



British Columbia Securities Commission

YEAR-END REPORT

BC FORM 51-901F

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ISSUER DETAILS
NAME OF ISSUER: GOLD CANYON RESOURCES INC.
FOR YEAR ENDED: 03 | 11 | 30
DATE OF REPORT: 04 | 03 | 26
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CITY/PROVINCE: VANCOUVER/BC
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CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE: "Akiko Levinson"
PRINT FULL NAME: AKIKO LEVINSON
DATE SIGNED: 04 | 03 | 29
DIRECTOR'S SIGNATURE: "Ron Schmitz"
PRINT FULL NAME: RON SCHMITZ
DATE SIGNED: 04 | 03 | 29

GOLD CANYON RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2003

AUDITORS' REPORT

To the Shareholders of
Gold Canyon Resources Inc.

We have audited the consolidated balance sheets of Gold Canyon Resources Inc. as at November 30, 2003 and 2002 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY"

Vancouver, Canada

Chartered Accountants

March 8, 2004

A Member of SC INTERNATIONAL

GOLD CANYON RESOURCES INC.
CONSOLIDATED BALANCE SHEETS
AS AT NOVEMBER 30

	2003	2002
ASSETS		
Current		
Cash	\$ 2,294	\$ 4,665
Restricted cash (Note 14)	5,839	-
Receivables	1,592	3,129
Prepaid expenses	<u>750</u>	<u>750</u>
	10,475	8,544
Equipment (Note 3)	1,516	2,166
Mineral properties and deferred exploration costs (Note 5)	<u>7,044,046</u>	<u>6,816,688</u>
	<u>\$ 7,056,037</u>	<u>\$ 6,827,398</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current

Accounts payable and accrued liabilities	\$ 67,905	\$ 91,124
Due to related parties (Note 7)	<u>119,808</u>	<u>60,813</u>
	<u>187,713</u>	<u>151,937</u>

Shareholders' equity

Capital stock (Note 8)	12,244,116	12,168,279
Contributed surplus (Note 8)	362,628	-
Deficit	<u>(5,738,420)</u>	<u>(5,492,818)</u>
	<u>6,868,324</u>	<u>6,675,461</u>

	<u>\$ 7,056,037</u>	<u>\$ 6,827,398</u>
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Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

On behalf of the Board:

"Akiko Levinson"	Director	"Ron Schmitz"	Director
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The accompanying notes are an integral part of these consolidated financial statements.

GOLD CANYON RESOURCES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED NOVEMBER 30

	2003	2002
ADMINISTRATION EXPENSES		
Amortization	\$ 650	\$ 629
Consulting	3,600	8,075
Interest	951	169
Investor relations	12,120	80,846
Management fees	38,750	45,000
Office and miscellaneous	11,048	22,567
Printing	2,729	2,205
Professional fees	95,197	149,985
Regulatory fees	7,468	9,517
Stock-based compensation	342,080	-
Telephone	9,684	15,780
Transfer agent fees	6,983	7,067
Travel and promotion	5,686	25,610
	<u>(536,946)</u>	<u>(367,450)</u>
OTHER ITEMS		
Costs recovered	2,185	-
Gain on forgiveness of debt	-	50,003
Gain on sale of marketable securities (Note 4)	6,399	-
Income from partnership (Note 6)	254,315	-
Interest income	160	788
	<u>263,059</u>	<u>50,791</u>
Loss before income taxes	(273,887)	(316,659)
Future income tax recovery (Note 14)	<u>28,285</u>	<u>-</u>
Loss for the year	(245,602)	(316,659)
Deficit, beginning of year	<u>(5,492,818)</u>	<u>(5,176,159)</u>
Deficit, end of year	\$ (5,738,420)	\$ (5,492,818)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding	16,901,984	16,431,240

The accompanying notes are an integral part of these consolidated financial statements.

GOLD CANYON RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED NOVEMBER 30

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (245,602)	\$ (316,659)
Items not affecting cash:		
Amortization	650	629
Gain on forgiveness of debt	-	(50,003)
Gain on sale of marketable securities	(6,399)	-
Consulting fees paid with shares	-	8,075
Stock-based compensation	342,080	-
Future income taxes	(28,285)	-
Changes in non-cash working capital items:		
Decrease in receivables	1,537	788
Decrease in accounts payable and accrued liabilities	(23,219)	(75,750)
Increase in amounts due to related parties	<u>58,995</u>	<u>24,035</u>
Net cash provided by (used in) operating activities	<u>99,757</u>	<u>(408,885)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued	132,170	854,850
Share issue costs	<u>(7,500)</u>	<u>-</u>
Net cash provided by financing activities	<u>124,670</u>	<u>854,850</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	10,399	-
Equipment acquired	-	(2,795)
Deferred exploration costs	(231,358)	(571,655)
Restricted cash	<u>(5,839)</u>	<u>-</u>
Net cash used in investing activities	<u>(226,798)</u>	<u>(574,450)</u>
Change in cash for the year	(2,371)	(128,485)
Cash, beginning of year	<u>4,665</u>	<u>133,150</u>
Cash, end of year	<u>\$ 2,294</u>	<u>\$ 4,665</u>
Cash paid during the year for interest and income taxes		
Interest	\$ -	\$ -
Income taxes	-	-

Supplemental disclosures with respect to cash flows (Note 12)

The accompanying notes are an integral part of these consolidated financial statements.

GOLD CANYON RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2003

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is considered to be in the exploration stage with respect to its interests in mineral properties. Based on the information available to date, the Company has not yet determined whether the mineral properties contain economically recoverable ore reserves.

The recoverability of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and upon future profitable production.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Its ability to continue as a going concern is dependent on obtaining continued financial support, completing public equity financings, or generating profitable operations in the future.

	2003	2002
Working capital deficiency	\$ (177,238)	\$ (143,393)
Deficit	(5,738,420)	(5,492,818)

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and of its wholly owned subsidiary, Gold Canyon Resources U.S.A. Inc. ("Gold USA"). Gold USA was incorporated on June 21, 2001 in the State of Nevada. All significant inter-company accounts and transactions have been eliminated upon consolidation.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on a declining balance basis at the following annual rate:

Computer equipment	30%
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Mineral properties

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the probable and proven reserves available on the related property following commencement of production. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

The recorded cost of mineral exploration interests is based on cash paid, the assigned value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependant on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Deferred exploration costs

The Company defers all exploration expenses relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold or abandoned or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the probable and proven reserves available on the related property following commencement of production.

Values

The amounts shown for mineral properties and deferred exploration costs represent costs to date, and do not necessarily represent present or future values, as they are entirely dependent upon the economic recovery of current and future reserves.

Cost of maintaining mineral properties

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Environmental protection and rehabilitation costs

Liabilities related to environmental protection and rehabilitation costs are accrued and charged to income when their likelihood of occurrence is established. This includes future removal and site restoration costs as required due to environmental law or contracts.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Loss per share (cont'd...)

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year.

Flow-through common shares

Resource expenditure deductions for income tax purposes, related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Capital stock is reduced and future income tax liability increased by the estimated tax benefits transferred to shareholders.

Foreign currency translation

The monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date and non-monetary items are translated at historical rates. Revenues and expenses are translated at rates which approximate those in effect on transaction dates. Exchange gains and losses arising on translation are included in the statement of operations.

The Company's foreign subsidiary is integrated with the Company and translated using the temporal method. Under this method, monetary assets and liabilities are translated at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities are translated at exchange rates prevailing at the transaction date. Income and expenses are translated at rates which approximate those in effect on transaction dates. Gains and losses arising from restatement of foreign currency assets and liabilities are included in earnings.

Future income taxes

Future income taxes are recorded using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Stock-based compensation

Effective December 1, 2002, the Company adopted the new CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", which recommends that stock options granted to employees and non-employees be accounted for at fair value. This section also permits, and the Company adopted, the use of the intrinsic value-based method for valuing stock options granted to employees. Under this method, compensation cost for options granted to employees is recognized only when the market price exceeds the exercise price at date of grant. However, pro-forma disclosure of earnings and earnings per share as if the fair value method had been adopted is required.

During the current year, the Company adopted, on a prospective basis, the fair value based method of accounting for all stock-based compensation.

GOLD CANYON RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2003

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

3. EQUIPMENT

	2003			2002		
	Cost	Accumulate d Amortization	Net Book Value	Cost	Accumulate d Amortization	Net Book Value
Computer equipment	\$ 2,795	\$ 1,279	\$ 1,516	\$ 2,795	\$ 629	\$ 2,166

4. MARKETABLE SECURITIES

During the year, the Company received 40,000 common shares of Jilbey Enterprise Ltd. ("Jilbey"), valued at \$4,000, pursuant to an agreement between the Company, Jilbey and ECI Mineral Resources Ltd. ("ECI") (Note 5).

In April, 2003, the Company sold the Jilbey shares for a net gain on sale of \$6,399.

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	Springpole Project	Cordero Property	Caley Property	Total
2003				
Acquisition costs	\$ 2,554,562	\$ 11,893	\$ 33,273	\$ 2,599,728
Deferred exploration				
Opening balance	3,506,946	691,318	18,696	4,216,960
Consulting	88,792	-	-	88,792
Land royalty payments	89,534	11,443	6,122	107,099
Material and supplies	77	-	-	77
Meals and lodging	3,256	-	-	3,256
Reproduction and copying	480	88	-	568
Staking and maintenance fees	-	13,965	806	14,771
Surveying	1,102	-	-	1,102
Travel	11,693	-	-	11,693
	194,934	25,496	6,928	227,358
	3,701,880	716,814	25,624	4,444,318
	\$ 6,256,442	\$ 728,707	\$ 58,897	\$ 7,044,046

GOLD CANYON RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2003

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd...)

	Springpole Project	Cordero Property	Caley Property	Total
2002				
Acquisition costs	\$ 2,554,562	\$ 11,893	\$ 33,273	\$ 2,599,728
Deferred exploration				
Opening balance	3,391,554	240,251	-	3,631,805
Assay and lab testing	-	117,499	-	117,499
Camp labour	-	5,637	-	5,637
Consulting	20,861	135,934	-	156,795
Drilling	-	107,186	-	107,186
Land royalty payments	93,422	10,908	6,243	110,573
Maps	-	242	-	242
Material and supplies	-	12,261	-	12,261
Meals and lodging	-	12,338	-	12,338
Metallurgy	-	4,720	-	4,720
Mobilization	-	4,437	-	4,437
Sample storage fees	1,109	-	-	1,109
Staking and maintenance fees	-	27,188	12,453	39,641
Surveying	-	8,967	-	8,967
Telephone and telecommunications	-	359	-	359
Travel	-	3,391	-	3,391
	115,392	451,067	18,696	585,155
	3,506,946	691,318	18,696	4,216,960
	\$ 6,061,508	\$ 703,211	\$ 51,969	\$ 6,816,688

Springpole Project

The Company owns a 100% interest, in certain properties, as well as an option to earn a 100% interest in other properties, in the Springpole Project located in the Red Lake Mining Division of Ontario. The properties are subject to certain underlying agreements with the following obligations:

- a) Minimum annual advance royalty payments totalling approximately US\$123,500. These payments will vary from year to year due to escalation clauses and changes in gold prices.
- b) Net smelter returns royalty ("NSR") payments varying from 1-5% on each of the underlying agreements upon production.

The Company has the option to purchase portions of these mining claims for approximately US\$2,000,000.

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd...)

Springpole Project (cont'd...)

In 1999, the Company acquired 14 claims in the Springpole Project. The Company will be required to pay a 2% NSR, of which 1% can be purchased for \$1,000,000. The Company has the right of first refusal of the remaining 1%. Under the terms of the acquisition, the Company was required to issue 100,000 shares pertaining to 8 of the claims. During the current year, the Company terminated the agreement relating to these 8 claims and, accordingly, surrendered its interest in these claims. The Company is no longer required to issue the 100,000 shares.

In fiscal 2001, the Company and ECI entered into an option agreement in which ECI was granted the exclusive right ("Exclusive Right") to explore and mine for diamonds in the Company's 100% owned claims in the Springpole Project.

To exercise and maintain this option, ECI must:

- a) deliver shares of ECI to the Company resulting in the Company having a 10% ownership in ECI; and
- b) spend \$250,000 on the exploration for diamonds over the three year term of the agreement.

The Company will retain a 3% NSR upon any diamond production. ECI will have the option to purchase up to 2% of the NSR from the Company for a one time payment of \$1,000,000 per % point to the Company. ECI retains a right of first refusal for 2 years after the agreement term of 3 years.

On May 10, 2002, the Company, ECI and Jilbey entered into an agreement in which the Company consented to the assignment of ECI's Exclusive Right to Jilbey to explore and mine for diamonds in the Company's 100% owned claims in the Springpole Project. As consideration, the Company received 40,000 common shares of Jilbey (Note 4) during the current year. In accordance with the terms of the option agreement between the Company and ECI, Jilbey is now obligated to spend \$250,000 on the exploration for diamonds. In addition, there is no longer a requirement to deliver shares of ECI. Instead, as part of the assignment agreement with Jilbey, the Company maintains an option to acquire a 10% interest in ECI.

The Company also consents to the reassignment of the Exclusive Right from Jilbey back to ECI at any time until January 1, 2005 upon written notice from ECI.

Cordero Property

On June 22, 2001, the Company entered into an Assignment Agreement with Tech Industries Ltd. ("Tech") in which the Company acquired all of Tech's interest with respect to all minerals, except gold and silver, on the Cordero Property, located in Humboldt County, Nevada.

The initial term of the Assignment Agreement is fifteen years and may be renewed for up to fifteen additional years thereafter. Pursuant to the agreement, the Company must:

- a) pay Tech US\$5,000 upon execution of the agreement (paid);
- b) grant Tech a NSR of 3%;

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd...)

Cordero Property (cont'd...)

- c) assume a 1% NSR payable to Cordero Mine Inc.; and
- d) advance minimum royalties totalling US\$4,000 (paid) on the first anniversary of the agreement, US\$4,500 (paid) on the second anniversary, and US\$6,000 per year throughout the remaining term of the Assignment Agreement which will be credited against future NSR's payable, if any.

Caley Property

On June 26, 2001, the Company entered into a Lease Agreement with Tech. Similar to the arrangements related to the Cordero Property, the Company has acquired all of Tech's interest with respect to all minerals, except for gold and silver, on the Caley Property located in Humboldt County, Nevada.

The initial term of the agreement is fifteen years with three additional five year renewal terms thereafter. Pursuant to the terms of the agreement, the Company must:

- a) pay Tech US\$2,500 on or before July 31, 2001 (paid);
- b) grant Tech a NSR of 3%;
- c) assume a 1% NSR payable to Cordero Mine Inc.; and
- d) advance minimum royalties totalling US\$4,000 (paid) on the first anniversary of the agreement, US\$4,500 (paid) on the second anniversary, and US\$6,000 per year throughout the remaining term of the agreement which will be credited against future NSR's payable, if any.

6. INVESTMENT IN PARTNERSHIP

During the year ended November 30, 2003, the Company, with two other companies, formed a general partnership which acquired an interest in the 1999 Investment Co., Limited Partnership, an Alberta limited partnership.

During the year ended November 30, 2003, the Company received a cash distribution of \$254,315 from the general partnership which represents the aggregate amount of cash the Company expects to receive from this investment.

7. DUE TO RELATED PARTIES

The amounts due to related parties are due to directors and companies controlled by directors, are unsecured, non-interest bearing, and have no specific terms of repayment.

GOLD CANYON RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2003

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
30,000,000 common shares without par value			
Issued			
As at November 30, 2001	15,758,867	\$ 11,095,576	\$ -
For cash			
Exercise of options	681,500	604,850	-
Private placements	147,059	250,000	-
For settlement of debts	<u>145,343</u>	<u>217,853</u>	<u>-</u>
As at November 30, 2002	16,732,769	12,168,279	-
For cash			
Exercise of options	96,500	32,170	-
Private placements	125,000	79,452	20,548
Issue costs	-	(7,500)	-
Stock based compensation	-	-	342,080
Tax benefits renounced to flow-through share subscribers	<u>-</u>	<u>(28,285)</u>	<u>-</u>
As at November 30, 2003	<u>16,954,269</u>	<u>\$ 12,244,116</u>	<u>\$ 362,628</u>

On December 9, 2002, the Company issued 125,000 flow-through units at a price of \$0.80 per unit for total proceeds of \$100,000. Each unit consisted of one flow-through common share and one share purchase warrant. Each share purchase warrant is exercisable into an additional common share at \$0.80 in the first year and \$0.88 in the second year. The share purchase warrants issued as part of this private placement have been recorded at a fair value of \$20,548 and are included in contributed surplus.

Stock options

The Company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, employees and consultants, to acquire up to 10% of issued and outstanding common stock. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

GOLD CANYON RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2003

8. CAPITAL STOCK (cont'd...)

Stock options (cont'd...)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	2003		2002	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,603,500	\$ 1.03	1,571,168	\$ 1.17
Exercised	(96,500)	0.33	(681,500)	0.89
Granted	800,000	0.42	714,000	1.19
Expired/cancelled	(863,000)	0.92	(168)	0.31
Outstanding, end of year	1,444,000	0.81	1,603,500	1.03
Options exercisable, end of year	1,444,000	\$ 0.81	1,603,500	\$ 1.03

Stock options outstanding at November 30, 2003 are as follows:

Number of Shares	Exercise Price	Expiry Date
140,500	\$ 0.98	January 15, 2004 (subsequently expired)
200,000	1.52	April 8, 2004
80,000	1.24	May 24, 2004
225,000	1.07	June 7, 2004
50,000	0.38	June 7, 2004
25,000	1.07	June 21, 2004
113,500	0.38	April 30, 2005
610,000	0.43	September 8, 2005

Warrants

Warrants outstanding at November 30, 2003 are as follows:

Number of Shares	Exercise Price	Expiry Date
147,059	\$ 1.70	January 18, 2004 (subsequently expired)
125,000	0.80	December 9, 2003
if not exercised, then at	0.88	December 9, 2004

9. STOCK-BASED COMPENSATION

During the year ended November 30, 2003, the Company granted 780,000 stock options to employees, directors and officers. The estimated fair value of these options was \$0.43 per share for a total of \$333,600. This amount has been expensed as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in shareholders' equity.

Included in stock options granted during the year are 20,000 stock options issued to consultants. Total stock based compensation for stock options granted to consultants recognized during the year was \$8,480 (2002 - \$Nil) which has been recorded in the statement of operations as stock-based compensation with a corresponding amount recorded as contributed surplus in shareholders' equity. The weighted average fair value of these stock options granted during the year ended November 30, 2003 was \$0.42 per share.

The following assumptions were used for the Black-Scholes valuation of stock options granted during the period:

Risk-free interest rate	3.65%
Expected life of options	2.0 years
Annualized volatility	197.10%
Dividend rate	0.00%

10. SEGMENTED INFORMATION

The Company conducts all of its operations in North America in one business segment, being the exploration and development of mineral properties.

11. RELATED PARTY TRANSACTIONS

During the year, the Company entered into transactions with related parties as follows:

- a) Paid or accrued management fees of \$38,750 (2002 - \$45,000) to directors of the Company.
- b) Paid or accrued \$56,728 (2002 - \$68,772) for accounting, secretarial, rent and administrative services to a company of which a director is president.
- c) Issued Nil shares (2002 - 66,555) to directors and a company controlled by a director to settle debts of \$Nil (2002 - \$87,853).
- d) Paid or accrued \$70,213 (2002 - \$85,148) for geological consulting fees, which are included in deferred exploration costs, to an officer of the Company.
- e) Paid or accrued consulting fees of \$2,100 (2002 - \$Nil) to an officer of the Company.

11. RELATED PARTY TRANSACTIONS (cont'd...)

- f) A director of the Company transferred Nil (2002 – 9,500) personally owned common shares of the Company to a third party to pay for consulting fees owing of \$Nil (2002 - \$8,075).
- g) The Company received an advance of \$8,280 (2002 - \$8,000) from a company controlled by a director.
- h) A company controlled by a director transferred Nil (2002 – 15,000) common shares of the Company to pay for advance royalty payments of \$Nil (2002 - \$13,500).
- i) The Company received advances of \$42,037 (2002 - \$Nil) from directors of the Company.
- j) The Company granted 780,000 stock options to employees, directors and officers, and 20,000 stock options for consulting services which were recorded as stock-based compensation of \$342,080.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the years presented were as follows:

- a) The Company issued Nil (2002 – 145,343) common shares at a value of \$Nil (2002 - \$217,853) for the settlement of debts of which Nil (2002 - 66,555) shares were for settlement of \$Nil (2002 - \$87,853) debts owing to related parties.
- b) A director of the Company transferred Nil (2002 – 9,500) personally owned common shares of the Company to pay for consulting fees of \$Nil (2002 - \$8,075) owed to a third party.
- c) A company controlled by a director of the Company transferred Nil (2002 – 15,000) common shares of the Company to pay for advance royalty payments of \$Nil (2002 - \$13,500).
- d) The Company received 40,000 (2002 – Nil) common shares of Jilbey at a value of \$4,000 (2002 - \$Nil) as part of an agreement in the Springpole project (Note 5).

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, receivables, accounts payable and accrued liabilities, and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The fair value of amounts due to related parties is not determinable as they have no specific repayment terms.

GOLD CANYON RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2003

14. INCOME TAXES

A reconciliation of current income taxes at statutory rates with reported taxes is as follows:

	2003	2002
Loss before income taxes	\$ (273,887)	\$ (316,659)
Income tax recovery at statutory rates	\$ 102,982	\$ 125,397
Stock-based compensation not deductible for income tax purposes	(128,622)	-
Unrecognized benefit of non-capital losses of subsidiary taxed at a different rate	(1,292)	(14,895)
(Unrecognized) benefit of non-capital losses	<u>55,217</u>	<u>(110,502)</u>
Future income tax recovery	\$ 28,285	\$ -

Amounts of future tax assets and liabilities are as follows:

	2003	2002
Future tax assets (liabilities):		
Non-capital loss carryforwards	\$ 763,309	\$ 912,961
Resource expenditures	<u>(346,789)</u>	<u>138,662</u>
	416,520	1,051,623
Less: valuation allowance	<u>(416,520)</u>	<u>(1,051,623)</u>
Net future tax assets (liabilities)	\$ -	\$ -

Temporary differences giving rise to the future tax assets are primarily the result of net operating loss carryforwards and mineral exploration expenses available to offset future taxable income. As of November 30, 2003, the total of these net operating losses and mineral property expenditures was approximately \$2,100,000 and \$6,100,000, respectively. The right to claim the net operating loss carryovers will expire at various dates through the taxation year ending November 30, 2010. Because of the uncertainty regarding the Company's ability to utilize the tax assets in future years, an allowance equal to the amount has been provided. Consequently, the income tax benefits resulting from the utilization of these tax assets will be recognized in the year in which they are realized for tax purposes.

During the current year, the Company issued 125,000 common shares on a flow-through basis for gross proceeds of \$100,000. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to the flow-through participants. As at November 30, 2003, proceeds from flow-through financing of \$5,839 (2002 - \$Nil) are restricted for future Canadian exploration expenditures.

15. SUBSEQUENT EVENTS

The following events occurred subsequent to the year end:

- a) The Company completed a private placement consisting of 875,000 flow-through units and 500,000 non-flow-through units at a price per unit of \$0.40, for gross proceeds of \$550,000. Each unit consists of one flow-through common share or regular common share as the case may be, and one share purchase warrant to purchase an additional regular common share at a price of \$0.52 per share until December 30, 2004. The Company has paid \$30,000 in cash, representing 7.5% on \$400,000 of the funds raised, and will issue 150,000 share purchase warrants to purchase one common share of the Company at a price of \$0.40 per share until December 31, 2004 to a securities dealer as a finder's fee. The common shares that are issued as part of this private placement will have a four-month hold period, which will expire on May 1, 2004.
- b) Issued 50,000 common shares of the Company for proceeds of \$21,500 pursuant to the exercise of stock options.
- c) The Company granted an aggregate of 305,000 stock options to its directors, senior officers and employees at an exercise price of \$0.36 per share, expiring on December 8, 2005. The stock options have a four-month hold period from the date of the grant.
- d) The Company granted an aggregate of 279,000 stock options to its directors, senior officers and employees at an exercise price of \$0.43 per share, expiring on January 16, 2006. The stock options have a four-month hold period from the date of the grant.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Schedule of Mineral Properties and Deferred Exploration Costs:

	Springpole Project	Cordero Property	Caley Property	Total
Acquisition costs	\$ 2,554,562	\$ 11,893	\$ 33,273	\$ 2,599,728
Deferred Exploration, opening balance	3,506,946	691,318	18,696	4,216,960
Consulting	88,792	-	-	88,792
Land royalty payments	89,534	11,443	6,122	107,099
Material and supplies	77	-	-	77
Meals and lodging	3,256	-	-	3,256
Reproduction / copying	480	88	-	568
Staking and maintenance fees	-	13,965	806	14,771
Surveying	1,102	-	-	1,102
Travel / transportation	11,693	-	-	11,693
	194,934	25,496	6,928	227,358
	\$ 6,256,442	\$ 728,707	\$ 58,897	\$ 7,044,046

2. Related Party Transactions:

During the year, the Company entered into transactions with related parties as follows:

- a) Paid or accrued management fees of \$38,750 (2002 - \$45,000) to directors of the Company.
- b) Paid or accrued \$56,728 (2002 - \$68,772) for accounting, secretarial, rent and administrative services to a company of which a director is president.
- c) Issued nil shares (2002 – 66,555) to directors and a company controlled by a director to settle debts of \$Nil (2002 - \$87,853)
- d) Paid or accrued \$70,213 (2002 - \$85,148) for geological consulting fees to an officer of the Company.
- e) Paid or accrued consulting fees of \$2,100 (2002 - \$Nil) to an officer of the Company.
- f) A director of the Company transferred Nil (2002 – 9,500) personally owned common shares of the Company to a third party to pay for consulting fees owing of \$Nil (2002 - \$8,075).
- g) The Company received a loan of \$8,280 (2002 - \$8,000) from a company controlled by a director.
- h) A company controlled by a director transferred Nil (2002 – 15,000) common shares of the Company to pay for advance royalty payments of \$Nil (2002 - \$13,500).

SCHEDULE B: SUPPLEMENTARY INFORMATION (cont'd...)

- i) The Company received loans of \$42,037 (2002 - \$Nil) from directors of the Company.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

3. For the year ended November 30, 2003:

a) Summary of securities issued:

- On December 10, 2002, the Company issued 125,000 flow-through common shares at \$0.80 for gross proceeds of \$100,000 (no commission) from a private placement. A finders' fee of \$7,500 was paid in cash.
- On January 7, 2003, the Company issued 20,000 common shares at \$0.23 for cash proceeds of \$4,600 (no commission) from the exercise of stock options.
- On June 18, 2003, the Company issued 32,500 common shares at \$0.35 for cash proceeds of \$11,375 (no commission) from the exercise of stock options.
- On June 27, 2003, the Company issued 17,500 common shares at \$0.35 for cash proceeds of \$6,125 (no commission) from the exercise of stock options.
- On August 18, 2003 the Company issued 26,500 common shares at \$0.38 for cash proceeds of \$10,070 (no commission) from the exercise of stock options.

b) Summary of stock options granted:

- Michael Levinson – On April 30, 2003, 50,000 stock options, exercisable at \$0.38 until June 7, 2004.
- Akiko Levinson – On April 30, 2003, 20,000 stock options, exercisable at \$0.38 until April 30, 2005.
- Ivan Obolensky – On April 30, 2003, 20,000 stock options, exercisable at \$0.38 until April 30, 2005.
- Ron Schmitz – On April 30, 2003, 50,000 stock options, exercisable at \$0.38 until April 30, 2005.
- Robert Carrington – On April 30, 2003, 50,000 stock options, exercisable at \$0.38 until April 30, 2005.
- Akiko Levinson – On September 8, 2003, 200,000 stock options exercisable at \$0.43 until September 8, 2005.
- Ron Schmitz – On September 8, 2003, 175,000 stock options exercisable at \$0.43 until September 8, 2005.
- Robert Carrington – On September 8, 2003, 145,000 stock options exercisable at \$0.43 until September 8, 2005.
- Ivan Obolensky - On September 8, 2003, 50,000 stock options exercisable at \$0.43 until September 8, 2005.
- Bojan Zabev – On September 8, 2003, 20,000 stock options exercisable at \$0.43 until September 8, 2005.
- Samuel Nunnemaker – On September 8, 2003, 10,000 stock options exercisable at \$0.43 until September 8, 2005.
- Gurdeep Phachu – On September 8, 2003, 10,000 stock options exercisable at \$0.43 until September 8, 2005.

4. As at November 30, 2003:

- | | |
|----------------------------|--|
| a) Authorized Capital: | 30,000,000 common shares without par value |
| b) Issued and outstanding: | 16,954,269 common shares without par value |
| Share Capital: | \$12,292,949 |

SCHEDULE B: SUPPLEMENTARY INFORMATION (cont'd...)

c) Summary of outstanding options, warrants and other:

- 140,500 options exercisable at \$0.98 until January 15, 2004
- 200,000 options exercisable at \$1.52 until April 8, 2004
- 80,000 options exercisable at \$1.24 until May 24, 2003
- 225,000 options exercisable at \$1.07 until June 7, 2004
- 50,000 options exercisable at \$0.38 until June 7, 2004
- 25,000 options exercisable at \$1.07 until June 21, 2004
- 113,500 options exercisable at \$0.38 until April 30, 2005
- 610,000 options exercisable at \$0.43 until September 8, 2005
- 125,000 warrants exercisable at \$0.80 until December 9, 2003 or at \$0.88 until December 9, 2004
- 147,059 warrants exercisable at \$1.70 until January 18, 2004

d) Shares held in escrow or pooled: Nil

5. Directors and officers: Akiko Levinson – Director, President and Chairwoman
Ivan Obolensky - Director
Ron Schmitz - Director
Robert Carrington – CEO and Secretary
Bojan Zabev – Vice President – Exploration
Robert Carrington - President – Gold Canyon Resources USA Inc.
Akiko Levinson – Chairwoman, Director – Gold Canyon Resources USA Inc.

SCHEDULE C: MANAGEMENT DISCUSSION

Description of Business

Springpole Gold Project – Ontario, Canada

The Company has a gold exploration project called the Springpole Project, which is located about 115 km northeast of the town of Red Lake in the district of Kenora in northwestern Ontario, Canada. The Company is in the exploration stage with respect to its interests in mineral properties. There are 152 unpatented and 30 patented claims covering approximately 12,670 acres. The claims are 100% -owned by the Company. So far to date, approximately \$14 million has been spent in exploration on the Springpole Project.

In March 2004, the Company completed a 27 hole drill program with a budget of \$400,000 and is aggressively pursuing the financing to allow for additional work to be performed on the Springpole Project.

The Company granted to ECI Mineral Resources Limited (“ECI”), a private Ontario corporation, and the exclusive right to explore for and mine diamonds at its Springpole Project. Gold Canyon will receive 10% of ECI as payment for this right and will retain a 3% NSR. ECI will spend \$250,000 over 3 years and will have the right of first refusal for an additional 2 years. The agreement covers all Springpole Project lands that are 100% owned by Gold Canyon, and includes an area of interest consisting of those lands within a 5 km radius of the current Springpole boundaries. During the 2002 fiscal year, ECI transferred its rights to Jilbey Enterprises Ltd. (JLB – TSX.V). No diamond exploration activities have been conducted to date.

Springpole Data Being Re-evaluated

Robert Carrington, the Company’s Chief Executive Officer, conducted a preliminary review of existing data on the Company’s Springpole gold property. His analysis indicates a potential for a “bonanza” type gold system at the Springpole property because of the multiple, multi-ounce drill intercepts over one to four meter core lengths previously obtained by the Company. Previous operators evaluated the Springpole property as a large, low grade, open pit target and, in the opinion of Mr. Carrington, may have failed to address the high grade potential.

To date there has been no adequate compilation or modeling of the entire Springpole database to evaluate the possible high grade potential. The Company is presently formulating a detailed plan and budget to model any high-grade potential at Springpole. Such a model will be used by the Company to guide its future exploration work, including drilling, at the Springpole property.

Cordero Gallium Project - Nevada, United States

The Company has an Assignment Agreement with Tech Industries Ltd. for the exploration and, if warranted, the production of specific valuable minerals and commodities on the property referred to as the Cordero (McDermitt) property. The Cordero property is located in the Opalite Mining District, Humboldt County, Nevada State, USA. The Company’s primary interest in the property is its gallium. Once the due diligence was conducted, which yielded positive results, the Company decided to exercise its option to acquire gallium mineral rights.

Gallium is a rare metal. Refined gallium and its compounds are a critical element of cell phones, computers, CD players, DVD players, computerized cars, integrated circuits and even sports equipment.

The Company also has a lease agreement for 70 unpatented mining claims called the Caley property. These claims are contiguous to the Cordero property.

Developments in the Gallium Industry

After skyrocketing in 2000, gallium demand fell sharply with the onset of a weaker economy, as consumers elected to draw down stockpiled inventories to provide needed gallium. Despite the drop in demand the Company’s management believes that the potential for gallium has a promising future as the uses for gallium increase and as the global economy continues to grow.

B/E Aerospace has launched a system of gallium LED based interior lighting systems for business and commercial aircraft. The LED lights are reported to provide 10 to 12 times longer lives than existing products, 50% power savings, reduced cabin heat, and elimination of electromagnetic interference with other aircraft systems as seen with conventional lighting. Gallium LED's are widely used in automotive, equipment and electronics lighting applications, and are expected to soon be available for interior home lighting. Gallium based LED's have been installed widely for use in traffic signals, and have reportedly saved the state of California \$300,000 (US) in electricity over the past 12 months.

Virtually 100% of the world's gallium is produced as a by-product of aluminum and zinc production. Both industries continue to suffer from record low prices, forcing numerous mine closures. Since January 1 of 2001, a net 25% (1.4 million tons per year) of the world's refining aluminum capacity has been idled due to high electricity costs coupled with record low prices. Numerous zinc mine closures have also been announced during this same period.

Discussion of Operations and Financial Condition

Source and Use of Funds

During the year ended November 30, 2003, the Company received funds from the following sources:

- \$4,600 from the exercise of 20,000 stock options at \$0.23 per share
- \$100,000 from a flow-through private placement
- \$10,399 from the sale of marketable securities
- \$250,315 from its 26.1% share in a general partnership
- \$17,500 from the exercise of 50,000 stock options at \$0.35 per share
- \$10,070 from the exercise of 26,500 stock options at \$0.38 per share

The funds received during the period were used to cover expenses of \$267,446 and \$227,358 in deferred exploration and property costs related to the Springpole, Cordero and Caley properties. These costs are included in the mineral property and deferred exploration costs amount disclosed in Schedule A, on the Balance Sheet and the Statement of Mineral Property and Exploration Costs.

The Company incurred a net loss of \$4,387 (2002 - \$316,659) during the year comprising the following costs:

Management fees of \$38,750 (2002 - \$45,750) were paid or accrued to two directors of the Company. Michael Levinson was receiving \$2,500 per month and Akiko Levinson was receiving \$1,250 to the end of June 2003. Michael Levinson passed away in June 2003 and so his management agreement has been voided. Akiko Levinson started receiving \$2,500 per month effective July 1, 2003. Services provided include: attendance of board and audit committee meetings, investor communications, negotiation of business transactions and various administrative activities and duties.

The Company paid or accrued \$95,198 (2002 - \$149,985) in professional fees of which \$22,660 (2002 - \$59,213) was for legal, \$24,810 (2002 - \$31,296) was for audit and \$47,728 (2002 - \$59,476) was for accounting and administration fees to a company, which a director is president. Legal and audit fees were higher in 2002 as the Company was preparing documentation to get registered in the United States. The Company has put this registration on hold.

The Company paid or accrued \$12,120 (2002 - \$80,846) in investor relations which related to the preparation and mailing of investor kits, dissemination of news releases to shareholders and the maintenance of a website. Investor relations costs were higher in 2002 as the Company was paying Roth Investor Relations \$5,000 US per month. This agreement was terminated in August 2002.

The Company paid or accrued \$11,758 (2002 - \$22,567) in office costs of which \$6,000 (2002- \$6,000) was for office rent and \$3,000 (2002- \$3,000) for secretarial services to a company of which a director is president, (\$1,221) (2002 - \$4,597) in foreign exchange (gains) losses, \$Nil (2002 - \$3,449) in insurance costs, \$948 (2002 - \$1,055) in bank charges and interest, and \$3,031 (2002 - \$4,466) in other miscellaneous office costs.

The Company paid or accrued \$7,468 (2002- \$9,517) in regulatory and filing fees during the period.

During the period the Company had a gain on forgiveness of debt of \$Nil (2002 - \$50,003). The gain in 2002 arose from settling

\$180,003 in outstanding legal fees for \$130,000.

Private Placement

On December 23, 2002 the Company completed a private placement of 125,000 flow-through Units (the "Units") at \$0.80 per Unit for gross proceeds of \$100,000. Each Unit will consist of one flow-through common share and a non-transferrable share purchase warrant to acquire an additional common share, exercisable for a period of two years from the closing of the private placement. The exercise price of the warrants will be \$0.80 per share in the first year and \$0.88 per share in the second year. All securities will be subject to a four month hold period in accordance with applicable securities law. A finders' fee equal to 7.5% of the proceeds of the private placement was paid in cash.

The proceeds of the sale of the Flow-through Units will be used for further work on the Company's review and analysis of the high-grade targets on the Company's Springpole Lake Project located in the Red Lake Mining Division in north-western Ontario.

General Partnership Formed

On March 19, 2003, the Company announced that 2002 Calgary Oil & Gas Co., a general partnership formed by the Company, and two other companies (the "General Partnership") agreed to purchase a limited partnership interest in RIC 2002 Investment Co. (the "Partnership") for a price of \$8,731,000. The Partnership is an Alberta limited partnership involved in the petroleum and natural gas industry. Its assets consist primarily of royalties on petroleum and natural gas wells and related processing plants and facilities located in Alberta. The purchase price will be financed by the General Partnership issuing an evidence of indebtedness to the vendor whereby the General Partnership agrees to pay for 100% of the purchase price on demand. Interest will be charged on the principal amount at the rate of 5% per year. The General Partnership anticipates that its share of cash flow from the Partnership will be sufficient to fund the principal and interest payments. The evidence of indebtedness will be secured by a charge on the interest in the Partnership being purchased. The Company has a 26.21% interest in the General Partnership and received \$250,315 from the initial distribution.

Annual General Meeting

The Company held its annual general meeting on Thursday, April 24, 2003. All proposed resolutions were passed.

Passing of Director

On June 9, 2003, the Company regrettably announced the passing of Mr. Michael Levinson on June 7, 2003. Mr. Levinson served as a director of Gold Canyon since April, 1990 and as Chairman of the Board and President of Gold Canyon since April, 1997 and June, 1999, respectively.

Robert Carrington, Chief Executive Officer and a director of Gold Canyon, stated: "It is truly with great sorrow that we announce the passing of Michael Levinson. Michael's dedication to the Company, its shareholders and the Company's gold and gallium projects over the years was unwavering. We continue to share Michael's commitment to advancing both properties in the coming year and will make every effort to fulfill his legacy."

Appointment of Chairwoman and new President

On June 17, 2003, the Board of Directors announced the appointment of Akiko Levinson as Chairwoman and President of Gold Canyon Resources Inc. A director of the Company for over 13 years, Ms. Levinson has played an integral role in the Company's development. Ms. Levinson has also been appointed as Chairwoman and the sole director of the Company's 100% owned subsidiary, Gold Canyon Resources USA Inc.

Ms. Levinson remarked, "I look forward to fulfilling my husband Michael's ambitions by advancing Gold Canyon's development of the Springpole project and Cordero properties. While his death is a great loss for myself, my family and the Company, we remain absolutely committed to furthering his legacy."

Springpole Sampling

In June 2003, Mr. Bojan Zabev and Mr. Robert Carrington of the Company traveled to the Springpole property and met on the property with representatives of A.C.A. Howe International Limited, Geological and Mining Consultants. One of the principal objectives was to assess conditions and parameters for conducting an upcoming program of geochemical sampling and geological mapping. This program covered portions of the Company's extensive land holdings which are external to the "Core Area", and considered under-explored, as referenced in the Company's press release of January 28, 2003.

Investor Relations

During the period, the Company incurred \$12,120 (2002 - \$80,846) in investor relations which were costs for investment conferences, advertising, promotional packages, fax dissemination of news releases to shareholders and the maintenance of a website.

In 2002, the Company entered into a four month, \$5,000 US per month investor relations contract with Roth Investor Relations, which increased costs for the comparative fiscal year.

Related Party Transactions

During the year ended November 30, 2003, the Company entered into transactions with related parties as follows:

- a) Paid or accrued management fees of \$38,750 (2002 - \$45,000) to directors of the Company.
- b) Paid or accrued \$56,728 (2002 - \$68,772) for accounting, secretarial, rent and administrative services to a company of which a director is president.
- c) Issued nil shares (2002 - 66,555) to directors and a company controlled by a director to settle debts of \$Nil (2002 - \$87,853)
- d) Paid or accrued \$70,213 (2002 - \$85,148) for geological consulting fees to an officer of the Company.
- e) Paid or accrued consulting fees of \$2,100 (2002 - \$Nil) to an officer of the Company.
- f) A director of the Company transferred Nil (2002 - 9,500) personally owned common shares of the Company to a third party to pay for consulting fees owing of \$Nil (2002 - \$8,075).
- g) The Company received a loan of \$8,280 (2002 - \$8,000) from a company controlled by a director.
- h) A company controlled by a director transferred Nil (2002 - 15,000) common shares of the Company to pay for advance royalty payments of \$Nil (2002 - \$13,500).
- i) The Company received loans of \$42,037 (2002 - \$Nil) from directors of the Company.

As of November 30, 2003, \$119,808 (2002 - \$60,813) was due to related parties as follows:

- a) \$13,750 (2002 - \$3,750) was for management fees owing to a director.
- b) \$31,036 (2002 - \$17,514) was for accounting, secretarial, rent and administrative fees owing to a company controlled by a director.
- c) \$Nil (2002 - \$21,500) advances were made by a company controlled by a director of the Company.
- d) \$Nil (2002 - \$8,075) in share advances were made by a former director of the Company to settle consulting fee debts.
- e) \$50,317 (2002 - \$Nil) advances were made by two directors and a company controlled by a director.

- f) \$4,022 (2002 - \$Nil) in expenses to a director paid on behalf of the Company by the director.
- g) \$17,726 (2002 - \$9,974) in geological consulting fees were due to an officer of the Company.
- h) \$2,957 (2002 - \$Nil) in consulting fees and travel expense due to an officer of the Company.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

Subsequent Events

Shares issued

On December 4, 2003, the Company issued 50,000 common shares for proceeds of \$21,500 pursuant to an exercise of stock options.

On February 19, 2004, the Company issued 133,500 common shares for proceeds of \$55,230 pursuant to an exercise of stock options.

On March 17, 2004, the Company issued 100,000 common shares for proceeds of \$40,500 pursuant to an exercise of stock options.

On March 19, 2004, the Company issued 45,000 common shares for proceeds of \$19,350 pursuant to an exercise of stock options.

Stock options granted

On December 8, 2003, the Company granted an aggregate of 305,000 stock options to its directors, senior officers and employees at an exercise price of \$0.36 per share, expiring on December 8, 2005. The stock options have a four-month hold period from the date of the grant.

On January 16, 2004, the Company granted an aggregate of 279,000 stock options to its directors, senior officers and employees at an exercise price of \$0.43 per share, expiring on January 16, 2006. The stock options have a four-month hold period from the date of the grant.

On March 25, 2004, the Company granted an aggregate of 305,000 stock options to its directors, senior officers and employees at an exercise price of \$1.00 per share, expiring on March 25, 2006. The stock options have a four-month hold period from the date of the grant.

Private placement completed

On December 30, 2003, the Company completed a private placement originally announced on December 3, 2003 consisting of 875,000 flow-through units and 500,000 non-flow-through units at a price per unit, in either case, of \$0.40, for gross proceeds of \$550,000. Each unit consists of one flow-through common share or regular common share as the case may be, and one share purchase warrant to purchase an additional regular common share at a price of \$0.52 per share until December 30, 2004. The Company paid \$30,000 in cash, representing 7.5% on \$400,000 of the funds raised, and issued 150,000 share purchase warrants to purchase one common share of the Company at a price of \$0.40 per share until December 31, 2004 to a securities dealer as a finders' fee. The common shares that were issued as part of this private placement will have a four-month hold period, which will expire on May 1, 2004.

Proceeds of the private placement were used to fund the first phase of a multi phase diamond core drilling program at the Company's Springpole Gold Property in the Red Lake Mining District of Ontario and for general corporate purposes. This first phase of drilling will consist of 5,800 feet of core drilling in 27 holes ranging from 140 to 700 feet in depth. This drilling tested high-grade gold mineralization in structurally controlled targets developed during recent, extensive geologic modeling. Drilling was completed in early March 2004.

Director resigns

The Company announced on December 30, 2003 that Robert Carrington, the Company's Chief Executive Officer, has temporarily resigned as a director of the Company pending adoption of the new British Columbia Business Corporations Act. Under current corporate legislation in British Columbia a majority of the directors of the Company must be Canadian residents. After the passing of Michael Levinson in 2003, the Company's board no longer satisfied this requirement. It is intended that Mr. Carrington will rejoin the Company's board when the new BC corporate legislation is in force and the residency provisions of the existing legislation are removed.

Advisor joins the Company

On January 8, 2004, the Company announced that Herbert R. Bolz has agreed to join the Company as an advisor.

Mr. Bolz was Director and Manager of UBS Bank (Canada) formerly the Swiss Bank Corporation for 20 years. After more than 36 years of Swiss Banking experience in various offices around the world, Mr. Bolz was responsible for the development of the Western Canadian Markets prior to his retirement in 2001. In the capacity as an advisor to Gold Canyon, he will bring his extensive international banking experience as well as his managerial talents to the Company. Mr. Bolz presently works as an independent private consultant in West Vancouver, B.C., Canada.

Drill Results from Springpole

On March 8, 2004, the Company announces that, 27 holes have been completed during its winter 2004 drilling program. Results from assays received to date, coupled with observations of visible gold in the core, confirm the validity of the high grade model for Springpole.

Most holes for which assays have been received have encountered significant gold mineralization. Visible gold has been observed in several holes including BL 280 from 74.1 to 74.6 feet, BL 296 from 196 to 213 feet, and BL 298 in the interval from 24.9 to 25.5 feet.

Discussion of Results

East Extension Zone Drilling

Holes BL 291, BL 292, BL 295, and BL 296 together with the extensions of BL 176, and BL 178 were all completed in the East Extension Zone. Hole BL 296 drilled -45 North, on Section 3500 East, contained visible gold in the interval from 196 to 213.6 feet. Rush samples of a portion of this zone from 212 to 213.6 feet averaged 4.016 ounces of gold per ton. The remainder of assays for this hole are pending. This hole significantly expands the indicated strike length of the East Extension Zone, and appears to confirm the postulated south-east plunge of the high grade mineral chutes in this area. Mineralization here remains completely open along strike to the south-east, and at depth.

Hole BL 291, also drilled -45 North, on Section 3100 East, successfully tested mineralization as projected from the recent modeling. Here the interval from 117 to 122 feet returned an average grade of 0.284 ounces of gold per ton, and from 132 to 137 feet returned an average of .358 ounces of gold per ton. Importantly this hole also intersected additional mineralization from 64 to 67 feet, which averaged 1.706 ounces of gold per ton. This mineralization is situated above and south of the modeled high grade target tested by this hole.

Camp, Main, Vein, and Hillside Zones

The bulk of the Company's drilling was concentrated in this area. These four zones geologically may constitute one much larger zone consisting of multiple mineral strands or veins. Drilling here was generally directed to test projections of high grade targets. Results received to date verify the validity of the Company's high grade modeling. Holes BL 280, BL 281, and BL 298 were specifically intended to test up and down rake continuity of mineralization intersected in hole BL 160. The zone of mineralization was successfully tested in BL 280 where the interval from 62 to 74.6 feet averaged .183 ounces of gold per ton, and visible gold was observed in the core in hole BL 298 from 24.9 to 25.5 feet.

Other significant results for this area include holes BL 286 where the intervals from 128.4 to 129 and 133.6 to 135.1 feet averaged .118, and .235 ounces of gold, respectively. The assays above, below, and between these intervals are pending. Hole BL 288 drilled -45 N, and part of a fence of holes designed to test multiple high grade structures, returned values of 1.261

ounces of gold per ton for the interval from 24.5 to 27 feet, and .478 ounces of gold for the interval from 91.1 to 94 feet. All samples above, below and between these intervals are pending, as are all samples in other holes on this drill fence. The following table presents the local grid location of the 2004 drill holes, intercepts and status of samples.

Table 1

Hole #	Local Grid East	Local Grid North	Angle	Grid Az.	Depth (Feet)	Status	Mineralized Intercepts				Comments
							From (feet)	To (feet)	Length (feet)	Au opt	
280	1300	400	-45	N	197	Assays Complete	62	74.6	12.6	0.183	
281	1300	400	-75	N	217	Pending					
282	500	400	-45	S	277	Partial	96	101	5	0.169	Intervening Samples Pending
							107	112	5	0.227	
283	400	400	-45	S	287	Pending					
284	700	360	-45	S	277	Pending					
285	800	360	-45	S	277	Partial	67.7	71.6	3.9	0.126	
286	1350	350	-45	N	237	Partial	128.4	129	0.6	0.188	Intervening Samples Pending
							133.6	135.1	1.5	0.235	
287	1000	-50	-45	S	527	Pending					
288	1100	0	-45	N	387	Partial	24.5	27	2.5	1.261	Intervening Samples Pending
							91	94	3	0.478	
289	1450	300	-50	N	147	Pending					
290	1500	300	-45	N	247	Pending					
291	3050	875	-45	N	217	Assays Complete	64	67	3	1.706	
							117	122	5	0.284	
							132	137	5	0.358	
292	3000	900	-45	N	147	Pending					
293	2600	945	-45	N	377	Pending					
294	2500	1200	-45	N	217	Pending					
295	3550	745	-45	N	397	Pending					
296	3500	720	-45	N	477	Pending all except Rush	212	213.6	1.6	4.016	Visible Gold from 196 to 213.6
297	1500	300	-70	N	297	Pending					
298	1300	456	-45	N	87	Pending					Visible Gold 24.9 to 25.5
299	1000	-50	-45	N	500	Pending					
300	1000	16	-45	N	197	Pending					
301	1000	92	-45	N	117	Pending					
302	1000	169	-45	N	117	Pending					
303	1000	560	-45	N	247	Pending					
304	900	390	-45	N	377	Pending					
176D	3500	1250	-45	S	100	Assays Complete	377	382	5	0.155	
178D	3600	1175	-45	N	111	Partial					

Management is very encouraged by these positive results and is of the opinion that this program has provided important verification of the high grade potential at the Company's Springpole Project.

All analyses reported herein were performed by SGS Laboratories. Certified sample standards were submitted within the normal sample stream to the laboratory, and ten percent of the samples are being sent to Chemex Laboratories for check assay. Pending analyses will be announced periodically.

More High Grade Results at Springpole

On March 22, 2004, the Company announced additional results from the recently completed 2004 winter drilling program at its Springpole Gold Project. Hole BL 292 encountered 51.4 feet assaying 0.370 ounces of gold per ton (“opt Au”), including 10.1 feet of 1.264 ounces per ton. This hole was drilled in the East Extension Zone, 50 feet westerly of hole BL 291 (reported in News Release dated March 8, 2004). Re-sampling of hole BL 3 resulted in 11.4 feet which averaged 1.262 opt Au. This hole was drilled in 1987 in what is known as the Hillside Zone. The reader is referred a detailed discussion of sampling procedure and treatment of values in reference to BL 3 on page two of this news release. Hole BL 303 was drilled to test the up-dip projection of the mineralization in BL 3.

Coupled with the results already announced from this program, the Company is very encouraged by results from the remodeling at Springpole. After this press release roughly 1/3 of the drill samples remain outstanding.

Hole	Length Feet	From Feet	To Feet	Avg. Au oz / ton
BL 289		No Significant Intervals		
BL 290	4.3	208.5	212.8	0.327
BL291	3.8	146.0	149.8	0.431
BL 292	51.4	82.0	133.4	0.370
Including	10.1	118.6	128.7	1.264
BL 296	1.5	194.8	196.3	2.975
	1.1	209.6	210.7	0.210
BL 298	0.8	24.8	25.6	0.254
176D	5.0	377.0	382.0	0.155
178D		No Significant Intervals		
BL 3 (drilled in 1987)	11.4	155.6	167.0	1.262
<i>Composited from the following intervals</i>				
Sampled in 1987	2.4	155.6	158.0	2.510
Sampled in 2004 (weighted)	9.0	158.0	167.0	0.929

East Extension Zone Drilling

As reported previously, Holes BL 291, BL 292, BL 295, and BL 296 together with the extensions of BL 176D, and BL 178D were all completed in the East Extension Zone. Partial results were previously reported for holes BL 291 and BL 296. The intercept reported herein, for hole BL 291 corresponds well with the projected deepest high grade target for that hole. In all, the targeting in Hole BL 291, intersected mineralization consistent with all modeled targets. It also intersected additional high grade mineralization, which appears to have been straddled by previous drilling.

Hole BL 292, drilled approximately 50 feet west of, and parallel to BL 291, intersected a larger mineralized zone than was anticipated. The 51.4 feet, from 82.0 to 133.4 feet averaged 0.370 opt Au, including 10.1 feet from 118.6 to 128.7 which averaged 1.264 opt Au. Mineralization was first encountered as targeted, but rather than the three separate mineralized strands as modeled, mineralization in this hole appears to have blossomed near the hinge area of a folded contact between intermediate, and mafic volcanics. This mineralization while much more extensive than projected, compares well with that found in adjacent drill holes in all respects, and confirms the continuity of high grade gold mineralization in this area of the East Extension Zone.

In addition to the intercepts already announced, additional intercepts received for hole BL 296 include 1.5 feet from 194.8 to 196.3 feet with an average grade of 2.975 opt Au, and 1.1 feet from 209.6 to 210.7 with a grade of 0.210 opt Au. The intercepts reported previously for 296 remain as reported. Hole BL 296 is roughly 480 feet east-south-east of holes BL 291 and BL 292.

Camp, Main, Vein, and Hillside Zones

Results received to date verify the validity of the Company's high grade modeling. Holes BL 280, BL 281, and BL 298 were designed to test up and down rake continuity of mineralization intersected in hole BL 160. As reported on March 8, 2004 BL 280 successfully tested the down dip projection of mineralization on this section, and visible gold was observed in hole BL 298 in the interval from 24.8 to 25.6 feet. This corresponded well with the up dip projection of mineralization from hole BL 160. This narrow interval assayed 0.210 opt Au, and while narrower than anticipated, confirms the geologic continuity of mineralization here.

Re-sampling of historic drill hole BL 3 returns 11.4 feet at 1.262 opt Au

Review of hole BL 3, located at 1000 E and 746 N was performed as part of the 2004 drilling program. BL 3 was drilled and sampled in 1987 and a high grade interval of 2.51 opt Au over 2.4 feet (from 155.6 to 158.0 feet) was reported at that time. This re-examination revealed the presence of visible gold in the interval between 164.8 and 166.5 feet, situated just below the historic intercept. As a result of inadequate sampling techniques, the sampling failed to include the vein which carried the visible gold. This single sample from 164.8 to 166.5 feet returned a value of 8.838 opt Au over the 1.7 foot sample interval. When combined with the historic high grade intercept, a composite 11.4 foot long core intercept from 155.6 to 167.0 feet averaged 1.262 opt Au.

The split core was re-sampled by carefully quartering the core by diamond sawing, taking care to make sure the core was cut normal to the observed gold mineralization. Sample intervals were selected based on the presence of wood footage blocks, and footage marks clearly visible on the core, thereby assuring the sampled intervals and lengths are representative and true. For purposes of calculating the average grade, because the core had previously been split, all re-sample assay results were averaged with the historic assays for the appropriate intervals on a length weighted basis. The length weighted average composite grade for this zone, including all relevant historic samples, is 1.262 opt Au over the 11.4 foot interval from 155.6 to 167.0 feet. Analytical values for standards submitted with these re-samples are within the 95% confidence level of the stated value of the standard samples.

BL 303 was drilled as part of the 2004 winter drilling to test the up dip projection of mineralization in BL 3. Results are pending.

Management continues to be very encouraged by these positive results. The results achieved to date substantially validate the high grade model proposed for Springpole.

All analyses reported herein were performed by SGS Laboratories. Certified sample standards prepared by Ore Research & Exploration Pty Ltd., were submitted with the normal sample stream sent to the laboratory, and ten percent of the samples are being sent to Chemex Laboratories for check assay. Pending analyses will be announced when available.

Robert G. Carrington, Registered Professional Geologist, of Carrington Consultants is the Company's qualified person on the Springpole project and has overseen the current exploration program.

Financings, Principal Purposes and Milestones

Private placement completed on December 23, 2002

On December 23, 2002 the Company completed a private placement of 125,000 flow-through Units (the "Units") at \$0.80 per Unit for gross proceeds of \$100,000. Each Unit consists of one flow-through common share and a non-transferrable share purchase warrant to acquire an additional common share, exercisable for a period of two years from the closing of the private placement. The exercise price of the warrants will be \$0.80 per share in the first year and \$0.88 per share in the second year. All securities will be subject to a four month hold period in accordance with applicable securities law. A finders' fee equal to 7.5% of the proceeds of the private placement was paid in cash.

The proceeds of the sale of the Flow-through Units were used for further work on the Company's review and analysis of the high-grade targets on the Company's Springpole Lake Project located in the Red Lake Mining Division in north-western Ontario.

Private placement completed on December 30, 2003

On December 30, 2003, the Company completed a private placement originally announced on December 3, 2003 consisting of 875,000 flow-through units at and 500,000 non-flow-through units at a price per unit, in either case, of \$0.40, for gross proceeds of \$550,000. Each unit consists of one flow-through common share or regular common share as the case may be, and one share purchase warrant to purchase an additional regular common share at a price of \$0.52 per share until December 30, 2004. The Company paid \$30,000 in cash, representing 7.5% on \$400,000 of the funds raised, and issued 150,000 share purchase warrants to purchase one common share of the Company at a price of \$0.40 per share until December 31, 2004 to a securities dealer as a finders' fee. The common shares that were issued as part of this private placement will have a four-month hold period, which will expire on May 1, 2004.

Proceeds of the private placement were used to fund the first phase of a multi phase diamond core drilling program at the Company's Springpole Gold Property in the Red Lake Mining District of Ontario and for general corporate purposes. This first phase of drilling will consist of 5,800 feet of core drilling in 27 holes ranging from 140 to 700 feet in depth. This drilling tested high-grade gold mineralization in structurally controlled targets developed during recent, extensive geologic modeling. Drilling was completed in early March 2004.

Liquidity and Solvency

The financial statements from Schedule A have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	2003	2002
Working capital deficiency	\$ (177,238)	\$ (143,393)
Deficit	(5,497,205)	(5,492,818)