

BFS Infill Drilling Programme Complete

Highlights

- **Grade Definition Programme is complete following 111 infill holes resulting in 1,292m of air-core drilling across three priority plateaux**
- **Hydrogeological drilling is complete following installation of 15 water bore monitoring holes**
- **Results from the programme will be used to update the Mineral Resource estimate and improve the classification of the underlying ore body**
- **The BFS is underway and the improved Mineral Resource classification will support mine scheduling to validate improved Ore Reserve classification at the culmination of the BFS**

Canyon Resources Limited (ASX: CAY) (**Canyon, Company**) is pleased to announce the completion of infill and technical drilling in support of the bankable feasibility study (**BFS**) for the Minim Martap Bauxite Project (**Project**).

Technical drilling for the BFS was split into two main parts: Grade Definition Programme, and Hydrogeological Programme. Both were designed to increase the understanding and to upgrade the classification of the Minim Martap resource in support of the BFS that is currently underway.

The Grade Definition Programme has been completed as an infill programme across the three priority plateaux: Raymonde, Beatrice and Danielle. The programme drilled 111 infill holes resulting in 1,292m of air-core and 1,469 samples. Samples were taken at 1m intervals in line with previous drilling and sent for assaying at ALS laboratories in South Africa. A selection of the samples are undergoing further metallurgical assessment.

The results of the infill drilling are intended to support an update to a higher classification of the Mineral Resource estimate. The metallurgical testwork results will improve understanding of blending designs in the mine schedules for product offtake specifications.

The Hydrogeological Programme is designed to improve the understanding of the ground water regime in support of BFS mine designs. A total of 15 water bores, at an average depth of 15m, have been installed across the three priority plateaux and the monitoring programme, which has been ongoing since the start of the ESIA baseline surveys, has been expanded to include the additional points.

Data from these bores, along with broader hydrogeological and hydrological monitoring programmes, will contribute towards the technical and environmental understanding of the project area.



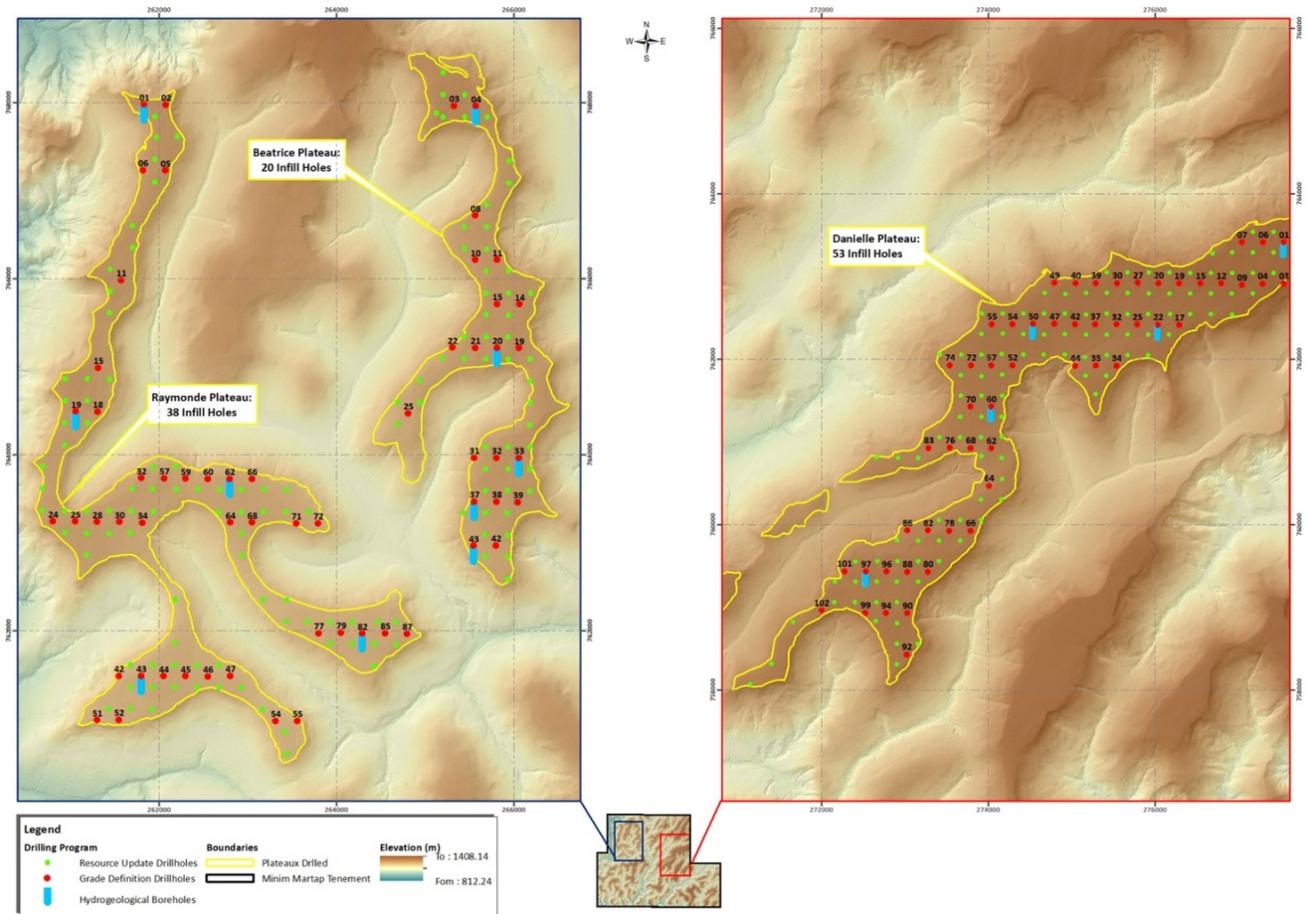
Installation of hydrological monitoring bore

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As well as environmental understanding, the programme has provided positive social contributions. The technical services team has hired support from local members of the community, sourced equipment and supplies from local companies, and the equipment for drill pad access and pad preparation was used to support local road maintenance for villages in the area. Canyon's activities at the project site over the last 3 years have led to improved road networks and electrical distribution for villages within and beyond the Company's tenements.

Canyon's Project Director, Mr James Durrant, said: *"The completion of this programme, on time, under budget and with no injuries is a clear reflection of the quality of the technical services team on site in Cameroon. This team is a 100% Cameroonian team and their efforts have been instrumental in allowing us to execute this programme efficiently and safely."*

The following maps indicate the extent of the drilling programmes:

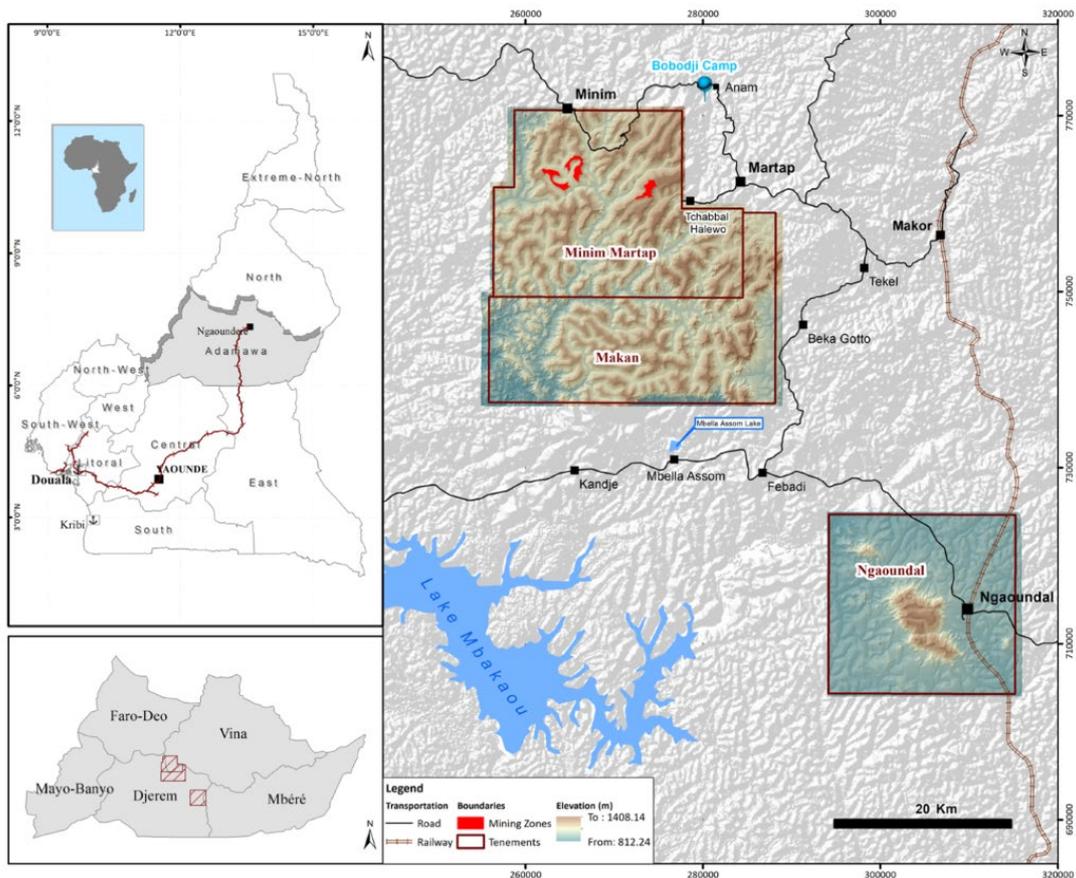


About Canyon Resources

Summary

Canyon Resources is focussed on the development of the 100% owned Minim-Martap Bauxite Project, a direct shipping ore (DSO) project development opportunity in central Cameroon. The Project is situated adjacent to the main rail line linking the region to the Atlantic port of Douala. The rail line is currently underutilised and coupled with the existing port of Douala, supports a low capex, low opex solution to deliver high grade, low contaminant, seaborne bauxite to market to fuel the large and growing aluminium industry as described in the 2020 Pre-Feasibility Study¹. The country is planning a rail extension and is undergoing rail line debottlenecking upgrades, giving longer term potential for export through the newly built, deep-water port of Kribi.

Canyon is planning the development of the bauxite Project in a 2 Stage, 2 Port execution programme with initial production exported through the port of Douala utilising the existing rail and port infrastructure and Stage 2 unlocking tonnes and reducing costs by utilising the planned rail extension to access the deep-water port of Kribi.



Pre-Feasibility Study

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

¹ ASX announcement 1 July 2020

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

Resources and Reserves

The Project is validated by the **Ore Reserve estimate**² prepared by a Competent Person, in accordance with the JORC Code (2012) and is presented as:

Reserve			
Classification	Tonnes (Mt)	Al ₂ O ₃	SiO ₂
Proven	-	-	-
Probable	97.3	51.1%	2.3%
Total Ore Reserves	97.3	51.1%	2.3%

The underlying **Mineral Resource estimate**³ prepared by a Competent Person, in accordance with the JORC Code (2012) is stated as:

Resource (35% Al ₂ O ₃ cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
Total	1,002.0	45.2% Al ₂ O ₃	2.8% SiO ₂
Indicated	942.5	45.2% Al ₂ O ₃	2.8% SiO ₂
Inferred	59.5	43.8% Al ₂ O ₃	3.1% SiO ₂
Contained High Grade Resource (45% Al ₂ O ₃ cut-off)			
	Tonnes (Mt) ore	Alumina	Silica
Total	484	48.8% Al ₂ O ₃	2.6% SiO ₂
Indicated	460	48.9% Al ₂ O ₃	2.6% SiO ₂
Inferred	24	47.4% Al ₂ O ₃	2.0% SiO ₂

Competent Person's Statement – Ore Reserves

The information in this report that relates to Ore Reserves is based on information compiled or reviewed by Mr John Battista, a Competent Person who is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy and is currently employed by Mining Plus (UK) Ltd. Mr Battista has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code).

Mr Battista consents to the disclosure of information in this report in the form and context in which it appears.

Competent Person's Statement – Mineral Resources

The information in this announcement that relates to mineral resources is based on information compiled or reviewed by Mr Mark Gifford, an independent Geological expert consulting to Canyon Resources Limited. Mr Mark Gifford is a Fellow of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity

² ASX announcement 10 August 2020

³ ASX announcement 16 October 2020

which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Mr Gifford consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Mineral Resource estimate

The data in this announcement that relates to the Mineral Resource estimates for the Minim Martap Bauxite Project is based on information in the Resources announcement of 16 October 2020 and available to view on the Company's website and ASX.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and the context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

Pre-Feasibility Study

The data in this announcement that relates to the Pre-Feasibility Study for the Minim Martap Bauxite Project and associated production targets and forecast financial information, is based on information in the PFS announcement of 1 July 2020. and available to view on the Company's website and ASX.

The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from the production target continue to apply and have not materially changed.

Ore Reserve estimate

The data in this announcement that relates to the Ore Reserve estimate estimates for the Minim Martap Bauxite Project is based on information in the maiden Ore Reserve announcement of 10 August 2020 and available to view on the Company's website and ASX.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and the context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

Forward looking statements

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

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

Canyon cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Canyon does not undertake

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to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

This announcement has been approved for release by the Board

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