Channel Resources Reports Drilling Results for Mankarga 1 and Mankarga 1-South Areas at Tanlouka Gold Project, Burkina Faso

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VANCOUVER, 08/31/12 - Channel Resources Ltd. ("Channel" or the "Company") (TSX VENTURE: CHU) is pleased to report on assay results from an exploratory 2,100 metre drilling program on the Mankarga 1 area at the Tanlouka Gold Project ("Tanlouka") in Burkina Faso, West Africa.

Channel designed this drilling program with two main objectives: (1) to determine the spatial orientation of high-grade structures discovered in 2010/2011 reverse circulation ('RC") drill holes on the Mankarga 1 target; and (2) to test the area south of Mankarga 1 ("Mankarga 1-South") for extensions of the Mankarga 5 structure into that area.

Mankarga 1

The locations and orientations of holes TAN12-DD72 through TAN12-DD75 and TAN12-DD83 were designed to twin or undercut RC holes drilled in 2010 and early 2011 that intersected mineralization in multiple high-grade zones. Earlier follow-up on these discovery holes with RC drilling was impeded by the fact that the complex structural characteristics of this target area could not be determined from RC-derived rock chips. The current program was conducted using oriented core drilling to provide an enhanced perspective on the structure and allow for a better interpretation and modeling of the area as an aid to orienting future drill programs.

Holes TAN12-DD72, TAN12-DD73, TAN12-DD74 and TAN12-DD75 were drilled as twins of TAN10-RC12, TAN10-RC10, TAN10-RC13 and TAN11-RC51 (results reported on January 12, 2011, September 8, 2010 and March 24, 2011) respectively for structural analysis. Most of the core-derived grade-thickness data from Mankarga 1 were generally consistent with those from their RC twins,, although varying degrees of smearing of high-grade mineralization and some contamination in the RC holes was evident.

Measurements from the oriented core indicate that mineralization in holes TAN12-DD73 and TAN12-DD74 is related to east-north-east and east-south-east trending structures that dip steeply to the north. Mineralization in hole TAN12-DD75, which is far more confined than indicated in its RC twin (TAN11-RC51), is contained in north-north-west trending zones that dip at approximately 70 degrees to the northeast. The down-dip extension of the mineralization in TAN12-DD75 is believed to be represented by the upper two intersections in TAN12-DD83. While the mineralized trends identified in holes TAN12-DD72, TAN12-DD73 and TAN12-DD74, suggest that these zones were adequately tested by bracketing RC holes, and found to be limited in scope, those intersected in holes TAN12-DD75 and TAN12-DD83 show continuity down dip and have potential for strike continuity. Accordingly, this trend will require follow-up exploration drilling at a later date.

Mankarga 1-South

Holes TAN12-DD77 through TAN12-DD82 were drilled along a north-south trending 1,300 metre stretch of ground south of Mankarga 1 to just north of the south end of the Mankarga 5 trend. This zone is characterized by a north-south trending gold-in-soil anomaly first defined in 1998 by a 500 metre by 100 metre regional soil grid that covers the eastern part of the Tanlouka permit. This anomaly forms a general 'V' shaped structure with the Mankarga 5 deposit located along its north-east trending arm, and the Mankarga 1 target in the middle of its north-west trending arm.

Drilling patterns have intersected a metasediment / metavolcanic contact zone that trends roughly north-northwest through the area and dips steeply westwards. Weak mineralization related to silicified zones and veins was intersected in both the metasediments (TAN12-DD77, TAN12-DD78, and TAN12-DD81) as well as in the metavolcanics (TAN12-DD78, TAN12-DD80, and TAN12-DD81) on either side of the contact. Hole TAN12-DD78 intersected an extensive zone (approx. 84 metres from 56 metres down-hole) of pervasively silicified metavolcanic rocks reminiscent of the more strongly mineralized zones within the Mankarga 5 structure; however, in TAN12-DD78, only relatively narrow and weakly mineralized intervals

were intersected. This limited drilling program in Mankarga 1-South has encountered prospective geology, indicative alteration and gold mineralization in close proximity to the Mankarga 5 deposit. Follow-up exploration drilling will be undertaken at a later date.

Detailed results from the eight holes reported in this release are presented in Appendix A to this release, and can be viewed on a drill hole location map presented on the Company's website at www.channelresources.ca/i/pdf/CHUmap083112.pdf. Please refer to Channel's drilling, sampling and assay reporting practices below the results table for further information on how the results are reported.

Exploration of the Tanlouka Project Advancing Quickly

Channel's activities at the Tanlouka gold project are focused on both advancing the Mankarga 5 deposit as quickly as possible through to feasibility and development, and demonstrating the exploration potential of the Mankarga 5 deposit and the remainder of the permit. The Company has recently reported on numerous work programs, including positive metallurgical testing on oxidized and non-oxidized samples from the Mankarga 5 deposit, and the maiden resource estimate for the Mankarga 5 deposit. The Company has also recently completed soil sampling programs on the Manesse and Tanwaka target areas to the north of the Mankarga Zone on the 79 square kilometre Tanlouka permit. Future drill programs and other exploration activities are being planned for Mankarga 5 and other targets on the Tanlouka permit, based on results of current programs and will be announced in due course.

Note re QA/QC Testing Procedures

Channel Resources Ltd. maintains a rigorous quality control program involving the use of duplicate samples and blanks and certified gold standards from an accredited Canadian laboratory in every batch of 20 samples. Core samples are assayed using standard fire assay techniques on a 50-gram charge with an atomic absorption finish by ACTLABS - Burkina Faso SARL in Ouagadougou, Burkina Faso. Samples assaying over 5.0 g/t Au were re-assayed gravimetrically. RC samples discussed in this release were assayed using standard fire assay techniques on a 50-gram charge with an atomic absorption finish at Abilab Burkina SARL (ALS Laboratory Group) in Ouagadougou. The drilling program was supervised by John Adams P.Geo., a qualified person as defined by NI 43-101, who has reviewed the contents of this news release.

Some of the statements contained herein are forward-looking statements, which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company are forward looking statements that involve various degrees of risk. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: changes in the price of minerals, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future profitability and the uncertainty of access to additional capital. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise. Further disclosure on risk factors is available in the Company's various corporate filings at www.sedar.com.

APPENDIX A - Significant Assay Results

Hole Number		Interval (metres) From	To	Intercept (metres)	Weighted Average Grade (g/t Au)
MANKARGA 1					
TAN12-DD72		63.2	65.0	1.8	1.08
Hole length 152.0m		67.0	69.5	2.5	13.69
-50 degrees/210 degrees azimuth	includes	68.65	69.0	0.35	91.3
Twin of Tan10-RC12		96.9	101.0	4.1	0.20
		102.5	105.5	3.0	0.25
TAN12-DD73		35.0	38.0	3.0	0.16
Hole length 152.0m		56.0	60.5	4.5	14.74
-50 degrees/180 degrees azimuth	includes	57.5	59.0	1.5	41.30
Twin of Tan10-RC10		62.0	74.0	12.0	6.03
	includes	62.0	63.5	1.5	31.40
	and	68.0	69.5	1.5	12.90
		80.0	93.0	13.0	1.65
TAN12-DD74		51.5	54.0	2.5	0.47
Hole length 146.0m		64.2	71.0	6.8	1.90
-50 degrees/180 degrees azimuth	includes	64.2	65.0	0.8	13.20
Twin of Tan10-RC13		78.5	83.0	4.5	0.78
		87.5	99.5	12.0	0.44
TAN12-DD75		28.5	30.0	1.5	5.95
Hole length 200.0m		32.0	36.0	4.0	0.25
-50 degrees/230 degrees azimuth					
Twin of Tan11-RC51					
TAN12-DD76		16.0	18.5	2.5	0.40
Hole length 155m		21.5	23.0	1.5	0.17
-50 degrees/214 degrees azimuth					

TAN12-DD83		64.1	65.0	0.90	4.36
Hole length 218m		75.5	90.5	15.0	0.85
-50 degrees/230 degrees azimuth	includes	81.9	82.1	0.2	12.1
		122.0	123.5	1.5	1.34
MANKARGA 1S					
TAN12-DD77		12.0	24.0	12.0	0.36
Hole length 200.0m					
-50 degrees/90 degrees azimuth					
TAN12-DD78		29.5	33.0	3.5	2.44
Hole length 200.0m		60.6	63.0	2.4	0.40
-50 degrees/90 degrees azimuth		67.5	70.5	3.0	0.92
		73.5	81.0	7.5	0.17
		95.0	96.5	1.5	0.55
TAN12-DD79		99.5	101.0	1.5	0.42
Hole length 161.0m					
-50 degrees/90 degrees azimuth					
TAN12-DD80		73.5	80.0	6.5	0.25
Hole length 164.0m		88.0	93.5	5.5	0.21
-50 degrees/90 degrees azimuth		99.5	102.5	3.0	0.37
TAN12-DD81		62.5	68.2	5.7	0.63
Hole length 176.0m		95.0	99.5	4.5	0.48
-50 degrees/90 degrees azimuth					

N.B. TAN12-DD82 (176.0 metres, -50 degrees/50 degrees azimuth) had no significant intersections

Drilling, sampling and reporting practices:

- All hole collars are set to dip at -50 degrees to their respective azimuths.
- Core holes are sampled geologically with a maximum sample interval of 1.5 metres.

- "Mineralized rock" is defined as rock with a grade of over 0.10 g/t Au.

- The amount of internal waste (i.e. with a grade of less than 0.10 g/t Au) included in a reported mineralized interval does not exceed 10%.

- No top cut has been applied to the individual grades before weighted average grades have been calculated.

- Unless otherwise stated, reported intersections are downhole lengths. True widths shall be determined

once geological modeling of the zone has been completed.

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

Contacts:

Channel Resources Ltd.
Colin McAleenan, President & CEO
604.684.7098

Channel Resources Ltd.
Cyrus Ameli, Senior Vice President
604.684.7098
604.684.7079 (FAX)
info@channelresources.ca
www.channelresources.ca