



Dear Shareholders,

I am pleased to report that Acadian Mining Corporation has completed several very important restructuring activities during the last year, and we are now positioned to focus our efforts on the exploration and development of our gold properties.

The most important milestone achieved was the rationalization of the Company's large asset portfolio. In February, 2011, Acadian entered into an agreement to sell its zinc and lead interests by disposing of the shares of its wholly owned subsidiary, ScoZinc Ltd. The transaction is expected to close by the end of May, 2011. The successful conclusion of this sale will be the culmination of several months of negotiations and due diligence activities. In addition, Acadian anticipates that a significant equity financing with a new strategic investor, China Metallurgical Exploration Corp., will be completed in June of this year. Completion of these two transactions will result in Acadian having the necessary funding to advance exploration and development activities on its highly prospective gold properties.

#### *Gold Projects*

Acadian's Fifteen Mile Stream gold project is viewed as one of its most important properties. However, other projects have also been prioritized for significant exploration activities in the immediate future, including Beaver Dam, Golden Seal, and the FMS Trend.

Gold resources have been defined at both the Fifteen Mile Stream and Beaver Dam properties, and both projects are believed to have significant potential to be developed as open-pit gold mines. Acadian plans to commence its first exploration drilling program on the Fifteen Mile Stream project during the summer of 2011. The initial 4,000 metre drill program is expected to further define the near surface gold potential that has never been adequately tested in the past, and it is expected that considerable gold mineralization will be encountered in this area.

The Golden Seal project lies directly on trend with the Goldboro project in eastern Nova Scotia, where a large gold resource has been defined by a third party. The gold bearing trend defined at Goldboro extends onto Acadian's large land package, and this area hosts very good potential for a new discovery.

The FMS Trend is an extensive and prospective region that hosts what the Company believes are Nova Scotia's most important gold deposits, including both our Fifteen Mile Stream and Beaver Dam projects. Large scale aeromagnetic geophysical programs conducted by Acadian in 2009/10 were successful in delineating new areas on the trend that will be the focus of future exploration activities. A regional till sampling program that is currently underway will further define target areas on the trend, and assist in pinpointing regions for detailed mapping, sampling and drilling to occur in an effort to discover new gold deposits.

#### *Corporate*

During the restructuring period mentioned above, Acadian was performing detailed planning in preparation for gold exploration activities. In addition, the board and management were also working to clear Acadian's debt. As part of this strategy, we agreed to a repayment plan with an equipment supplier to settle a debt incurred during the historic zinc and lead mining operations; the final payment will be made at the end of May 2011. This debt repayment together with the funds from the sale of ScoZinc and the equity financing will result in Acadian being well funded and debt free.

Acadian has not yet participated in the robust gold market, as over the past year, it has been focussed on the restructuring activities referred to above, whilst at the same time, finalizing an aggressive gold exploration plan. We now look forward to a very exciting year ahead, as we prepare to launch Acadian as a well-funded, gold focused company, with highly prospective and under-explored gold projects in a mining friendly jurisdiction.

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read "Grant Ewing". The signature is fluid and cursive, with a long horizontal stroke at the end.

Grant Ewing  
President & CEO  
May 20, 2011