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Wide Gold Intercepts Returned from Canyon's Maiden RC Drilling Program in Burkina Faso

HIGHLIGHTS

- **Canyon completes a 7,005m Reverse Circulation (RC) drilling program at its Tao Project.**
- **The first batch of results representing 11 of the 73 holes has been returned.**
- **Best results to date include:**
 - **TDRC013: 24m @ 1.89 g/t Au from 20m, including 8m @ 5.07 g/t Au**
 - **TDRC011: 20m @ 1.95 g/t Au from 84m, including 8m @ 4.18 g/t Au.**
- **These initial results compliment previous RC drilling results, confirming the potential for significant gold mineralisation at the Tao Project.**

Canyon Resources Ltd (ASX: CAY) is pleased to announce its initial results from its recently completed 7,005 metre RC (Reverse Circulation) drilling campaign on the Tao Project in North Eastern Burkina Faso.

A 7,005 metre RC drilling program has been carried out at the Tondoby prospect, located on the Tao Project, to follow up drilling by previous workers. Tondoby was originally identified by active artisanal gold workings extending over 800m in length. Previous workers had tested the prospect with both RC and rotary air blast (RAB) drilling which returned significant gold results that were not followed up. This year, Canyon carried out a targeted auger drilling program over the prospect that highlighted coincident gold and arsenic anomalies extending over 3km in length, well beyond the area of the hand-dug gold workings.

In June 2011, Canyon secured an RC rig to test the auger anomaly. The program comprised 73 RC holes designed to test 2.7km of strike along the main Au-As geochemical anomaly. The initial batch of composite samples collected from the first 11 holes have been returned indicating very wide mineralised gold intercepts coinciding with the surface anomaly. The highest grade mineralisation is associated with shear hosted quartz veins and vein selvages rich in tourmaline and arsenopyrite. The shears are hosted in strongly deformed dolerite and mafic units in contact with felsic volcanoclastic rocks. Similar quartz-tourmaline-arsenopyrite zones have been intercepted along the 2.7km of strike length tested by the RC drilling.

Samples collected for the remaining 62 holes have been submitted for Au assay and results are expected in late August.

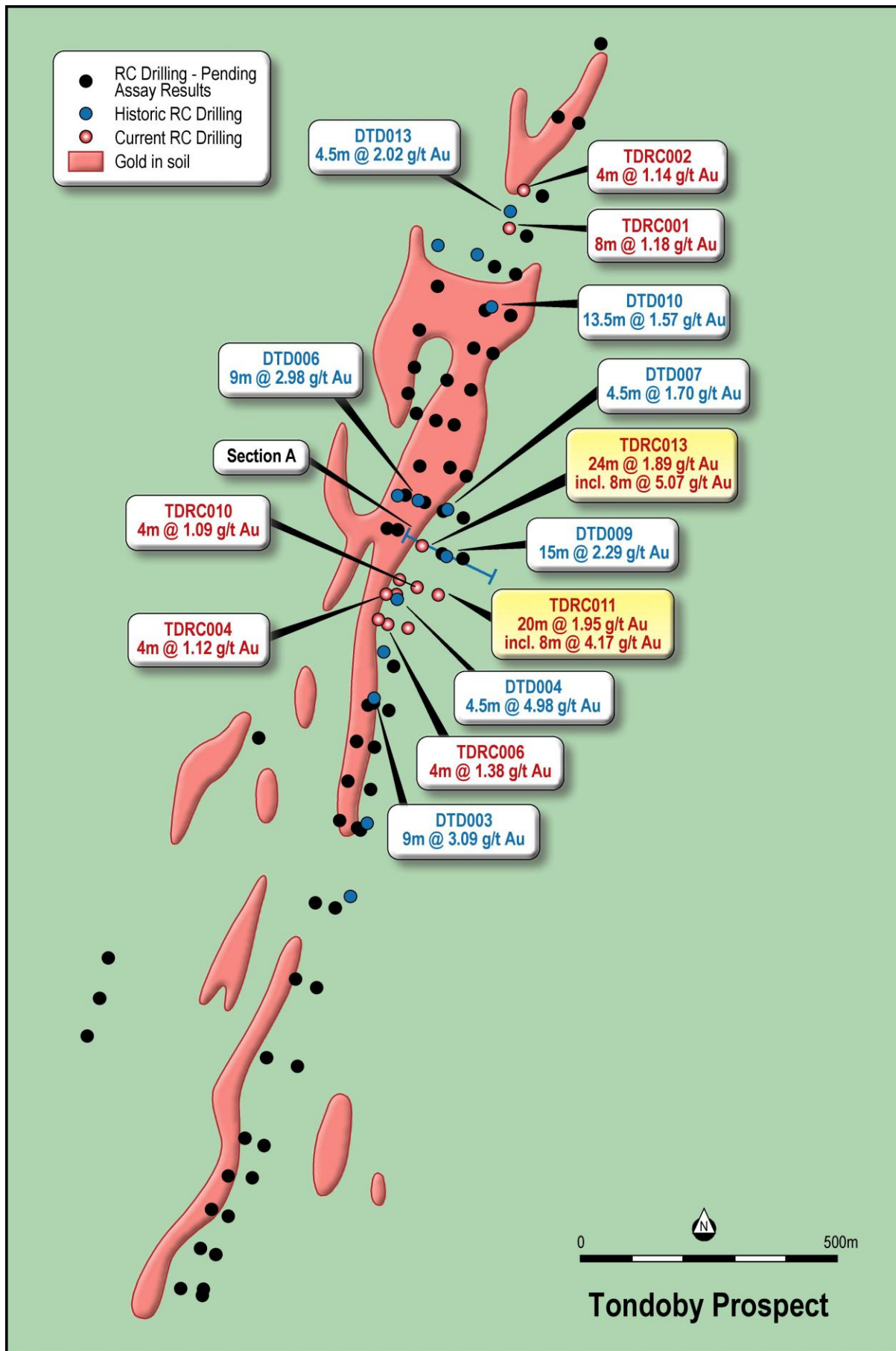


Figure 1: Tondoby drill hole location plan.

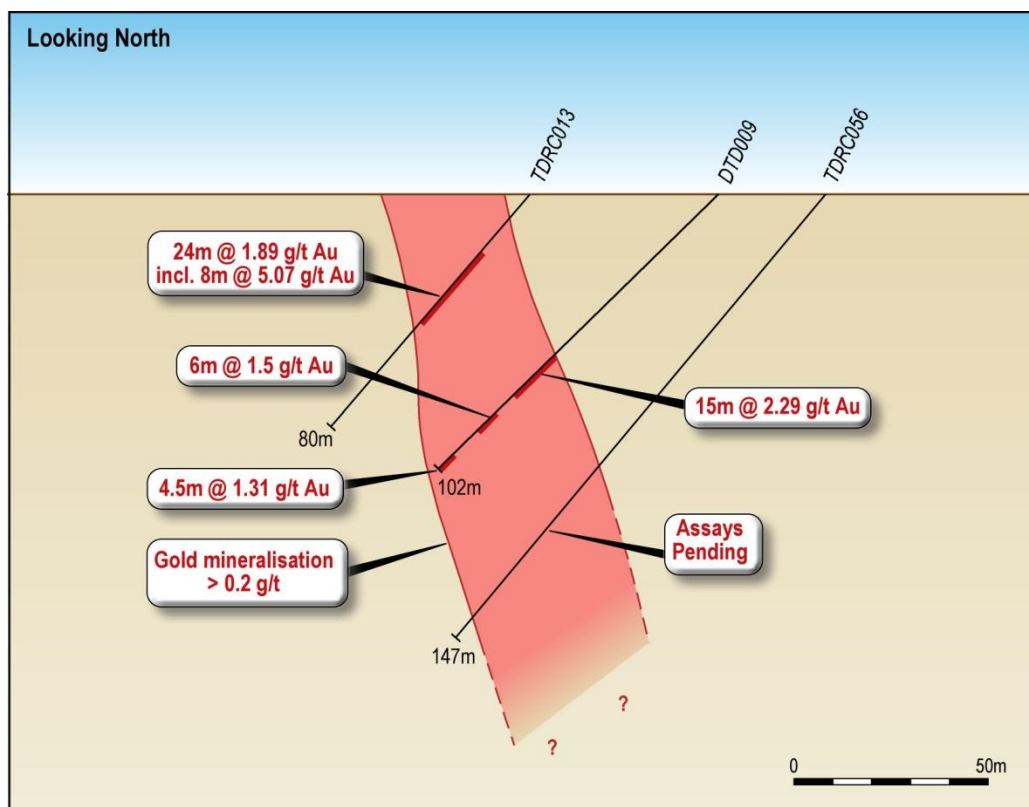


Figure 2: Tondoby cross section A showing interpreted gold lode.

Significant Results Table						
Hole ID	WGS84_E	WGS84_N	From (m)	To (m)	Interval (m)	Grade (g/t Au)
TDR001	211322	1549469	40	48	8	1.18
TDR002 Including	211350	1549542	24	44	20	0.61
			36	40	4	1.14
TDR003	211083	1548697	40	44	4	1.05
TDR004	211082	1548756	24	28	4	1.12
TDR006	211067	1548705	12	16	4	1.38
TDR010	211139	1548767	80	84	4	1.09
TDR011 Including	211180	1548753	84	104	20	1.95
			84	92	8	4.18
TDR013 Including	211151	1548849	20	44	24	1.89
			36	44	8	5.07
Intercepts are calculated using a 0.4 g/t Au cut with allowing for 4m internal waste. 4m composite samples were submitted to Bureau Veritas in Cote D'Ivoire for 40g Au fire assay Anomalous composite samples will have the corresponding 1m split samples submitted for Au fire assay.						

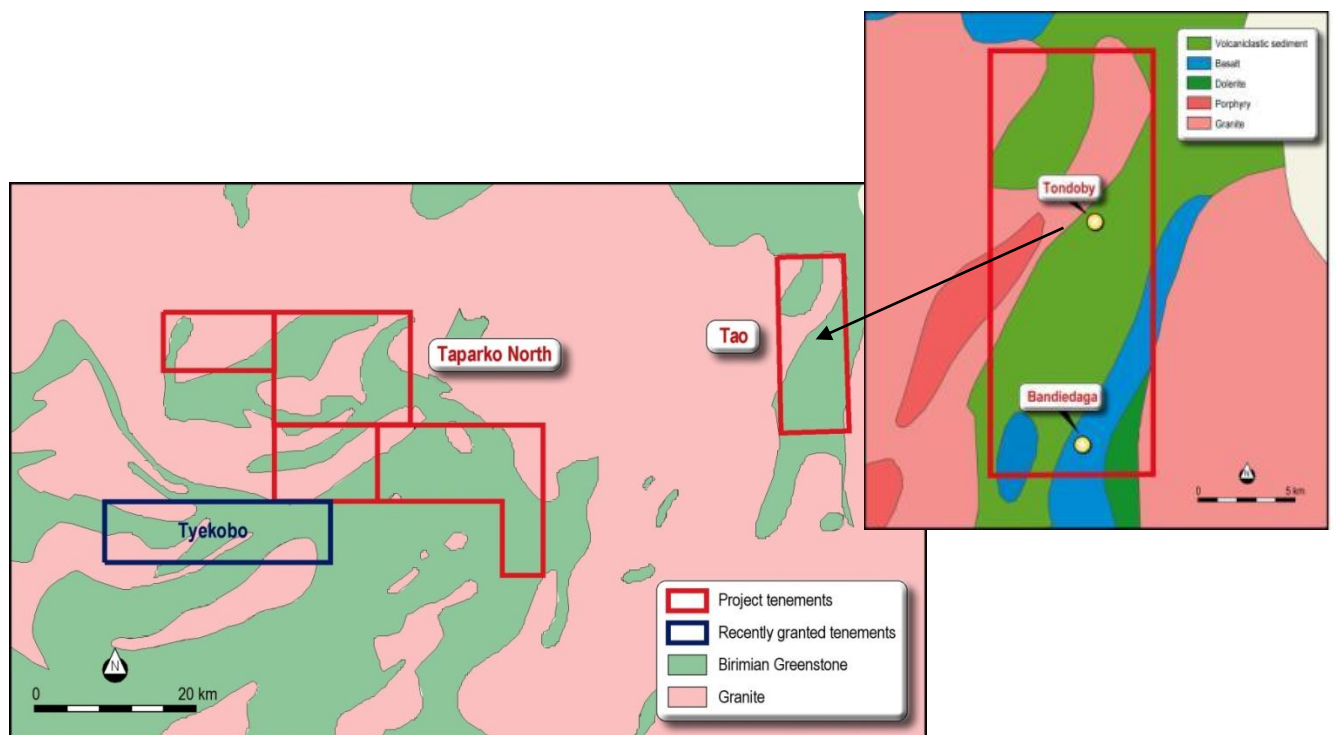


Figure 3: Location of the Tao Project

About Canyon's Burkina Faso Projects

Canyon's mineral exploration projects in Burkina Faso cover an area of 2,513 square kilometres over 10 permits in the Birimian Greenstone Belts of the West African craton. These permits comprise three project areas known as the Taparko North Project, the Tao Project and the Derosa Project.

The Taparko North 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 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 Project.

The Derosa Project is a package of permits currently under application. The permits are along the structure from Middle Island Resources Limited's Reo Project and offer an early stage exploration opportunity in area that has active artisanal mining and significant exploration potential.

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 three project areas have potential to host significant mineral resources, as demonstrated by recent exploration results.

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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.