



**December 20, 2011**

**NEWS RELEASE**

Symbol: CXD-TSXV  
Frankfurt: A0MZ25

### **CADAN COMPLETES \$2.45 MILLION PRIVATE PLACEMENT**

**CADAN RESOURCES CORPORATION (TSX-V: CXD and Frankfurt: A0MZ.25)** is pleased to announce that it has completed the private placement of 16,370,000 common shares of the Company at a price of \$0.15 per share for total proceeds of \$2,455,500.

A total of 15 million common shares sold in the private placement were subscribed for by the Geologic Resource group of funds. Directors and officers of Cadan purchased a further 900,000 common shares sold in the private placement. All of the securities are subject to a hold period expiring April 15, 2012.

Proceeds from the private placement will be used for expenses associated with the continuing development of the Company's Philippines minerals properties and general working capital.

#### **Correction of December 9 News Release**

In its December 9, 2011 news release, Cadan provided a conceptual quantity and grade range for gold resource at its T'Boli Project which was incorrectly stated as "2-5 ounces". The correct number should have read "2-5 million ounces". The press release as corrected is updated and reproduced below.

The Company announces a proposed issue of convertible notes ("**Convertible Notes**") to raise between C\$2.5 million to C\$3.0 million ("**Convertible Note Issue**"). The Convertible Notes are to be issued to institutional and sophisticated investors introduced by Azure Capital Limited of Perth, Australia ("**Azure Capital**") as Lead Manager to the Convertible Note Issue. Azure Capital and its associated entities are also expected to be one of the primary investors in the Convertible Note Issue. A summary of the terms of the Convertible Notes is set out in Annexure A to this announcement. Closing of the Convertible Note Issue is subject to approval of the TSX Venture Exchange and is expected to occur on or about December 23, 2011.

The proceeds of the Convertible Note Issue, combined with the closing of the C\$2.45 million private placement announced above ("**Private Placement**"), would provide the Company with the necessary working capital to advance the on-going exploration and development activities at the Company's flagship T'Boli Project. Exploration and Lateral development is ongoing, while Cadan is waiting on mining permit to be approved.



The Company further wishes to note that it has posted its investor presentation which outlines further information on the Company's assets and development plan on its website, [www.cadanresources.com](http://www.cadanresources.com)

### **Company Strategy**

The Convertible Note Issue and Private Placement are the initial steps in a wider strategy which includes a proposed Dual Listing on the Australian Securities Exchange ("**ASX**") in the first half of 2012 ("**ASX Dual Listing**"). The strategy aims to recapitalize and reposition the Company among the investment community as it moves towards production at the high-grade, low cost T'Boli Project. Cadan believes that there is significant upside potential in the current T'Boli Project NI 43-101 compliant resource of 359,000 ounces of gold with potential for this to be increased by **2-5 million** ounces (based on conceptual quantity and grade calculations) through extensions along strike and at depth, as well as through the potential to discover or define new veins or regional deposits. Given this significant potential, coupled with the fact the Company is aiming to commence production at T'Boli during 2012, Cadan believes there is a significant gap between the underlying value of the Company's assets and its current market value.

A summary of the T'Boli resource calculation and regional potential quantity and grade range was provided in the Company's press release dated May 11, 2010. The potential quantity and grade range referenced above should be considered as conceptual in nature, and there has been insufficient exploration to define a mineral resource in accordance with National Instrument 43-101. It is uncertain whether further exploration will result in the regional targets being delineated as a mineral resource.

Cadan considers the proposed ASX Dual Listing as a potential means of helping to bridge this valuation gap by providing the Company with access to a broader range of potential investors as well as investors who are familiar with, and are strong supporters of, Asian-focused gold exploration and development companies. In addition, the ASX Dual Listing is expected to provide additional liquidity for the Company's shares and introduce a new range of institutional investors, including those that participated in the Convertible Note Issue, who are expected to provide ongoing support for the Company's future financing requirements.

The Company also wishes to note that it has posted its investor presentation which outlines further information on the Company's assets and development plan on its website, [www.cadanresources.com](http://www.cadanresources.com)

### **Expected Timing**

The Company intends to commence preparation of the documentation for the ASX Dual Listing in early 2012, with a view to be admitted to trading on the ASX during the first half of 2012, market conditions permitting and subject to the Company meeting the admission requirements of the ASX.



As previously announced, Azure Capital has been engaged as Lead Manager and Corporate Adviser in relation to the ASX Dual Listing.

### **Qualified Person**

Technical aspects of this news release were prepared and verified by William Donald Goode, a member of the AusIMM and Technical Director of Cadon Resources. He is the qualified person as required by NI 43-101, and is the technical person responsible for this news release.

On behalf of the board of directors,  
*"Robert G Butchart"*  
Robert Butchart  
President / CEO

For further information visit our website at [www.cadanresources.com](http://www.cadanresources.com) or email at [info@cadanresources.com](mailto:info@cadanresources.com) or contact:

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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.*



### Annexure A – Summary of Convertible Note Terms

Item	Summary
<b>Offering</b>	Canadian Dollar denominated Convertible Notes due December 2012 (“Notes”)
<b>Issue Date</b>	On or about 16 December 2011
<b>Maturity Date</b>	12 months from the Issue Date
<b>Issue Size</b>	C\$2.5 – 3.0 million
<b>Notes Issued</b>	2.5 – 3.0 million with a face value of C\$1.00 each
<b>Coupon</b>	10% per annum which shall be calculated on the total amount of the Notes and capitalized
<b>Conversion</b>	Conversion shall occur: <ul style="list-style-type: none"> <li>(a) on lodgment of a prospectus by the Company with ASIC and ASX in relation to a listing of the Company on ASX; or</li> <li>(b) at the election of the Noteholder at any time before Repayment</li> </ul>
<b>Repayment</b>	If Conversion does not occur, the Company shall repay the Notes on the earlier of: <ul style="list-style-type: none"> <li>(a) the Maturity Date;</li> <li>(b) a Change of Control of the Company, following the receipt of a notice from a Noteholder; or</li> <li>(c) after an event of default, following the receipt of a notice from a Noteholder</li> </ul>
<b>Rights on Conversion</b>	Upon conversion, a Noteholder shall be entitled to: <ul style="list-style-type: none"> <li>(a) 5 common shares of the Company for each Note held; and</li> <li>(b) 1 free attaching option for each share issued upon Conversion</li> </ul>
<b>Terms of Options</b>	Each option issued upon Conversion shall have an exercise price of C\$0.20 and shall expire on: <ul style="list-style-type: none"> <li>(a) the date which is 21 months after the Issue Date; or</li> <li>(b) the Maturity Date, if the options were issued prior to the Maturity Date but the Company has not obtained admission to the Official List of ASX</li> </ul>
<b>Change of Control</b>	If a Noteholder issues a repayment notice within 5 business days of a change of control, the Company is required to pay the Noteholder 105% x (face value + interest)
<b>Restrictions on Transfer</b>	The Notes are freely transferable. However, any shares or options issued upon Conversion which occurs within 4 months of the Note Issue Date shall be subject to a hold period under Canadian securities laws expiring on the date which is 4 months after the Note Issue Date.