

NEWS RELEASE

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June 24, 2008

TSX Venture Symbol: CVN

Cavan Ventures Inc. Announces MOU with Zhangjiajie XiangTie Mining Ltd.

Cavan Ventures Inc. (“Cavan”) is pleased to announce that we have entered into a Memorandum of Understanding with Zhangjiajie XiangTie Mining Ltd. (the “XiangTie Mining”) of Zhangjiajie, Hunan in the People’s Republic of China (the “PRC”), confirming our intentions to form a Joint Venture company to explore China’s Qingfeng Creek Iron Ore Mine (“the Iron Ore Property”).

The Joint Venture company will hold the sole and exclusive exploration and mining right to Qingfeng Creek Iron Ore Mine, located in the province of Hunan, which is 24 km from the town of Shangzhi and 41 km from the city of Zhangjiajie in the Qingfeng Creek village.

Under the terms of the MOU, in the form of loan and/or equity, Cavan will invest up to a total amount of RMB 50 million (approximately CAD 7.5 million) to secure a 51% interest in the Joint Venture company. Of the possible total amount of RMB 50 million, a maximum of RMB 30 million (approximately CAD 4.5 million) will be invested so that XiangTie Mining will agree to assign to the Joint Venture company the sole, exclusive, irrevocable exploration and mining right for the Property’s mineable reserve of 10 million metric tons of iron ore, and a maximum of RMB 20 million (approximately CAD 3 million) will be used to fund the operating costs. At closing, XiangTie Mining will receive no less than RMB 10 million and Cavan will own 51% of the Joint Venture company with an option to acquire the remaining 49% for publicly traded common shares. In addition, Cavan will provide an initial amount of RMB 1 million in a bank account of a subsidiary of Cavan, with one signatory represented by Cavan and the only other signatory represented by XiangTie Mining.

The Iron Ore Property

The Property in total is 0.577 km² located in the Town of Shangzhi of Hunan Province in the PRC. Although not in compliance with current NI 43-101 resource estimation standards, based on historical sample data, the technical report from the PRC’s Hunan Provincial Government Bureau of Mines Investigation and Development (the “Bureau of Mines”) indicated the mine has an iron reserve of approximately 10.218 million metric

tons, covering an area of 867,690 square meters. There is high potential of iron ore mineralization, namely hematite, in this geographic region that remains to be explored around the Iron Ore Property, according to the Bureau of Mines' report in April 2006. However as per NI 43-101 section 4.2(2b), a qualified person has neither reviewed this material nor done sufficient work to classify the historical estimate as current mineral resources; the issuer is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.

Iron Ore Market Outlook

The main driving force of the market is continued disruption on the supply side of the iron ore. According to the EconStat, the iron ore fines' price has increased from USD 75 per metric ton in January 2007 to February 2008's USD 196 per metric ton, almost a 300% increase in slightly over a year. Recently, two of the largest iron ore producers were fighting over an increase of 85% to 95% in iron ore prices for their Chinese steel-maker customers.

The final Joint Venture Agreement is subject to the completion of due diligence, the approval of Cavan's Board of Directors, Cavan's shareholders and all required regulatory approvals, including that of the TSX Venture Exchange.

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.

The TSX Venture Exchange (the "Exchange") has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Closing of this transaction is subject to Exchange approval.

Cavan is a public mineral exploration company based in Vancouver, British Columbia trading on the TSX Venture under the symbol, CVN. Cavan's main business objective is to build a portfolio of mineral properties with a focus on advancing quality properties to the production stage. For further information, please view Cavan's website at www.cavanventures.com or call 604-628-5875.

On behalf of the Board of Directors,
CAVAN VENTURES INC.:

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