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NEWS RELEASE

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**CADAN ANNOUNCES MINING GROUP LIMITED SIGNS FORMAL AGREEMENTS
FOR 80% INTEREST IN COMVAL PROJECT**

CADAN RESOURCES CORPORATION (TSX-V: CXD and Frankfurt: A0MZ.25): Further to the company's announcement of November 7, 2011, Cadan is pleased to report that it has signed a formal share purchase agreement and facilitation agreement (the "Formal Agreements") 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% equity interest in the project, which is free carried until the Mining Group has incurred a minimum of AUD\$48 million of expenditures on the Comval Project.

The Formal Agreements provide Cadan with the right to acquire up to a 17% equity position in the Mining Group on a fully diluted basis, and the right to nominate two directors to MGL's board for so long as it holds at least 10% of the issued shares in MGL, below which it shall be entitled to nominate one director to MGL's board.

The terms of the Formal Agreements provide that Mining Group will acquire an 80% interest in Philco Mining Corporation ("PMC"), being Cadan's Philippine based affiliate which holds Exploration Permits 000001-XI and 000002-09-XI ("Project Tenements"), comprising the Comval project. Unless otherwise mutually agreed, closing is scheduled for January 17, 2012. ("Closing").

Terms for the acquisition of 80% of the Comval Project

The Formal Agreements contemplate that among other items, the following will occur at Closing:

- MGL will pay to Cadan a facilitation fee of AUD\$3,000,000 ("Facilitation Fee") and issue of 2,600,000 fully paid ordinary shares in MGL. AUD\$1,000,000 of the cash payment will be satisfied by applying the proceeds of a prior loan from MGL to Cadan in the same amount, and deeming the loan repaid;
- Cadan will be issued 2,000,000 ASX listed options in MGL, with an exercise price of AUD\$0.20 each, subject only to Cadan paying to MGL an aggregate issue price for the options of AUD\$0.01 per option (AUD\$20,000), which may be offset against the Facilitation Fee;
- Cadan will be issued 500,000 ordinary shares in MGL at a price of AUD\$0.20 per share subject only to Cadan paying to MGL the subscription price for the shares of AUD\$100,000, which may be offset against the Facilitation Fee;



- MGL and Cadan will enter into a Shareholders' Agreement setting out their respective rights as co-owners of PMC and certain provisions governing the management of the project. The Shareholders' Agreement will include the following key terms:

- MGL must incur AUD\$48 million in qualifying expenditures over a period of five years (the "Sole Funding Period"), and conduct required minimum activities in years 1 and 2 of the Sole Funding Period, as summarized below:

A. the qualifying activities for years 1 and 2 of the Sole Funding Period are as follows:

Year 1:

- no less than 10,000 meters of drilling on the Project Tenements;
- the completion of an initial JORC compliant statement of Mineral Resources (with an obligation to provide same in a NI 43-101 compliant format; and
- the completion of a Scoping Study, re-logging of existing data and reconfiguration of existing sampling.

Year 2:

- no less than 12,500 meters of drilling on the Project Tenements; and
- commencement or procurement of commencement of a definitive feasibility study relating to the Project.

B. Annual qualifying expenditures on the project must comply with a minimum expenditure condition as follows:

Year	Qualifying Expenditure (AUD\$)	Cumulative Qualifying Expenditure (AUD\$)
1	5,000,000	None
2	5,000,000	None
3	5,000,000	15,000,000
4	15,000,000	30,000,000
5	18,000,000	48,000,000

The cumulative qualifying exploration expenditures must be incurred, or funded in cash contribution to PMC in lieu thereof, within the time frames provided above, failing which MGL's interest will be diluted at the rate of 1.1% per AUD\$1 million in deficiency or part thereof. The time frames for incurring the cumulative qualifying expenditures may be extended by an additional year in certain limited circumstances related to delays in approvals or permits to the extent they are beyond the control of MGL.



Following the Sole Funding Period, Cadan and MGL will be required to contribute to further costs in proportion to their interests or their equity interest will be subject to dilution on a straight-line basis.

- Cadan will be initially entitled to nominate one director to the board of PMC (in addition to its right to nominate two directors to the Board of MGL); Various pre-emptive rights on sale or transfer of shares and minority shareholder protections relating to certain project decisions.

The Formal Agreements also provide that the following additional payments will apply:

- when (and if) MGL's share price trades at or above AUD\$1 for 30 consecutive days, MGL will pay a further facilitation fee to Cadan of 2,600,000 shares;
- subject to certain conditions being met within 24 months of Closing (which period may be extended by up to a further 24 months) MGL will pay a further facilitation fee of AUD\$1,000,000 to Cadan.

Closing of the transactions contemplated in the Formal Agreements is subject to various conditions precedents, including transferring certain assets of PMC to other Philippine entities affiliated with Cadan.

Option to Acquire 80% of the Batoto Gold/Silver Project

The Formal Agreements provide that on Closing Cadan will grant MGL 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;
- if MGL exercises the option to acquire an 80% interest in the Batoto project, it must pay to Cadan AUD\$3,000,000 and issue a further 5,200,000 shares of MGL to Cadan; and

If MGL exercises the option, it must also incur qualifying exploration expenditures of AUD\$30 million or have its interest diluted at the rate of 1.5% for each AUD\$1 million shortfall (or part thereof). MGL will free carry Cadan's 20% interest in Batoto until it has spent expended the qualifying exploration expenditures as follows:

Year	Qualifying Expenditure (AUD\$)
1	3,000,000
2	5,000,000
3	6,000,000
4	8,000,000
5	8,000,000



The parties have agreed to prepare and execute a separate agreement in relation to the Batoto Option.

On behalf of the board of directors,

“Robert G Butchart”

Robert Butchart, President / CEO

For further information visit our website at www.cadanresources.com , email: info@cadanresources.com or contact:

Robert Butchart
President / CEO

Email: butch.cadan@gmail.com

John D. Anderson
Chairman

Email: janderson@cadanresources.com

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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. There is no guarantee that the transactions referred to in this press release will close. There are numerous risks associated with exploration and development of mineral projects, including commodity prices, permitting issues, local conditions, ability to finance, and as a result there is no guarantee that the projects referred to above will ever be economically viable. 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 or the Company's page on SEDAR at <http://www.sedar.com>.