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## A Message from the President

I am pleased to provide an update on the status of Gold Canyon Resources Inc. on behalf of the management team. Although market conditions remain challenging, we continue to focus on the discovery of mineral resources. Indeed, we have both developed new projects and made great progress on the existing properties.

In January 2009, Gold Canyon entered into a Joint Exploration Agreement (JEA) with the Japan Oil, Gas and Metals National Corporation (JOGMEC). JOGMEC is a government organization established under the Japanese Ministry of Economy, Trade and Industry, and is responsible for the promotion of international exploration and the development of strategic minerals, amongst other mineral and petroleum related activities. I believe the agreement is a testament to our technical team and an important milestone for our shareholders. JOGMEC holds an 80% option to the JEA.

Under the Joint Exploration Agreement, Gold Canyon has been conducting Rare Earth Element (REE) exploration both in North America and abroad. The objective of this JEA is to identify, analyze and perform metallurgical evaluations leading to production of REEs on Iron Oxide Copper Gold +/-Rare Earth Element (IOCG+/-REE)-style deposits. Gold Canyon obtained the mineral rights to the Kratz Spring IOCG +/-REE deposit in the State of Missouri and formed Gold Canyon Kratz Spring LLC.

In May, Gold Canyon Kratz Spring LLC, as operator of the JEA, entered into an 18-month option agreement to evaluate and lease tailings and mine dumps originating from the Iron Mountain mine IOCG +/-REE deposit in the state of Missouri. In September, we have also entered into a 12-month option agreement with the Benson Mines in the State of New York. Currently we are working on both projects.

In September, Gold Canyon Kratz Spring LLC entered into a number of Non-disclosure Agreements to evaluate tailings and mine dumps originating from IOCG +/-REE deposits in the countries of Finland and Norway.

The Scandinavian Peninsula hosts numerous IOCG deposits and is, in fact, the location where a number of the Rare Earth Elements and their natural minerals were first identified or discovered. Deposits which will be evaluated by the Company include the Koldal Mine, Tellenes Mine, and Bidjovagge mine in Norway, and the Raajärvi Mine in Finland. Other deposits may also be included in the field evaluation.

In August, we began a comprehensive review of its Springpole Gold Project, located in the Red Lake Mining District of Ontario, Canada. Our team is assigned to re-evaluate the geology of this unusual gold system, as well as a technical review of past drilling and assaying. This program will focus on enhancing the understanding of the geology of the deposit, in order to build a stronger resource model.

The geology of the Springpole project is atypical of Canadian Shield deposits, but rather it displays many characteristics of an alkaline gold system. This makes it similar to other alkaline gold deposits, such as the Cripple Creek district in Colorado, rather than the classic deposits in the region such as at Red Lake, Ontario.

In August, we also announced a strategic investment in Gold Canyon by Jipangu Inc., the only gold mining company in Japan.

In February, Gold Canyon received the first National Instrument 43-101 compliant Technical Report for the Horseshoe Island Project, which is contiguous mineral claims adjoining the Springpole Property. In the coming months, we intend to fulfill the recommendation outlined in this report by further investigating private sources of historic drill data on what we believe significant gold prospect.

Also in Northern Ontario, our Favourable Lake Project covers over 10,000 acres in the highly mineralized Favourable Lake Greenstone Belt. Shoreham Resources Ltd. continues to work on this property under an option agreement, reporting encouraging geophysical testing and sampling results, with the objective of defining targets for a follow-up drilling program. At this stage of the Joint Venture, Gold Canyon is not required to contribute to the funding for this ongoing work commitment.

Gold Canyon Resources USA's Cordero Property in Northern Nevada is the largest known primary gallium deposit in North America. The ongoing turmoil in world financial markets has contributed to instability for the metals prices over the near term. Many metals remain in very short supply and therefore we anticipate that this volatility will diminish as the demand resumes and normal market functioning is restored. However, we have decided to halt our development activity during this time of uncertainty and will not continue with the preparation of a preliminary feasibility study. Our ownership of the project remains in good standing and we will continue to monitor and carry out various options at Cordero in the interim.

It is our responsibility to evaluate the circumstances that affect our markets, and make appropriate decisions to ensure that the company remains strong and achieves the goals of management and shareholders. We will continue to work diligently on your behalf to develop the potential of all our projects. More detail on these developments can be found on the News Release and the Projects page of our website: [www.goldcanyon.ca](http://www.goldcanyon.ca)

With best regards,

*"Akiko Levinson"*

Akiko Levinson, President