

# CAVAN VENTURES INC.

TSX Venture Symbol: CVN

[www.cavanventures.com](http://www.cavanventures.com)

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**FOR IMMEDIATE RELEASE**

***June 17, 2011, Vancouver, British Columbia***

## **CAVAN TO RAISE FUNDS FOR CROWN KING ARIZONA SILVER PROJECT**

**VANCOUVER, BRITISH COLUMBIA -- [Cavan Ventures Inc.](http://www.cavanventures.com) ("Cavan" or the "Company") (TSX VENTURE EXCHANGE: CVN)** is pleased to announce that, subject to regulatory approval, it intends to carry out a private placement (the "**Private Placement**") of an aggregate of up to 21.5 million subscription receipts of the Company (each, a "**Subscription Receipt**"). Each Subscription Receipt will be automatically converted into one unit of the Company (each, a "**Unit**") upon the satisfaction or waiver of certain escrow release conditions relating to the completion of the Company's previously announced acquisition of a participating interest in the Crown King Silver Project in Arizona, including TSX Venture Exchange approval thereof. Each Unit consists of one common share of the Company and one-half non-transferable common share purchase warrant of the Company, with each whole warrant entitling the holder thereof to purchase one common share of the Company for a period of eighteen months following closing of the Private Placement. The Company expects to raise gross proceeds of up to \$2,775,000 from the sale of the Subscription Receipts, such proceeds to be held in escrow and repaid, with interest, to subscribers if the escrow release conditions are not satisfied or waived within 180 days following closing of the Private Placement. The Private Placement is expected to close on or about July 6, 2011.

In connection with the Private Placement, the Company has engaged Portfolio Strategies Securities Inc. ("**PSSI**") to act as agent in connection with the issuance of up to 16 million Subscription Receipts on a commercially reasonable best-efforts basis (the "**Brokered Subscription Receipts**"), provided that PSSI may, at its option, purchase a portion or all of the Brokered Subscription Receipts. The Brokered Subscription Receipts will be offered at a subscription price of \$0.125, with a warrant exercise price of \$0.18. Further, the Company has granted PSSI an option (the "**Over-Allotment Option**") to offer an additional number of Brokered Subscription Receipts equal to 15 per cent of the number of Brokered Subscription Receipts sold under the Private Placement, effective upon receipt of subscriptions for Brokered Subscription Receipts that result in gross proceeds equal to or exceeding \$2,000,000 and exercisable at any time up to 48 hours prior to closing of the Private Placement. If the Over-Allotment Option is exercised in full, the Company expects to receive additional gross proceeds of \$300,000. As

compensation for acting as agent, PSSI will receive a commission equal to 8 per cent of the gross proceeds from the Brokered Subscription Receipts sold (including, if applicable, the Over-Allotment Option), and compensation warrants to purchase a number of common shares equal to 8 per cent of the Brokered Subscription Receipts sold under the Private Placement (including, if applicable, the Over-Allotment Option), exercisable for a period of 24 months from the date of closing of the Private Placement at an exercise price of \$0.18. Notwithstanding and in lieu of the foregoing, PSSI will receive a commission equal to 3 per cent of the gross proceeds from the Brokered Subscription Receipts sold to subscribers sourced from a president's list provided by the Company to PSSI (the "**President's List**"), and compensation warrants to purchase a number of common shares equal to 3 per cent of the Brokered Subscription Receipts sold to subscribers sourced from the President's List. The Company has also agreed to pay certain of PSSI's expenses in connection with the Private Placement. PSSI's engagement in connection with the Private Placement remains subject to its due diligence review to be conducted prior to the date of closing.

In addition, under the Private Placement, 3 million non-brokered Subscription Receipts will be offered at a subscription price of \$0.125, with a warrant exercise price of \$0.18, and 2.5 million non-brokered flow-through Subscription Receipts will be offered at a subscription price of \$0.16, with a warrant exercise price of \$0.22.

The securities issued under the Private Placement will be subject to a statutory hold period which will expire four months and one day from the closing date in accordance with the rules and policies of the TSX Venture Exchange and applicable Canadian securities laws and such other further restrictions as may be applicable. The net proceeds of the Private Placement are expected to be used toward mineral exploration activities, including the exploration and development of the previously announced Crown King Silver Project in Arizona, which remains subject to TSX Venture Exchange approval, and for general corporate working capital.

As a result of the Private Placement, the Company has determined not to proceed with its private placement previously announced by news release dated May 10, 2011.

### **About Cavan**

Cavan Ventures Inc. is a Vancouver based TSX Venture Exchange-listed junior mining company with acquisitions in Canada and Arizona, USA. The Company's vision is to become a globally diversified resource company with strong focuses in gold, silver, and rare earth elements. Cavan strives to become a mid-tier producer through the acquisition and development of domestic and international mining properties.

On behalf of the Board of Directors:

**"Andrew Mah"**

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For further information please visit our website at [www.cavanventures.com](http://www.cavanventures.com)

This news release contains certain forward-looking statements that reflect the current views and/or expectations of Cavan with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary significantly. 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.

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