



Canyon Resources Limited
ACN 140 087 261
Level 3, 10 Outram Street
West Perth WA 6005
www.canyonresources.com.au

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Capital Raising to Raise \$2.2M for Gold Exploration in Burkina Faso

Drilling underway with further drilling planned in coming weeks

West African gold exploration company Canyon Resources Ltd (“Canyon” or the “Company”) is pleased to announce that it has resolved to raise up to approximately \$2.2 million to fund drilling programmes for its Tao and Pinarello Projects in Burkina Faso.

The capital raising comprises:

- A placement of up to approximately 9.3 million shares at \$0.13 per share to raise up to approximately \$1.2 million (“Placement”); and
- A Share Purchase Plan (“SPP”) of up to \$15,000 per eligible shareholder to raise up to a further \$1 million.

Subject to receipt of all necessary approvals, investors in both the Placement and the SPP will be issued with one (1) attaching option for each share subscribed to the Placement or the SPP, with the options having an exercise price of \$0.16 each and a maturity date of 29 February 2016 (“Options”). At completion of the SPP, the Company will make application to the ASX for the listing of these Options.

Strong support was received for the Placement from Canyon’s existing shareholders as well as a number of new sophisticated and professional investors. Hartleys Limited is the Lead Broker to the Placement and the SPP.

Canyon’s Managing Director, Phil Gallagher said:

“We are now fully funded for the next round of work required at our Tao Project to continue expanding on the high grade, and shallow gold mineralisation already discovered at the Tondoby Prospect, which now spans +3kms. Tondoby remains open to the north, south and at depth, and as we announced on January 17, still offers potential for further high-grade zones. The next round of RC drilling planned to commence in coming weeks will focus on extensions to the south of Tao, following-up on RAB drilling.”

We are excited that Canyon will soon be commencing this season’s exploration campaign on the highly prospective Pinarello Project on the Houndé Gold Belt in southern Burkina Faso. The Houndé Gold Belt is host to several high grade gold discoveries, including discoveries made by our peers, Samara Resources (TSX-V:SWA) and Orbis Gold (ASX:ORS) on permits immediately adjacent to Canyon’s permits. We are eager to commence drilling here as soon as possible in the current field season.”

The Placement

The Placement is being undertaken in a single tranche pursuant to the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Options to be issued in connection with the Placement will be issued subject to shareholder approval at a general meeting of Canyon shareholders to be held in mid-March 2013. A Notice of Meeting is expected to be distributed to shareholders in the coming days.

The Share Purchase Plan

The Board is pleased to provide eligible existing shareholders the opportunity to participate in the capital raising by undertaking a Share Purchase Plan ("SPP") to raise up to an additional \$1 million.

The issue price under the SPP is to be the same as the Placement price and the SPP shares will be issued with an attaching option for every share subscribed to. These options will have the same terms as the options issued in connection with the Placement. A prospectus for the SPP is expected to be distributed to shareholders within the next 2 weeks.

The record date for the SPP is 31 January 2013.

This announcement effectively ceases the trading halt requested by the Company on 30 January 2013. The Company is not aware of any reason why the ASX would not allow trading to commence immediately.

Enquiries:

Phil Gallagher

Managing Director

T: +61 8 9413 7300

E: pgallagher@canyonresources.com.au

Rhod Grivas

Chairman

T: +61 419 919 321

E: rhod@grivas.com.au