Canyon Resources Limited
ACN 140 087 261
41 Stirling Hwy
Nedlands WA 6009

ASX RELEASE **ASX Code: CAY** **11 November 2010**

Burkina Faso Exploration Update - Tao Project

- **Evaluation of previous exploration data by Canyon identifies significant gold mineralisation from two prospects on the Tao Gold Project:**
  - **Tondoby Prospect**
  - **Bandiedaga Prospect**

- **Previous RC drill intercepts from Tondoby include:**
  - **9m @ 4.00 g/t Au from 60m**
  - **9m @ 3.09 g/t Au from 36m**
  - **4m @ 8.07 g/t Au from 25m**
  - **5m @ 4.98 g/t Au from 33m**
  - **6m @ 2.55 g/t Au from 83m**
  - **14m @ 1.57 g/t Au from 33m**

- **RAB drilling indicates that gold anomalism at the Tondoby prospect extends over an area greater than 2km in length**

- **RAB drilling at the Bandiedaga prospect has also returned significant shallow gold intercepts which will be the target of follow-up exploration by Canyon**

Canyon Resources Limited ("Canyon" or "the Company") is pleased to report that it has completed a review of historical exploration data from its recently acquired Tao Gold Project in Burkina Faso, West Africa. This review has identified two highly encouraging gold prospects, both with significant gold intercepts.

Previous exploration on the Tao Project included limited geological mapping, rock chip sampling, trench sampling, soil geochemistry, rotary air blast (RAB) and reverse circulation (RC) drilling. Two prospects on the Tao Project have been drilled by previous explorers primarily on the basis of artisanal gold workings and surface geochemical anomalies. These prospects are known as Tondoby and Bandiedaga.

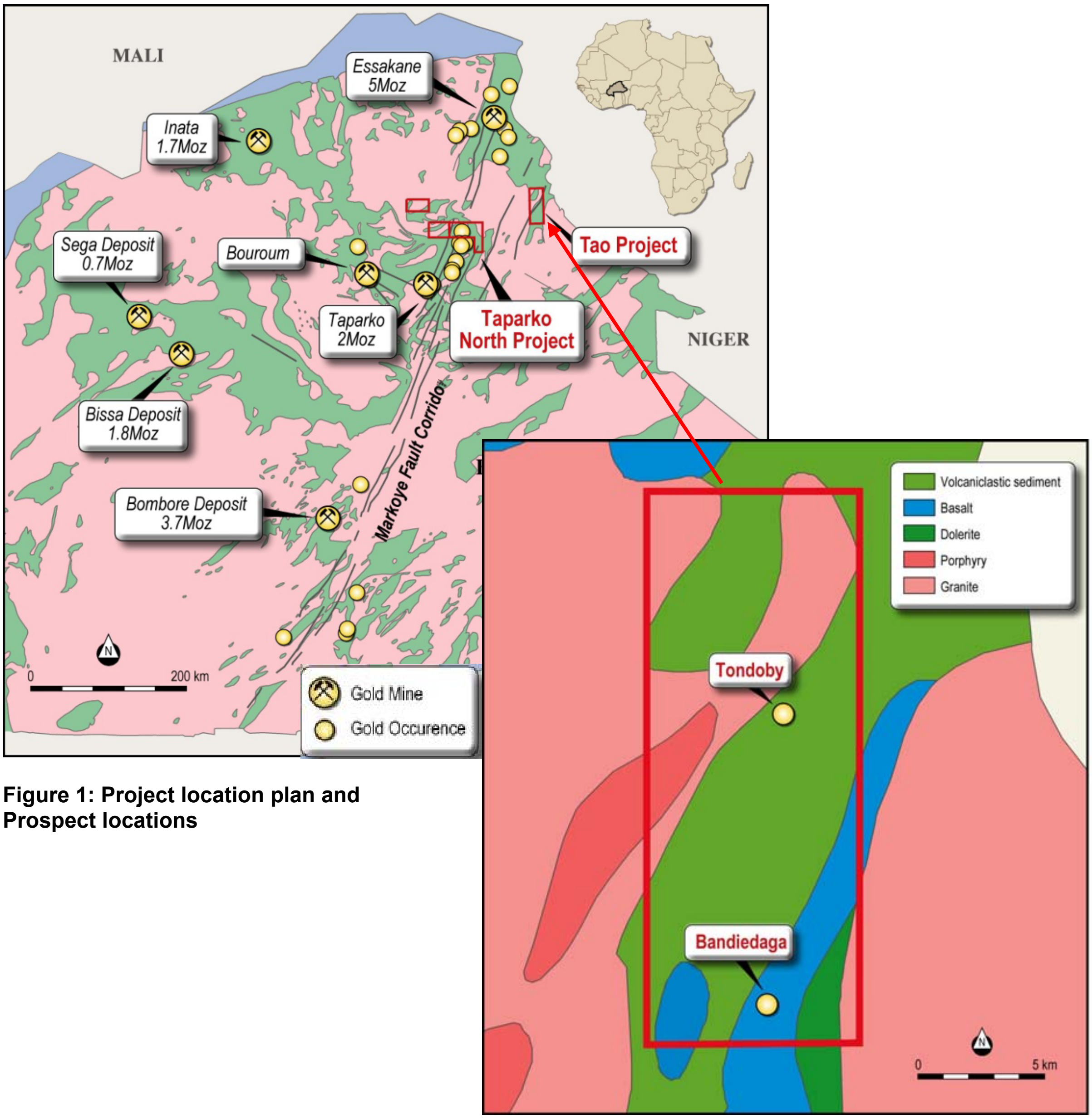

Figure 1: Project location plan and Prospect locations

The Tondoby Prospect is characterised by extensive artisanal workings. Gold is currently being produced at Tondoby from shallow hand dug shafts extending over an area greater than 1.2km in length.

RAB drilling conducted by the previous explorers extends the mineralisation over an area greater than 2.5km in length. Interpretation of magnetic data suggests that the northeast-southwest trending mineralisation has associated northwest-southeast intersecting structures that are yet to be tested.

RC drilling at Tondoby has returned significant gold intercepts that have yet to be followed up by Canyon. Best intercepts from the RC drilling include:

- **9m @ 4.00 g/t Au from 60m**
- **9m @ 3.09 g/t Au from 36m**
- **4m @ 8.07 g/t Au from 25m**
- **5m @ 4.98 g/t Au from 33m**
- **6m @ 2.55 g/t Au from 83m**
- **14m @ 1.57 g/t Au from 33m**

Details regarding significant drill holes are provided in tables 1 and 2.

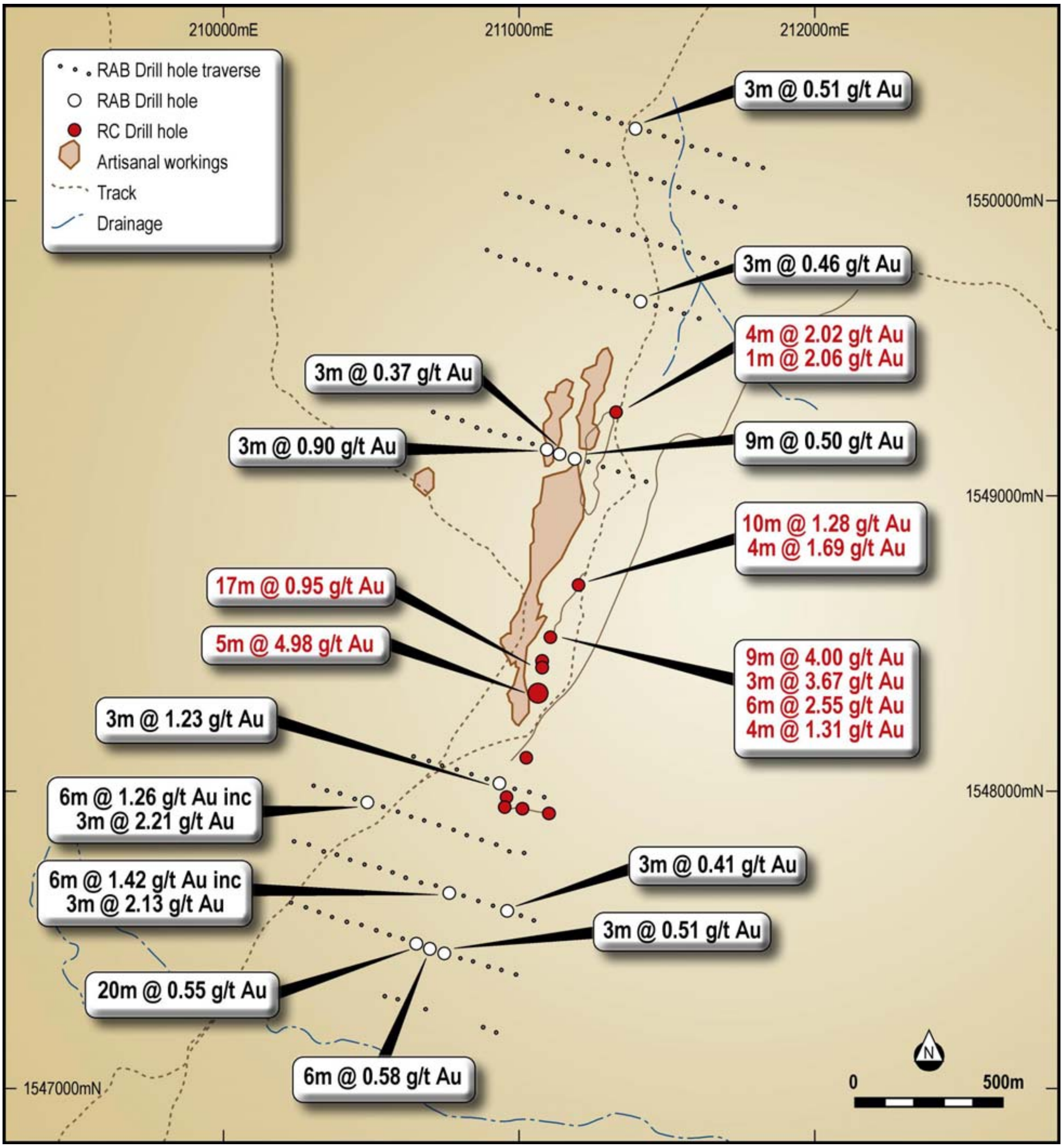

Figure 2: Significant drill hole intercept plan – Tondoby (RC intercepts in red, RAB intercepts in black).

Figure 3: Artisanal shaft with windlass at Tondoby.

At the Bandiedaga prospect, limited RAB drilling of a soil anomaly returned significant shallow gold intercepts that will require additional testing by Canyon. Best intercepts include:

- **3m @ 1.17 g/t Au from 15m**
- **9m @ 1.04 g/t Au from 9m**
- **3m @ 2.42 g/t Au from 12m**

Details regarding significant drill holes are provided in table 3.

Canyon's Managing Director, Phil Gallagher said, "*Canyon acquired both the Taparko North and Tao Projects on the basis of favourable geological and structural settings in proven mineralised belts, and the historical exploration data strongly supports our expectations for this gold project. The data demonstrates that gold mineralisation has been delineated on at least two prospects on our Tao Project and that this ground warrants a significant exploration campaign."*

In addition to the Bandiedaga and Tondoby prospects, Canyon has identified additional gold targets that remain untested. These targets are evident from the surface geochemical work previously undertaken, and from field work undertaken in country over the last 2 months by Canyon. The Company intends to advance the Tao exploration program to aggressively explore these targets.

Canyon's Exploration Manager, Chris Connell stated, *"The exciting discovery of these significant drill results is not only a validation of the project acquisition but has fast tracked the Company's exploration with two advanced prospects providing drill targets, all within 6 months of listing."*

Figure 4: Gold recovered from Tondoby workings

Enquiries:

Phil Gallagher
Managing Director
Tel: 0417 980 690

Rhod Grivas
Chairman
Tel: 0419 919 321

About Canyon's Burkina Faso Gold Projects

Canyon's gold tenements in Burkina Faso cover an area of 658km^2 over 4 permits in the Birimian Greenstone Belts of the West African craton. These permits comprise two project areas known as the Taparko North Gold Project and the Tao Gold Project. Both projects are easily accessible by road, being approximately 240km northeast of Ouagadougou, the capital of Burkina Faso.

The Taparko North Gold Project is situated in the Yalogo Belt. This greenstone belt hosts the 2 million ounce Taparko gold mine and the 1.7 million ounce Inata gold mine. The Tao Gold Project lies in the Gorouol Greenstone Belt which hosts the country's largest deposit, the 5 million ounce Essakane gold mine.

Significantly, both projects are situated along north east striking structures. The major gold endowed north east – south west trending Markoye Fault is recognised as hosting both the Taparko and Essakane gold deposits and the 3.5 million ounce Bomboré gold deposit, situated along strike to the south west. Numerous artisanal gold occurrences have also been located along the trend of the Markoye Fault within the Taparko North Gold Project.

Canyon's projects represent a combination of outstanding geological and structural settings in highly gold endowed Birimian Greenstone Belts, with recognised major gold hosting structures traversing the project areas. As such, the Taparko North and the Tao Gold Projects have tremendous potential to host significant gold resources.

Table 1: Significant RC drill intercepts – Tondoby Prospect.

Hole ID	East WGS_84	North WGS_84	Dip	Azi	from	to	interval	Grade (g/t Au)
DTD-003	211056	1548550	-45	280	36	45	9	3.09
DTD-004	211100	1548745	-45	280	33	38	5	4.98
DTD-006	211144	1548936	-45	280	25	29	4	8.07
DTD-007	211197	1548920	-45	280	25	35	10	1.28
			-45	280	65	69	4	1.69
DTD-008	211074	1548642	-45	280	37	54	17	0.95
DTD-009	211196	1548827	-45	280	60	69	9	4.00
			-45	280	83	89	6	2.55
DTD-010	211284	1549315	-45	280	33	47	14	1.57
DTD-013	211325	1549502	-45	280	11	15	4	2.02
			-45	280	23	24	1	2.06

Results shown as down-hole intervals and compiled applying 0.5g/t cut-off. Intervals include maximum of 1 metre down-hole internal dilution.

Table 2: Significant RAB drill intercepts – Tondoby Prospect.

Hole ID	East WGS_84	North WGS_84	Dip	Azi	from	to	interval	Grade (g/t Au)
TA-06-128	211395	1550246	-90	360	15	18	3	0.51
TA-06-170	211413	1549661	-90	360	18	21	3	0.46
TA-06-190	211095	1549162	-90	360	0	3	3	0.90
TA-06-191	211142	1549147	-90	360	21	24	3	0.37
TA-06-192	211190	1549131	-90	360	0	9	9	0.51
TA-06-201	210937	1548030	-90	360	12	15	3	1.23
TA-06-218	210493	1547967	-90	360	12	18	6	1.26
TA-06-232	210960	1547600	-90	360	3	6	3	0.41
TA-06-236	210766	1547665	-90	360	18	24	6	1.42
TA-06-258	210659	1547489	-90	360	3	23	20	0.55
TA-06-259	210704	1547475	-90	360	6	12	6	0.58
TA-06-260	210752	1547460	-90	360	6	9	3	0.51

Results shown as down-hole intervals and compiled applying 0.2g/t cut-off. Intervals include maximum of 1 metre down-hole internal dilution.

Table 3: Significant intercepts – Bandiedaga Prospect.

Hole ID	East WGS_84	North WGS_84	Dip	Azi	from	to	interval	Grade (g/t Au)
TA-06-103	210408	1538282	-90	360	15	18	3	1.17
TA-06-072	210250	1537500	-90	360	9	18	9	1.04
TA-06-073	210200	1537512	-90	360	12	15	3	2.42

Results shown as down-hole intervals and compiled applying 0.2g/t cut-off. Intervals include maximum of 1 metre down-hole internal dilution.

The information in this report that relates to Exploration Results has been compiled by Mr Chris Connell who is an employee of the Company. Mr Connell is a member of the Australian Institute of Geoscientists. He has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Chris Connell consents to the inclusion of the information in the form and context in which it appears.