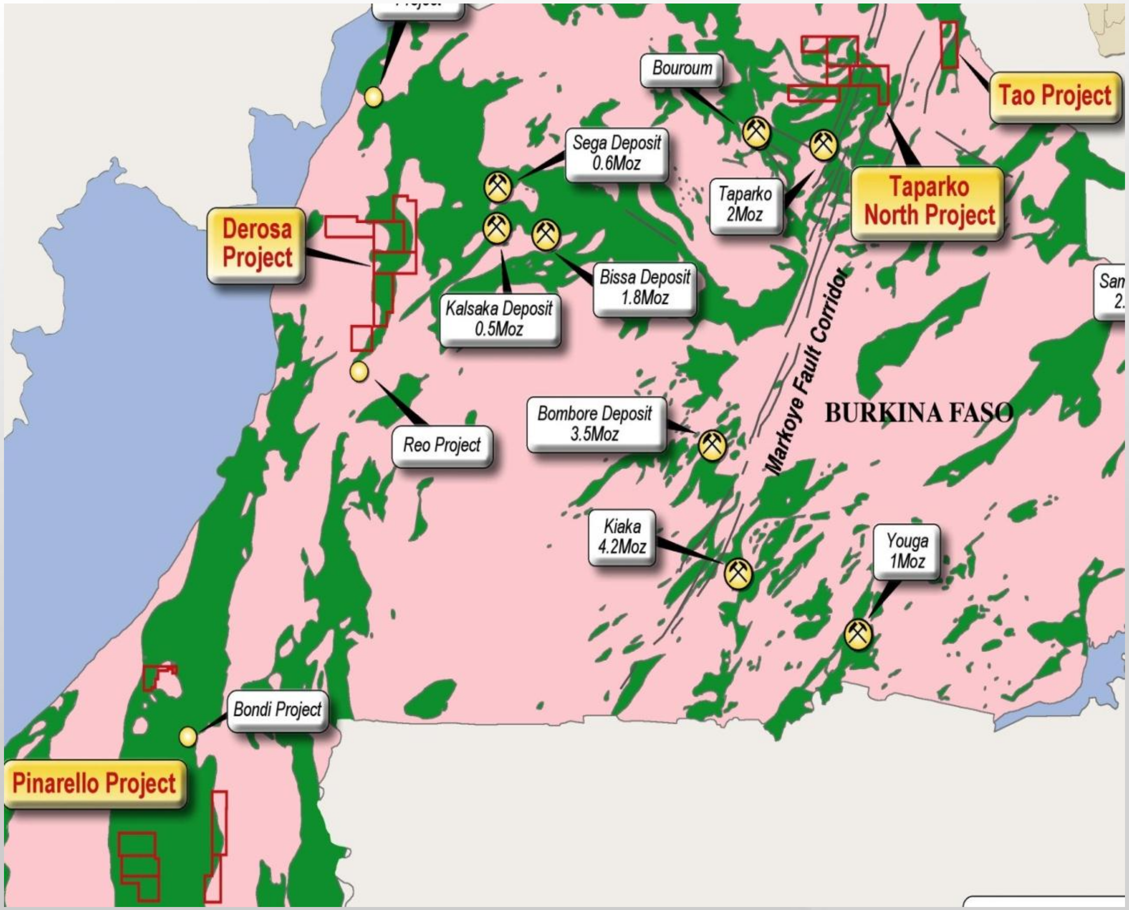
Canyon Resources

Gold Exploration in Burkina Faso

January 2013

Canyon's Projects



- Four highly prospective gold projects in the north, east and south of Burkina Faso
  - Tao Project
  - Pinarello Project
  - Taparko North Project
  - Derosa Project (CAY 25% - exploration fully funded by JV partner)
- Acquisition strategy has focused on projects along strike from operating multi-million ounce gold mines
- Footprint of 18 permits over 3,500km^2
- Projects cover the Birimian Greenstones of West Africa in favourable geological and structural positions

Corporate

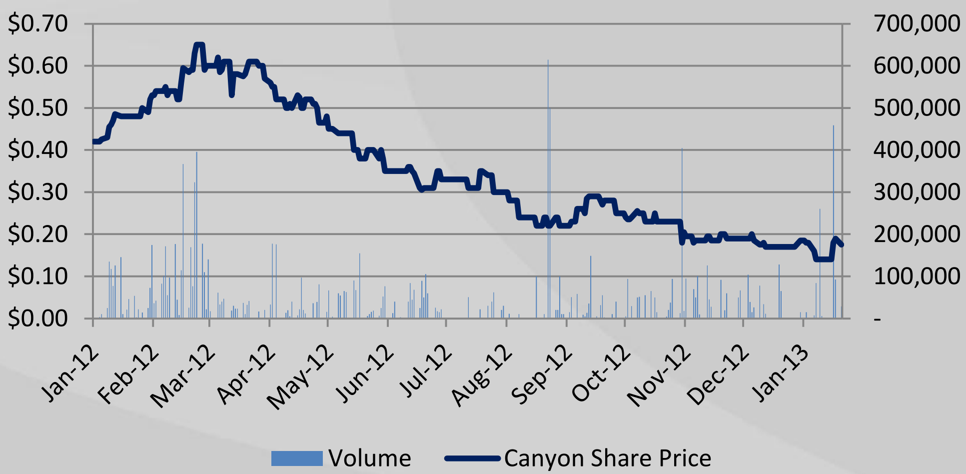
Canyon Resources Limited	ASX:CAY
Shares on Issue[1]	57.4 million
Market Cap @ 15c	**$8.6 million**
Options on issue (30c & 40c)	12.7 million
Cash (31 Dec 2012)	$1.7 million
Debt	nil
Enterprise Value	**$6.9 million**

Notes

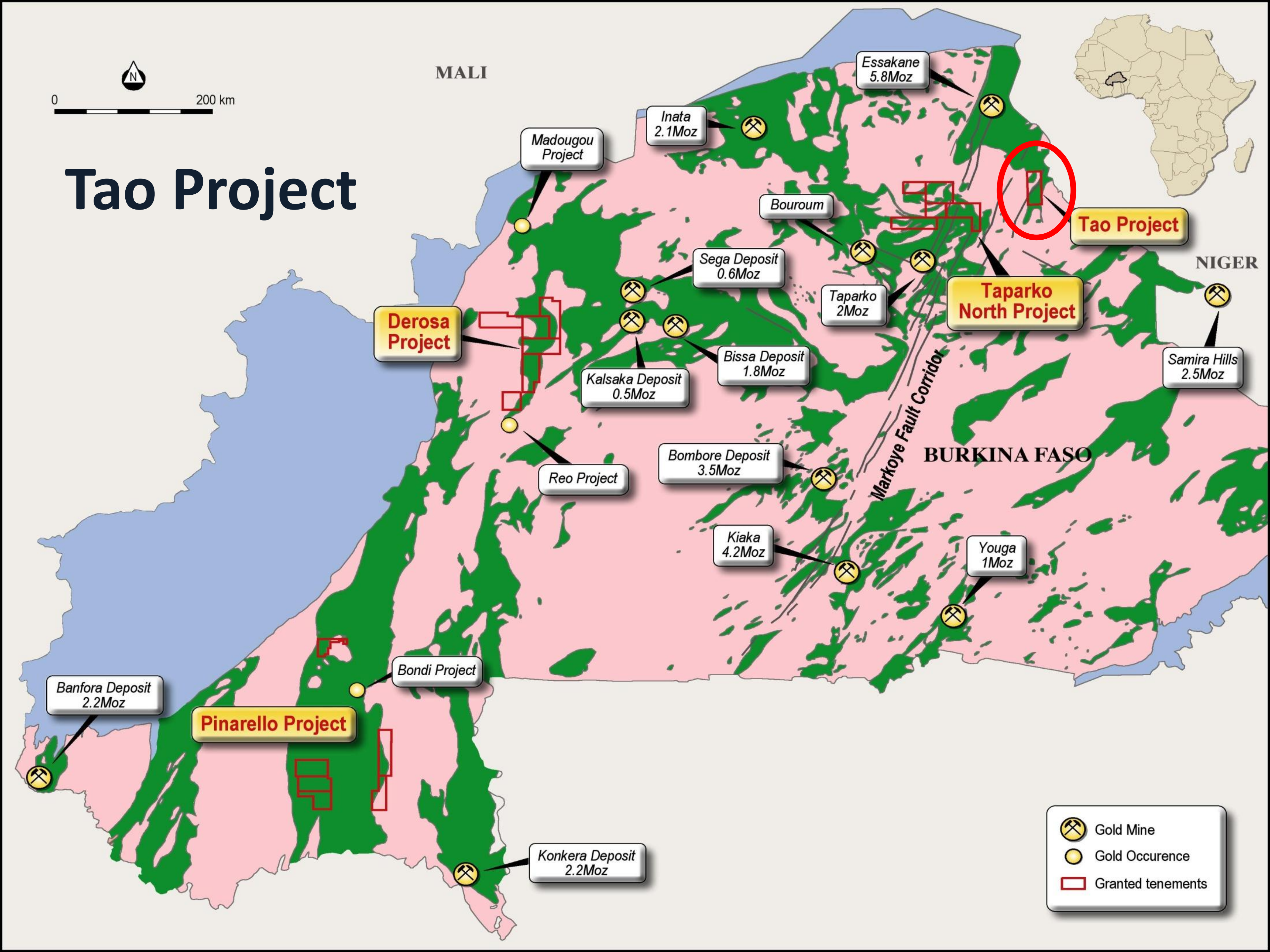
1. 5 Class A shares and 10 Class B shares are on issue, which are convertible into 5 million and 10 million ordinary shares respectively, upon achievement of certain milestones at the Tao and Taparko North Projects, including a minimum of 500,000 ounce gold resource and 1Moz gold resource respectively

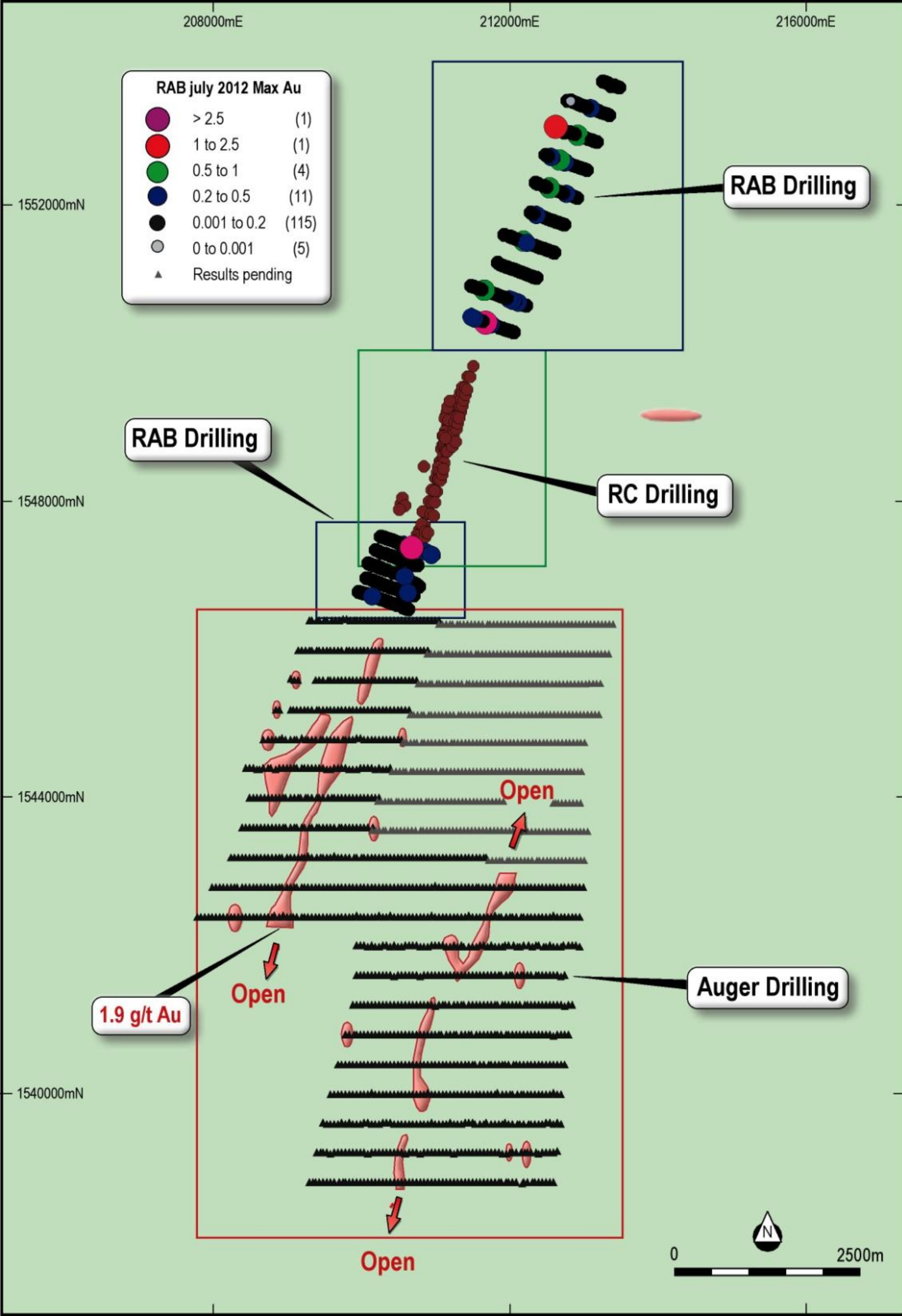
Top Shareholders	
1. Board & Management	9%
2. GCIC Ltd	7.68%
3. Kingslane Pty Ltd	5.8%
5. Precambrian Pty Ltd	3.3%
6. Local Burkina Driller	1.9%

Board of Directors	
Chairman	Rhod Grivas
Managing Director	Phillip Gallagher
Non Exec. Director	Matt Shackleton



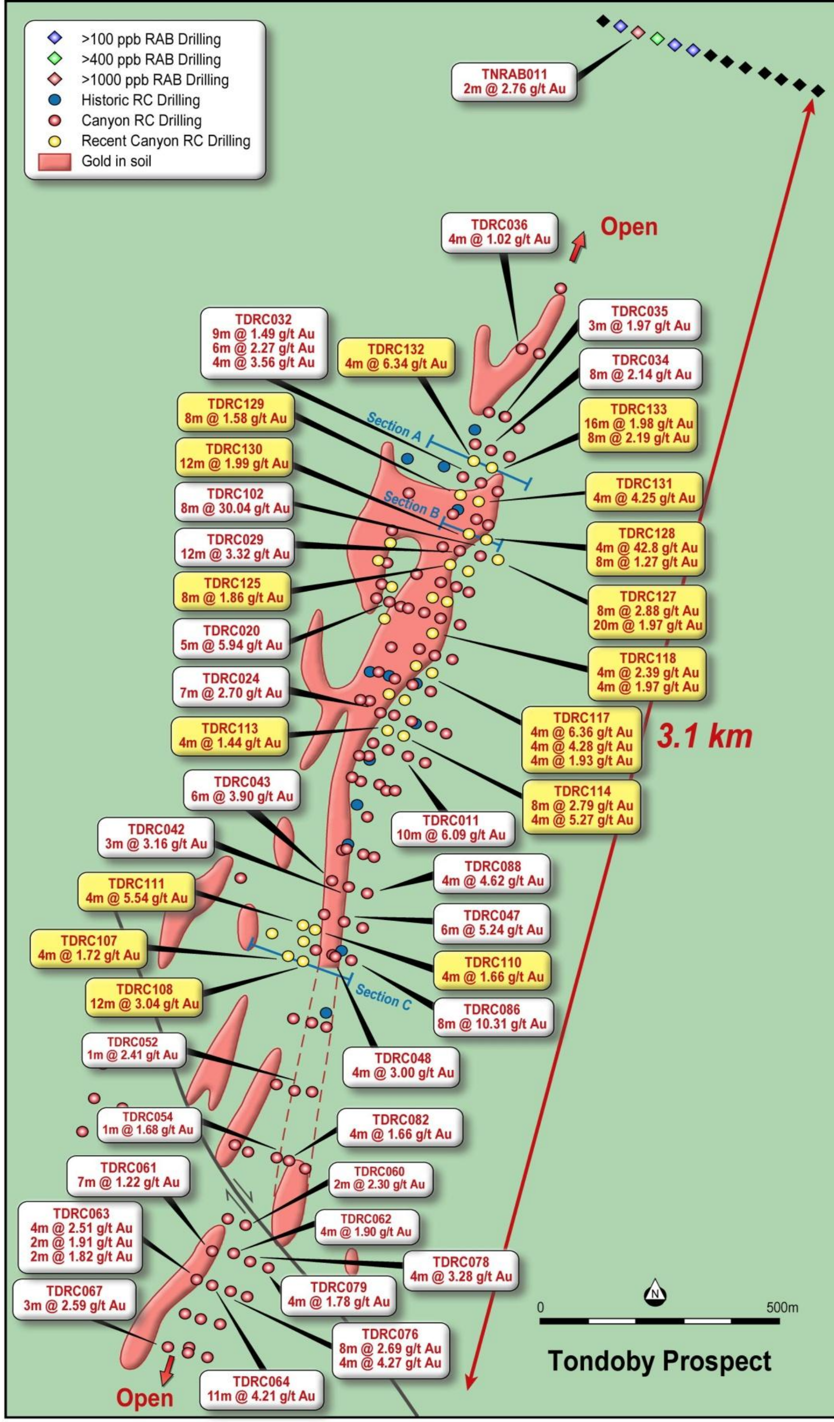
Tao Project


MALI
0
200 km
N
Madougou Project
Inata 2.1Moz
Essakane 5.8Moz
Bouroum
Tao Project
Sega Deposit 0.6Moz
Taparko 2Moz
Taparko North Project
NIGER
Derosa Project
Kalsaka Deposit 0.5Moz
Bissa Deposit 1.8Moz
Samira Hills 2.5Moz
Markoye Fault Corridor
BURKINA FASO
Reo Project
Bombore Deposit 3.5Moz
Kiaka 4.2Moz
Youga 1Moz
Bondi Project
Banfora Deposit 2.2Moz
Pinarello Project
Konkera Deposit 2.2Moz
Gold Mine
Gold Occurence
Granted tenements



Tao Project

- Located in the same greenstone belt as the 6.8Moz Essakane Gold mine
- A previously untested 20km long shear zone running through the project area
- Multiple shallow artisanal mining operations directly along strike
- Exploration this season at Tao's Tondoby Prospect
  - 3,058m of RC drilling (completed)
  - 8,000m of RAB drilling underway
  - RC drilling will recommence in coming weeks
- Improved understanding of gold lode geometry has resulted in new high-grade targets – drilling now being planned
- Fast turnaround of assay results compared to last season
- Permit to south under application to secure extension of mineralised trend

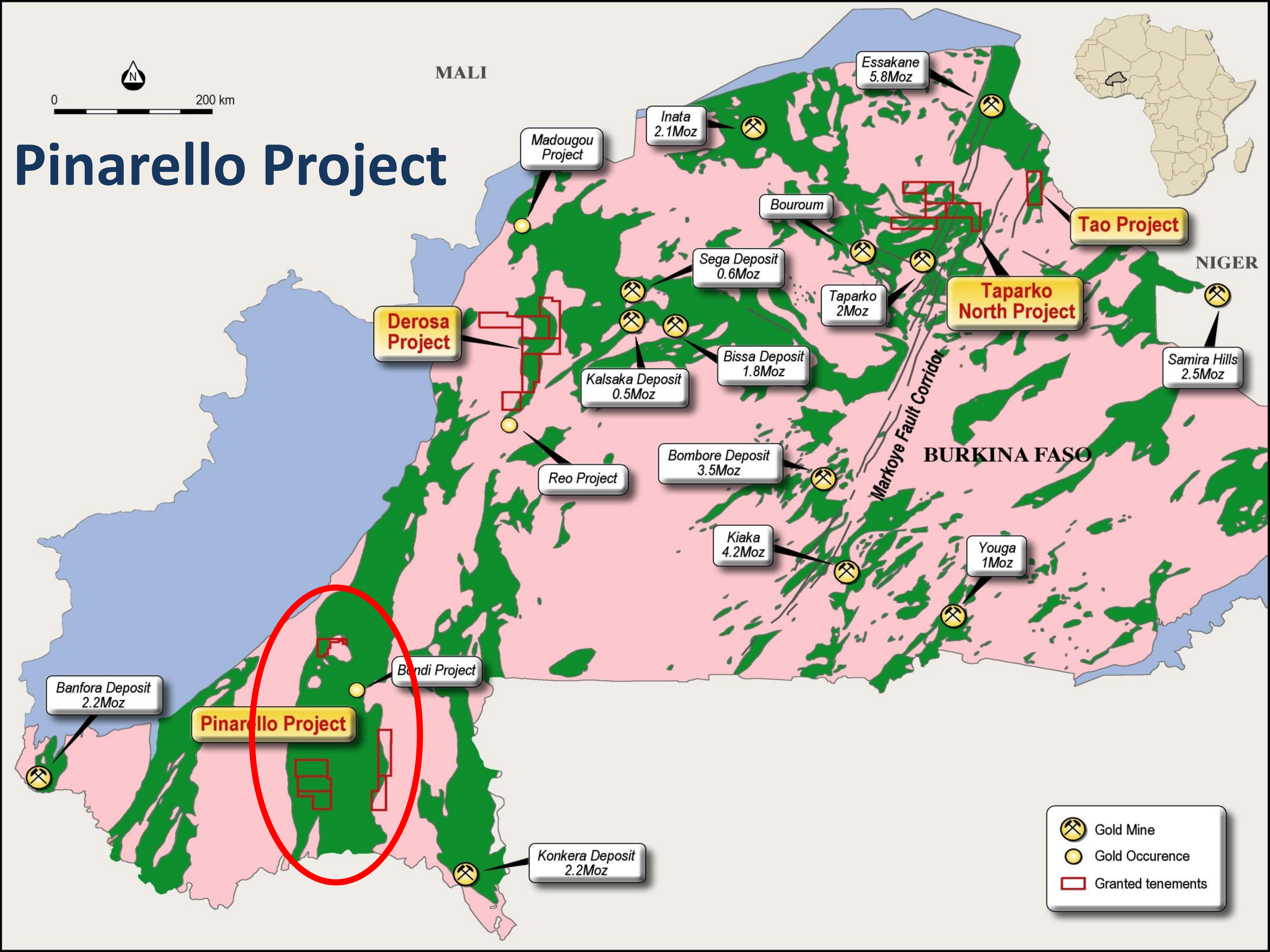


Tao Project

Canyon Resources

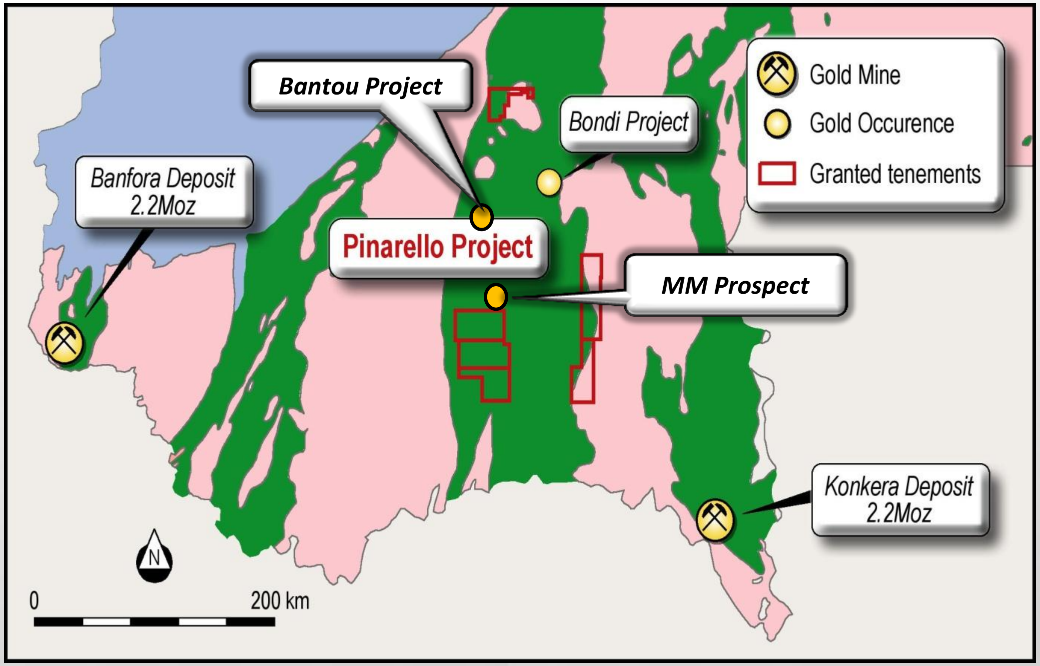
- High grade, shallow gold mineralisation confirmed over +3km of strike
- Tondoby Prospect remains open to the north, south and at depth
- Mineralisation identified over 12km+
- Significant RC drilling intercepts include:
  - **10m @ 6.09 g/t Au** from 84m
  - **12m @ 3.32 g/t Au** from 65m
  - **3m @ 13.90 g/t Au** from 72m
  - **11m @ 4.21 g/t Au** from 44m
- 4m composite result highlights include:
  - **8m @ 30.04 g/t Au**, incl 4m @ 58.7 g/t Au
  - **4m @ 42.8 g/t Au**
  - **8m @ 10.31 g/t Au**
  - **20m @ 1.97 g/t Au**
  - **12m @ 3.04 g/t Au**
  - **4m @ 4.62 g/t Au**

Pinarello Project



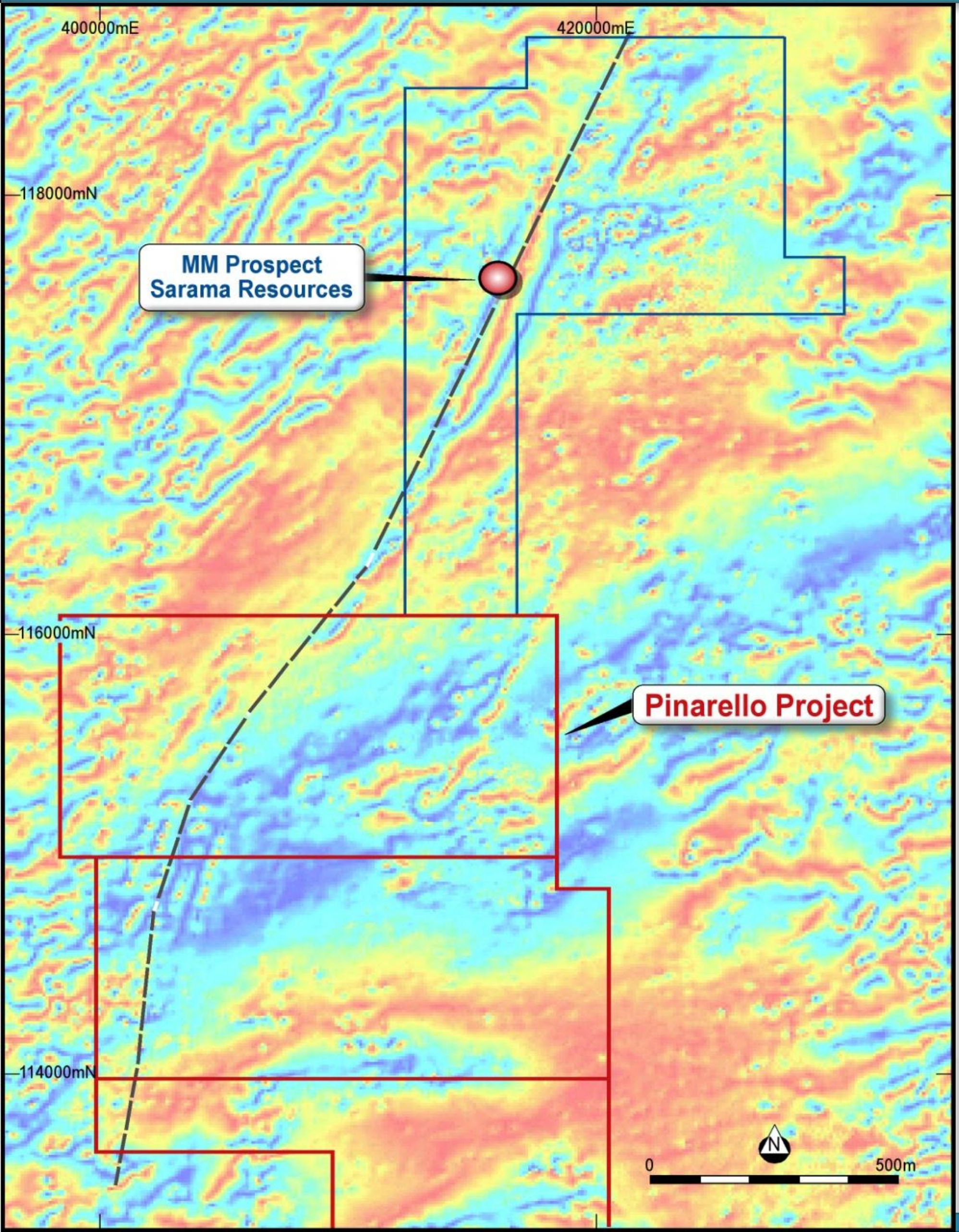
Pinarello Project

On the Gold Endowed Hounde Belt



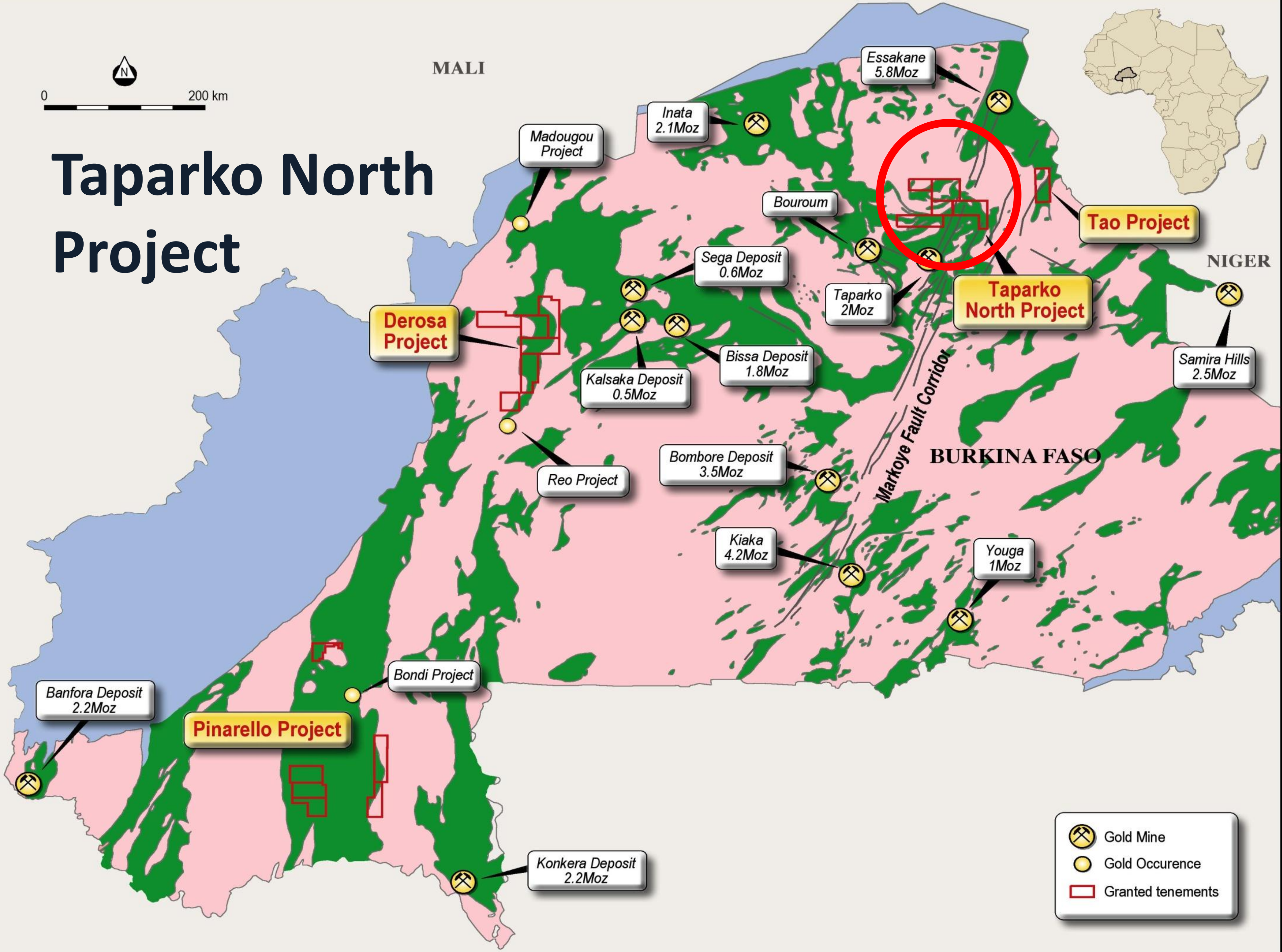
- 6 newly granted permits covering >1,100km²
- On the highly prospective Hounde greenstone belt – an emerging gold camp
- Activity significantly increased on the Hounde Gold Belt following recent high grade exploration successes in proximity to CAY permits
- Canyon's exploration programme commencing in the coming weeks
- The Hounde belt hosts high grade results including:
- Yaramoko Project (Roxgold Inc.)
  - Indicated Resource of **354,000oz @ 17.8g/t Au**

Pinarello Project
On the Gold Endowed Hounde Belt

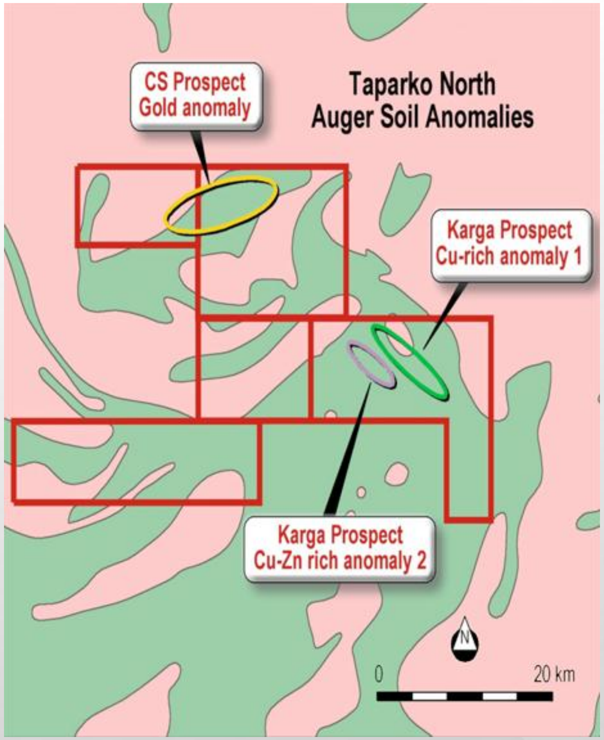


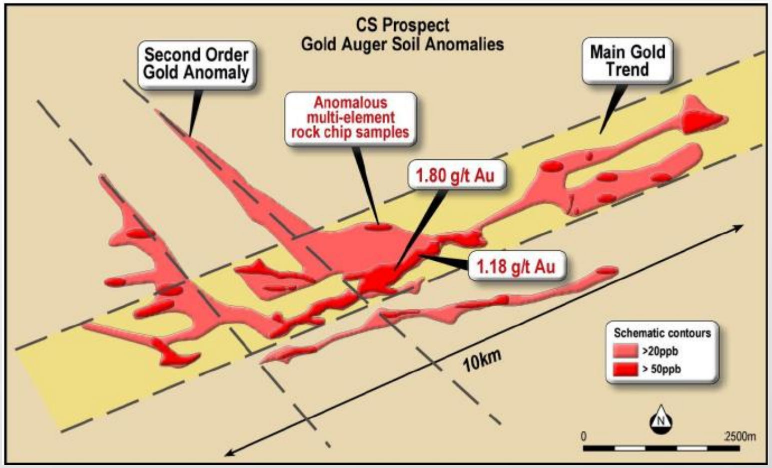
- Exciting high grade results on the Hounde belt
- Along strike from Sarama Resources' South Hounde Project (TSX-V:SWA)
- South Hounde Project
  - **5.3m @ 5.18g/t Au** from 291.3m
  - **15.5m @ 6.61 g/t Au** from 176.5m
  - **14m @ 5.71 g/t Au** from 180m
- Contiguous to Orbis Gold's Bantou Project (ASX: OBS)
- Bantou Project
  - **8m @ 80.32 g/t Au**
  - **16m @ 10.20g/t Au**
  - **9m @ 16.79g/t Au**

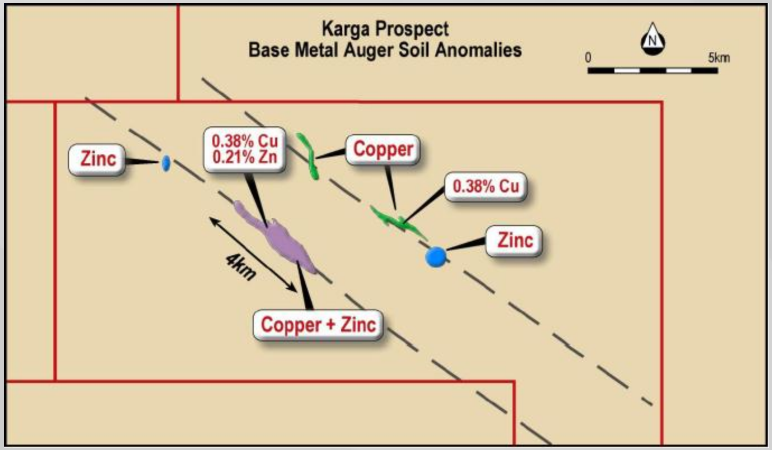
Taparko North Project



Taparko North Project







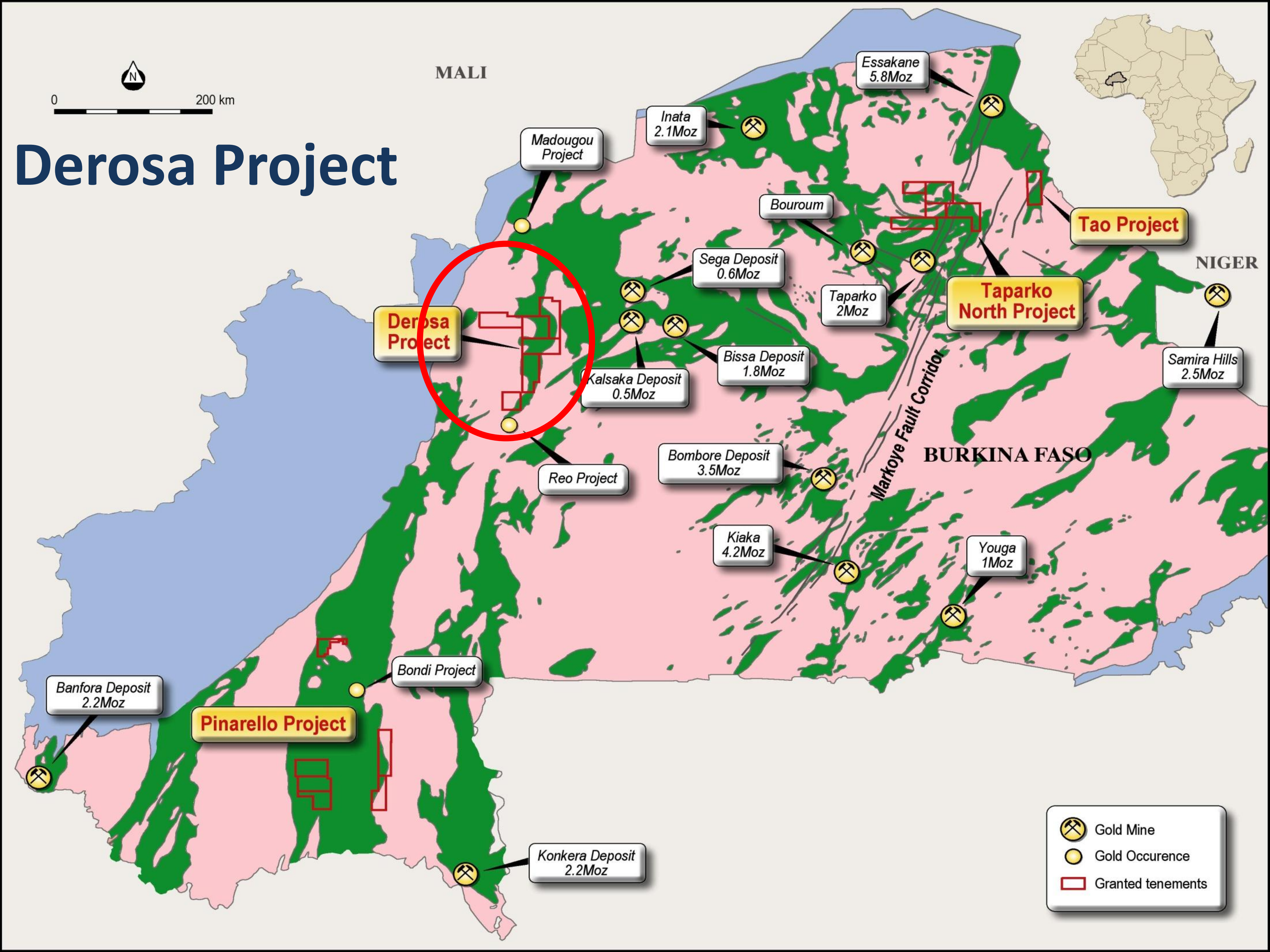
CS Prospect

- 10km long +20ppb gold anomaly
- Plan to follow up RAB drilling in 2013

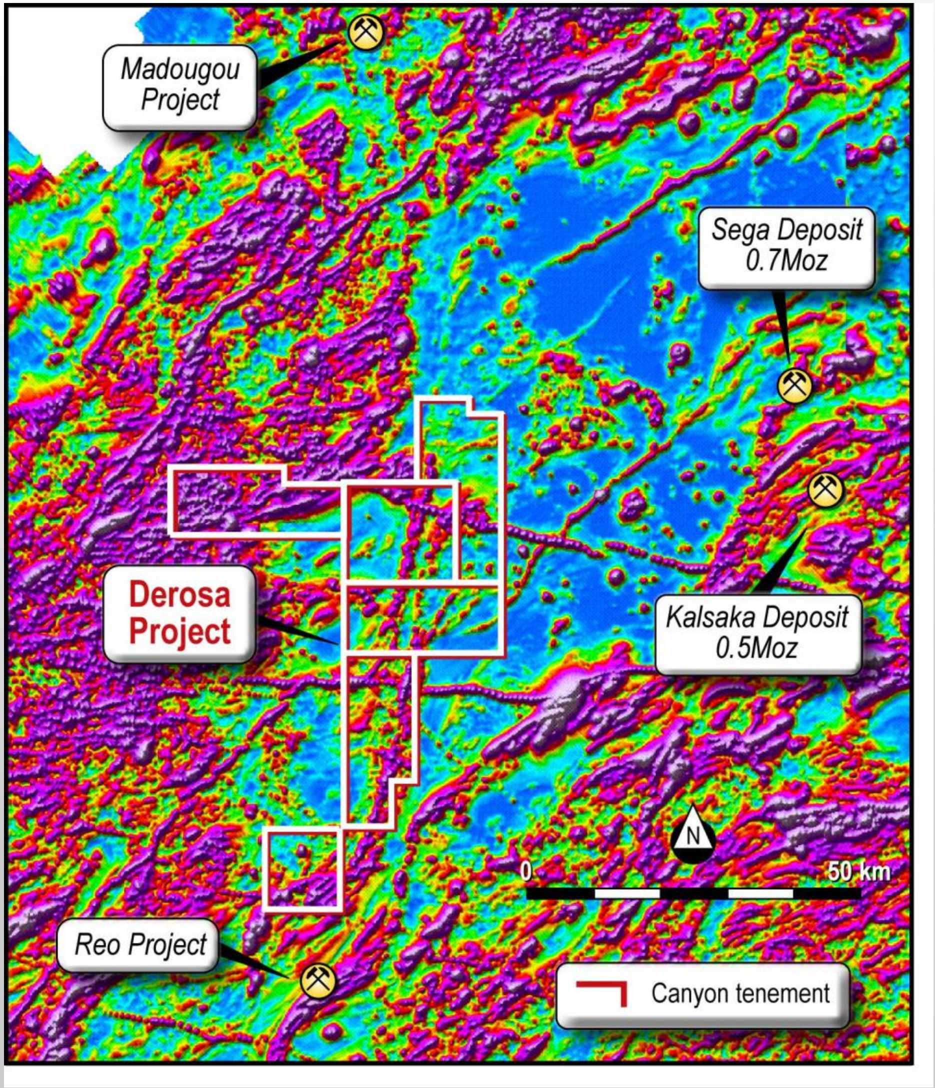
Karga Prospect

- Two separate +3km long multi element anomalies
- Plan to commence RAB drilling on Cu/Zn anomalies in 2013

Derosa Project



Derosa Project
Blue Sky Exploration



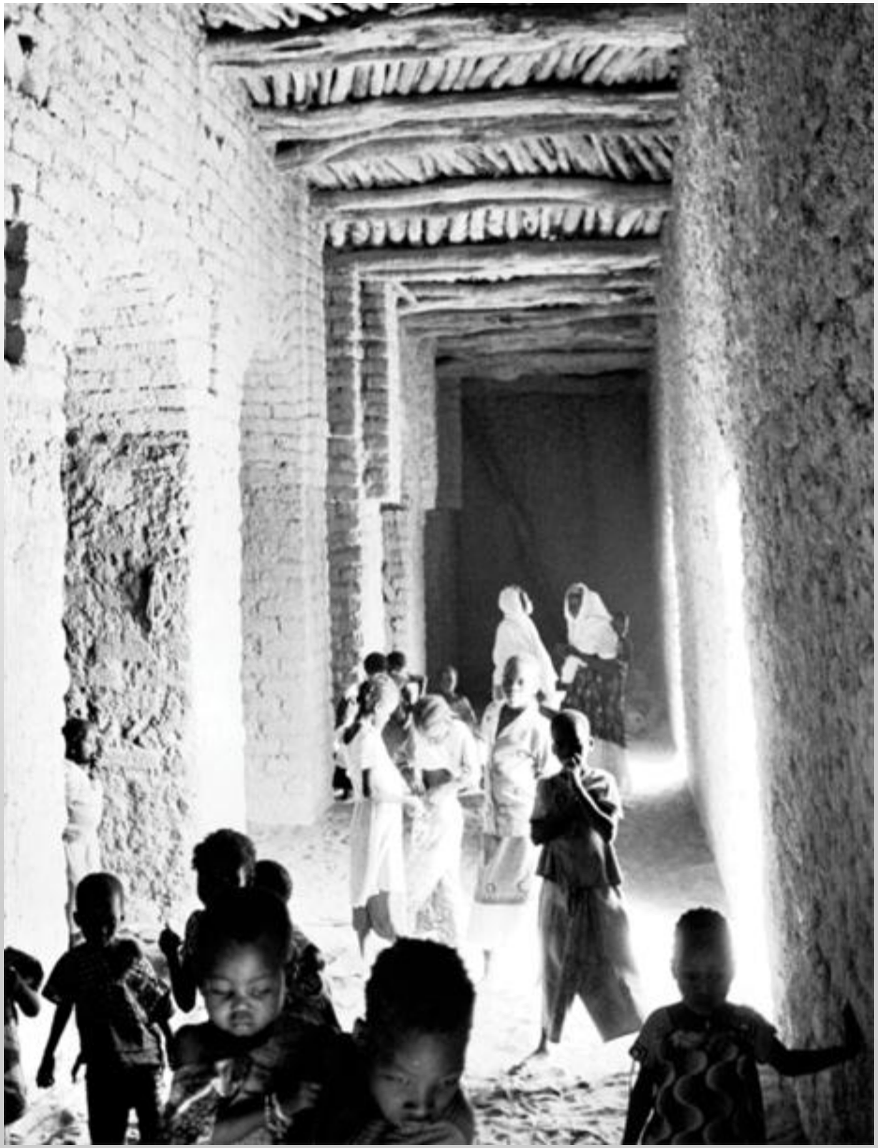
- 6 contiguous tenements covering >1,300km²
- Entered into a JV with Rumble Resources
  - Rumble earning 75% by spending $3 million
- Regional magnetics highlight an interpreted shear zone
- Rumble have commenced initial exploration on the project

Company Highlights

Opportunity for strong share price growth with excellent leverage to exploration success in West Africa

- Four highly prospective gold projects in Burkina Faso
- Contiguous land packages along strike from operating multi-million ounce gold mines
- Immediate focus on continued drilling at the Tao Project
  - High-grade gold intersected on the Tao Project
- Canyon has “high-impact” drill targets across its Burkina Faso portfolio:
  - High-grade gold discoveries on Hounde Gold Belt, which hosts Canyon’s Pinarello Project – Canyon to drill in 2013
  - Taparko North Project indicates potential for a VMS style deposit
- Tight capital structure
  - Only 57.4m shares on issue
  - Top 20 shareholders hold over 40% of the Company
- $1.7m cash on hand (31 December 2012)
- A near term focus to advance its West African projects whilst continuing to review and act upon new opportunities

Contact Details



ASX:CAY

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Company Disclaimer
& Competent Person Statement

Forward Looking Statements

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Canyon Resources Ltd's exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan,“ "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Canyon Resources Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person Statement

The information in this report that relates to Exploration Results has been compiled by Mr Chris Connell, who is an employees 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.

Canyon Resources