

## CANADIAN MINING COMPANY INC.

**\$0.11; CNG: TSX-V**  
**52-Week Range: \$0.135-\$0.03**

### RAQUEL PROJECT DEAL WITH MAYEN MINERALS

Canadian Mining Company Inc. has announced an agreement with Mayen Minerals Ltd. (TSX-V:MYM.P), whereby Mayen has been granted an option to earn up to an undivided 60% interest in Canadian Mining's Raquel 3/Raquel 3B project in Sonora, Mexico.

The option was granted by Canadian Mining through the Company's wholly-owned Mexican subsidiary Canmin Mexico S. A. de C. V. to Mayen through its wholly-owned Barbados subsidiary Minmay Corp.

#### **The Terms**

Mayen, through Minmay, has the option to acquire up to a 60% interest in the project by spending a total of US\$1,400,000.

- (1) Minmay will earn a 25% undivided interest by incurring exploration expenditures of not less than US\$300,000 on or before the sixth month of TSX Venture Exchange acceptance of the option agreement (the "effective date").
- (2) Minmay will have the option to earn a further 25% interest in the project, for a total undivided interest of 50%, by incurring additional expenditures of not less than US\$600,000 on or before the 18<sup>th</sup> month anniversary of the effective date.
- (3) A further 10% undivided interest in the project can be earned by Minmay by incurring not less than an additional US\$500,000 on or before the 24<sup>th</sup> month anniversary of the effective date.

Minmay will have the right to accelerate the exploration expenditures and thus earn the interest in the project earlier.

#### **Net Smelter Return Royalty**

The property is subject to a 2% net smelter royalty (NSR) in favour of Canadian Mining. After the exercise of the 60% interest, Minmay will have the right at any time to purchase 1% of the NSR for a cash payment to Canadian Mining of US\$200,000, and the remaining 1% of the NSR for a cash payment to Canadian Mining of US\$1,000,000.

#### **Joint Venture**

In the event of Mayen earning its final interest in the project, Minmay and Canmin will enter into a joint-venture agreement for the continued development of the project. Each party's interest in the joint venture will be pro-rata to their respective interest and will be subject to dilution for non-contribution.



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### **Raquel 3 and Raquel 3B**

The project is in the prolific Alamos mining district in Sonora, Mexico. Raquel 3/Raquel 3B are two claim blocks of about 10,927 hectares. A work program has been completed by Canadian Mining over the Raquel 3 portion of the property (recommended in an NI 43-101 compliant technical report of April 2, 2008), and Mayen is finalizing an updated NI 43-101 technical report for the property.

**COMMENT:** *The option agreement with Mayen Minerals Ltd. allows the Company to further advance its Raquel 3/Raquel 3B project without diluting its stock. Although Canadian Mining does not receive any cash, Mayen could acquire up to a 60% interest in the project by spending \$1.4 million on exploration expenditures on the project over the next two years. Given the three-tranche arrangement, we believe that Mayen would do so only if the value of the project increases concomitantly.*

For more on Canadian Mining's properties, see eResearch's May 27, 2009 *Information Report* on the Company, available at [www.eresearch.ca](http://www.eresearch.ca).

### **THE COMPANY**

Canadian Mining Company Inc. is engaged in the exploration and development of precious and base metals in Arizona (USA) and Sonora (Mexico) and the exploration, development and production of industrial minerals in British Columbia (Canada). The Company is focused on mineral assets that are low-risk and high-reward in areas of anomalous geology with significant potential and limited political risk.

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