

Canyon Resources

Major funding package

Funding update

Canyon Resources has announced a major equity financing that will bring c A\$215m in gross proceeds at A\$0.26/share, just 6% below the undisturbed price, significantly strengthening the company's liquidity position in the run-up to first production in Q1 CY26. Executed in two tranches, the placement will see the new shareholder, Afriland Bourse & Investissement, gaining c 10% in the company alongside Canyon's cornerstone shareholder, Eagle Eye Asset Holdings (EEA), at 57%. Together with secured debt and cash on hand, these funds will comfortably cover project capex beyond stage 2 production of 2Mtpa.

Year end	Revenue (AUDm)	EBITDA (AUDm)	PBT (AUDm)	EPS (AUc)
6/23	0.0	(4.5)	(5.0)	(0.54)
6/24	0.0	(10.1)	(9.5)	(0.80)
6/25e	0.0	(11.6)	(10.9)	(0.72)
6/26e	0.0	(8.5)	(11.3)	(0.63)

Note: PBT and EPS as reported by the company.

The proposed equity funding is organised in two tranches. An unconditional tranche will raise approximately A\$36m from institutional and professional investors.

The second tranche will comprise a A\$100m investment from Canyon's key shareholder EEA. In addition, Afriland Bourse & Investissement (ABI), a subsidiary of Cameroon's largest financial services group, Afriland First Bank, has committed to subscribe to A\$70m. The second leg of the raise will have to be approved by shareholders at a special meeting in November. Both tranches are priced at A\$0.26/share, which is just 6% below Canyon's undisturbed share price. EEA has also committed to exercise c 137m in options to raise an additional A\$10m. Following these placements, EEA will maintain its ownership in the company at 56.5%, while ABI will emerge as a 10.1% shareholder.

Overall, the proposed funding package will raise c A\$215m (US\$140m) in gross proceeds. Together with existing cash of A\$51m (US\$33m) at end August, these funds will be spent on development capex at Minim Martap (A\$206m), an increase in investment in Camrail from 9.1% to 35% (A\$46m) to insure implementation of the ongoing rail upgrade, as well as general working capital needs (A\$14m). In addition, Canyon has A\$175m (US\$114m) in an undrawn credit facility (A\$40m drawn to date), which will bring its total available liquidity position to A\$440m (US\$287m) and should allow it to fund development capex beyond stage 2 at 2Mtpa production (see our recent [note](#) on Canyon's DFS for more project-related details).

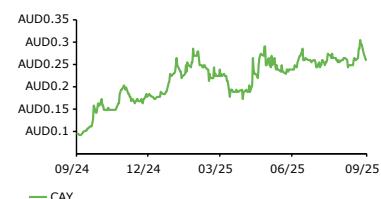
As we have noted before, the Minim Martap project is largely de-risked, with the proposed share placements further reducing execution risk and underscoring our positive view on the company. For now, we maintain our project-level, NPV-based valuation of A\$735m at a 10% discount rate and US\$70/t long-term bauxite price, plus an additional A\$271m for residual resources. Our NPV increases to A\$1,143m at a US\$80/t bauxite price and A\$960m at an 8% discount rate.

Energy and resources

26 September 2025

Price	AUD0.260
Market cap	AUD464m
Net cash/(debt) at end August	AUD51.0m
Shares in issue	1,784.8m
Code	CAY
Primary exchange	ASX
Secondary exchange	N/A

Share price performance



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.

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