

NEWS RELEASE

Symbol: CXD-TSX.V

T'Boli Mine update - Decline reaches first ore

September 22, 2016 – Vancouver, British Columbia – Cadan Resources Corporation (TSXV: CXD) (“Cadan” or the “Company”) announces the T'Boli mine decline has advanced 358m and reached first ore on the 540 level crosscut. This is a significant milestone for the Company which reestablishes mechanized access to the first of a series of sub-parallel, stacked, high-grade Gold and Silver enriched epithermal veins for the first time since 2014.

The next mineralized vein is expected to be intersected within two weeks at current mining rates, with ore drive development along three headings planned to commence in October 2016.

Cadan commenced the construction of a new portal and decline access at T'Boli at the start of 2016. The aim of this strategy is to resume underground mine production and processing at a rate of 200 tonnes per day. Following the commencement of ore stoping, which is expected during the December quarter, Cadan is targeting to achieve this production rate in the March quarter 2017.

In parallel, modifications are currently being made to improve the efficiency of the existing 72,000 tonne per annum CIL milling facility. The plant achieved design capacity of +200tpd in February and has been processing lower grade material and tailings at this level in recent months.

Ore mined from the underground development will be stockpiled until early 2017 in order to establish sufficient stocks of mined material to ensure the uninterrupted processing of higher grade material.

The first epithermal vein intersected by the underground development was encountered 27 vertical metres below the lowest level developed in a now decommissioned decline at T'Boli in 2014. The mineralized area was subjected to only wide-spaced diamond drilling and initial sampling of the area provides considerable confidence in relation to reconciliation with the revised geological and mine design model for T'Boli.

Channel sampling of the crosscut side walls by mine geologists that was assayed at T'Boli's on site laboratory returned results of:

- Western Sidewall: 4.8m at 5.35g/t Au
- Eastern Sidewall: 3.3m at 3.58g/t Au
- Average: 4.03m at 4.62g/t Au

Note about channel samples:

The mineralized structure dips approximately 65° to the south, and strikes nearly east-west. The crosscut cuts across the mineralised structure close to a right angle. Channel samples were collected from the east and west wall of the crosscut, approximately perpendicular to the dip. Reported lengths are apparent widths. The channels were taken by marking a horizontal sample line on the wall, and then chipping material from the wall close to the line. The samples were prepared and assayed at the T'boli minesite assay laboratory using 50g fire assay with gravimetric finish. The eastern channel was 3.3m long and was made up of four samples. The longest sample length was 1.2m and the shortest sample

length was 0.10m. Four assays were received, and ranged from 1.00g/t Au (sample length 1.0m) to 5.85g/t Au (sample length 1.2m). The western channel was 4.8m long. Six samples were collected and assayed. The sample lengths ranged from 1.0m in length to 0.4m in length. The assay results ranged from 12.20g/t Au (over 1m) to 1.22g/t Au (over 1m).

All silver results from the areas are still pending.

The resource model on which the T'Boli published mineral resource estimate is based models gold grades in this location within a range of 1.2 – 1.5g/t Au, highlighting the positive reconciliation achieved in this first area. A broader oxidized low grade (0.5 – 1.5g/t Au) zone of alteration has been identified through underground channel sampling extending past the main ore vein, which is in line with the current mineral resource model.

Development of the Main Decline to the 515 level continues in accordance with the revised mine design which has been prepared by CSA Global from Perth, Western Australia (“CSA Global”). A site inspection was completed by mining engineering and geological consultants from CSA Global in September 2016 to review progress to date and enable CSA Global to finalize the revised T'Boli Mine model. Cadan expects to receive the final version of the mine model by the mid October 2016. CSA Global's process will also include a revised resource reserve estimate which Cadan also expects to be in a position to release during October.

About CSA Global Pty Ltd

CSA Global is an independent mining, geological, technology and management consulting company servicing the international mining industry for more than 30 years. CSA Global provides multi-disciplinary services to resource industry clients worldwide from its offices in Australia, Indonesia, Singapore, South Africa, Russia, United Kingdom, United Arab Emirates and Canada.

For more information about CSA Global please refer to: www.csaglobal.com

Steve Rose, FAusIMM CP (Geo), a “Qualified Person”, within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects, has reviewed and approved the scientific and technical information contained in this news release.

On Behalf of the Board,

Peter Main
Interim President and CEO
petermain@hotmail.com

For further information visit our website at www.CadanResources.com; email us at info@CadanResources.com
Phone: 778-370-1372 Fax: 604-608-5442

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relating to the Corporation's entry into an agreement in respect of the right to earn a 50% undivided interest in the Property and the proposed terms thereof.

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