

# Canyon Resources

## Another step closer to first production

Project update

Canyon Resources has received an approval that grants it land access at the established port of Douala. With rail access already secured through the investment in Camrail, this is the final infrastructure agreement required for the development of the Minim Martap project. It also paves the way for the company's majority shareholder, Eagle Eye Asset Holdings (EEA), to exercise its 500m options that will bring in A\$35m. Access to rail and port significantly de-risks the project, supporting Canyon's target of first shipment in H126. We maintain our project level NPV at US\$566m (A\$889m).

Year end	Revenue (AUDm)	EBITDA (AUDm)	PBT (AUDm)	EPS (AUC)
6/22	0.0	(12.7)	(12.8)	(1.84)
6/23	0.0	(4.5)	(5.0)	(0.54)
6/24	0.0	(10.1)	(9.5)	(0.80)
6/25e	0.0	(11.2)	(10.4)	(0.75)

Note: PBT and EPS as reported by the company

## Port access: Final infrastructure agreement in place

Canyon has secured an approval from the Port Authority of Douala that grants it land access at the port. The proposed storage area allows the company to transport up to 6Mtpa of bauxite, with the potential to expand to 10Mtpa. Located within the established port area, the new facility is a much more attractive logistical solution compared to other options considered by the company in the past. It will allow pre-production capex to be reduced thanks to the availability of existing infrastructure, such as railway tracks and quay, within the port terminal. Having already secured access to rail through the acquisition of a 9% interest in Camrail, port access is the final infrastructure agreement required for the development of the Minim Martap project. Canyon continues to target first bauxite shipment in H126.

## EEA option exercise to boost cash position

Securing access to port is also the final condition precedent for Canyon's cornerstone shareholder, EEA, to exercise 500m options priced at A\$0.07/share. EEA currently has a 43.6% interest in Canyon, and we expect its ownership to increase to c 58% post exercise (assuming no other transactions). The company expects EEA to exercise options in May, generating A\$35m in cash proceeds and boosting Canyon's end-March cash position of A\$9m. The company is targeting a final investment decision on the project in Q225, suggesting that it may be close to finalising a funding solution.

## Valuation: Project de-risking supports shares

Despite the recent correction in bauxite/alumina/aluminium prices against the uncertain global economic backdrop, Canyon shares remain relatively well-supported by the company's rapid progress on project de-risking. We maintain our NPV of Minim Martap at US\$566m (A\$889m), and look to update our valuation following the release of the DFS in Q325. We have slightly updated our FY25 estimates to reflect the investment in Camrail. Despite the current commodity price weakness, we believe Canyon is well positioned to benefit from tight market fundamentals and expect bauxite prices to recover once trade frictions subside.

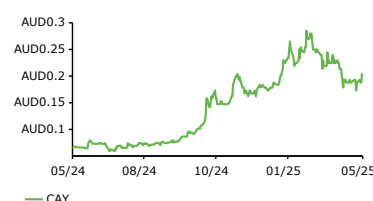
### Energy and resources

2 May 2025

**Price** **AUD0.190**  
**Market cap** **AUD270m**

Net cash/(debt) at end March 2025 AUD8.6m  
 Shares in issue 1,422.2m  
 Code CAY  
 Primary exchange ASX  
 Secondary exchange N/A

### Share price performance



%	1m	3m	12m
Abs	(17.4)	(24.0)	153.3
52-week high/low		AUD0.3	AUD0.1

### Business description

Canyon Resources is a development and exploration company focused on expediting the development of the high-grade bauxite Minim Martap project in central Cameroon, through its in-country subsidiary Camalco.

### Next events

Definitive feasibility study Q325

### Analysts

Andrew Keen +44 (0)20 3077 5700  
 Andrey Litvin +44 (0)20 3077 5700

[energyandresources@edisongroup.com](mailto:energyandresources@edisongroup.com)  
[Edison profile page](#)

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- Engineering design of the IRF is approximately 50% completed.
- An evaluation of rail and port capacity upgrade from 6Mtpa to 10Mtpa is underway.
- The first locomotive delivery is scheduled for Q126.
- The DFS is scheduled for completion in Q325.

**Exhibit 2: Financial summary**

Year end 30 June, A\$'000	FY22	FY23	FY24	FY25e
<b>Income statement</b>				
Revenue	0	0	0	0
Exploration and evaluation	(4,462)	(795)	(5,919)	(6,166)
Employee costs	(2,027)	(2,303)	(2,417)	(2,844)
Other operating costs	(6,195)	(1,446)	(1,717)	(2,214)
EBITDA	(12,683)	(4,543)	(10,053)	(11,224)
D&A, impairments	(96)	(610)	(98)	(100)
EBIT	(12,778)	(5,154)	(10,151)	(11,324)
Interest	4	167	612	900
PBT	(12,775)	(4,987)	(9,539)	(10,424)
Tax	0	0	0	0
Net income	(12,775)	(4,987)	(9,539)	(10,424)
EPS, c	(1.84)	(0.54)	(0.80)	(0.75)
Shares outstanding, m	806	1,016	1,374	1,414
<b>Balance sheet</b>				
Cash and equivalents	4,478	10,726	22,166	5,707
Other	444	584	493	493
Total current assets	4,923	11,311	22,658	6,199
Exploration expenditure	16,424	18,074	20,350	25,350
Other	239	197	1,529	5,300
Total non-current assets	16,663	18,271	21,878	30,649
Total assets	21,586	29,581	44,537	36,849
Trade and other payables	1,061	709	638	638
Other	121	33	29	29
Total current liabilities	1,183	742	668	668
Total liabilities	1,183	742	668	668
Issued capital	76,733	89,004	113,523	116,259
Reserves	5,690	6,841	6,891	6,891
Accumulated losses	(62,019)	(67,006)	(76,545)	(86,969)
Total equity	20,403	28,839	43,869	36,181
<b>Cash flow statement</b>				
Net cash from operating activities	(7,976)	(4,552)	(9,574)	(10,324)
PP&E payments	(8)	(41)	(1,124)	(200)
Exploration payments	(260)	(1,340)	(2,380)	(5,000)
Investments	0	0	0	(3,671)
Net cash from investing activities	(127)	(1,380)	(3,504)	(8,871)
Net proceeds from issued shares/options	10,134	12,181	24,429	2,736
Net cash from financing activities	10,134	12,181	24,429	2,736
Net increase in cash	2,032	6,249	11,352	(16,459)
Forex	(237)	(1)	88	0
Opening cash	2,684	4,478	10,726	22,166
Closing cash	4,478	10,726	22,166	5,707

Source: Canyon Resources, Edison Investment Research

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