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## **CANYON UPDATES UNDERGROUND MINE DESIGN STUDY FOR ITS BRIGGS MINE**

**Golden, CO – Canyon Resources Corporation (AMEX:CAU)**, a Colorado-based mining company is pleased to provide the results of a new technical report that expands on the underground mining potential at its Briggs Mine in Inyo County, California. This new study expands underground mineral reserves previously announced on February 6, 2007 and was based on additional drilling on the Goldtooth structure at Briggs in the first half 2007 as reported on July 30, 2007. The following table displays the new mineral reserve estimate for the Briggs Mine:

<b>Proven &amp; Probable Reserves</b>	<b>Tons</b>	<b>Gold Grade (opt)</b>	<b>Gold Ounces Contained</b>
Open-Pit *	4,160,000	0.026	108,500
Underground (Probable only)**	259,000	0.164	42,500
<b>Total Proven &amp; Probable</b>	<b>4,419,000</b>	<b>0.034</b>	<b>151,000</b>

\* Estimated using a \$500 gold price (February 2007)

\*\* Estimated using a \$600 gold price (January 2008)

Not included in the above estimate is 142,200 tons of in-place mineralized material at a grade of 0.133 ounces of gold per ton (“opt”) that does not meet mineral reserve criteria contained within the underground mine design. A combination of the open pit and underground mining would recover approximately 140,000 ounces of gold over a four and a half year life assuming that underground production commences nine months after the start of open pit mining. The Briggs Mine is a permitted mining facility with ongoing residual gold production from its existing leach pad. The mine has produced over 555,000 ounces of gold from open pit and underground mining since 1996.

“This study confirms our ability to improve project economics and mine life at Briggs with additional drilling and underground development. Leverage to the increased gold price is clearly evident. This analysis is based on surface drilling only, so underground drifting and test mining will be required to prove continuity, potential, and mineability,” states James Hesketh, President and CEO.

The underground mine design report was prepared by Practical Mining LLC of Spring Creek, Nevada, dated January 14, 2008. The base case was generated utilizing a three year average gold price of \$600 for mineral reserve declaration purposes and a second case was completed utilizing a \$700 gold price and drilled mineralization in all categories to demonstrate upside project potential from known resources. Both design studies included only material located along the Goldtooth structure outside of existing open pit mine designs.

Underground mine designs were developed using a cutoff grade of 0.08 ounces per ton (opt) for stopes and 0.01 opt for development material which must be mined regardless of grade. Mine designs were based on the mechanical longhole stoping mining method with access by adit from outside existing and future open pit design limits. Ore mined by underground operation would be commingled with open pit ore at the crusher and placed on a lined pad for gold leaching. Plant and overhead costs developed in the February 2007 open pit feasibility study were updated in this study, which included estimated costs for contract underground mining.

A second underground mining case was developed to demonstrate the potential for improved project economics and underground mine life with additional drilling along the Goldtooth fault. The Goldtooth structure is a major north-south trending high-angle structure that has been mapped for more than 10,000 feet of strike length within the Briggs project permit area. Approximately 4,900 feet of this structure has been tested by drilling and the zone remains open for extension both along strike and down dip. This scenario incorporated all drill information on the Goldtooth structure, including mineralization that does not currently meet reserve criteria, and a \$700 gold price. In-situ mineralized material contained within these designs total 855,000 tons at a grade of 0.136 opt using cutoff grades mentioned above. Potential gold recoverable from only underground operations in this “what-if” study would be approximately 116,000 ounces (versus 42,500 ounces) over a five year mine life at cash costs of approximately \$405 per ounce. This case would require an additional \$7.9 million of capital, if mined in conjunction with the open pit development and provide an incremental project IRR of 77%.

The stand alone open pit feasibility study for Briggs was developed in late 2006. This study showed a combined reserve in three pits of 4.16 million tons at a grade of 0.026 opt totaling 108,500 ounces at an average strip ratio of 3.4 tons of waste per ton of ore. Costs utilized to develop these plans were based on new mine designs, past operating parameters, late 2006 fuel price, consumable prices and labor costs. Cash cost of operation for the open pit case on a stand alone basis, with no contribution from the underground, is approximately \$449 per ounce produced and an initial capital cost of \$8.25 million. Stand-alone open pit project economics include pre-development costs, site refurbishment capital costs and all site reclamation and closure costs, including existing closure liability cost. The open pit case is expected to produce 89,100 ounces of gold over a four year life to generate a pre-tax IRR of 16% and a net return of \$3.8 million using a gold price of \$600 per ounce. Cash flow for a combined open pit and underground operation would improve by nearly \$14.0 million per every \$100 increase in gold price.

For additional information on Canyon Resources, please visit our website at [www.canyonresources.com](http://www.canyonresources.com).

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934 as amended. Such forward-looking statements include, among others, feasibility and drilling studies related to potential open pit and underground mining design for the Briggs Mine, mineralized material estimates, reserves estimates, potential capitalized costs, drilling capability and the potential reopening or expansion of the Briggs Mine. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: the volatility of gold prices; potential operating risks of mining, development and expansion; the uncertainty of estimates of reserves, mineralized material and gold deposits; and environmental and governmental regulations; availability of financing; the outcome of litigation, as well as judicial proceedings and force majeure events and other risk factors as described from time to time in the Company’s filings with the Securities and Exchange Commission. Most of these factors are beyond the Company’s ability to control or predict.

**FOR FURTHER INFORMATION, CONTACT:**

James Hesketh, President and CEO (303) 278-8464

Valerie Kimball, Investor Relations (303) 278-8464

[www.canyonresources.com](http://www.canyonresources.com)