

Canyon secures successful \$5,000,000 placement to institutional and sophisticated investors to advance Minim Martap Project

Highlights

- Firm commitments to raise \$5,000,000 through well supported placement to institutional and sophisticated investors
- Funds from the Placement will be used for advancement of the Minim Martap Bauxite Project in Cameroon following the release of the positive Bankable Feasibility Study

Canyon Resources Limited (**ASX:CAY**) (**Canyon** or **Company**) is pleased to announce that it has received firm commitments from existing and new institutional and sophisticated investors to raise \$5,000,000 (before costs) by way of a share placement (**Placement**).

The Placement was well supported and will see the Company issue of approximately 111,111,110 new fully paid ordinary shares in the Canyon (**New Shares**) at \$0.045 per New Share. New Shares will be issued alongside a free attaching option on a one-for-one basis, with an exercise price of \$0.07 per option and a two-year expiry.

The timing of the Placement aligns with Canyon's positive Bankable Feasibility Study (**BFS**) for its Minim Martap Bauxite Project in Cameroon. For more information on the BFS, please refer to Canyon's ASX release dated 20 June 2022 and entitled "*Positive BFS for Canyon's Minim Martap Bauxite Project*".

The Placement has seen commitments from the Company's Chief Executive Officer, Mr Jean-Sebastien Boutet for an amount of \$110,000 and Non-executive Director and Canyon's major shareholder, Mr Peter Su for an amount of \$300,000, as well as commitments from certain other Directors.

Commenting on the Placement, Canyon's Chief Executive Officer, Jean-Sebastien Boutet said:

"Canyon acknowledges the continued support of our existing shareholders and welcomes several new institutional and sophisticated investors to the Company. Canyon's Bankable Feasibility Study announced today confirms the robust and long-term purpose of the Minim Martap Project in Cameroon.

"To complete the Placement within the current climate surrounding investment markets demonstrates the interest in the Minim Martap Project and support for Canyon's goal to become the preferred partner to the international bauxite market.

"The Company also recognises the delay in the release of the BFS, but we believe that the extra time taken to review has resulted in an outcome that all shareholders and future business partners will be excited by. The BFS confirms that the Minim Martap Project has the quality and scale to meet long-term demand that will be required worldwide in coming years. We are seeing persistent supply shocks and other geopolitical events impacting bauxite supply and therefore aluminium industry. This presents additional justifications for new bauxite projects such as Minim Martap.

Placement Overview

The Placement will result in the issue of approximately 111,111,110 New Shares, which will rank equally with existing Canyon Shares and will be conducted in two Tranches. Tranche 1 will issue 103,444,446 New Shares under the Company's ASX Listing Rule 7.1 capacity. Funds received from the Tranche 1 placement will total \$4,655,000. Tranche 1 New Shares are expected to be issued or around 24 June 2022.

Tranche 2 of the Placement, which is subject to Shareholder approval at a General Meeting of the Company expected to be held in late July 2022, will issue 103,444,444 free attaching options exercisable at \$0.07 and each with a two-year expiry (**Options**).

7,666,665 New Shares and 7,666,665 Options are relevant to participation by Directors, Mr Peter Su, Mr David Netherway and Mr Steven Zaninovich (**Participating Directors**). In accordance with ASX Listing Rule 10.11, participation in the Placement by the Participating Directors will be subject to approval by Canyon shareholders. Participation in the Placement by Chief Executive Officer, Mr Boutet does not require approval of Shareholders.

The Company anticipates convening a Shareholder meeting in late-July 2022 to seek approval for the issue New Shares and Options to the Participating Directors as well as the Tranche 2 Options.

The issue price of \$0.045 per New Shares represents a:

- a discount of approximately 48% to the last closing price of \$0.087 on 29 April 2022
- 51% discount to the previous 15-day VWAP of \$0.092

Ashanti Capital Pty Ltd and Foster Stockbroking Ltd acted as Joint Lead Managers to the Placement.

Board restructuring

With the successful completion of the capital raise and the release of the BFS, the Company advises that Mr Phillip Gallagher will formally step down as Managing Director as previously announced and initially transition to a Non-Executive Director role to finalise the handover of his executive role with Mr Boutet, commencing on 1 July 2022. The Board thanks Mr Gallagher for his service to the Company over 12 years which has seen the progression of the Minim Martap Project from the early conceptual stages through to the recent completion of the BFS. With Canyon taking its next steps towards development and ultimately, production, it is envisaged that further Board transition will occur in due course to best place the Company for this important next stage.

This announcement has been approved for release by the Board of Canyon Resources Limited

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