

CANLEY DEVELOPMENTS INC.

NEWS RELEASE

“CANLEY ANNOUNCES CORRECTIONS / REVISIONS TO MARCH 26, 2003 NEWS RELEASE ”

June 12, 2003

CDD: TSX-V

Canley Developments Inc. ("Canley") announces, after review by the TSX Venture Exchange ("Exchange"), certain corrections and revisions to the disclosure made in its news release dated March 26, 2003 ("News Release") announcing an agreement reached with Gold Mines of Sardinia Plc ("GMS") to option up to a 45% direct interest in the Furtei Gold Mine project ("Furtei Project"), which are detailed as follows:

- The transaction with GMS is at arm's length.
- The resource reported for the Furtei Project, has not been verified by Canley's qualified person, is not in compliance with National Instrument 43-101 ("NI 43-101") and is retracted. Investors are cautioned not to rely on this resource disclosure.
- The description of the exploration potential for the Furtei Project is amended, expanded and replaced with the following:

The Furtei mine complex and surrounding property has more than 13 high priority targets, identified by close spaced Micro Gravity and Self Potential Surveys within a 5 kilometer diameter volcanic center. The Bruncu Murdegu, Su Coru and Su Masoni targets have been tested by limited drilling, are within 70 meters of surface and are open to depth offering further exploration potential.

Bruncu Murdegu

Thirty eight holes were drilled in the BM area, of which 14 holes tested the mineralised zone. The 14 drill holes (total 1,419.5m) cover an area measuring 100m (E-W) x 150m (N-S), and were drilled between October 1997 and July 2000. One hole was a diamond drill hole (BMD 100), and the remainder were all Reverse Circulation drill holes. The zone is open to the north and south east. A representative summary of the mineralised intercepts are presented below:

Hole_ID	From	To	Au grams	Intervals(m)	Easting	Northing	Hole Length
BMD100	5.3	58.4	1.57	53.07	1495146	4376621	234.5
BMR100	0.9	27.1	3.59	26.18	1495167	4376631	71
BMR101	5.8	60.0	4.34	54.23	1495147	4376624	60
BMR104	4.9	15.1	1.24	10.21	1495188	4376638	80
BMR105	39.3	49.3	1.46	9.94	1495128	4376616	62
BMR106	31.3	74.1	2.63	42.84	1495145	4376634	122
BMR108	43.8	67.9	0.73	24.12	1495108	4376616	86
BMR109	29.0	42.0	1.04	13.08	1495166	4376661	140
BMR137	38.8	51.0	1.34	12.22	1495151	4376596	66
BMR138	42.2	46.9	1.18	4.68	1495162	4376578	51

Su Coru

Twenty five drill holes (7 RC, 18 Diamond) have intersected the Su Coru high sulphidation diatreme breccia pipe, which remains open to depth. The drilling was conducted between November 1998 and August 2000, and totalled 6417.1m. A representative summary of the drilling results are presented below;

Hole_ID	From	To	Au grams	Cu%	Intervals(m)	Hole_type	Easting	Northing	Hole Length
COD100	149.0	175.0	1.74	0.21	26.00	DD	1496841.3	4377291.5	221
COD107	177.0	187.0	1.25	0.31	10.00	DD	1496815.4	4377313.5	
COD110	117.0	182.0	6.91	2.90	65.00	DD	1496833.4	4377335.0	201.1
COD112	184.0	207.0	3.88	0.83	22.99	DD	1496842.0	4377312.0	231.1
COR104	83.8	92.9	0.00	0.62	9.07	RC	1496833.9	4377349.0	
CORD109	191.0	202.0	11.23	1.86	11.00	DD	1496803.9	4377314.0	236.5
ICD215	98.0	165.0	8.58	2.37	67.00	DD	1496839.8	4377341.0	
ICR232	97.0	116.0	1.74	0.92	19.00	RC	1496865.8	4377309.0	150
ICR238	104.0	107.7	4.87	2.85	3.73	RC	1496875.3	4377345.0	150
ICR240	124.7	140.1	0.77	0.52	15.38	RC	1496861.8	4377352.0	153

Su Masoni

A total of 55 drill holes (12 Diamond and 43 RC for a total of 4,538.25m) have tested the Su Masoni Au ± Cu deposit. Drilling took place sporadically between October 1990 to December 2002. A representative summary of the drill intercepts to date are presented below (only Cu intervals >0.1% shown):

Hole_ID	From	To	Au grams	Cu %	Intervals(m)	Hole_type	Easting	Northing	Hole Length
MAD100	73.0	109.0	1.21		36.00	DD	1497368.0	4377019.5	151.15
MAD106	79.0	86.0	15.73	2.85	7.00	DD	1497388.9	4376980.0	
MAM1	36.1	89.5	1.46		53.44	RC	1497389.0	4377001.5	104.4
MAR115	72.0	80.0	0.92		8.00	RC	1497379.3	4377004.0	110
MAR122	82.0	103.0	4.19	0.51	21.00	RC	1497377.1	4376979.5	116
MAR201	30.0	78.0	5.13	0.68	48.00	RC	1497367.1	4376989.5	102
MAR203	66.2	80.2	0.71		13.95	RC	1497371.3	4376994.0	
MAR204	30.0	98.0	2.12		68.00	RC	1497378.1	4377008.5	102
MAR208	44.0	57.0	7.03	0.30	13.00	RC	1497414.3	4377010.5	
MAR208	60.0	84.0	1.02	0.11	24.00	RC	1497407.4	4377019.0	120
MAR209	32.0	36.0	4.76		4.00	RC	1497416.5	4377022.5	60
SMD19	24.2	27.8	0.63		3.60	DD	1497299.8	4376926.0	106

- The resource reported for the Osilo district has not been verified by Canley's qualified person, is not in compliance with NI 43-101 and is retracted. Investors are cautioned not to rely on this resource disclosure.

- The channel sampling results quoted in the News Release at the locations Brunco de Didus, Amigo Furuni, Brunco sa Casa, Brunco Pisiguni and Brunco Murdego are stated as “widths”. The true widths are not available.
- The statement in the News Release referring to the potential for discovery and size of gold deposits does not comply with NI 43-101 Section 2.3 and is retracted.
- The paragraphs headed OSILO and Eastern Paleozoics are not in compliance with Part 2.2 of NI 43-101 and are retracted. The option agreement provides Canley the opportunity to select two areas, in addition to the Furtei Project, for which Canley may negotiate option agreements. The Osilo and Eastern Paleozoics areas are potential areas for such negotiations.
- The areas for which drill results and samples have been quoted herein and/or in the News Release have not been subject to any previous mining activities.

The Furtei Gold Mine project is located 40 kilometers north of Cagliari, the capital of Sardinia and is accessible by highway. The open pit operation consists of a full production facility capable of processing 1,000,000 tonnes of ore annually, freehold land and buildings and over 10 square kilometers of exploration property.

Any work or review of the technical data relating to the exploration potential at the Furtei Project has been performed by Richard Williams, P.Geo., a Qualified Person as defined in NI 43-101.

ON BEHALF OF THE BOARD OF DIRECTORS,

"Richard W. Warke"

President

The TSX Venture Exchange has not reviewed and does not accept responsibility
for the adequacy or accuracy of this News Release.