



NEWS RELEASE

Symbol: CXD-TSX.V

CADAN SIGNS BINDING TERM SHEET FOR USD6.4M DEBT FACILITY

January 11, 2016 - Vancouver, British Columbia – Cadan Resources Corporation (TSXV: CXD) (“Cadan” or the “Company”) announces it has signed a Binding Term Sheet with ResCap Investments Pty Ltd (ResCap) for a debt facility totaling US\$6.4m (approx. CAD\$8.51m) to be paid in stages over the next 12 months.

ResCap has completed due-diligence which included review of the mine plan, cash flow budget and a site visit. The execution of final documentation is expected to be completed prior to the end of January 2016.

Details of the debt facility include:

- Term of 3 years
- Annual interest rate of 12%
- Four staged payments based on agreed targets which include
 - Stage 1 – US\$500k – US\$700k within 6 weeks of signing the Binding Term Sheet.
 - Stage 2 – US\$600k – confirmation of sustainable production at 200 tonnes per day (tpd).
 - Stage 3 – US\$1.1m – subject to confirmation of planned increase in production to 400 tpd.
 - Stage 4 – US\$4.25m – subject to confirmation of maintainable production at 400 tpd.
- Cadan will provide full warrant coverage and issue 3 year detachable warrants on receipt of payments at each stage described above. The warrant prices will be the greater of \$0.065 and the prevailing market price of Cadan’s shares as funds are received for each stage, post Stage 1. All warrants to be issued are subject to TSX approval.
- Security – the debt facility will share first ranking security with Cadan’s existing secured debt holders.
- Production Royalty – Cadan will pay a 1.5% royalty once a minimum of USD500k has been received. The royalty remains in place until the loans have been fully repaid.
- Use of Funds
 - Stage 1 – Working capital for both the corporate and mine over the next 3 months.
 - Stage 2 – Repayment of a portion of existing notes.
 - Stage 3 – Capital to expand the T’Boli project to 400 tpd.
 - Stage 4 – Option to either repay further debt or grow/develop the existing asset base.

This facility provides Cadan with the short to medium term financial stability to not only get the T'Boli Project on track but allow it to grow and assist in the project finally achieving its potential. This is a significant milestone after what has been a very difficult and turbulent 2 years in very tough market conditions.

On Behalf of the Board,

Peter Main
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