TECHNICAL REPORT

ON THE

HORSESHOE ISLAND PROPERTY

Red Lake Mining Division

Ontario, Canada

Prepared for:

Gold Canyon Resources Inc.

Suite 810 - 609 Granville Street

Vancouver, BC V7Y 1G5

Under The Guidelines Of

National Instrument 43-101

Prepared By

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SUMMARY

The Horseshoe Island Property, located in Northwestern Ontario, is composed of 2088 hectares of contiguous mineral claims. The property is centered on Horseshoe Island in the east central part of Birch Lake, Red Lake Mining Division, approximately 102 kilometers east of the town of Red Lake, Ontario.

This report has been requested by Gold Canyon Resources Inc., and is the result of a follow-up to the author's revised December 19, 2005 report made on behalf of Vital Resources Corp., and subsequent exploration work performed on the property by Gold Canyon Resources Inc. Gold Canyon Resources Inc. has obtained a purchase option of this property from Vital Resources Corp. Gold Canyon Resources Inc. has also obtained by means of "staking" an additional four (4) adjoining mining claims which are an integral part of the option purchase.

The property lies within the east-west trending Uchi Sub province that stretches from northern Ontario into Manitoba. The Uchi Sub province hosts the Red Lake, Pickle Lake and Rice Lake gold camps. The property lies within the Birch-Uchi Greenstone Belt between the Red Lake and Pickle Lake camps. Within the Birch-Uchi Belt Cycle III Arching-aged mafic and folic volcanic rocks and related sediments have been intruded by a late multi-phase gabbros to granodiorite intrusion, known as the Horseshoe Island Intrusion Complex. A principal structure known as the Swain Lake Deformation Zone trends northeast along the north shore of Birch Lake, about 800 meters northwest of Horseshoe Island. A secondary splay off of the Swain Lake Deformation Zone trends eastward and passes approximately 400 meters south of Horseshoe Island. The Horseshoe Island Property occurs in the wedge between these two faults, a structurally favorable setting for gold deposition.

Recorded exploration on the property dates back to the 1930's; however, more continuous exploration occurred between 1970 and 2000. The property, under different owners and by different exploration companies throughout its history, has received significant exploration activities. The property has received a total of 145 diamond drill holes in 24,139 meters as well as airborne and ground geophysics surveys, soil and humus geochemical surveys, prospecting, mapping and trenching. Unfortunately, the public records are selective and incomplete for this interesting prospect.

Public records show that drilling has successfully identified a 450 meter long sericitealbite- hematite+/- ankerite alteration zone coincident with a curvilinear fault or deformation zone that is likely a tertiary splay from the Swain Lake Deformation Zone. Within this alteration envelope are two sub parallel (that locally coalesce) steeply dipping gold-bearing mineralized zones, A and B Zones, on the south and southeast edge of Horseshoe Island. A third gold-bearing silicified mineralized zone, C Zone, lies 100 metres north of A and B Zones. The zones contain disseminated pyrite and visible gold. The zones generally average 2 metres thick but can reach up to 10 metres thick. Gold tenor reported is in the range of 4.6 to 6.7 grams per tonne gold (Au).

A number of historic resource estimates have been done by various workers. The most recent was prepared by Hemlo Gold Mines Inc. in 1989 with 892,872 tons grading 0.134 ounces per ton Au (4.6 grams per tonne Au). This is not a declared resource on the property, and should not be relied upon, but remain as historic figures. The writer has not prepared nor confirmed this resource estimation due to the incomplete and selective public records available. As it pre-dates National Instrument 43-101, it does not comply with NI 43-101 requirements for mineral resource estimation. As the information is

only available in summary form, it is impossible to classify these figures based on current CIM standards on mineral resources and reserves.

Regardless of the incomplete public records the Horseshoe Island Property is a significant gold prospect. It is located in a positive regional setting, within the Archean-aged Uchi Subprovince known to host significant gold deposits. The local geology, particularly structurally, is positive with the presence of a tertiary deformation zone that locally hosts gold mineralization. The extent of drilling by multiple companies attests to the encouraging results they were having on this property, particularly by St. Joe Canada Inc. The observation that visible gold was fairly common yet not reflected in the assessment submitted data suggests that higher grade intercepts may have been made but that the companies were reluctant to disclose to the public record.

Even though the grade and size of the historic resource is sub-economic there is significant potential to build the mineralized system within, down dip and along strike, by drilling. There is potential for improving the grade with in-fill drilling with larger size diameter core.

The Horseshoe Island Property also has the potential of hosting a volcanogenic massive sulfide deposit, perhaps more zinc rich so as to be undetected by the geophysical surveys conducted to date there. The stratigraphy indicates a favourable geological setting for this type of deposit. The volcanogenic massive sulfide deposit mined out at the South Bay Mine 34 kilometres south of Horseshoe Island lends support to the potential of the region for this type of deposit. These types of deposits are known to form in clusters within mineral districts.

A two phase, success contingent program is recommended for this property. Phase I , estimated to cost $98,230, involves a more in-depth data recovery effort and ground Induced Polarization and magnetic survey with more modern equipment to gain better definition of anomalies in and around the three known gold-bearing zones. A digital compilation should be completed to aid further targeting. Contingent of the success of Phase I, a Phase II diamond drilling program estimated to cost $264,330.00 is recommended. With the coarse nuggety nature of the mineralization in these zones, a larger diameter core may provide a more representative sample and may result in improved grade.

INTRODUCTION

In October 2008, Mr. Ron Schmitz, Chief Financial Officer of Gold Canyon Resources Inc., contacted the author, Carl D. Huston, Professional Engineer to complete a technical report of the company's Horseshoe Lake property, located on Birch Lake in the Red Lake Mining Division, Ontario, Canada. The author was advised by Mr. G. Smith of completed geochemical exploration work performed on the property during 2007 and 2008 by Devon Corp. The survey method for this geochemical work is registered by SGS Minerals Service and is known as MMI or Mobil Metal Ion, and is exclusively available through SGS Laboratories.

The author had previously completed a revised report dated December 19, 2005 on this property on behalf of Vital Resources Corp., and an additional site visit was made on October 18, 2008, on behalf of Gold Canyon Resources Inc.

Gold Canyon Resources Inc. is a public company listed on the Toronto Stock Exchange – Venture with corporate offices located at Suite 810 - 609 Granville Street, PO Box 10356, Pacific Centre, Vancouver,

British Columbia, V7Y 1G5. Telephone 604-683-3234; Fax 604-682-0537 and the company website is: www. goldcanyon.ca.

The report forms a compilation of information drawn from all available Assessment reports by exploration companies at the Resident Geologist Office in Red Lake, Ontario Geological Survey reports/maps and Ontario Department of Mines Reports and records, all listed in the REFERENCES section, as well as the author's extensive geological and exploration knowledge of the region and a single site visit by the author to the property. Very few reports viewed in this compilation contained laboratory certificates or refer to any quality assurance/quality control programs initiated on their work. However, all reports were written by Professional Engineers and Geologists with well known exploration companies.

The author has not being involved with any of the exploration programs conducted on the property. The author, with assistant Mr. E. Majewski, visited the property on June 11, 2005 and the author visited the property on October 18, 2008 and confirmed that the recent work reported was completed on the property. Further, the author has received financial statements as to expenditures for such work and in this regard relies on the veracity of the company for authenticity. Copies of signed option agreements have been received confirming the option purchase and inherent company obligations.

Tens of thousands of metres of diamond drill core of various sizes were found on the eastern portion of Horseshoe Island. This drill core had been placed at this location in the past by previous owners of the property in an orderly fashion but the core racks and boxes are in disrepair, locally collapsed and scavenged and have illegible labelling. This core is, in the author's considered opinion, not salvageable and is of no further economic value; however, several comments can be made. It appears that much of the core was not split and areas that had been split had been partly scavenged by passers-by. Lithologies observed in the core facility included porphyry, tuff, coarse-grained gabbro and greenstone. It should be mentioned that it is uncertain as to whether this entire diamond drill core was from drilling on the island as it may form a central protected site for the area. It could be presumed that some of the core may be from surrounding areas. Although trenches are present on the south part of the island, previous reports wrote that they were sloughed in and flooded so no attempt was made to locate them. Vegetation was observed to be quite thick and outcrop scarce. Several outcrops of porphyry were observed on the south side of the island. Log cabin footings are all that remain of several log cabins in the northeast point of the island. No garbage was noticed in and around this old camp site. Several line claim posts were observed although no pictures or notes were made of these claim posts.

RELIANCE ON OTHER EXPERTS

The author has examined and studied the extensive files on record in the assessment office of the Ministry of Mines offices in Red Lake, Ontario. This report relies on data available in published and unpublished reports, which are generally in summary form, and were supplied by companies such as St. Joe Canada Inc./Bond Gold Canada Inc., Noranda Exploration Co. Ltd. and Sudbury Contact Mines Ltd. Although sketchy and selective at times, the information provided by reputable geologists and companies is considered to be of a high quality. No data and interpretation verification has been initiated.

The assessment files contained incomplete records of the extensive work conducted on and around Horseshoe Island. For example, drill location plans and detailed drill logs are often available indicating extensive often continuous sampling but without assay values or certificates. Little or no description of sampling procedures and handling regarding quality assurance and quality control are mentioned. Historic resource calculations are available as a reference in several reports but without describing the database extent and integrity or parameters and method of calculations. In this respect, therefore, all previously reported calculations of grades and tonnages cannot be authenticated by the author and all such grades and tonnages must be considered unsubstantiated.

The previously submitted geological mapping contained in the assessment files of the Ministry of Mines which outlines the two gold bearing horizons on Horseshoe Island is considered reliable. The previous geophysical surveys are also considered to be reliable; however, as they were completed many years ago, more modern type instruments have been developed and further geophysical surveys might well be the best method to extend the known mineralization or to find other areas on the property of economic importance.

All recent work on the property has been under the direct supervision of Devon Corp. , and all resultant sample assays and chemical response has been submitted with due diligence for analysis to SGS Laboratories.

The principal of Devon Corp., Mr. G.K. Smith is well known to the author for more than 20 years and has had direct training in all Mobil Metal Ion (MMI) surveying and interpretation procedures and other exploration methods; his work has been found to be reliable and beyond question. Mr. Smith has assisted in the development of a module, specific to the interpretation and presentation of MMI results in Visidata's Interdex geological software, that has been used in a report by Devon submitted and accepted for assessment work requirements by the Ontario Department of Mines and can be examined under assessment files RL 5083 and file RL 5116, of which copies can be obtained under paper or digital form. The principle of Devon Corporation, Mr. G. K. Smith is an officer and director of Gold Canyon Resources Inc. at the time of the MMI survey and interpretation was done.

PROPERTY DESCRIPTION AND LOCATION

The property is located on National Topographic System (NTS) map sheet 52 N/SE 7 and 8 and on the south boundary of Casummit Lake Claim Map G 1751 within the Red Lake Mining Division, District of Kenora, Ontario, Canada. The property is centered at UTM coordinates of 539508 Easting and 5692045 Northing Zone 15, NAD 83 approximately 102 kilometres east northeast of the town of Red Lake, and 99 kilometres from Ear Falls, Ontario (Figure 1 and 2). The property covers Horseshoe Island in the southwest-trending arm of Birch Lake.

The property consists of fourteen (14) staked and duly recorded mineral claims containing 129 units totalling 2,088 hectares. All claims are recorded on the Casummit Claim Map G 1751, Red Lake Mining Division, Ontario (Figure 3). The claims are itemed below in Table 1. The owners warrant that the claims have been duly and validly located and recorded pursuant to the laws of Ontario and are in good standing with respect to all filings, fees, taxes, assessments, work commitments or other conditions as of the date of the agreement.

The property consists of some 2,088 hectares comprised of 10 original Vital- English claims plus 4 newly staked claims by Gold Canyon Resources Inc. The claims are itemed below in Table 1. The property

comprises some 129 mining claim units in total. All claims are subject to an underlying Net Smelter Return (NSR) interest royalty in favour of P. English.

Abstracts of claim titles, claim numbers and standing have been obtained from the Mining Recording Office of the Ministry of Mines, Sudbury, Ontario and comprise a part of this report. A claim map of the property is attached.

Gold Canyon Resources Inc. also holds a large block of adjoining mining claims on the east of this Horseshoe Island property and maintains camp facilities which have been established at Springpole Lake.

Table 1: List of Claims

Township	Claim Number	Date Rec.	Due Date	**Owner**
CASUMMIT LAKE	4205205	2005-Feb-24	2009-Feb-24	Perry Vern English
CASUMMIT LAKE	4205206	2005-Feb-24	2009-Feb-24	Perry Vern English
CASUMMIT LAKE	4205207	2005-Feb-24	2009-Feb-24	Perry Vern English
CASUMMIT LAKE	4205208	2005-Feb-24	2009-Feb-24	Perry Vern English
CASUMMIT LAKE	1210701	1996-May-08	2009-May-08	Perry Vern English
CASUMMIT LAKE	1210702	1996-May-08	2009-May-08	Perry Vern English
CASUMMIT LAKE	1210703	1996-May-08	2009-May-08	Perry Vern English
CASUMMIT LAKE	1234136	2000-Feb-28	2009-Feb-28	Perry Vern English
CASUMMIT LAKE	1234137	2000-Feb-28	2009-Feb-28	Perry Vern English
CASUMMIT LAKE	1234198	2000-Oct-06	2009-Oct-06	Perry Vern English (66.7%) Daniel F. Patrie (33.3%)
CASUMMIT LAKE	3004746	2007-Jul-09	2009-Jul-09	Gold Canyon Resources Inc.
SATTERLY LAKE	4212763	2007-Oct-01	2009-Oct-01	Gold Canyon Resources Inc
CASUMMIT LAKE	4212762	2007-Oct-01	2009-Oct-01	Gold Canyon Resources Inc
CASUMMIT LAKE	4212764	2007-Jul-13	2009-Jul-13	Gold Canyon Resources Inc

Gold Canyon Resources Inc. holds the Horseshoe Island property under an option agreement with Vital Resources Corp., who acquired the property through an option agreement with Mr. P. English, Souris, Manitoba and Rubicon Minerals Corporation, which company has an office located at Suite 1540, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

The Company acquired an assignment of an option to acquire 100% of 10 contiguous mineral claims representing the Horseshoe Island Project then held by Vital Resources Corp ("Vital")

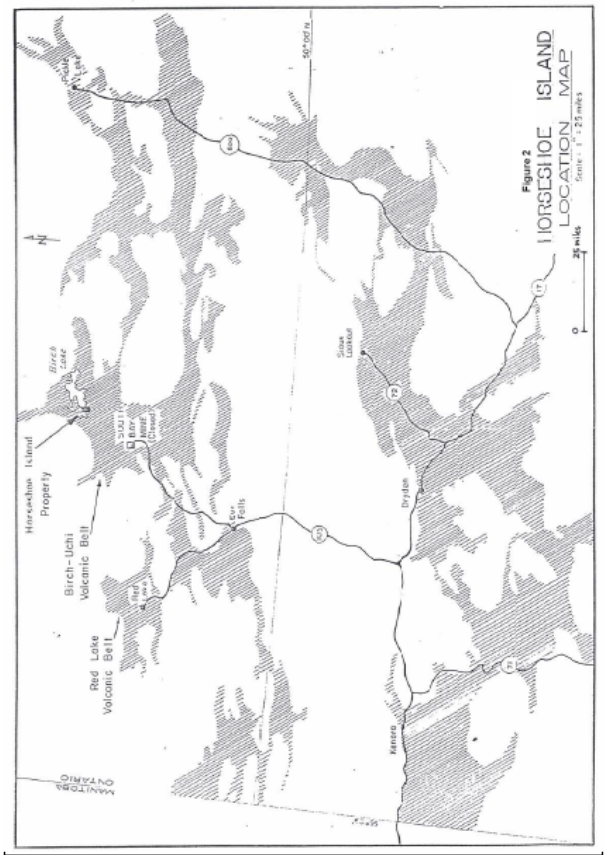
Pursuant to the terms of the June 20, 2007 agreement, the Company paid to Vital the sum of $25,000 and issued 50,000 common shares in the capital of the Company to Vital at a value of $0.57 per share. In order to exercise the option and acquire the 100% interest in the claims, the Company will be

required to pay an aggregate of $85,000 in cash over a 2 year period and incur expenditures in the amount of $25,000 on or before May 1, 2008. The claims are subject to a 1.5% net smelter royalty in favour of the original optionors. This agreement received regulatory approval on July 3, 2007.

The mineral claim option assignment agreement between Gold Canyon Resources Inc. and Vital Resources Corp. was entered into on June 2 0, 2007. This assignment agreement allowed Gold Canyon to be assigned all of Vitals' right, title and interest to the option agreement and the property and otherwise assume all of Vitals' remaining obligations pursuant to the option agreement.

The original 10 claims are all registered in the name of Mr. P. English, Box 414- Souris, Manitoba, ROK2CO-tel. 204-483-355 1. The four staked claims are registered in the name of Gold Canyon Resources Inc. All claims are shown in the enclosed abstracts as registered with the Ontario Provincial Mining Recorder, Sudbury, Ontario, Canada. All mining claims in Ontario require yearly assessment work to maintain the property in good standing. The enclosed abstracts indicate the dates of required work. Non-compliance of this requirement might cause forfeiture of ownership.

The three known mineral zones, the A, B and C Zones, occur on the south and southeast part of Horseshoe Island. Figure 3 shows the location of the zones relative to the property boundaries. The three known mineral zones lie within the claim limits of mining claim KRL 1234198. The writer is unaware of any environmental liabilities on the claims. A permit is not required for exploration work that includes sampling, drilling, blasting or overburden stripping. For assessment purposes to keep claims in good standing, a work expenditure of $400/unit/year is required.



ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

During ice free months, the property is accessible via float aircraft from the town of Red Lake, Ontario, Canada, 102 kilometres to the east northeast. Recently constructed logging roads from Ear Falls to South Bay Mine provide access in winter within 34 kilometres south of the property or approximately 1 hour by snow machine from South Bay to the property. The former South Bay Mines townsite is located 75 kilometres north of the town of Ear Falls, Ontario. This winter road traverses Confederation Lake, Swains Lake and leads onto the southwest end of Birch Lake, a distance of 34 kilometres over land and water portage to the property.

The climate is typical for northwestern Ontario, where temperatures range from 10^{o} C to 25^{o} C from June through October. Temperatures during the winter months of November through May range from 0 ^{o} C -40 ^{o} C. Rainfall is plentiful. Lakes freeze during the winter and this, accompanied by abundant snowfall, permits snowmobile travel. Birch Lake is a fresh water lake with fairly abundant fish species of pickerel, northern pike and trout. Exploration can be conducted all year round with the exception of freeze-up and thaw. Several outpost tourist camps are situated on Birch Lake. The Green Camp is the closest, located 1.6 kilometres south of Horseshoe Island. Generally, these camps are summer “fly-in camps” from either Red Lake or Ear Falls. Tourism is the principle means of support for the local area. No logging has occurred in the area to date although logging is in progress near the old South Bay Mines townsite.

The closest power source is Ontario Power Generation located at the old former South Bay Mines townsite 34 kilometres south of the property. This power is generated at Ear Falls, located on the English River system 75 kilometres from this townsite. The nearest sources of labour and supplies are from either the town of Red Lake or from the town of Ear Falls. Daily air service to Red Lake is from the city of Winnipeg, Manitoba and Thunder Bay, Ontario. There are several companies with both float and land aircraft within the area which are available for charter.

The property is about 50% covered by the waters of Birch Lake. The balance of the property is low rounded hills with a maximum relief of 40 metres above the level of Birch Lake, which is about 1160 metres above sea level. Outcrops of rock exposure on Horseshoe Island are less than 2% and are generally limited to the southeastern portion of the island. Vegetation consists of boreal forest with, in decreasing order of abundance, black spruce, white spruce, poplar, jack pine and balsam. Less than 5% is covered by open marsh of spruce bog. The area has been glaciated with striations oriented in a northeast to north direction. Overburden is generally less than 2 metres.

Horseshoe Island is not large, but if a development program was considered, there are level parts and adequate space amenable for a mill facility; however, a location for any tailings may be a problem and would require further investigation.

HISTORY

The author has examined the public records available in the assessment files at the Ministry of Mines office at Red Lake. An accurate but brief history of the property is presented below.

In 1935 Harding (1936) mapped an east trending quartz vein on the south shore of Horseshoe Island, also known as Pants Island.

In 1937 the property was staked by E. McDougall in partnership with E. Bergstrand and Oscar Peterson. The property consisted of a group of nine contiguous mineral claims numbered KRL 16615 to KRL 16623, each comprising 40 acres. The property was sampled by Hudson Bay Mining & Smelting Company; however, no records are available regarding assays and locations.

In 1939 the property was sampled by Sylvanite Gold Mines Ltd.; however, no records are available regarding assays and locations.

In 1944/46 Leta Exploration Ltd. (a joint venture between Leitch Gold Mines Ltd. and Moneta Gold Mines Ltd.) optioned the property and diamond drilled 20 holes totalling 1418 metres. The Company outlined a zone of gold mineralization along the southeast shore of Horseshoe Island in the vicinity where two trenches exposed mineralization. A zone 374 metres long by 2.1 metres wide grading 6.69 grams per ton Au was reported to be outlined. No work reports, drill logs or assays are available.

In 1954 McDougall's claims were allowed to lapse.

In 1957 the claims were re-staked by L. Staunton but work was not recorded and the claims were allowed to lapse.

In 1969 the property was re-staked by K. Koezur. Canex Aerial Exploration Ltd. conducted an airborne magnetic, electro-magnetic and gamma-ray Spectrometer survey over a large group of claims

immediately north of Horseshoe Island. Three holes totalling 793 metres in the Birch Lake area were completed but details, locations, logs and assays are unavailable.

In 1970 Sudbury Contact Mines Ltd. optioned the property from K. Koezur and conducted ground magnetic and electro-magnetic (EM) (Aflec System) geophysical survey on their West Grid over the property and diamond drilled six holes totalling 948 metres. The gridlines were 122 metres (400 feet) apart with instrument readings every 30 metres (100 feet). The magnetic survey showed very flat magnetics. Quite strong multiple EM conductors were identified and, as they were aligned with topography, they were interpreted to be caused by regional shearing. Many of the conductors show variable conduction along their trend. One significant conductor extended from the lake onto land and is within the general area of a reported copper-nickel showing. This anomaly was recommended for drilling.

In 1971 six holes were completed, totalling 948 metres. Drill logs are available with gold only assays on them but no laboratory certificates are included. The diamond drill holes were grouped in a northern cluster and a southern cluster on the West Grid. The northern cluster targeted an EM conductor located immediately north of Horseshoe Island. These four holes intersected intercalated coarse grained rhyolitic agglomerate, andesite tuff and feldspar porphyry, gabbro and diorite.

Hole 2 intersected several mild copper-nickel values over short intervals (1.0-1.5 metres) of nil to 0.41% copper, nil to 0.34% nickel and trace to 0.07 ounces per ton Au in a gabbro body. Hole 3 intersected a 1.5 metre interval of 0.1 ounces per ton Au in a rhyolitic agglomerate. These holes were drilled about 2 kilometres north of the gold showing in the southern portion of the island. The two south holes intersected andesite, granite, tuff and diorite without significant elevations in base or precious metals. This company also indicated that coarse “float” had been found from which assays had given up to 5% combined nickel-copper values plus some platinum content.

In 1974 the property was staked by H. Sanders and transferred to Goldsearch Ltd., who conducted fluxgate ground magnetic and VLF surveys and electro-magnetic surveys over the known mineralized zones. The magnetic survey identified a strong positive anomaly that had a strike length of approximately 370 metres centered on the lake and is associated with the mineralized trenches in the southern part of the island. Other magnetic anomalies were centered 400 metres northeast along strike and 670 metres southwest along strike from the mineralized trenches. The VLF survey picked up three short conductors to the south and east of Horseshoe Island in Birch Lake.

The claims were allowed to lapse in 1975.

Between 1976 and 1979 K. Koezur repeatedly re-staked the claims.

In 1981 the property was staked and sampled by Minorex Ltd. but the claims were allowed to lapse. No assay records or locations are available.

In 1982 St. Joe Canada Inc. staked 16 claims and conducted reconnaissance geological mapping, trenching, sampling, humus geochemical surveys and a waterborne induced polarization survey on and around Horseshoe Island.

In 1983 St. Joe Canada Inc. conducted detailed geological mapping of Horseshoe Island, completed a ground induced polarization and magnetic surveys, and diamond drilled five BQ size core holes totaling 990 metres. Holes targeted coincident magnetic and chargeability anomalies and tested for the reported 375 metre long gold zone outlined by Leta Exploration Ltd. Of the five holes three holes reported a total of 10 intervals of elevated gold sections above 1 gram per tonne Au. Intercepts typically fell between 1 and 3 grams per tonne Au across 0.3-1.5 metres. Hole 5 reported 10.29 grams per tonne Au across 1 metre which was part of larger interval of 51.7 metres of 1.34 grams per tonne Au within the "Highly Altered and Deformed Granodiorite" unit. The entire 990 metres of core was split and sampled generally with 1.5 metre sample intervals. Drill logs and assay certificates (gold only) are reported.

In 1984 St. Joe Canada Inc. stepped up their activities on Horseshoe Island by conducting two campaigns of diamond drilling totalling 24 holes (HI84-06 through 29) in 4397 metres and a magnetic survey (19.86 kilometres) on the Horseshoe Island. They only reported holes 1-19 with detailed logs containing gold only assays but no certificates were submitted. These programs were successful in outlining an alteration zone 450 metres long. Within this alteration envelope two mineralized zones were recognized: Zone A and Zone B. Another mineralized zone was identified as C Zone. The main alteration zone is sub parallel (but locally coalesce) to the regional strike but does cut the major lithologies. Some of the better grades occur along the altered contacts of major lithologic units. The A-B alteration zone is characterized by sericitization, hematization and locally carbonitization. Zone C alteration is characterized by silicification. Pyrite is ubiquitous in both types of alteration and in a general way its content is directly proportional to gold content. Accessory minerals are rare but include chalcopyrite and tourmaline and appear to be positive indicators of gold elevations. Visible gold is fairly common, but not necessarily a sure sign of significant assay results. The magnetic survey identified a coincident linear magnetic high with the A-B mineralized zones but suspected to be a particular granodiorite unit. Several other magnetic trends were identified. St. Joe made subsequent isolated submissions of single drill hole logs for assessment for holes 84-22, 27 and 28 where they reported only lithologies (no assays) with evidence that they sampled the entire hole with sample intervals of generally 1.5 metres. Drill hole plans and sections are included in the report.

In 1985 St. Joe Canada Inc. conducted more geological mapping, sampling and overburden stripping on Horseshoe Island and diamond drilled eight BQ sized core holes totalling 978.5 metres to test lateral and downdip extensions of the A, B and C Zones. Detailed logs are included in the report with assays included on the logs for gold only with the exception of one hole which cut mostly gabbro which was assayed for Pt and Pd, Ni and Cu, Co, Ag. In this hole copper values were generally under 0.5%, nickel under 0.5% and platinum and palladium each under 200 parts per billion. For the program the entire hole was sampled at generally 1.5 metres sample intervals. No mention was made of sample procedures. All holes but the gabbro hole intersected one or two enriched gold intercepts each. Typical intercepts were 1.5 to 3.0 metres long with grades between 1.37 and 3.78 grams per tonne Au. Two exceptional intercepts were 15.0 metres at 2.61 grams per tonne Au in hole HI 85-33 and 3.0 metres at 10.97 grams per tonne Au in hole HI85-36. Drill plans and sections are included in the report.

In 1986 St. Joe Canada Inc. drilled 59 holes totalling 11,114.48 metres at Horseshoe Island. They also performed a 1,706 line kilometre fixed-wing airborne vertical gradient magnetometer and VLF Electro-magnetic survey to detect and accurately locate magnetic features which relate to and add to the

geological perspective in the Birch Lake area, as well as any structures and conductivity patterns which could have a positive influence on polymetallic mineralization. It showed the rough northeast-southwest strike of the geology with lesser northwest-southeast features.

In 1987 St. Joe Canada Inc. diamond drilled 18 holes totalling 3,398.1 metres at Horseshoe Island. Only two drill logs are available from this drilling. They showed sample intervals generally 1.5 metres long and assaying for gold only. No anomalous values were observed in these two logs. At this time St. Joe Canada Inc. reported a historic mineral resource of 825,000 tons grading 0.13 ounces per ton Au. This is not a declared resource on the property, and should not be relied upon but remain historic figures. The writer has not prepared nor confirmed this resource estimation. As it pre-dates National Instrument 43-101, it does not comply with NI 43-101 requirements for mineral resource estimation.

In 1988 Bond Gold Canada Inc., formerly St. Joe Canada Inc., conducted three diamond drill holes in the area, one on Horseshoe Island totalling 407 metres. The detailed log is available with a location plan. No assays are provided but the hole was well sampled with sample intervals typically 1.5 metres long. The log suggests samples were analyzed for gold only.

In 1989 Noranda Exploration Co. Ltd. acquired the Horseshoe Island property from Bond Gold Canada Inc. and, in 1990, conducted diamond drilling of three holes totalling 402.7 metres. They submitted for assessment only one hole with its plan location 500 metres east of Horseshoe Island with a detailed drill log but no assays. Noranda also submitted for assessment one 1986 and one 1987 diamond drill hole performed in 1986 and 1987 by St. Joe Canada Inc. totalling 914 metres where most of the hole was sampled but no assays were reported. Penciled notes in the margins of the 1986 hole indicated some evidence of elevations in gold in and proximal to the deformation zone and in the intercalated tuff package cut. Sampling intervals ranged from 0.4 to 1.5 metres long. The detailed log shows thin sections of silicification and quartz-carbonate alteration with disseminations up to 1% pyrite and trace chalcopyrite. In 1989 Hemlo Gold Mines Ltd. released a historic resource calculation of 892,872 tons grading 0.134 ounces per ton Au in their annual report. In 1990 a reference to an updated resource calculation was released in the Northwest Prospector March 1990 of 893,508 tonnes grading 0.14 ounces per ton Au. Neither of these figures is a declared resource on the property, and should not be relied upon but remain historic figures. The writer has not prepared nor confirmed these resource estimations. As they pre-date National Instrument 43-101, they do not comply with NI 43-101 requirements for mineral resource estimation.

In 1995 Lac Minerals Ltd. conducted a short bedrock mapping and prospecting program that resulted in 19 samples being taken. No results are available.

In 1997 Freewest Resources Ltd. conducted line cutting, prospecting, rock sampling and a soil geochemical survey. No results are available. The property was held under option from P. English.

In 1998 Colby Resources Corporation conducted a total of 2.1 kilometres of induced polarization geophysical survey (time domain pole dipole, 50 metre spacing) which indicated areas of high chargeability and low resistivity anomalies which they interpreted could be from massive sulfides or precious metals. They were encouraged enough to recommend a systematic grid over the whole

property and conduct IP, magnetics and VLF surveys. Colby also cut out overgrown trenches and around core storage and attempted to pick up old drill hole collars but labels were no longer readable.

In 2000 Jonpol Exploration Ltd. and Wolfden Resources Ltd. drilled two holes for a total of 490.5 metres. No data is available for this work.

From May 2005 to 2007 Vital Resources Corp. held the property under option from P. English. Several claims of this present group have been held by P. English since May 1996.

In June, 2007 Vital Resources assigned its interest in the property to Gold Canyon Resources Inc.

During 2007 and 2008, Gold Canyon Resources Inc., secured the services of Devon Corporation to complete surface channel sampling, assaying, and brushing out of existing picket lines on specific locations of the property and to complete a soil sampling program of geochemical soil sampling by means of the MMI method.

GEOLOGICAL SETTING

The region is underlain by Archean-aged supracrustal rocks from 2.9 to 2.7 billion years old. The region is part of the Birch-Uchi Greenstone Belt in the north-central part of the Uchi Subprovince of the Canadian Shield. The Birch-Uchi Volcanic Belt shown on Figure 2 lies between the Red Lake Volcanic Belt and Pickle Lake. The later two areas are well known for rich shear-hosted or structurally hosted Archean gold deposits.

Within the Uchi Subprovince three cycles of volcanic rocks have been recognized within its sequence. The oldest, Cycle I, is composed of a basal pillow basalt overlain by felsic pyroclastics and sedimentary rocks followed by intermediate to basaltic rocks with lesser felsic pyroclastics and capped by marble. Cycle II overlies Cycle I with pillowed basalt and interbedded intermediate volcanics and sediments followed by felsic volcanics and capped by stromatolitic marble. Cycle III consists of pillow basalt with lesser andesite flows overlain by quartz-feldspar porphyry flows, tuffs, lapilli tuff and rhyolite.

The Horseshoe Island Property lies within the Birch-Uchi Greenstone Belt which consists of north trending volcanic and sedimentary rocks. The greenstone belt is approximately 32 kilometres wide by 84 kilometres long enclosed in an envelope of granitic rocks.

Preliminary mapping of the area done by Thurston et al, (1981) and Beakhouse (1987, 1989) locally outlined a 1.5 kilometre thick east trending sequence of greenschist facies intermediate to felsic pyroclastic rocks with minor intercalations of mafic meta volcanic and meta sedimentary rocks. This sequence is bounded to the north and south by a thick sequence of mafic meta volcanic rocks.

Archean-aged Cycle III mafic and felsic volcanic rocks and related sediments have been intruded by a late multi-phase gabbro to granodiorite intrusion, known as the Horseshoe Island Intrusion Complex. This intrusion is roughly ellipsoidal in plan, approximately 1.5 kilometres by 0.5 kilometres with the long axis perpendicular to regional strike. A gabbroic phase of the intrusion is situated north of Horseshoe Island (Cooper 1985; Beakhouse 1989). A feldspar porphyry unit which Cooper (1985) described as an intrusive phase of the stock, has also been interpreted as an intermediate feldspar crystal tuff (Beakhouse 1989).

Local workers have suggested the following Stratigraphic Table of Formations showing relative ages from oldest at the bottom younging upward. Figures 5 (after Freewest Resources Canada Ltd.) and 6 (after Cooper, 1985) show local geology and positioning of the known mineralized zones.

Table 2: Stratigraphic Table of Formations

Horseshoe Island Intrusive Complex
- Highly Altered and Deformed Granodiorite
- Altered Granodiorite (Chloritized)
- Granodiorite
- Gabbro
  - Intrusive Contact

Cycle III Volcanic Sequence
- Feldspar Porphyry
  - Intrusive Contact
- Sediments, chiefly greywacke and turbidite
- Intermediate tuff and lapilli tuff
- Andesite Pyroclastics
- Mafic Volcanics

The "Highly Altered and Deformed Granodiorite" unit is the host for gold mineralization exposed in a series of old trenches on the south shore of Horseshoe Island. The bulk of the unit appears to be under Birch Lake. This unit is tectonically deformed and hydrothermally altered to intensely sericitized feldspar, quartz and carbonate. There is on average 1% disseminated pyrite and locally up to 10%. High gold values generally correspond to an increase in pyrite content. The "Highly Altered and Deformed Granodiorite" unit is not observed on surface outside the trench area in the southern part of the island. Here the unit trends east northeast. Thin-section work has identified secondary albite in rock from this unit.

The "Altered Granodiorite (Chloritized)" unit is a lesser altered equivalent of the unit described above. This unit can have local pyritic (0.5-3%) silicified sections less than 1 metre wide and can carry elevated gold values.

The "Feldspar Porphyry" unit appears to be a sill-like sub-volcanic intrusive. A zone of silicification has been traced for 250 metres in a series of old trenches (C Zone). Gold values from grab samples can reach 4 grams per tonne Au from trenches, and hole HI83-03 assayed 0.67 grams per tonne Au across 3.2 metres. The relationship of gold mineralization in this unit and the "Highly Altered and Deformed Granodiorite" unit is unclear.

The "Sediment" unit chiefly of greywacke exhibit graded bedding, load casts and flame structures.

The "Intermediate tuff and lapilli tuff" unit varies from bedded to massive tuff to lapilli tuff with rounded lapilli to 3 centimetres and exhibiting an andesitic to dacitic composition.

The "Andesite Pyroclastics" unit appears to be a debris flow unit with several clast types and sizes from 1-10 centimetres often containing magnetite. The unit locally contains trace to 1-2% disseminated pyrite.

The “Mafic Volcanics” unit is thought to be a tuffaceous unit.

A principal structure known as the Swain Lake Deformation Zone trends northeast along the north shore of Birch Lake, about 800 metres northwest of Horseshoe Island and is shown on Figure 4 after Beakhouse et al. (1989). A secondary splay off of the Swain Lake Deformation Zone trends eastward and passes approximately 400 metres south of Horseshoe Island. The Horseshoe Island Property occurs in the wedge between these faults, a structurally favourable setting for gold deposition. The property is also situated on the north flank of an east-trending synclinal fold axis (Beakhouse 1989; Mc Neil 1989; Beakhouse et al 1989). The granodiorite unit may form a buttress and rheological contrast that are favourable structural sites for gold deposition.

DEPOSIT TYPES

Beakhouse (1985) indicates that the area has high potential for the discovery of base metal massive sulfide and gold deposits.

The most favourable sites for potential gold mineralization are shear zones associated with major faults and deformation zones, particularly where alteration veining and disseminated sulfides are present, as well as areas within and marginal to the fine grained high level felsic intrusions. These deposits are generally steeply dipping high grade gold deposits often located on flexures along lateral fault splays off of principal crustal faults or breaks. Many shear-hosted Archean gold deposits occur with the Superior Province and the Uchi Subprovince. Examples are found at Pickle Lake and Red Lake such as Campbell, Dickenson, Musslewhite and Pickle Lake.

The sites most favourable for the base metal sulfide deposits are proximal to felsic metavolcanic centers or lenses. The deposit model that would apply here is Archean-aged syndepositional volcanogenic massive sulfides such as those found within the Superior Geological Province. Examples are Mattabi, Geco, Kidd Creek, Horn, Noranda and Amulet of Quebec and Ontario. These copper-zinc rich massive sulfide deposits were laid down in a submarine volcanic depositional environment proximal to volcanic vents often at or near the contact between a basal mafic unit and overlying felsic/sedimentary unit.

These rock types are found in the sequence in the Birch-Uchi Volcanic Belt and in the Horseshoe Island area. Coarse-grained felsic pyroclastics cut by drilling on the property indicate near volcanic venting, a positive environment for volcanogenic massive sulfides. The South Bay Mine 34 kilometres south of the property described below is one such deposit.

Gold has been the main mineral of interest found on the property to date; however, some minor copper-nickel platinum has been recorded.

MINERALIZATION

Exploration for gold has been focused at or near the contact of the Horseshoe Island Intrusive Complex with the upper intermediate volcanics. The contact is shown on Figures 5 and 6.

These programs were successful in outlining an intense pervasive alteration zone 450 metres long as part of a curvilinear fault or deformation zone. Within this alteration envelope, two mineralized zones were recognized: Zone A and Zone B. Another mineralized zone was identified as C Zone. The main

alteration zone is sub parallel to the regional strike but does cut the major lithologies. Some of the better grades occur along the altered contacts of major lithologic units. The A-B Zone consists dominantly of sericite and carbonate (dolomite-ankerite) alteration with lesser epidote and hematite.

Alteration at the C Zone is characterized silica (quartz), sericite, carbonate, epidote and albite (Cooper 1985). Secondary albite has been recognized in the intensely altered granodioritic rocks (J. Briscoe 1984). Pyrite is ubiquitous in both types of alteration and in a general way its content is directly proportional to gold content. Accessory minerals are rare but include chalcopyrite and tourmaline and appear to be positive indicators of gold elevations. Visible gold is fairly common, but not necessarily a sure sign of significant assay results.

The A-B Zone trends east to east northeast for approximately 450 metres along the south and southeast shore of Horseshoe Island. This zone is a linear feature, described as a "listric shear" (Cooper 1985) which trends parallel to the strike of bedding and has a moderate to strong tectonic foliation. Slickensides in the altered granodiorite plunge steeply to the northeast. The A and B Zones occur along the south contact of the granodiorite stock and extend along strike into the stock and surrounding meta-volcanic rocks (Cooper 1985; Beakhouse 1989). Drilling shows (Figure 7 from St. Joe Canada Inc. in plan and 8 in cross-section) that the A and B Zones are sub parallel but locally coalesce and dip north to northwest at about 65-70^0 and in places are separated by about 10-20 metres. The zones range from 1-10 metres thick.

The C Zone is located about 100 metres north of the A-B Zone and is hosted by feldspar crystal tuff. This zone has an irregular T-shape and is oriented parallel to the north trending margins of the stock and partly oriented parallel to the east trending stratigraphy.

Although evidence of tectonic deformation has not been recognized in the C Zone (Cooper 1985; Beakhouse 1989) the zone is still likely structurally derived. The zone has a vague sub parallel trend to the A-B Zone and appears to terminate at the granodiorite contact. The granodiorite may form a buttress or rheological contrast, a favourable setting for gold deposition.

Disseminated magnetite and/or ilmenite are present in both the A-B and C Zones and occur as fragments and thin discontinuous bands in altered pyroclastic rocks. Pyrite is the dominant sulfide typically disseminated to 1%, but locally minor chalcopyrite is present (Lavigne Jr.; and Atkinson 1988).

Elevated gold values are associated with intensely altered rocks and abundant sulfides. Visible gold is reported to be fairly common and generally associated with chloritic fractures (Beakhouse 1989).

Diamond drilling by Leta Exploration Ltd. outlined the A-B Zone as a mineralized zone 375 metres long and 2.15 metres wide with an average grade of 0.195 ounces per ton Au (6.7 grams per tonne Au) (H. Sanders, assessment files, Resident Geologist's office, Red Lake). St. Joe Canada Inc. reported grades of 0.13 ounces per ton Au (4.6 grams per tonne Au) across 4.2 metres true thickness (see section on resources).

EXPLORATION

The assessment files have revealed that a considerable amount of detailed exploration has been conducted on this property in the past. This work has included geological mapping, trenching, geophysical surveys, soil and humus geochemical surveys and extensive diamond drilling.

Gold Canyon Resources Inc. has performed geochemical exploration work on the property in 2008.

EXPLORATION WORK -2008

Line cutting and the establishment of new picket lines and grids with the brushing out of existing lines was undertaken and a MMI geochemical survey was conducted. This MMI survey was initiated by Vital Resources in 2007 and the work expanded in 2008 by Gold Canyon. This geochemical survey work was completed under contract by Devon Corp., 3267 Stonecrest Road, RR#2, Woodlawn, Ontario, KOA 3M0. The principle of Devon Corporation is Mr. Garry Smith, who is also an officer and director of Gold Canyon Resources Inc. at the time of the MMI survey and interpretation was done.

The application of MMI geochemical exploration is thought to be significantly different from that used in historic, conventional soil surveys. The process removes small amounts of metal ions from the exterior of soil particles whilst leaving the substrate unaffected. The very loosely attached ions (MMI) are therefore sourced from in-situ target mineralization and not from other conventional background transported or lithological sources of metals. Metal concentration levels are significantly lower than "total digestion" methods, but the signal-to-noise ratios are significantly enhanced, resulting in a sharper anomaly contrast to background.

A detailed report of this MMI survey has been filed with the Ontario Geological Survey department of Mines, Sudbury, Ontario. These reports provide full details as to procedures followed and can be examined at the Department of Mines under files # RL 5083 and RL 5176.

The author has thoroughly studied and examined these reports, arriving at the herein resultant conclusions and recommendations. Although "other expert opinion" has been relied upon the author has full confidence in the work performed and Devon Corp management is well known to the author for more than twenty years.

DRILLING

The assessment files show that the Horseshoe Island property has received a considerable amount of diamond drilling. The table below summaries the extent of historic drilling.

Table 3: Summary of Historic Diamond Drilling

Company	Year	Number of Holes	Metres
Leta Exploration Ltd.	1944/6	20	1,418
Sudbury Contact Mines Ltd.	1970	6	948
St. Joe Canada Inc.	1983	5	990

St. Joe Canada Inc.	1984	24	4,398
St. Joe Canada Inc.	1985	8	979
St. Joe Canada Inc.	1986	59	11,115
St. Joe Canada Inc.	1987	18	3,398
Noranda Exploration Co.	1990	3	403
Jonpol Explor. / Wolfden Res.		2	490
TOTALS		145	24,139

No diamond drilling has been performed by Gold Canyon Resources Inc.

The above table is derived from a series of reports, general references, summaries and assessment submissions on and in the immediate vicinity of Horseshoe Island, totalling 145 drill holes in 24,139 metres. The data available is incomplete by today's standards and at times sketchy and selective. Companies often submitted only a fraction of the project data. The state of the available data is generalized below but more details for each campaign can be seen in the History section.

Detailed drill logs are only available for drilling post 1946. Not all drill logs of each drill campaign were submitted and available. The drill logs submitted contain detailed geological observations with and without assays. The vast majority of the drilling was analysed for gold only. It appears that in most cases the entire hole was sampled. Sample lengths were often 1.5 metre lengths although in places were between 0.3 and 1.0 metre on more interesting geological sections. There is very little description, if any, on sample preparation procedures, protocol and quality assurance/quality control. The St. Joe Canada Inc. drill campaigns reported splitting core in half, sending half for analyses and storing the other half on site for the early years but in later years they describe sending the whole core for analysis. As is evident from the core storage facility, there is a lot of core that was not split also. A small fraction of the drilling has accompanying laboratory certificates. Incomplete records of the locations of drill collars are available in plan form only. Logs did not report drill core recoveries. Figures 7-10 show the general location of the drilling on and around the island. A complete compilation plan of the drilling would not be possible from the data available.

The deteriorated core storage facility and lack of legible labels make it impossible to piece back the drill history, cross-check or validate the past drilling. It should also be commented that it is also uncertain where the entire core that is stored in the Horseshoe Island diamond drill core facilities came from. It appears that the core from the drilling of the A, B and C Zones and probably from the general vicinity is stored there. Other zones of interest have been diamond drilled, which can be seen from the reported assessment files. However, it is possible core from other projects is also stored there.

Drilling has successfully identified an alteration zone 450 metres long as part of a curvilinear fault or deformation zone. Within this alteration envelope, two gold-bearing mineralized zones were

recognized: A Zone and B Zone. Another gold-bearing mineralized zone was identified by drilling as C Zone. The main alteration zone is sub parallel to the regional strike but does cut the major lithologies. The A-B alteration zone is characterized by sericite-albite-hematite+/-ankerite alteration. Zone C alteration is characterized by silicification. Pyrite is ubiquitous in both types of alteration and in a general way its content is directly proportional to gold content. Visible gold is fairly common. The A-B Zone trends east to east northeast for approximately 450 metres along the south and southeast shore of Horseshoe Island. Drilling shows (Figure 7 from St. Joe Canada Inc. in plan and 8 in cross-section) that the A and B Zones are sub parallel but do locally coalesce and dip north to northwest at about 65-70^0 and are in places separated by about 10-20 metres. The zones range from 1-10 metres thick. The C Zone is located about 100 metres north of the A-B Zone and is hosted by feldspar crystal tuff. This zone has an irregular T-shape and is oriented parallel to the north trending margins of the stock and partly oriented parallel to the east trending stratigraphy. Although evidence of tectonic deformation has not been recognized in the C, the zone is still likely structurally derived. The zone has a vague sub parallel trend to the A-B Zone and appears to terminate at the Granodiorite contact. Diamond drilling by Leta Exploration Ltd. identified the A-B Zone as a mineralized zone averaging 2.15 metres wide with an average grade of 0.195 ounces per ton Au. St. Joe Canada Inc. reported grades of 0.13 ounces per ton Au across 4.2 metres true thickness but generally reported drill intercepts between 1 and 10 metres thick. Without the complete reports of locations and collar orientations it is impossible to comment on true thicknesses of these 1-10 metre intercepts.

SAMPLING METHOD AND APPROACH

No sampling has been done by Gold Canyon Resources Inc. or by the author as of the date of this report.

Scarce information is available regarding surface sampling. The scarcity of outcrop is a limitation in evaluating the property. Two 30-50 metre long trenches are noted on plans (50 metres apart) in the southern part of the island crossing and exposing the deformation zone and A-B Zones. The sample location, density, number, method, type, size or assays are not available for these trenches.

A complete compilation plan of the drilling would not be possible from the data available. However, with the aid of some drill plans and the sheer number of drill holes on the island it would appear that the drilling on the A, B and C Zones ranged from 50 to 100 metre centers and possibly tighter in places.

Detailed drill logs are only available for drilling post 1946. Not all drill logs of each drill campaign were submitted and available. The drill logs submitted contain detailed geological observations with and without assays. The vast majority of the drilling was analysed for gold only. It appears that in most cases the entire hole was sampled. Sample lengths were often 1.5 metre lengths as a routine basis and regardless of rock type, although in places samples between 0.3 and 1.0 metre were selected to respect similar geological sections such as increased quartz or sulfide content. There is very little description, if any, on sample preparation procedures, protocol and quality assurance/quality control. The St. Joe Canada Inc. drill campaigns reported splitting core in half, sending half for analyses and storing the other half on site for the early years but in later years they describe sending the whole core for analyses. A small fraction of the drilling has accompanying laboratory certificates. Incomplete records of the locations of drill collars are available in plan form only. Logs did not report drill core recoveries.

It could be assumed that the drill sampling by the professional geologists involved in drill campaigns on this property was done in a professional and careful way in terms of samples selected to be representative of the mineralization and the supervision of core handling/splitting and its logging; however, the author has made no attempt to verify this. Of the assays reported, the elevated gold tenor commonly ranged between 1 and 10 grams per tonne Au. Having said that, visible gold is reported to be fairly commonly observed but there are no comments on the sample selection and handling of these intervals, nor of any reported high grade values. It appears the companies selectively reported drill results, probably closely guarding high grade sections if they occurred.

Diamond drilling by Leta Exploration Ltd. outlined the A-B Zone as a mineralized zone averaging 2.15 metres wide with an average grade of 0.195 ounces per ton Au. St. Joe Canada Inc. reported grades of 0.13 ounces per ton Au across 4.2 metres true thickness but generally reported drill intercept between 1 and 10 metres thick. Without the complete reports of locations and collar orientations it is impossible to comment on true thicknesses of these 1-10 metre intercepts.

SAMPLE PREPARATION, ANALYSES AND SECURITY

The author was advised by Mr. G. Smith of completed geochemical exploration work performed on the property during 2007 and 2008 by Devon Corp. The survey method for this geochemical work is registered by SGS Minerals Service, is known as MMI or Mobile Metal Ion, and is exclusively available through SGS Laboratories. The author has relied on chain of custody documentation supplied by Devon Corp.

The only reference to sample preparation, analyses and security in the historic records was reported by St. Joe Canada Inc. In all other reports and campaigns this information is absent. However, it can be presumed that these drilling campaigns were supervised by professional geologists and engineers from reputable companies who would implement appropriate procedures.

In appears that the 1983 St. Joe drilling followed appropriate industry sampling and analytical standards, split core and fire assay –AA method with regular check assays made and repeated assays on pulps with high assays. The check assays and repeats are not reported. Assays and certificates were provided by Swastika Lab, Swastika, Ontario, and Bondar-Clegg, Ottawa, Ontario, both certified laboratories. The remaining half core was stored at Horseshoe Island. Only gold was assayed for this 1983 core. Drill logs are available for this program. The 1984 drill core was analyzed at Custom Fire Assay, Cochenour, Ontario using standard fire assay methods of ½ assay ton charges. All the core was sampled (unsplit) with the pulps and rejects stored in Cochenour, Ontario. Other assay results provided in the assessment database are only available on the drill logs so the laboratory used is unknown.

There is no information as to whether any of the sample preparation of any of the drilling campaigns on this property was conducted by an employee, officer, director or associate of their company.

DATA VERIFICATION

The author has confirmed the ownership of the property which is attested hereto with the abstracts of title obtained from the Ministry of Mines, Sudbury, Ontario dated June 14, 2005 and included in the Appendix.

The author has examined the extensive assessment files for work recorded on the property located in the public files in the geological department of the Ontario Department of Mines, Red Lake, Ontario, Canada which data, along with the author's extensive knowledge of the area, forms the basis for this report.

All grades of ore and tonnages as contained in this report are the result of other calculations by assumed experts and the author takes no responsibility for same.

Assays of the diamond drill core from this drilling are only selectively reported in the public record and as a result no economic appraisal of this previous work can be done. Further, due to the present deteriorated drill core storage area and lack of legible labels, the diamond drill core remaining cannot be relied on for cross-checking and verification.

A thorough attempt has been made to identify all available data on the property but not to verify sampling and assays. Much of the data is available in summary form which cannot be verified. However, the information provided by reputable companies with professional geologists such as Sudbury Contact Mines Ltd., St. Joe Canada Inc./Bond Gold Canada Inc., Noranda Exploration Co. Ltd. and Devon Corp. is considered to be of a high quality. The site visit has satisfied the author on property geology by general observations from the core stored on site and on brushed geochemical survey lines. The core facilities demonstrated orderly storage at the time of handling. Where split, the core appears to be properly handled and representatively split.

ADJACENT PROPERTIES

The past producing South Bay Mine 34 kilometres south of Horseshoe Island is hosted in Cycle III volcanics. This was a volcanogenic massive sulfide deposit that produced 1.6 million tons grading 11.06% zinc, 1.8% copper, and 2.12 ounces per ton silver. The deposit was discovered in 1969. The South Bay orebody occurs at the contact of the rhyolite quartz-feldspar porphyry dome and overlying rhyolite vent collapse breccia. The orebody occurs in several lenses and in places is underlain by a chloritic alteration pipe (Lichtblau et al.).

The Argosy Gold Mine (New Jason Mine) was a former gold producer located on Casummit Lake, a distance of some 13 kilometres northeast of the Horseshoe Island property. The deposit was developed in the 1930's on a vertical shaft and a decline shaft to about 300 metres depth on a blue quartz vein. Grades were reported to be 0.5 ounces per ton gold (Lichtblau et al.).

Gold Canyon Resources Inc. holds a large block of adjoining mining claims on the east of this Horseshoe Island property and maintains camp facilities which have been established at Springpole Lake. Further, Gold Canyon has reported a NI 43-101 compliant gold resource from this adjoining property.

MINERAL PROCESSING AND METALLURGICAL TESTING

No mineral processing or metallurgical testing has been reported by previous workers on mineralization from Horseshoe Island. Neither Gold Canyon Resources Inc. nor the author has performed any testing or processing on mineralization from Horseshoe Island.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

A number of resource estimates have been done by various workers and mentioned here as historical records only. A list is provided below of the author and their calculations. The resource estimates figures were reported in summary form without qualification as to the extent and integrity of the database or parameters and methods used in their calculations.

These resource estimate figures are not declared resources on the property and should not be relied upon, but remain as historic figures. As the information is only available in summary form it is impossible for this writer to prepare or confirm these resource estimations. As the historic resource estimates pre-date National Instrument 43-101, they do not comply with NI 43-101 requirements for mineral resource estimation. As the information is only available in summary form it is impossible to classify these figures based on current CIM standards on mineral resources and reserves. The resources on their own do not currently demonstrate economic viability. The specific authors of these historic resource estimates are not known to this writer or Gold Canyon Resources Inc., nor is there any association with them and this writer or Gold Canyon Resources Inc. The qualifications of the specific authors to these historic resource estimates are not known.

Table 4: List of Historic Resource Estimates

Author	Source	Date	Tons	Au Grade (ounces per ton)	Parameters or Method Used
St Joe Canada Inc.	George Cross News Letter, Nov 1987	1987	825,000	0.13	unknown
Hemlo Gold Mines Inc.	1989 Annual Report	1989	892,872	0.134	unknown
Hemlo Gold Mines Inc.	Northwest Prospector, March 1990	1990	893,508	0.14	unknown

All the above reported gold reserves have been calculated from drilling of three mineralized zones namely the A, B and C Zones located along the southeast shore of Horseshoe Island on mining claim KRL 1234198. The A and B Zones do partly extend under the waters of Birch Lake. Due to the proximity to the shoreline and off-shore, further exploration would best be done in the winter. This would be a preferred time in order to minimize water contamination of Birch Lake from these activities. Due to the isolated nature of this location the author is unaware of any impact on the resources by environmental, permitting, legal, title, taxation and socio-economic factors.

The isolated nature of the location with its restricted access and limited infrastructure would add additional cost to exploring and developing this prospect. Due to the steep orientation of the mineralization and its near water location it is presumed that only underground mining could be contemplated should the prospect be economically viable. There is no mineral reserve on this property.

OTHER RELEVANT DATA AND INFORMATION

The author is unaware of any further data or relevant information that could be considered of any practical use in this report. The author is not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

INTERPRETATION AND CONCLUSIONS

The Horseshoe Island Property is a significant gold prospect. It is located in a positive regional setting, within the Archean-aged Uchi Subprovince known to host significant gold deposits. The local geology, particularly structurally, is favourable with the presence of a deformation zone that locally hosts gold mineralization. The property is located in the Birch-Uchi Volcanic Belt between the Red Lake Volcanic Belt and Pickle Lake, the latter two areas well known for rich shear-hosted or structurally hosted Archean gold deposits.

The property has received 145 diamond drill hole in 24,139 metres by a number of companies. Drilling has successfully identified an alteration zone 450 metres long as part of a curvilinear fault or deformation zone. Within this alteration envelope two goldbearing mineralized zones were recognized: A Zone and B Zone. Another gold-bearing mineralized zone was identified by drilling as C Zone. The main alteration zone is sub parallel to the regional strike but does cut the major lithologies. The A-B alteration zone is characterized by sericite-albite-hematite+/-ankerite alteration. Zone C alteration is characterized by silicification. Pyrite is ubiquitous in both types of alteration and in a general way its content is directly proportional to gold content. Visible gold is fairly common. The A-B Zone trends east to east northeast along the south and southeast shore of Horseshoe Island. Drilling shows that the A and B Zones are sub parallel but locally coalesce and dip north to northwest at about 65-70^{o} and in places are separated by about 10-20 metres. The zones range from 1-10 metres thick. The C Zone is located about 100 metres north of the A-B Zone and is hosted by feldspar crystal tuff. This zone has an irregular T-shape and is oriented parallel to the north trending margins of the stock and partly oriented parallel to the east trending stratigraphy. The zone has a vague sub parallel trend to the A-B Zone and appears to terminate at the Granodiorite contact. The gold tenor of the zones hover around 4.5-6.7 grams per tonne gold. It can only be assumed from this partial exploration record that drill density characterizing these mineralized zones were probably 50-100 metre spacing and locally tighter. For gold deposits, this density is an inadequate test.

Unfortunately the public records of work done on this property are too incomplete to properly characterize and evaluate this interesting mineralization. The author has no reason to believe the data recorded on this property to be false in any way as they were provided by professional geologist with reputable exploration companies. But the tendency for companies to withhold valuable exploration data is a handicap to advancing projects such as this. The extent of drilling by multiple companies attests to the encouraging results exploration companies were having on this property, particularly by St. Joe Canada Inc. The observation that visible gold was fairly common yet not reflected in the assessment submitted data suggests that higher grade intercepts may have been made but that the companies were reluctant to disclose to the public record.

The grade and size of the historic resource is sub economic. Having said that, there is significant potential to build the mineralized system within its known limits as well as down dip and along strike by drilling. There is potential for improving the grade with infill drilling with larger size diameter core. This speaks to the current wide spaced drilling pattern that is inadequate to characterize a gold deposit as well as the nuggety nature of gold and the small core size used in the historic drilling. Most, if not all, drilling was done with BQ core. HQ diameter core provides a larger more representative sample than can reduce the nugget effect of gold.

The MMI geochemical survey has indicated several areas of gold, copper and zinc anomalous areas on the mainland of this property adjoining to the north of the gold zone located on the south side of Horseshoe Island. Gold Canyon Resources Inc. has reported a NI 43-101 compliant gold resource from their adjoining property at Springpole Lake.

Gold values have been confirmed within the system. Channel sampling in conjunction with the recent MMI survey has also indicated other areas of interest containing anomalous gold that requires follow up detailed work exploration. The area between the historic drilled gold zone on the south side of Horseshoe Island and the mainland of Birch Lake containing the recent MMI survey is water-covered and, as a result, remains un-explored and may contain parallel areas of interest.

The grade and tonnages of the historic Horseshoe Island gold zone is not in a location to be open pit mined nor is the grade of economic recovery at today's gold price. The widespread gold as indicated from Springpole Lake to Birch Lake has indicated gold within the system and deserves exploration.

It is apparent that extensive work has been done on this property from the original work in 1935 to present 2008. This work done by various companies over this long time frame has developed much data contained in the assessment files, all of which requires correlation to be of any economic use. In this regard it may be advantageous to compile a composite of this data which would include airborne geophysical, ground surveys, geological mapping sampling etc., plus diamond drilling along with the recent MMI survey work.

The Horseshoe Island Property also has the potential of hosting a volcanogenic massive sulfide deposit, perhaps more zinc rich so as to be undetected by the geophysical surveys conducted to date there. The stratigraphy indicates a favourable geological setting for this type of deposit, particularly near the coarse-grained agglomeratic rhyolite units which have been observed in drill core. The volcanogenic massive sulfide deposit mined out at the South Bay Mine 34 kilometres south of Horseshoe Island lends support to the potential of the region for this type of deposit. These types of deposits are known to form in clusters within mineral districts.

RECOMMENDATIONS

The Horseshoe Island Property is a significant gold prospect that warrants further work.

The extent of drilling, even though the records are incomplete, indicates the encouragement that some companies had on this the property, particularly St. Joe Canada Inc. It is recommended to delve deeper into private sources of the historic drill data in order to retrieve additional valuable data. Contacting the companies that performed work there may yield fruit. From additional information a better compilation of the drilling could be achieved to avoid costly repeated efforts and to focus exploration dollars. This

compilation effort is expected to cost $15,000 and is included as part of Phase I recommendations in Table 5 below.

The Phase 1 work will consist of compiling all previous work obtainable in the Assessment Files and/or other obtainable work done on the property in proper composite engineering form suitable for computer analysis and study. There are numerous data available which will require major compilation by a fully qualified engineering firm. It is estimated several months will be required to complete this work.

The several types of geophysical surveys completed on the property have indicated conductive areas of possible further interest for follow-up diamond drilling. Some of these conductors have no doubt been tested by diamond drilling; however, the economic results are unknown. In addition, the A, B and C Zones contain disseminated pyrite and should respond well to Induced Polarization (IP). As it has been 10 or more years since geophysical surveys have been done on the property, more modern systems may provide a better product and better definition of anomalies. An IP and magnetics survey is also recommended over the A, B and C Zone and beyond their known limits to try to extend the length of the trend and to potentially get better depth signatures over the zones. This new geophysical data needs to be compiled with the historic data to have the best picture possible going forward. A digital compilation should be completed to aid further targeting. Full Phase I is expected to cost $98,320.00 and is itemized below in Table 5.

Contingent on positive results obtained from the Phase I work, a Phase II program of drilling is recommended to complete some in-fill drilling with larger diameter core, HQ, in order to confirm and possibly improve the grade of the zones. The isolated location of this prospect will require higher grade to generate interest and encouragement. The observation of visible gold in core is an encouraging feature that may not have been properly evaluated by the BQ core size of previous drilling. Since the gold bearing A-B vein is located along the shoreline of the island, conventional prospecting such as overburden stripping and trenching would not be practical. Further diamond drilling would be required to explore the potential further. Drilling should be conducted during winter months.

Table 5: Recommended Phase I Cost Estimate

(1) Data Compilation	$15,000.00
(2) Linecutting – 10 kms X $500.00	$5,000.00
(3) Induced polarization & magnetic survey 10 kms X $1,500.00/km	$15,000.00
(4) Air transportation to and from property	$6,000.00
(5) Accommodation (see note)	$1,500.00
(6) Groceries	$7,000.00
(7) Travel	$3,000.00
(8) Geophysical Report	$25,000.00
(9) Engineering & Supervision	$10,000.00

(10) Equipment – snow machine rental	$ 1800.00
Subtotal	$89,300.00
(11) Contingencies @ 10%	$8,930
TOTAL	**$98,230.00**

Note: A tourist lodge is located near the property and winter accommodation might be arranges with the owner, Green Airways of Red Lake.

Table 6: Recommended Phase II Cost Estimate

(1) Diamond drilling-1000 meters @ $90,00	$90,000.00
(2) Mob-de mob	$25,000.00
(3) Camp-accommodation	$10,000.00
(4) Sampling and assaying	$ 5,000.00
(5) Core splitting-help	$ 6,000.00
(6) Engineering and Consulting	$15,000.00
Subtotal	$151,000.00
(7) Contingencies @ 10%	$15,100.00
TOTAL	$166,100.00

The above exploration work is fully recommended and justified.

Respectfully submitted

_”C.D. Huston”_____

C. D. Huston , Peng.

Jan 25, 2009

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CERTIFICATE OF AUTHOR

I, Carl David Huston , do hereby certify that;

1. I reside at 1 10 Dellenor Road, Red Lake, Ontario.

2. I am a registered Professional Engineer (geology) in good standing in and for the Province of Ontario since 1970 with Registration Number 21066014.

3. I am a registered Professional Engineer (geology) in good standing in and for the Province of British Columbia since 1998 with Registration Number 23999.

4. I have practiced my profession for more than 50 years.

5. I personally visited the Horseshoe Island Property of Gold Canyon Resources Inc. located at Horseshoe Island, Birch Lake, Ontario on October 18th, 2008.

6. I am responsible for the preparation of Technical Report on the Horseshoe Island Property dated December 19, 2005 (the "Technical Report"). This report is based on my personal experience and knowledge and from information obtained from the public archives in the Ontario Department of Mines library, Red Lake, Ontario.

7. I have no prior involvement with Gold Canyon Resources Inc. nor have I had prior involvement with the property that is the subject of the Technical Report.

8. I am independent of the issuers applying all of the tests in section 1.5 of National Instrument 43-101.

9. I have read the definition of" qualified person" set out in National Instrument 43-

101 @TI 43-101) and certify that by reason of my affiliation with the professional association (as defined in NJ 43-101) and my past work experience, I fill the requirements to be a "qualified person" for the purposes of NI 43-10].

10. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

11. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

12. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public of the Technical Report.

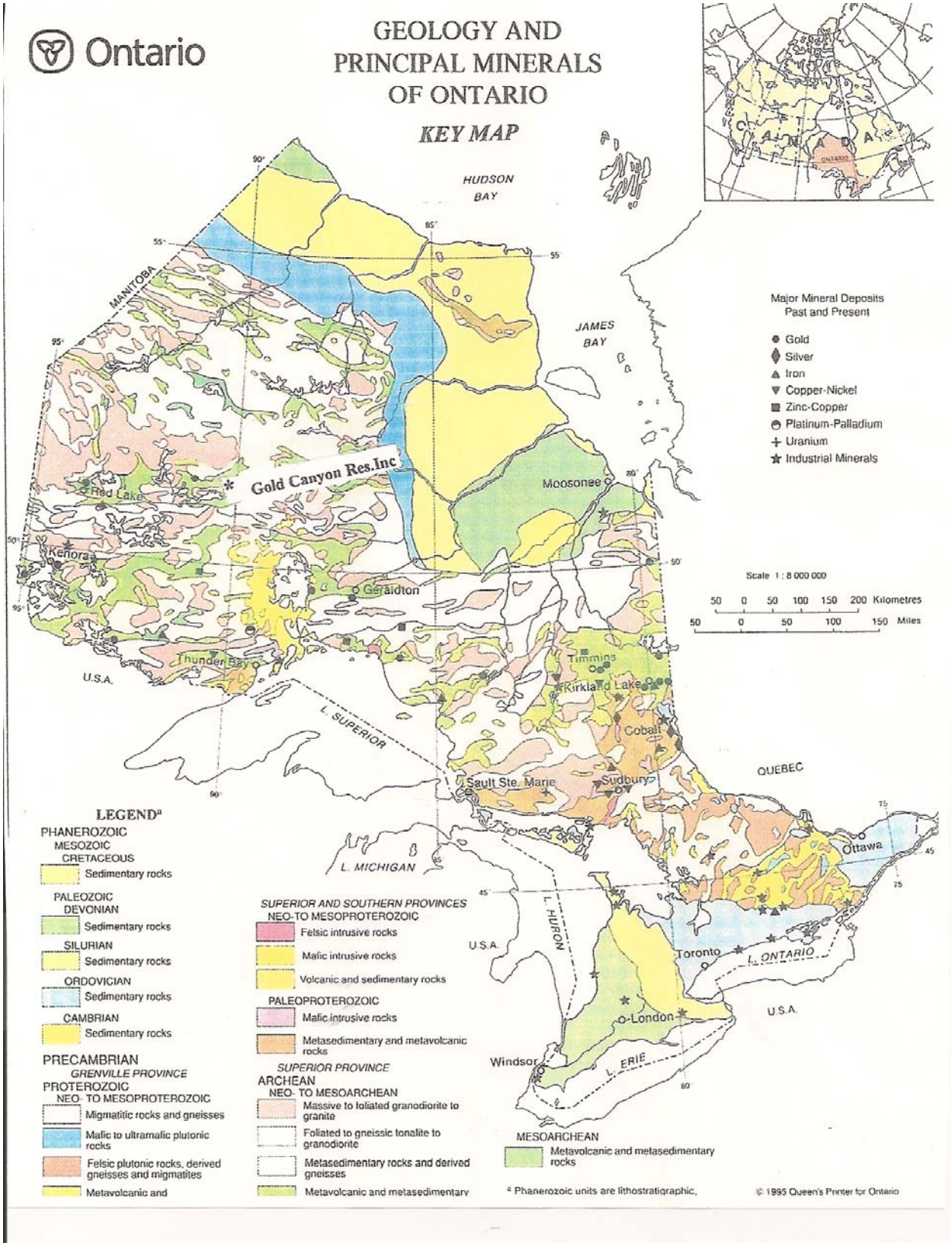
Dated at Red Lake, Ontario, this 25th day of January, 2009.

Signed..

_”C.D. Huston”_____

C. D. Huston, Peng.

Appendix


Ontario
GEOLOGY AND PRINCIPAL MINERALS OF ONTARIO
KEY MAP
CANADA
ONTARIO
HUDSON BAY
JAMES BAY
MANITOBA
Gold Canyon Res.Inc
Red Lake
Kenora
Thunder Bay
U.S.A.
L. SUPERIOR
Geraldton
Moosonee
Timmins
Kirkland Lake
Cobalt
Sault Ste. Marie
Sudbury
QUEBEC
Ottawa
L. MICHIGAN
L. HURON
L. ONTARIO
Toronto
London
Windsor
L. ERIE
Major Mineral Deposits Past and Present
Gold
Silver
Iron
Copper-Nickel
Zinc-Copper
Platinum-Palladium
Uranium
Industrial Minerals
Scale 1 : 8 000 000
50 0 50 100 150 200 Kilometres
50 0 50 100 150 Miles
LEGEND[a]
PHANEROZOIC
MESOZOIC
CRETACEOUS
Sedimentary rocks
PALEOZOIC
DEVONIAN
Sedimentary rocks
SILURIAN
Sedimentary rocks
ORDOVICIAN
Sedimentary rocks
CAMBRIAN
Sedimentary rocks
PRECAMBRIAN
GRENVILLE PROVINCE
PROTEROZOIC
NEO- TO MESOPROTEROZOIC
Migmatitic rocks and gneisses
Mafic to ultramafic plutonic rocks
Felsic plutonic rocks, derived gneisses and migmatites
Metavolcanic and
SUPERIOR AND SOUTHERN PROVINCES
NEO-TO MESOPROTEROZOIC
Felsic intrusive rocks
Mafic intrusive rocks
Volcanic and sedimentary rocks
PALEOPROTEROZOIC
Mafic intrusive rocks
Metasedimentary and metavolcanic rocks
SUPERIOR PROVINCE
ARCHEAN
NEO- TO MESOARCHEAN
Massive to foliated granodiorite to granite
Foliated to gneissic tonalite to granodiorite
Metasedimentary rocks and derived gneisses
Metavolcanic and metasedimentary
MESOARCHEAN
Metavolcanic and metasedimentary rocks
[a] Phanerozoic units are lithostratigraphic,
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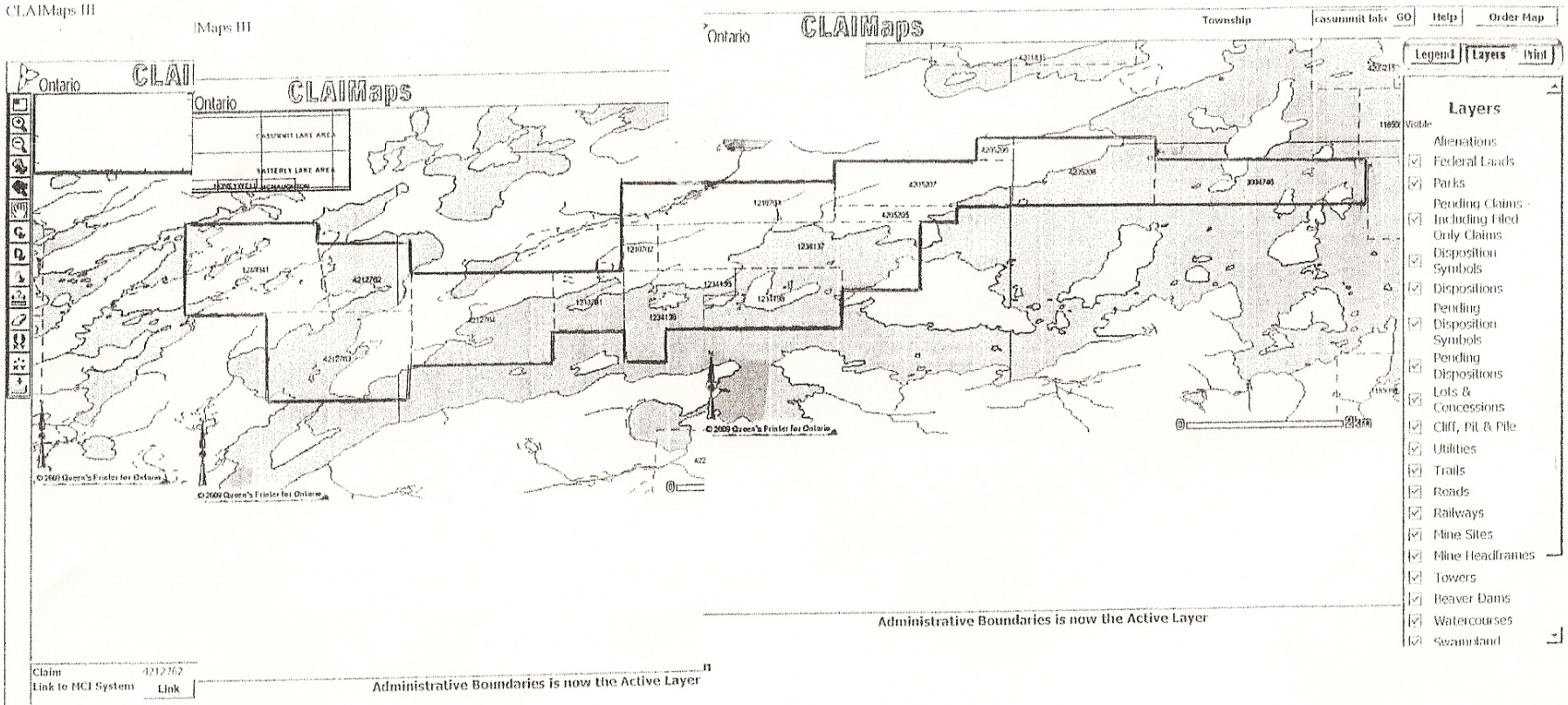
CLAIMaps III

IMaps III



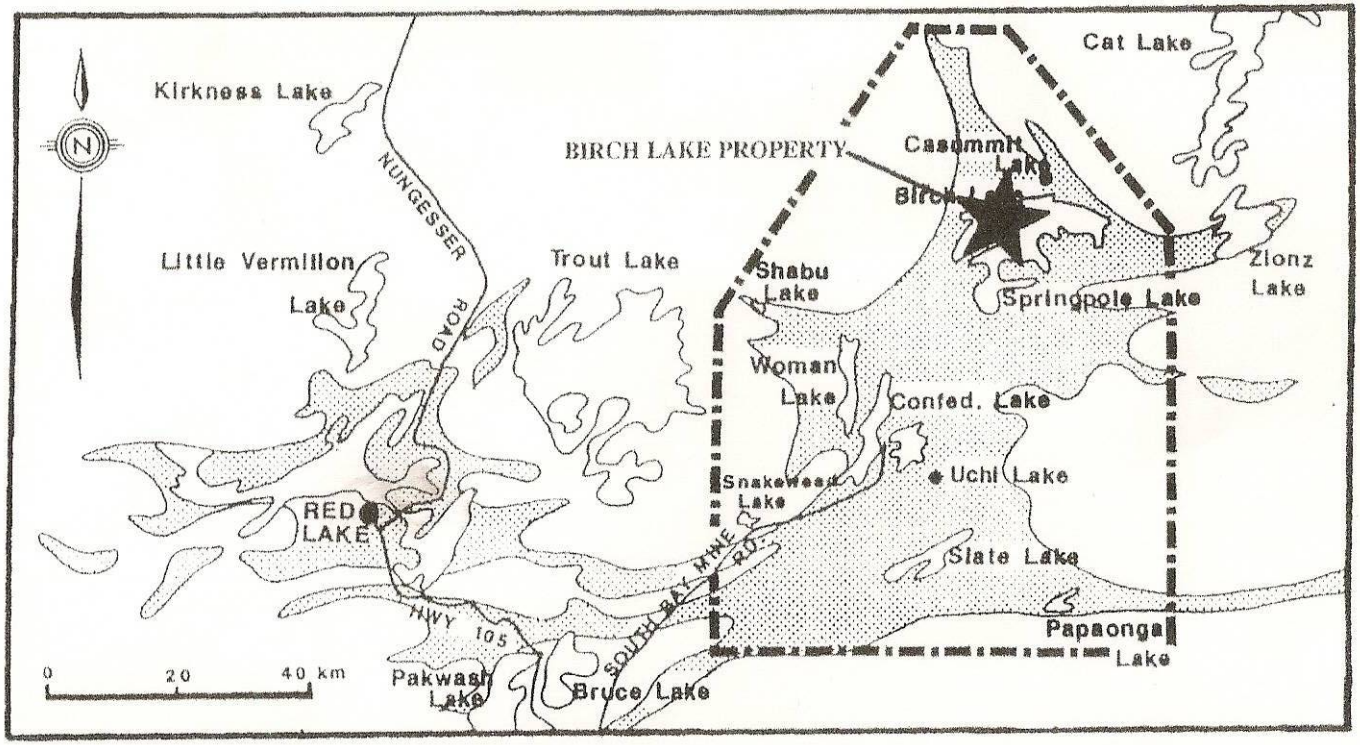
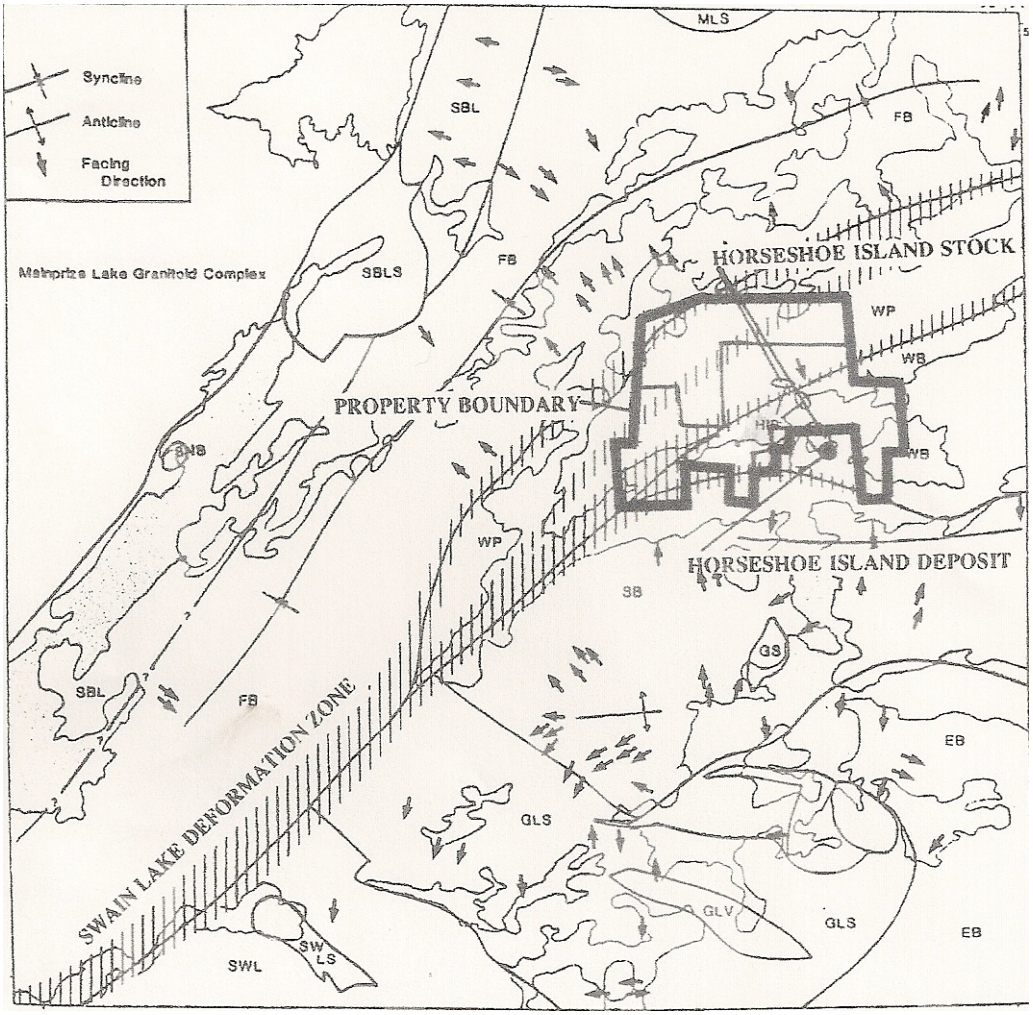


Figure 2 : Location Map of the Birch–Confederation lakes area.

Granitoid Rocks Supracrustal Rocks (metavolcanic–metasedimentary belts)

Limit of area included in this report


Syncline
Anticline
Facing Direction
Matheson Lake Granitoid Complex
MLS
SBL
FB
SBLS
HORSESHOE ISLAND STOCK
WP
WB
PROPERTY BOUNDARY
BNB
HORSESHOE ISLAND DEPOSIT
SB
GS
EB
SWAIN LAKE DEFORMATION ZONE
GLS
GLV
SWL
SW LS

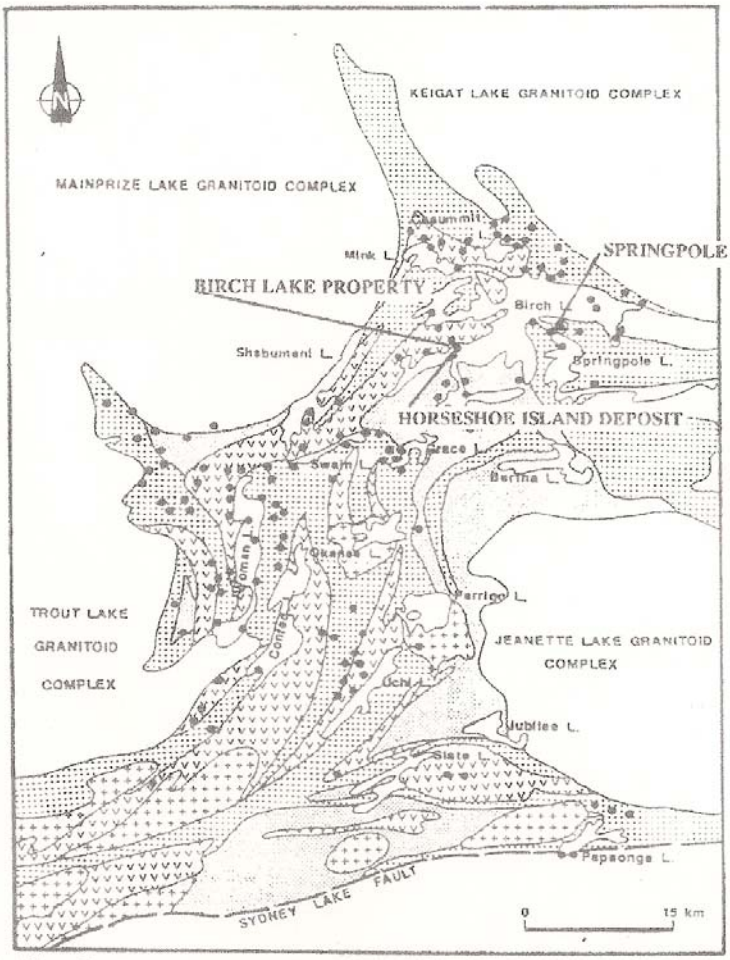


Figure 3 Simplified Geology and Gold Deposits of the Birch-Confederation lakes area

- Clastic sediments and iron formation
- Intermediate to felsic volcanics, clastic sediments and iron formation
- Mafic volcanics, gabbros, minor intermediate to felsic volcanics, clastic and chemical sediments
- Alkalic volcanic complex and carbonatite intrusion
- Late granitoid intrusions
- Granitoid complexes
- Gold deposits

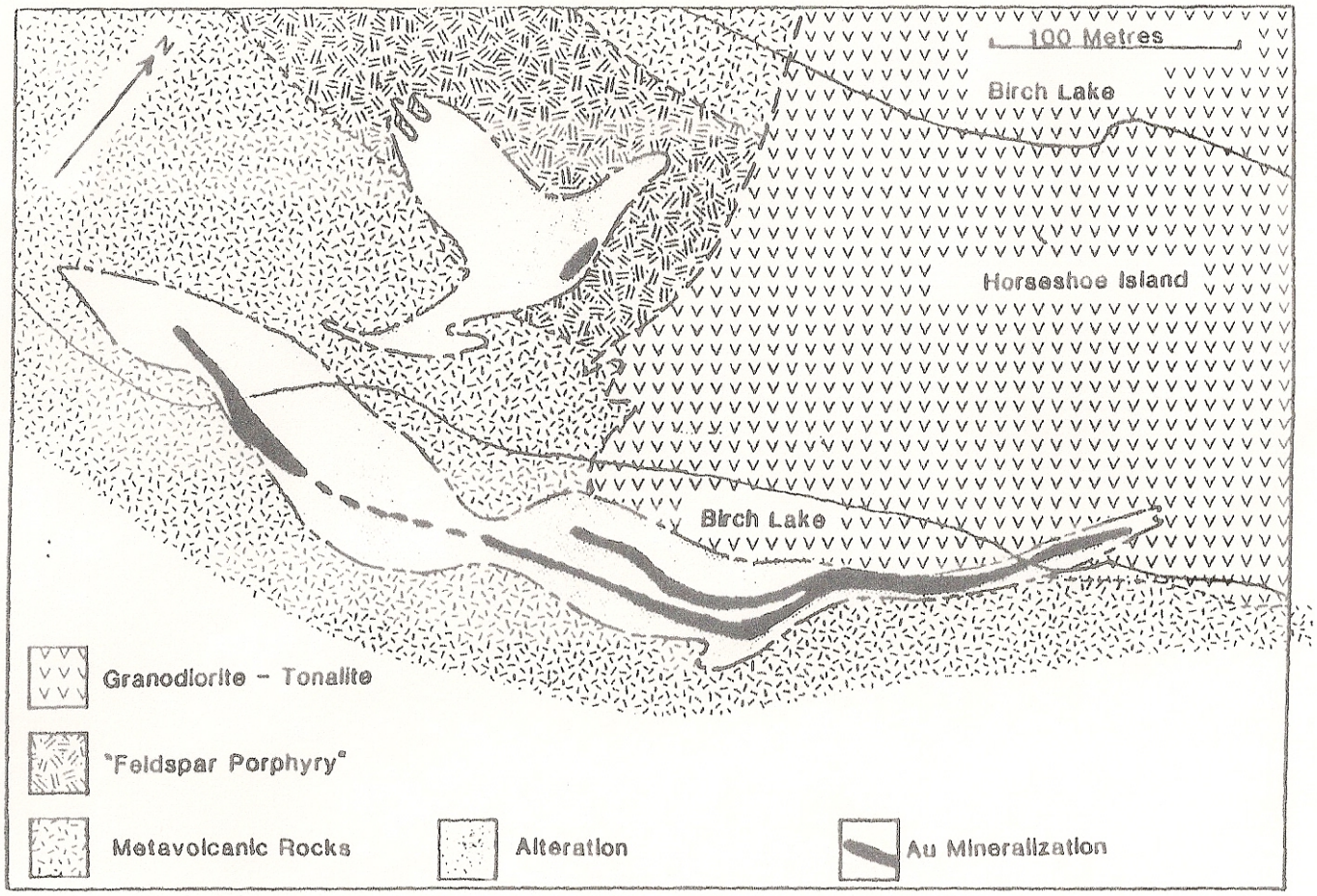


Figure 6

GENERAL GEOLOGY OF THE HORSESHOE ISLAND DEPOSIT

HORSESHOE ISLAND—CORE STORAGE AREA