

22 March 2011

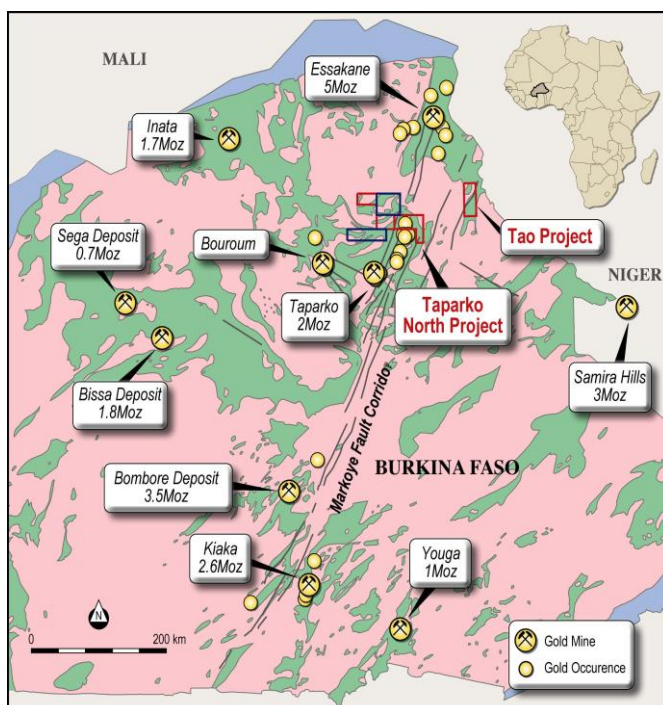
Burkina Faso Exploration Update

- Maiden RC drilling program of up to 6000m scheduled to commence end of this month
- Reconnaissance rock chips on newly acquired Tigou permit identifies gold mineralisation at several locations
- Two auger rigs continue drilling on Canyon's Projects

Canyon Resources Limited ("Canyon" or "the Company") is pleased to provide the following update regarding Canyon's first reverse circulation ("RC") drilling programme on its Burkina Faso tenements, and results from initial reconnaissance rock chips on the Tigou tenement.

Results from the rock chips taken on the Tigou tenement, part of the Company's Taparko North Project, have demonstrated gold occurrences around existing artisanal mining operations at two of the prospects on the tenement.

As previously announced, the Company has identified new gold mineralisation occurrences on the Taparko North Project. An expatriate geochemist is currently on site and is conducting further exploration on these new occurrences to identify future potential drilling targets



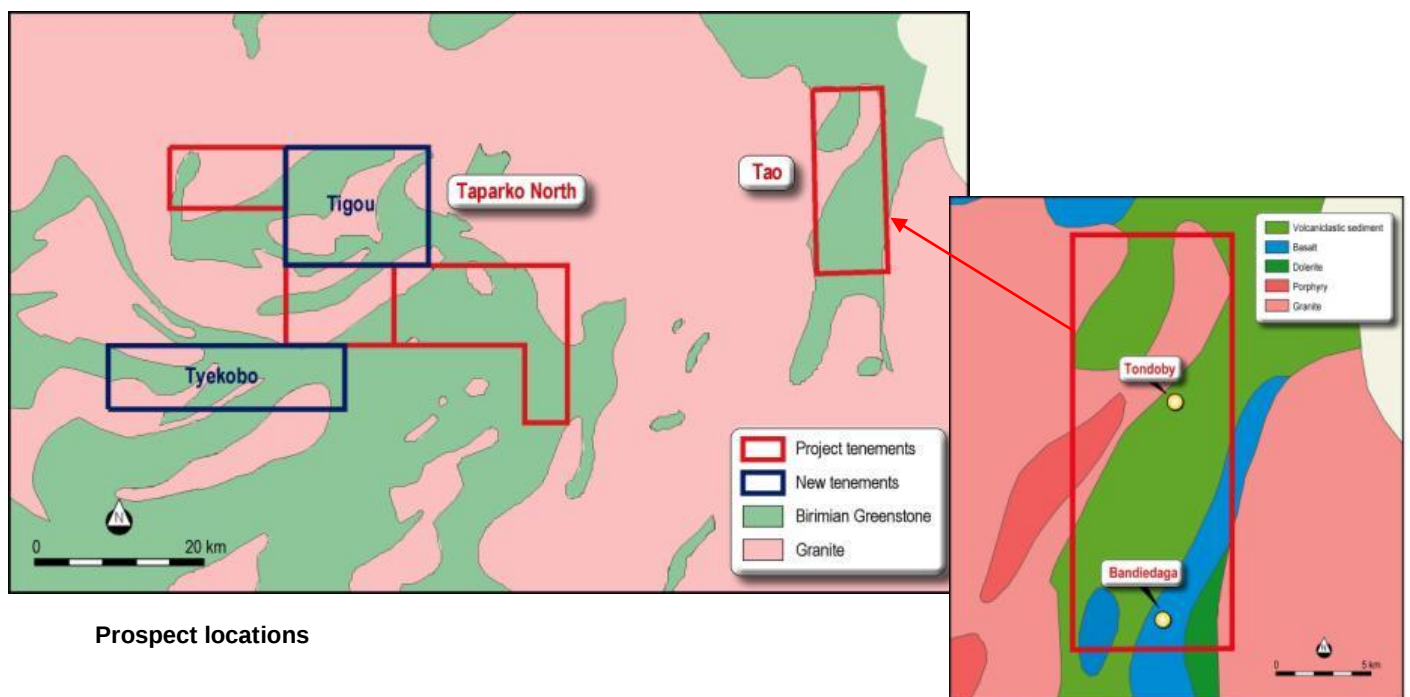
Project location plan

RC Drilling Campaign

An RC drilling programme is scheduled to commence later this month on the Tondoby prospect located on the Tao permit. An initial 5,940m programme of RC drilling across 59 holes is planned with further targets being considered for drilling. RC drilling undertaken by a prior explorer at Tondoby returned several strongly anomalous shallow gold intercepts*, including:

- **9m @ 3.09g/t Au from 36m** (hole DTD-003)
- **5m @ 4.98g/t Au from 33m** (hole DTD-004)
- **4m @ 8.07g/t Au from 25m** (hole DTD-006)
- **9m @ 4.00g/t Au from 60m** (hole DTD-009)

* For detailed information on historical results refer to announcement on [11 November 2010](#).



Prospect locations

The strike length of mineralisation at Tondoby has been demonstrated by previous explorer's drilling programmes to extend over 3km.

This drilling programme is designed to test surface geochemical anomalies as well as follow-up previous strong RC and RAB drilling intercepts over the entire mineralised strike length.

Canyon has an option to retain the RC rig if additional drill targets are identified during the auger drilling programme.



Representatives from Hartleys and Argonaut Securities visiting the Tondoby artisanal site

Reconnaissance rock chip sampling

Canyon recently acquired two new permits (Tigou and Tyekobo) contiguous to the Company's Taparko North Project, representing an additional 466km². Canyon has undertaken reconnaissance mapping and rock chip sampling on the Tigou permit. This work has successfully identified two previously unknown prospects, Tigou village and CS2, with artisanal workings. Both of these prospects returned encouraging gold results as summarised in the table below. The samples consistently returned results over 1.0 g/t Au with the average result from the 39 samples being 1.07 g/t Au.

Due to the encouraging gold results and the favourable geological setting of these prospects, Canyon has moved one of the two auger rigs currently operating for the Company to the Tigou permit to carry out a systematic geochemical sampling program.

Assay	WGS84_E	WGS84_N	Prospect
9.28 g/t Au	792231	1547177	CS2
2.93 g/t Au	792254	1547180	CS2
2.48 g/t Au	792223	1547172	CS2
1.95 g/t Au	795580	1548090	Tigou
1.83 g/t Au	795568	1548025	Tigou
Samples were submitted to ALS in Ouagadougou for 30g fire assay			

Auger drilling is the preferred method for collection of residual soil samples in Burkina Faso as the depth of transported material characteristically varies from 2 - 10 metres in depth. Sample depth on Canyon's permits has averaged between 5 - 7 metres.

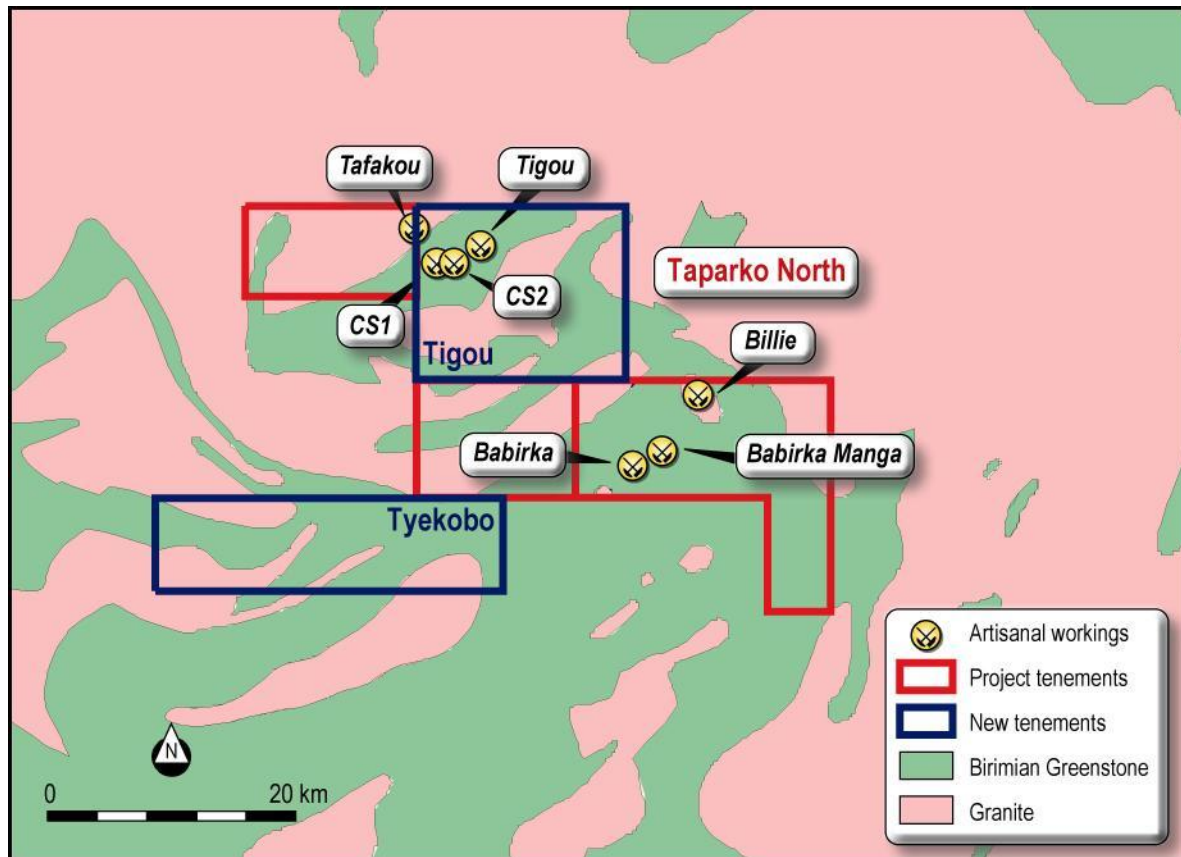


Figure showing active artisanal sites recently located at Taparko North.

About the Burkina Faso Gold Projects

The Gold Project tenements cover an area of 1,124 square kilometres over 6 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 Gold 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 Gold 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.

The Gold 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.

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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.