



Canyon Resources Limited

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ANOMALOUS GOLD RETURNED FROM RECONNAISSANCE RAB DRILLING AT TAPARKO NORTH PROJECT

HIGHLIGHTS

- **Shallow reconnaissance RAB drilling at the CS prospect returns anomalous gold intercepts over the 4km of strike tested.**
- **Best intercepts from the CS prospect include;**
 - **2m @ 12.00g/t Au from surface** **CSRB053**
 - **2m @ 1.35g/t Au from 10m** **CSRB291**
 - **12m @ 0.50g/t Au from 20m incl 2m @ 1.32g/t Au** **CSRB262**
 - **4m @ 1.02g/t Au from 30m** **CSRB259**
 - **2m @ 1.01g/t Au from 8m** **CSRB166**
- **Following field checking of these results, additional drilling is planned to further assess the CS Prospect.**

Canyon Resources Limited ("Canyon" or "the Company") (ASX: CAY) is pleased to announce results from its first round of wide spaced reconnaissance RAB drilling completed on the CS Prospect, part of the Taparko North Project in north eastern Burkina Faso.

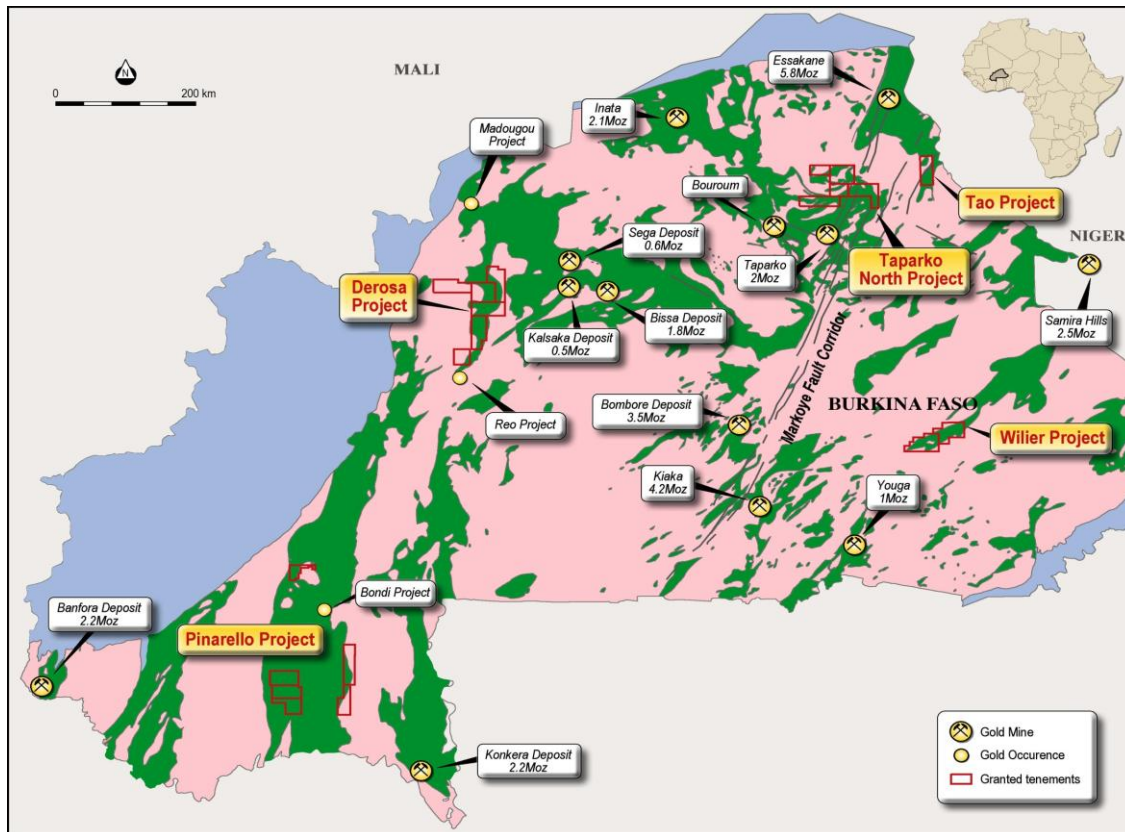


Figure 1: Canyon Resources project areas over Burkina Faso regional interpreted geology map

Canyon completed a 6,019m RAB drilling program over 323 holes on the 10km long CS Prospect gold auger anomaly. The shallow RAB drilling tested 4km of the 10km strike length of the auger anomaly and returned encouraging results over the 4km tested (see Figure 2 and Table 1).

The most significant results include;

- **2m @ 12.00g/t Au from surface** **CSRB053**
- **2m @ 1.35g/t Au from 10m** **CSRB291**
- **12m @ 0.50g/t Au from 20m incl 2m @ 1.32g/t Au** **CSRB262**
- **4m @ 1.02g/t Au from 30m** **CSRB259**
- **2m @ 1.01g/t Au from 8m** **CSRB166**

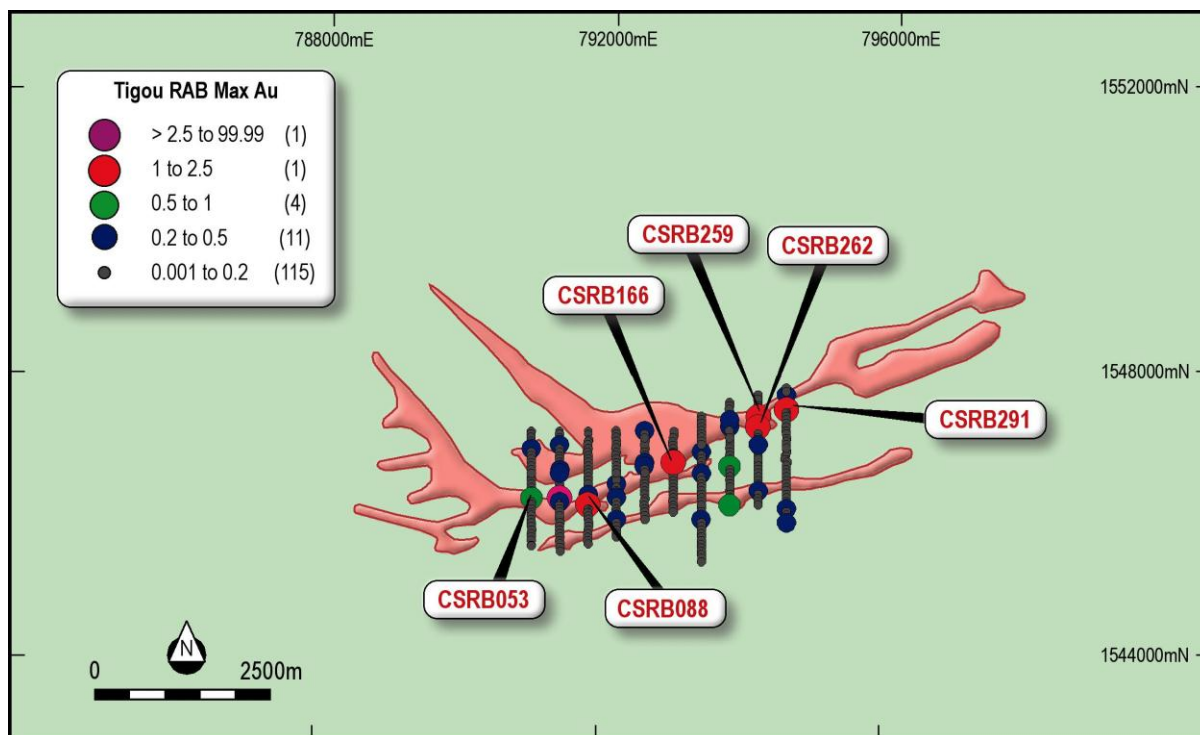


Figure 2 – CS prospect showing RAB results over auger geochemistry anomaly/

The drilling was conducted on lines spaced 400m apart, following up auger geochemistry completed and reported during the last field season. Although the reconnaissance drilling at the CS prospect is wide spaced drilling it has highlighted an anomalous zone which is continuous over the 4km tested. Additional infill and extensional drilling is planned following field checking of the results during the next quarter.

The Company notes the significant delays encountered in receiving assay results for the drill programmes undertaken this year, and is working with laboratories in Burkina Faso and internationally to ensure improved turn-around during the 2012/13 dry season.

Canyon Managing Director, Phillip Gallagher, said “it is good finally to have some results to release to the market, we are pleased with these shallow drill results, which indicate the presence of gold anomalism striking over 4km at the CS Prospect, and we are looking forward to recommencing drilling at the prospect during this exploration.”

Canyon will be commencing the new season of exploration in the coming weeks, with initial RAB drilling commencing on the Tao Project in November, to be followed up by an RC drilling campaign.

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About Canyon's Burkina Faso Projects

Canyon's existing mineral exploration projects in Burkina Faso cover an area of over 4,000km² over 20 permits in the Birimian Greenstone Belts of the West African craton. These permits comprise five project areas known as the Taparko North Project, the Tao Project, the Wilier Project, the Pinarello Project and the Derosa Project.

The Taparko North Project is situated in the Yalogo Belt. This greenstone belt hosts the Taparko gold mine and the large Inata gold mine.

The Tao Project lies in the Gorouol Greenstone Belt which hosts the country's largest deposit, the major Essakane gold mine. [Previous](#) RC drilling by Canyon at Tao has intersected high grade gold mineralisation including;

- **8m @ 30.04 g/t Au from 56m, incl 4m @ 58.7 g/t Au**
- **8m @ 10.31 g/t Au from 100m**
- **12m @ 2.47 g/t Au from 84m**
- **4m @ 4.62 g/t Au from 88m**

Significantly, both projects are situated along north east striking structures. The major gold endowed northeast–southwest trending Markoye Fault is recognised as hosting both the Taparko and Essakane gold deposits and the 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 Wilier Project is comprised of two contiguous tenements in the Fada N'Gourma greenstone belt. Extensions of this greenstone belt host the Samira Hill gold mine and the Youga gold mine.

The Pinarello Project comprises six exploration permits with a combined area of 1,104km². The project area is located on the Hounde Greenstone Belt in the highly prospective south west region of Burkina Faso. The Hounde Greenstone Belt hosts a number of significant gold deposits including the Mana gold mine and the Bondi Project.

The Derosa Project is a package of six exploration permits. The permits offer an early stage exploration opportunity in area that has active artisanal mining and significant exploration potential. Rumble Resources Limited is earning up to a 75% interest in the Derosa Project from Canyon, which will require Rumble to spend \$3 million on exploration of the project over a 5 year period and meet project acquisition costs.

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 five project areas have potential to host significant mineral resources.

Significant RAB Drilling Results						
Hole ID	WGS84_E	WGS84_N	From (m)	To (m)	Interval (m)	Grade (g/t Au)
CSRB053	791197	1546252	0	2	2	12.00
CSRB291	794402	1547499	10	12	2	1.35
CSRB262	793999	1547250	20	32	12	0.50
			20	22	2	1.32
CSRB259	794000	1547399	30	34	4	1.02
CSRB166	792801	1546754	8	10	2	1.03
CSRB088	791599	1546155	16	18	2	1.02
CSRB241	793599	1546698	34	36	2	0.86
CSRB262	793999	1547250	26	28	2	0.68
CSRB252	793600	1546150	14	16	2	0.52
CSRB020	790801	1546248	12	14	2	0.51
All holes drilled at -60deg and drilled toward 180deg. Significant intercept defined as intercept above 0.5 g/t Au Intercept calculated using a 0.5 g/t Au cut. True widths cannot be approximated because of the wide spaced reconnaissance nature of the drilling. Samples collected as 2m composite riffle split samples. 2m composite samples submitted to SGS for a 30g fire assay.						

Table 1: Significant RAB drilling results returned from exploration on the Taparko Project's CS Prospect

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.