:</b>	
Valuation date	16 October 2020
Market price of Shares as at 16 October 2020	\$0.12
10 day VWAP	\$0.13
Valuation	50% of 10 day VWAP
<b>Indicative value per Performance Right</b>	<b>\$0.065</b>
David Netherway	\$97,500
Emmanuel Correia	\$97,500
Steve Zaninovich	\$97,500
Phillip Gallagher	\$97,500
Peter Su	\$97,500
Dimitri Bacopanos	\$97,500

Note: The valuation ranges noted above are not necessarily the market prices that the Performance Rights could be traded at and they are not automatically the market prices for taxation purposes.

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**SCHEDULE 3– DETAILS OF EQUITY SECURITIES ISSUED IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING**

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Issue Date	Number	Type	The persons to whom the Equity Securities were issued or the basis on which those persons were determined	Issue Price	Discount to market price at issue date	Funds raised	Use of Funds
7 Sep 2020	47,093,217	Shares	Various via Placement to professional and sophisticated investors, including parties associated with Mr Peter Su (see ASX announcement dated 31 August 2020).	\$0.10 per Share.	Issued at a 22% discount to the closing price on 7 September 2020 of \$0.128.	\$4,709,322	The Funds raised will be spent on the Minim Martap Bauxite Project development and general working capital purposes. The Company notes that it has not spent any of these funds raised as at the date of this notice..



Canyon Resources Limited  
ABN 13 140 087 261

CAY

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00 PM (AWST) on Saturday, 28 November 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Canyon Resources Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Canyon Resources Limited to be held at Level 9, 863 Hay Street, Perth, Western Australia on Monday, 30 November 2020 at 3:00 PM (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 7-17 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 7-17 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 7-17 by marking the appropriate box in step 2.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS	For	Against	Abstain		For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of Shares to Phillip Gallagher Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Peter Su as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Performance Rights to David Netherway Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Dimitri Bacopanos as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Issue of Performance Rights to Emmanuel Correia Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Issue of Performance Rights to Steve Zaninovich Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Shares - Altus Strategies PLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Issue of Performance Rights to Peter Su Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6(a) Ratification of Prior Issue of Shares - ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Issue of Performance Rights to Dimitri Bacopanos Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6(b) Ratification of Prior Issue of Shares - ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Issue of Performance Rights to Phillip Gallagher Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Shares to David Netherway Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Fees Payable to Non Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Shares to Emmanuel Correia Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9 Issue of Shares to Steve Zaninovich Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

\_\_\_\_\_

Contact Daytime Telephone

\_\_\_\_\_

Date / /

CAY

270175A



Computershare +