Canyon Resources and Acacia Mining PLC
Enter Into Earn-In Agreement in Burkina Faso

The Directors of Canyon Resources Ltd (ASX:CAY) (“Canyon” or the “Company”) are pleased to announce that Acacia Mining plc (“Acacia”, formerly known as African Barrick Gold plc) has entered into an earn in agreement with the Company over the Pinarello and Konkolikan Projects (“Projects”) in south west Burkina Faso. Acacia can earn up to a 75% interest in the Projects by the completion of a cash payment and agreed exploration expenditure over a two year period.

Managing Director of Canyon Resources, Phillip Gallagher said;

“Canyon is pleased to enter into this agreement with Acacia Mining, a successful mining and exploration company with significant mining operations and experience in Africa. The agreement allows Canyon to maintain a meaningful interest in the Projects with the option to participate in the Projects in the future if it chooses to do so. In the short term it allows the Company to focus its efforts and resources on the continued development of the Birsok Bauxite Project in Cameroon.”

Figure 1: Canyon project locations in Burkina Faso
The terms of the transaction are:

- Acacia pay Canyon US$400,000 on the execution of the agreement to earn a 51% interest in the Projects;
- Canyon is required to pay the outstanding and final vendor payment to secure 100% ownership of the Projects;
- Acacia earn a 75% interest via the expenditure of US$1,500,000 on exploration over a two year period. Canyon may then elect to contribute to expenditure to maintain its interest at 25% or dilute via a standard dilution formula. Acacia will forfeit its interest in the event that it fails to expend a minimum of US$1,000,000 within 24 months prior to withdrawal;
- Acacia to pay Canyon US$1,000,000 upon the definition of a 1.5 million ounce gold resource (Resource Payment); and
- Acacia to pay Canyon an additional US$1,000,000 at the Decision to Mine, or US$2,000,000 if the Resource Payment has not already been paid.

About Canyon Resources Limited

In 2013, Canyon announced a farm-in transaction to acquire up to 75% of the Birsok Bauxite Project in Cameroon, which is considered highly prospective for high grade DSO bauxite. The Birsok Bauxite Project is strategically located in an emerging bauxite region of Cameroon, contiguous with the world class Minim Martap bauxite deposit and approximately 10km from an operating rail line.

During 2014 Canyon conducted an inaugural drilling program which returned high grade, low impurity bauxite mineralisation over the key plateaux tested, with multiple intersections of >50% Al₂O₃. Canyon also commenced some early broad based laboratory testing of a selection of the drill samples to determine the suitability of the bauxite. Results on the priority plateaus were encouraging with good available Al₂O₃ and low reactive silica.

In addition to the bauxite assets, Canyon has an established portfolio of highly prospective mineral exploration projects in Burkina Faso, which cover an area of approximately 3,500km² over 17 permits in the Birimian greenstone belts of the West African craton.

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