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Cameroon Government advances Minim Martap rail link

Highlights

- Completion of an Independent Feasibility Study examining the Kribi Port extension by the Cameroon Government.
- First stage of the upgrade to the existing Camrail rail line to transport commercial bauxite tonnages (25-tonne axle loads) completed.
- Cameroon Government calls for tenders to manage an upgrade of Camrail's existing rail line and the construction of the Kribi Port extension.
- Canyon has engaged a very highly credentialed and experienced Cameroonian rail engineer to liaise with the government and rail operators.
- The rail link to port is vital to Minim Martap's development as a global Tier 1 bauxite project.

Canyon Resources Ltd (ASX: CAY, "Canyon") is pleased to report on the progress of the proposed rail link from its Minim Martap Bauxite Project ("Minim Martap") in Cameroon to the Kribi Deep Water Port ("Kribi Port").

Feasibility Study

An Independent Feasibility Study for the construction of a rail line from Edea to Kribi Port, was completed for the Government of Cameroon by Studi International. Studi International is an African-based international engineering firm with offices in France and more than ten African countries.

The Feasibility Study focussed on a long-term solution for Cameroon's rail infrastructure linking different parts of the country to the existing rail and ports.

Canyon has engaged with Studi International to gain an insight into the study and the technical aspects of the proposed rail upgrade and development process. Canyon and Mota-Engil Africa will work together to apply the outcomes of this study to the requirements for Minim Martap.

Mota-Engil is a multinational company with operations focused on construction and infrastructure management in the segments of Engineering and Construction, Environment and Services, Transport Concessions, Energy and Mining. Mota-Engil is listed on the Euronext Lisbon stock exchange, being part of the main index of the Portuguese stock exchange (PSI 20), with a share capital of approx. €237 million.

The Cameroon government has called for tenders to manage the railway infrastructure and develop models for possible Public-Private Partnership financing and operation of the rail line. The tender aims to finalise the financial model for operating the existing Camrail upgraded rail line as well as an extension to the Kribi Port and other potential rail infrastructure. Canyon Managing Director Phillip Gallagher said, "It's pleasing to see the Cameroon Government progressing its rail network to a level that will potentially provide the infrastructure required for Canyon to transport bauxite product from our globally significant project at Minim Martap to the Kribi Port."

“We will continue to work with the Cameroon government and Camrail to ensure the best possible outcome for the rail network, as it is an important piece in unlocking the potential of our Tier 1 bauxite resource at Minim Martap.”

Rail Upgrade

In a recent meeting with the Cameroon rail operator, Camrail, it was confirmed that the first stage of the rail line upgrade from Douala to Belabo has been completed, increasing rail capacity to 25-tonne axle loads (Figure 1). Mota-Engil concluded the rail line has the capacity to transport commercial bauxite tonnages from Minim Martap to the Port. The upgraded portion of the line is approximately 50% of the total rail line to be utilised by Minim Martap.

The Rail Upgrade is part of the Cameroon government’s ongoing efforts to improve the country’s existing railway and to construct new rail infrastructure. This is consistent with the President of Cameroon’s vision to develop Cameroon as a more industrialised nation.



Figure 1: Location map of the Minim Martap & Birsok Bauxite Projects and proximity of Camrail rail line in Cameroon.

Appointment of Cameroonian Rail Consultant

As a result of the acceleration of work completed by the Cameroonian government, Canyon has engaged Mr Joseph Aouda, a highly credentialed Cameroonian rail project manager and rail engineer, to assist in discussions with local rail operators and the Government.

Mr Aouda was recently the Railway Infrastructure Director of a private company located in Benin, where he managed railway construction in Benin, construction work on the Abidjan – Ouagadougou rail line and feasibility studies of rail links between Benin and Nigeria.

From 2012 to 2014, Mr Aouda was Camrail’s Infrastructure Director and was responsible for maintenance and rehabilitation of all rail in Cameroon.

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Mota-Engil and Canyon Resources

Canyon continues to engage with Mota-Engil Africa regarding the construction of the rail line upgrades and the Kribi Port link. The parties are jointly investigating options to position Mota-Engil Africa to be a key proponent in the financing and construction of the rail line and rail upgrades.

The Minim Martap Bauxite Project

The Minim Martap Project is located in the Adamawa region of Cameroon, adjacent to Canyon's existing Birsok Bauxite Project, encompassing two deposits, Ngouandal and Minim Martap, which are located within 25km of each other. The total area of the permits is 1,349 km².

The Project is adjacent to an operating rail line with heavy ore transport capacity with a proposed extension to the Kribi deep-water port which has the ability to direct ship load Panamax size vessels.

The three exploration permits are valid for a three-year period and contain a number of predefined work commitments that are consistent with the Company's development proposal.

Previous work completed by Canyon on the contiguous Birsok Project, sometimes sharing plateaux with the Minim Martap Project, has given the Company a strong understanding of the physical and geochemical characteristics of the local bauxite. The bauxite is generally high alumina, low total & reactive silica, high gibbsite, low boehemite and low in other contaminants. For further information on the Minim Martap Project please refer to the announcement on 24 May 2019.

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