



December 23, 2011

NEWS RELEASE

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CADAN COMPLETES CONVERTIBLE NOTE ISSUE

CADAN RESOURCES CORPORATION (TSX-V: CXD and Frankfurt: A0MZ.25) is pleased to announce that it has completed the convertible note issue to raise C\$2.5 million (“**Convertible Note Issue**”). The Convertible Note Issue comprised the issue of 2.5 million convertible notes each with a face value of C\$1 per note (“**Convertible Notes**”). The Convertible Notes were issued to institutional and sophisticated investors introduced by Azure Capital Limited of Perth, Australia (“**Azure Capital**”) as Lead Manager to the Convertible Note Issue. A summary of the terms of the Convertible Notes is set out in Annexure A to this announcement.

The proceeds of the Convertible Note Issue, combined with the recent C\$2.45 million private placement, announced on December 20, 2011, will provide the Company with the necessary working capital to advance the on-going exploration activities at the Company’s flagship T’Boli Project. Cadan is continuing to focus on exploration and lateral development along a number of vein systems at the T’Boli project. Cadan is also in the process of securing a mining license to permit production at the project.

The Convertible Notes and any securities issued on conversion thereof are subject to a four month hold period expiring April 24, 2012.

On behalf of the board of directors,
“*Robert G Butchart*”
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.



Annexure A – Summary of Convertible Note Terms

Item	Summary
Maturity Date	23 December 2012
Coupon	10% per annum which shall be calculated on the total amount of the Notes and capitalized
Conversion	Conversion shall occur: <ul style="list-style-type: none"> (a) on lodgment of a prospectus by the Company with ASIC and ASX in relation to a listing of the Company on ASX; or (b) at the election of the Noteholder at any time before Repayment
Repayment	If Conversion does not occur, the Company shall repay the Notes on the earlier of: <ul style="list-style-type: none"> (a) the Maturity Date; (b) a Change of Control of the Company, following the receipt of a notice from a Noteholder; or (c) after an event of default, following the receipt of a notice from a Noteholder
Rights on Conversion	Upon conversion, a Noteholder shall be entitled to: <ul style="list-style-type: none"> (a) 5 common shares of the Company for each Note held; and (b) 1 free attaching option for each share issued upon Conversion
Terms of Options	Each option issued upon Conversion shall have an exercise price of C\$0.20 and shall expire on: <ul style="list-style-type: none"> (a) the date which is 21 months after the Issue Date; or (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
Change of Control	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)
Commission Paid	C\$117,900 in cash