

CAVAN VENTURES INC.

TSX Venture Symbol: CVN

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FOR IMMEDIATE RELEASE

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CAVAN PROVIDES UPDATE ON PROPOSED FINANCING

VANCOUVER, BRITISH COLUMBIA -- [Cavan Ventures Inc.](http://www.cavanventures.com) ("Cavan" or the "Company") (TSX VENTURE EXCHANGE: CVN) announced today that due to challenging market conditions, it has restructured its previously announced proposed financing. Under the restructured financing, Cavan intends to carry out a private placement (the "**Subscription Receipt Private Placement**") of up to 16 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. Each whole warrant will entitle its holder to purchase one common share of the Company for a period of eighteen months following closing of the Subscription Receipt Private Placement. The Company expects to raise gross proceeds of up to \$2,000,000 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 Subscription Receipt Private Placement.

In connection with the Subscription Receipt Private Placement, the Company has engaged Portfolio Strategies Securities Inc. ("**PSSI**") to act as agent in connection with the issuance of the Subscription Receipts on a commercially reasonable best-efforts basis. PSSI may, at its option, purchase a portion or all of the Subscription Receipts. The Subscription Receipts will be offered at a subscription price of \$0.125, with each whole common share purchase warrant having an exercise price of \$0.18. Additionally, the Company has granted PSSI an option (the "**Over-Allotment Option**") to offer an additional number of Subscription Receipts equal to 15 per cent of the number of Subscription Receipts sold under the Subscription Receipt Private Placement. The Over-Allotment Option is exercisable by PSSI at any time up to 48 hours prior to closing of the Subscription Receipt Private Placement if the Subscription Receipt Private Placement is fully subscribed. 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 cash commission equal to 8 per cent of the gross proceeds from the Subscription Receipts sold (including, if applicable, under the Over-Allotment Option), and compensation warrants ("**Compensation Warrants**") to purchase a number of common shares equal to 8 per cent of the Subscription Receipts sold under the Subscription Receipt Private Placement (including, if applicable, under the Over-Allotment Option). The Compensation Warrants are exercisable for a period of 24 months from the date of closing of the Subscription Receipt Private Placement at an exercise price of \$0.18. Notwithstanding the foregoing, the Company has the option of submitting a list of subscribers to PSSI sourced by the Company (the "**President's List**"). Compensation payable to PSSI in connection with Subscription Receipts sold to subscribers on the President's List shall consist of a cash commission equal to 3 per cent of the gross proceeds raised from the sale of such Subscription Receipts, and Compensation Warrants to purchase a number of common shares equal to 3 per cent of such Subscription Receipts sold. The Company has also agreed to pay certain of PSSI's expenses in connection with the Subscription Receipt Private Placement. PSSI's engagement in connection with the Subscription Receipt Private Placement remains subject to its due diligence review to be conducted prior to the date of closing.

Concurrently with the Subscription Receipt Private placement, the Company will be offering 3 million Units (the "**Non-Brokered Units**") in a non-brokered private placement (the "**Non-Brokered Unit Private Placement**") for aggregate gross proceeds of up to \$375,000. The Non-Brokered Units will be offered at a subscription price of \$0.125, with a warrant exercise price of \$0.18. The Company may engage one or more finders in connection with the sale of the Non-Brokered Units. Any finder(s) engaged by the Company may receive a cash commission equal to 8 per cent of the gross proceeds raised from the sale of Non-Brokered Units placed by them, and compensation warrants to purchase a number of common shares equal to 8 per cent of the Non-Brokered Units sold under the Non-Brokered Unit Private Placement. The Compensation Warrants are exercisable for a period of 24 months from the date of closing of the Non-Brokered Unit Private Placement. The gross proceeds from the Non-Brokered Unit Private Placement are not subject to any escrow conditions.

In addition, the Company will be conducting a private placement (the "**Non-Brokered Flow-Through Unit Private Placement**") of 2.5 million non-brokered flow-through units (each a "**Flow-Through Unit**") for aggregate gross proceeds of up to \$375,000. Each Flow-Through Unit will consist of one common share to be issued as a "flow-through share" for the purposes of the *Income Tax Act* (Canada), and one-half common share purchase warrant. Each Flow-Through Unit, previously priced at \$0.16, will be offered at a subscription price of \$0.15, with a warrant exercise price of \$0.20. The Company may engage one or more finder(s) in connection with the sale of the Flow-Through Units on substantially the same terms and conditions offered to finder(s) in the Non-Brokered Unit Private Placement. The Compensation Warrants are exercisable for a period of 24 months from the date of closing of the Non-Brokered Flow-Through Unit Private Placement. The gross proceeds from the Non-Brokered Flow-Through Unit Private Placement are not subject to any escrow conditions.

The Company expects to raise aggregate gross proceeds of up to \$3,050,000 from the sale of the Subscription Receipts, the Non-Brokered Units and the Flow-Through Units, and an additional \$300,000 if the Over-Allotment Option is exercised. The net proceeds from the Subscription Receipt Private Placement and the Non-Brokered Unit 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 working capital and general corporate purposes. The net proceeds of the Non-Brokered Flow-Through Unit Private Placement will be used in connection with exploration activities on the Company's mineral properties located in Canada.

The securities issued under the Subscription Receipt Private Placement, the Non-Brokered Unit Private Placement and the Non-Brokered Flow-Through Unit Private Placement (collectively, the "**Financing**") 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 Financing remains subject to receipt of all necessary approvals, including approval from the TSX Venture Exchange.

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:

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For further information please visit our website at 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.
