



COMPANY ANNOUNCEMENT

CANGOLD ACQUIRES OPTION ON GOLD PROJECT IN SONORA, MEXICO:

ROCK CHIP SAMPLES UP TO 7.62 G/T GOLD

20 November 2007 : CANGOLD LIMITED (TSX-V: CLD, the "Company") announced on 16 November 2007 that it had, through its Mexican subsidiary, signed an Option Agreement to acquire a 100% interest in the Plomo property located within the Sonoran "Golden Triangle", a prolific gold belt extending through northern Sonora and into southern California and Arizona. Examples of gold deposits within this belt include La Herradura (Mexico's largest gold mine), La Choya, and El Chanate in the Caborca region of northwestern Sonora, and Mesquite and Picacho in the Yuma area of southwestern Arizona and southeastern California.

The 4,279 hectare Plomo project lies within the Altar desert of northwestern Sonora, approximately 320 kilometres northwest of Hermosillo and 52 kilometres northwest of Caborca by paved highway. The eastern boundary of the Plomo claim is within 4 kilometres of the highway and access around the property is excellent via secondary all weather roads. Historical dry placer workings have been noted on the property and, to date, three zones of alteration and mineralization have been located in outcrop. Two have past gold mining activity along low angle shears. The third area has extensive and strongly micro-fractured and brecciated quartz float and outcrop with hematite and rare copper staining that has been traced for approximately 1.5 kilometres by approximately 300 metres wide. Limited grab and chip channel sampling of this third area by Cangold has returned gold values ranging from trace to 7.62 g/t, with 5 of 9 samples returning anomalous gold results greater than 0.1 g/t. Cangold has commenced detailed grid mapping and sampling of the main quartz-hematite zone in order to quickly bring this zone to the drilling stage.

The Mojave-Sonora Megashear (MSM), a northwest-trending left-lateral, Jurassic, strike slip fault zone extending for hundreds of kilometres through northern Sonora, is interpreted to transect the project area. Many of the gold mines and prospects in Sonora occur within or are adjacent to the boundary of this regionally extensive structure. The target at Plomo is a low grade, high-tonnage fault-related gold deposit amenable to open pit mining and heap leaching, similar to the Peñoles/Newmont La Herradura gold deposit which lies 75 kilometres to the northwest and contains a global resource of 104,063,824 tonnes averaging 0.84 g/t gold (Peñoles 2006 Annual Report). The MSM, a mylonitic zone up to 5 kilometres wide, hosts many zones of mesothermal gold mineralization thought to have extensive strike length and related parallel zones.

Cangold can acquire a 100% interest in the Plomo property by making staged cash payments totalling CDN\$100,000 and issuing 700,000 shares over 5 years, subject to a 2% NSR, half of which can be purchased for CDN\$500,000. The Company will also issue to the vendor 500,000 warrants priced at \$0.50 and valid for a two-year period from the date of the signing of the agreement. The acquisition is subject to regulatory approval.

Robert F. Brown, P.Eng. and Vice-President of Exploration for Cangold, is designated as the Qualified Person for the Plomo Project under the meaning of NI 43-101 and has reviewed this news release.

Mining Projects Group Limited currently holds approximately 5.78 million shares in Cangold.

On Behalf Of The Board

Richard Revelins
Director