



COMPANY ANNOUNCEMENT

CANGOLD DISCOVERS GOLD ZONE AT LOS VENADOS

13 December 2007 : CANGOLD LIMITED (TSX-V: CLD, the “Company”) announced yesterday that a gold bearing zone has been discovered on the 3,200 hectare Los Venados project, adjacent to the Mulatos Mine of Alamos Gold Inc., in south eastern Sonora State, Mexico. Initial chip and grab sampling of silica vein material on the Duraznito Zone resulted in 20 of 35 samples returning significant gold values greater than 0.1 g/t, nine of the 20 assaying greater than 1.0 g/t and one sample assaying 50.9 g/t gold. The dimension of the area sampled to date is approximately 120 metres long by 65 metres wide.

The aforementioned samples were taken from multi-directional quartz vein swarms hosted along a contact between Tertiary age andesite tuff and porphyritic dacite volcanics. These units are host to more than four square kilometres of intense argillic and silica alteration which is presently being systematically mapped and sampled (approximately 20% complete - see geology and sample maps on the Cangold web-site at www.cangold.ca). Geological field evidence and initial PIMA analysis (to classify the argillic alteration) indicates that the alteration is high-sulfidation epithermal in nature, similar to that on the adjacent Mulatos Mine project.

Los Venados lies within the emerging Mulatos gold mining district - a 15-20 kilometre long northwest trending belt of strong hydrothermal alteration and gold mineralization in Tertiary volcanic rocks within the Sierra Madre Mountains. The target at Los Venados is a high sulphidation epithermal gold deposit amenable to open pit mining and heap leaching, similar to Alamos Gold Inc.'s (AGI: TSX) Mulatos gold deposit, which contains a global resource of 3.71 million ounces at a 0.5 g/t Au cut-off grade (Alamos Gold website). The southern boundary of the Los Venados claim is located within 1,500 metres of the Estrella open pit, which contains Proven & Probable Reserves of 31,900,000 tonnes at a grade of 1.64 g/t Au for a total of 1,683,000 ounces of gold.

Samples were assayed by SGS in Durango, Mexico. Robert F. Brown, P.Eng and Vice President of Exploration for the Company, is the Qualified Person for the Los Venados Project, under the meaning of NI43-101, and has reviewed these results. Cangold can acquire a 100% interest in the Los Venados property by making staged cash payments totalling CDN\$250,000 and issuing 500,000 shares over 5 years. The acquisition is subject to a 2% NSR, half of which can be purchased for CDN\$500,000.

Mining Projects Group Limited (MPJ) holds approximately 5.78 million shares in Cangold.

On Behalf Of The Board

Richard Revelins
Director