



**November 7, 2011**

**NEWS RELEASE**

Symbol: CXD-TSXV  
Frankfurt: A0MZ25

**CADAN ANNOUNCES MINING GROUP LIMITED TO ACQUIRE  
SIGNIFICANT INTEREST IN COMVAL PROJECT**

**CADAN RESOURCES CORPORATION (TSX-V: CXD and Frankfurt: A0MZ.25)** is pleased to announce that it has signed a binding Heads of Agreement with Mining Group Limited (ASX:MNE) (Mining Group or MGL) whereby Mining Group may acquire an 80% interest in the Comval copper-gold project located in the Compostella Valley, Philippines. Cadan will retain a 20% interest which is free and carried until the Mining Group has incurred a minimum of AUD\$48 million of expenditures on the Comval Project.

Pursuant to the terms of the Heads of Agreement, Mining Group may acquire an 80% interest in Philco Mining Corporation ("PMC") which holds exploration permits EP1 and EP2, comprising the Comval project, as well as assume the right to receive certain inter-corporate amounts owing by PMC to Cadan, by doing the following:

- paying AUD\$1,000,000 to Cadan to be advanced to Cadan as a secured loan. Upon MGL obtaining shareholder approval for the transaction and completing its due diligence reviews, the loan will be deemed repaid in full by crediting the loan amount towards the purchase price. In the event that the transaction with MGL does not proceed, the loan is repayable in 12 months plus accrued interest at the rate of LIBOR plus 2%. Cadan has granted MGL security over the shares of PMC and EP2 as security for the Loan;
- at closing, MGL will pay to Cadan a further AUD\$2,000,000 and issue of 2,600,000 fully paid ordinary shares of MGL;
- when (and if) MGL's share price trades at or above AUD\$1 for 30 consecutive days, MGL will issue to Cadan a further 2,600,000 shares; and
- subject to certain conditions being met within 24 months of closing of the Transaction (which period may be extended by up to a further 24 months) MGL will pay a further AUD\$1,000,000 to Cadan.



Upon closing of the transaction with MGL, Cadan will retain a 20% free carried equity interest in PMC, which cannot be diluted until MGL has expended AUD\$48 million in exploration and development costs on the Comval Project. Thereafter Cadan and MGL will be required to contribute to further costs in proportion to their interest or be diluted.

In addition to the above, on closing MGL will be granted an option to acquire an 80% interest in the Batoto Gold/ Silver project held by Cadan on the following terms:

- MGL must exercise the option within 9 months of closing; and
- if MGL exercises the option to acquire an 80% interest in the Batoto Gold/ Silver project, it must pay to Cadan: \$3,000,000; and issue a further 5,200,000 shares to Cadan.

Robert Butchart, President and CEO of Cadan stated “MGL together with its financiers is a group with the demonstrated capability of raising the significant funds that are required to properly explore and develop both the porphyry copper and the gold stock work assets at Compostela Valley. This represents an excellent opportunity for Cadan to retain a substantial interest in the project without having to contribute funding until the project is significantly advanced. Cadan will be able to focus its resources and efforts to the advancement of Cadan’s core asset, being the T’Boli gold-silver project and mine.”

Mr. Andrew Maurice, Managing Director of Mining Group, stated that “the proposed acquisition represents an exciting phase in the Mining Group’s growth and is consistent with the company’s objective of acquiring commercially significant mineral properties that can readily be brought into production. The Comval Project’s tenement area covers 4310 hectares, and has had over 24,000 metres of drilling completed, which we intend to review and reinterpret with the aim of defining a resource.”

The transactions are subject to various conditions precedent, including MGL obtaining shareholder approval and regulatory approval, and in the case of Cadan the acceptance of the TSX Venture Exchange.

On behalf of the board of directors,

*“Robert G Butchart”*

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Robert Butchart  
President / CEO

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*Neither the 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.*



### **Forward Looking Statements**

This news release may contain forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Particular risks applicable to this press release include risks associated with planned production, including the ability of the Company to achieve its targeted production outline due to regulatory, technical or economic factors. In addition, there are risks associated with estimates of resources, and there is no guarantee that a resource will have demonstrated economic viability as necessary to be classified as a reserve. There is no guarantee that additional exploration work will result in significant increases to resource estimates. The reader is referred to the Company's most recent annual and interim Management's Discussion and Analysis for a more complete discussion of such risk factors and their potential effects, copies of which may be accessed through [www.cadanresources.com](http://www.cadanresources.com) or the Company's page on SEDAR at <http://www.sedar.com>.