

Rail upgrades in Cameroon facilitate the delivery of the Minim Martap Bauxite Project

- **13 Rail Bridges upgraded** in Cameroon by the rail operator Camrail SA.
- Upgrade work on an **additional 55 bridges underway** across the entire rail network, due to be completed in 2021.
- **330km of track renewal** has been completed.
- The rail upgrades are **in line with Canyon's PFS planning and project execution.**

Canyon Resources Limited (ASX: CAY) (**Canyon** or the **Company**) is pleased to provide an update on ongoing rail upgrades currently underway in Cameroon as part of a five-year infrastructure renewal programme agreed between the Cameroon Government and Camrail SA (**Camrail**), a subsidiary of Bolloré Transport & Logistics. Camrail operates the existing rail network that passes approximately 50km from Canyon's world-class Minim Martap Bauxite Project.

Under the programme, and with the contribution of the World Bank, Camrail organised on behalf of the Cameroon Government the upgrade of 12 steel bridges on the line between Yaoundé and Ngaoundéré and that of the Edéa railway bridge on the line between Douala and Yaoundé.

As part of the projects implemented by the transport ministry, in February 2020 Camrail also launched upgrade work on 55 further railway bridges (metal bridges and reinforced-concrete slab bridges) across the entire rail network.

"The upgrades of these railway bridges will increase the circulation speed of trains on these works, improve rail traffic safety and reduce the journey times of the rail transport of people and goods." said Hamadou Bakary, Director of Fixed Installations at Camrail.



Figure 1: An upgraded rail bridge on the Camrail rail line.

“Canyon Resources is very pleased to see the success and progress of the ongoing upgrades to the Camrail rail network. The rail upgrade program and positive engagement with Camrail in Cameroon and Bolloré internationally supports the timely delivery of the Minim Martap Bauxite Project.” said Canyon Resources Managing Director Phillip Gallagher.

The work on upgrading the 68 railway bridges, amounting to a total cost of approximately AUD \$10 million (4.11 billion CFA francs), is part of the programme on the modernisation of railway infrastructure. In addition, 330 km of track (Ka’a-Belabo, Batchenga and Ka’a, Douala-Yaoundé entrances and exits) has already been renewed. Reinforcement work has been carried out on 500 km of track and 1,671 hydraulic structures have been refurbished.

With the support of development partners including the World Bank, the European Investment Bank, the French Development Agency and the European Union, the Cameroon Government and Camrail are currently finalising the projects to renew the track between Douala and Yaoundé and between Belabo and Ngaoundéré, for a total estimated length of around 585 km.

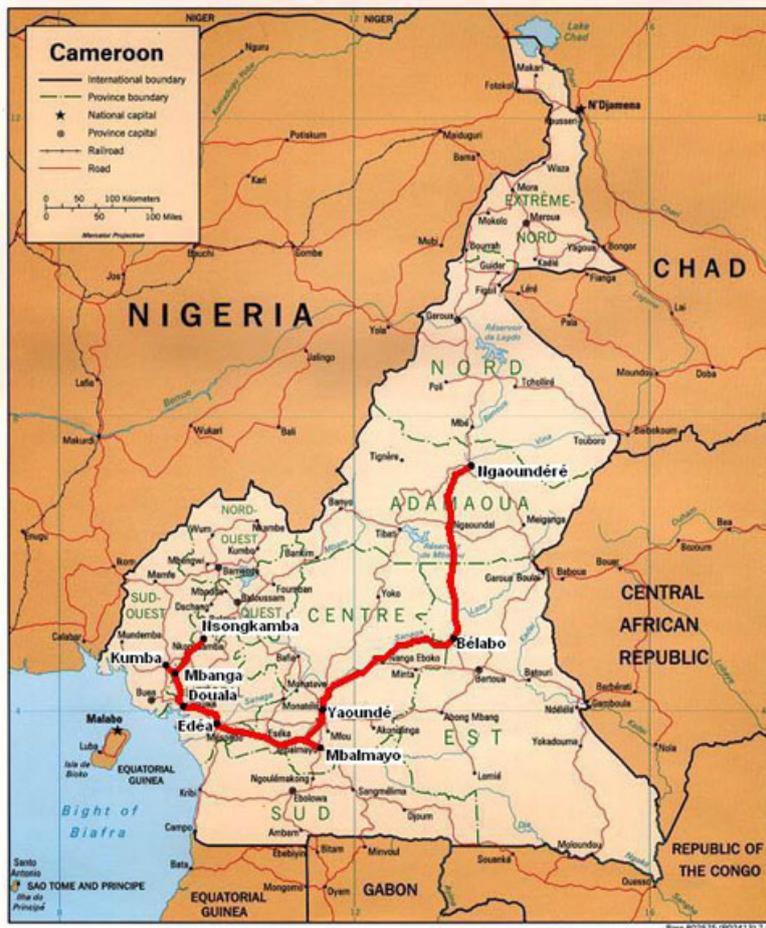


Figure 2: Key towns highlighted along the Camrail line.

Bolloré Transport and Logistics is a major international transport and logistics operator with 36,500 employees across 107 countries on 5 continents. The Bolloré Group is active in 4 business areas, Ports, Logistics, Energy and Railways.

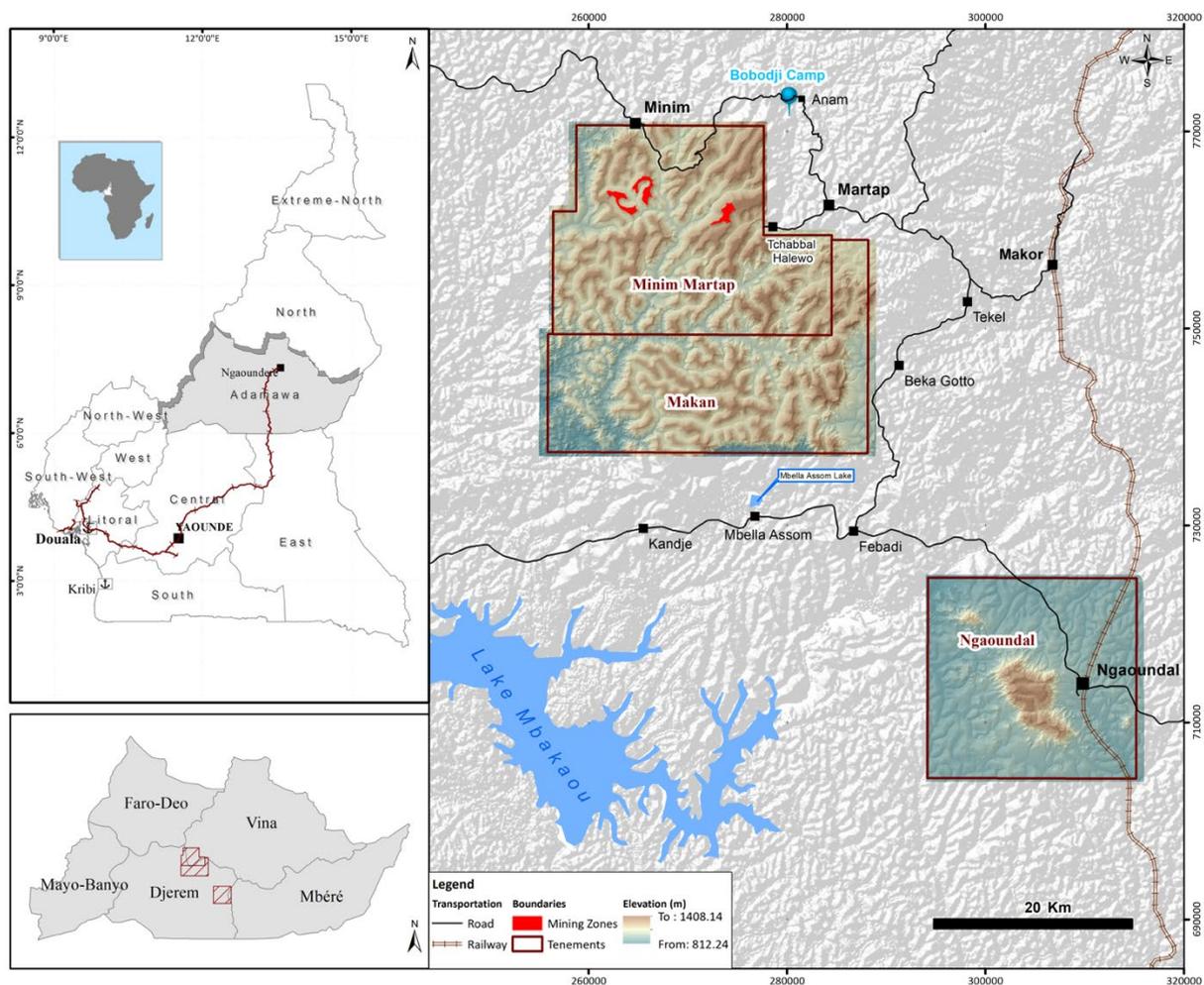
Bolloré Transport and Logistics has been active in Cameroon rail and ports for over 20 years. Camrail, a subsidiary of Bolloré Railways, has been the railway operator in Cameroon since 1999. Until 2019 Bolloré was a concessionaire at the Port of Douala and is currently operating a container concession at the Kribi Deep Water Port.

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 port of Kribi.



Pre-Feasibility Study

The Company's recently released Stage 1 Pre-Feasibility Study² 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

¹ ASX announcement 01 July 2020.

² ASX announcement 01 July 2020.

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:

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**, (ASX announcement 10 August 2020), 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** (ASX announcement: 27 September 2019) 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	892	45.1% Al ₂ O ₃	2.8% SiO ₂
Indicated	839	45.2% Al ₂ O ₃	2.8% SiO ₂
Inferred	53	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	431	48.8% Al ₂ O ₃	2.6% SiO ₂
Indicated	410	48.9% Al ₂ O ₃	2.6% SiO ₂
Inferred	21	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 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 Resource³ estimates for the Minim Martap Bauxite Project is based on information in the Resources announcement of 27 September 2019 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 Study⁴ for the Minim Martap Bauxite Project and associated production targets and forecast financial information, is based on information in the PFS announcement of 01 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 estimate⁵ 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",

³ ASX announcement 27 September 2019

⁴ ASX announcement 01 July 2020

⁵ ASX announcement 10 August 2020

“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 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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