



**October 18, 2011**

**NEWS RELEASE**

**GOLD CANYON ANNOUNCES \$10 MILLION  
BOUGHT DEAL PRIVATE PLACEMENT**

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DOES NOT CONSTITUTE AN OFFER OF THE SECURITIES DESCRIBED HEREIN**

Gold Canyon Resources Inc. (GCU: TSX-V) ("Gold Canyon" or "the Company") is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by CIBC and Frazer Mackenzie Limited (the "Underwriters") pursuant to which the Underwriters have agreed to purchase 1,300,000 common shares of Gold Canyon ("Common Shares") at \$2.35 per Common Share and 2,500,000 flow-through shares of Gold Canyon ("FT Shares") at a price of \$2.80 per FT Share on a bought deal private placement basis, for aggregate gross proceeds in the amount of approximately \$10 million (the "Offering"). The Underwriters have been granted the option to purchase up to an additional \$5 million of either Common Shares or FT Shares at any point up until 48 hours prior to closing of the Offering.

The Offering is scheduled to close on or about November 3, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

The proceeds from the sale of the Common Shares will be used for further exploration and development of the Company's Springpole Gold Project in Ontario and for general corporate purposes.

The proceeds from the sale of the FT Shares will be used to incur Canadian Exploration Expenses (within the meaning of the Income Tax Act (Canada), which will qualify as "flow-through mining expenditures" for purposes of the Income Tax Act (Canada), related to the exploration of the Company's Canadian exploration projects. The Corporation will renounce such Canadian Exploration Expenses with an effective date of no later than December 31, 2011 for federal tax purposes.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States unless registered under the Act or unless an exemption from registration is available.

***About Gold Canyon Resources Inc.:***

Gold Canyon is engaged in the acquisition and exploration of mineral and precious metals properties. The Company controls a 100% interest in the Springpole Gold - Horseshoe Island Gold, Platinum, Palladium Project and Favourable Lake Poly-metallic property currently under option to Guyana Frontier Mining Corp. pursuant to an option and joint venture agreement entered into in December 2005 - all in the Red Lake Mining District of Ontario, Canada.

Through its wholly owned U.S. subsidiary, Gold Canyon Resources USA Inc., the Company controls a 100% interest in the Cordero Gallium Project situated in Humboldt County, Nevada, U.S.A.

Gold Canyon entered into a Joint Exploration Agreement with the Japan Oil, Gas and Metals National Corporation (JOGMEC) in January 2009.

Additional information can be found on the Company's website: [www.goldcanyon.ca](http://www.goldcanyon.ca)

**Akiko Levinson,  
President & Director**

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*Certain statements contained in this news release using the terms "may", "expects to", "projects", "estimates", "plans", and other terms denoting future possibilities, are forward-looking statements in respect to various issues including upcoming events based upon current expectations which involve risks and uncertainties that could cause actual outcomes and results to differ materially. The future conduct of the Company's business and the feasibility of its mineral exploration properties are dependent upon a number of factors and there can be no assurance that the Company will be able to conduct its operations as contemplate and the accuracy of these statements cannot be guaranteed as they are subject to a variety of risks that are beyond our ability to predict or control and which may cause actual results to differ materially from the projections or estimates contained herein. The risks include, but are not limited to, the risks described in the above press release; those risks set out in the company's disclosure documents and its annual, quarterly and current reports; the fact that exploration activities seldom result in the discovery of a commercially viable mineral resource and are also significant amounts of capital to undertake and the other risks associated with start-up mineral exploration operations with insufficient liquidity, and no historical profitability. The Company disclaims any obligation to revise any forward looking statements as a result of information received after the fact or regarding future events.*

*This news release includes certain "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Without limitation, statements regarding potential mineralization and resources and reserves, exploration results, and future plans and objectives of the Company are forward looking statements that involve various degrees of risk. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: changes in the world wide price of mineral commodities, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future profitability and the uncertainty of access to additional capital.*

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***