

# Cancana Shareholders Approve Rio Madeira Joint Venture and Cancana Closes US\$5.7 Million Private Placement and Appoints a New Director

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TORONTO, Apr 23, 2014 - [Cancana Resources Corp.](#) (TSX VENTURE:CNY) (the "Company" or "Cancana") is pleased to announce that on April 17, 2014 the shareholders of Cancana (the "Shareholders") approved the Rio Madeira Transactions (as defined below), and that on April 23, 2014 Cancana closed non-brokered private placement offerings of Units and Debentures (each as defined below) with Ferrometals BV ("Ferrometals") for aggregate gross proceeds of CDN\$1.7 million and US\$4.15 million, respectively, and, effective immediately upon closing of the Offerings (as defined below), Anthony Julien, Chief Executive Officer of Ferrometals, was appointed to the board of directors of Cancana.

## Shareholder Approval of Rio Madeira Transactions

At Cancana's special meeting of Shareholders held on April 17, 2014 (the "Meeting"), the Shareholders voted overwhelmingly in favour of the ordinary resolution (the "Resolution") approving the Rio Madeira Transactions (as defined in Cancana's management information circular dated March 18, 2014 (the "Circular")) and the creation of Ferrometals, a subsidiary of The Sentient Group, as a "control person" of the Company as such term is defined in the policies of the TSX Venture Exchange (the "TSXV"). Of the 15,750,203 Common Shares voted at the Meeting, approximately 99.9% voted in favour of the foregoing resolution. As further disclosed in the Company's press release dated April 15, 2014, the vote on the special resolution with respect to the transfer of the Company's interest in the mining claims owned by M L B de Nogueira EPP was withdrawn from the business of the Meeting and has been deferred until the Company's annual general meeting scheduled to be held on or about July 17, 2014.

## Private Placement Financings

At the Meeting, the Shareholders voted in favour of the Joint Venture Financings (as defined in the Circular) as part of the Rio Madeira Transactions. These financings were previously disclosed by the Company in its December 20, 2013 and February 24, 2014 press releases. Accordingly, on April 23, 2014 the Company completed the Offerings and issued to Ferrometals the following:

1. An aggregate of 8,500,000 units (the "Units") at a price of CDN\$0.20 per Unit. Each Unit consists of one (1) common share in the capital of the Company (a "Common Share") and one (1) Common Share purchase warrant (a "Warrant"), for aggregate gross proceeds of CDN\$1.7 million (the "Equity Offering"). Each Warrant is exercisable into one (1) Common Share at a price of CDN\$0.25 per Common Share and is exercisable for a period of two (2) years from the date hereof; and
2. A secured convertible debenture, (the "Debenture") for a purchase price of US\$4.15 million (approximately CDN\$4.58 million) (the "Debt Offering" and, collectively with the Equity Offering, the "Offerings"). The Debenture has a term of three (3) years and bears interest at a rate of 8% per annum. The principal of the Debenture is convertible, in whole or in part, into Common Shares at a price of CDN\$0.20 per Common Share at the option of Ferrometals.

Upon closing of the Offerings, Ferrometals owns an aggregate of 13,857,656 Common Shares and an aggregate of 13,857,656 common share purchase warrants, including the Warrants issued under the Offerings and the common share purchase warrants issued to Ferrometals in the private placements of the Company previously disclosed in the Company's press releases of February 24, 2014 and March 6, 2014. Accordingly, Ferrometals currently holds approximately 24% of the issued and outstanding Common Shares on a non-diluted basis (or approximately 53.5% of the Company's then issued and outstanding Common Shares on a partially-diluted basis, assuming the exercise by Ferrometals of all of the warrants of the Company held by it and the conversion in full of the principal amount of the Debenture). As Ferrometals currently owns more than 20% of the Company's issued and outstanding Common Shares, Ferrometals is a "control person" of Cancana pursuant to the policies of the TSXV.

In connection with the Offerings, an aggregate amount of CDN\$102,000 and US\$166,000 in cash finder's fees are payable to certain eligible arm's length persons and an aggregate of 510,000 non-transferable finder's warrants (the "Finder Warrants") are issuable to certain eligible arm's length persons. Each Finder Warrant is exercisable into a Unit at an exercise price of CDN\$0.20 per Unit and is exercisable for a period of two (2) years from the date hereof.

All securities issued pursuant to the Offerings, including the Common Shares and Warrants comprising the Units and the Finder's Warrants and the Common Shares underlying the Warrants, the Debenture and any Common Shares issuable upon conversion of the Debenture, are subject to a four (4) month and one (1) day statutory hold commencing from the date of issuance. The Offerings are subject to TSXV final acceptance of requisite regulatory filings.

As further described in the Circular, US\$5.5 million of the gross proceeds raised from the Offerings will be used by Cancana to purchase shares (quotas) of Rio Madeira Comércio Importação e Exportação de Minérios Ltda. ("Rio Madeira") to enable Cancana's participation in the Rio Madeira joint venture as previously disclosed. The balance of the gross proceeds raised from the Offerings will be used by the Company for general working capital.

Andrew Male, President and CEO of Cancana, commented: "We are happy to conclude this next step of the acquisition of Rio Madeira and Joint Venture with Ferrometals. This will conclude a total of in excess of \$11.0 million in debt and equity financings since January 2013. The culmination of all these corporate activities allows the next stages of activity to occur. The exploration, research and production of the operations of the joint venture will begin to add corporate value in the near future."

### **Appointment of Director**

As described in the Company's news releases of December 20, 2013 and February 24, 2014, pursuant to the terms of the Company's Revised Binding Term Sheet with Ferrometals and The Sentient Group, as its Rio Madeira future joint venture partner Cancana has granted Ferrometals certain board nomination rights, with such rights to take effect after closing of the Offerings. Cancana is pleased to announce that, effective today, Anthony Julien has been appointed to the Company's board of directors.

Mr. Julien, the CEO of Ferrometals, is developing industrial minerals projects in Brazil and the United States, to provide products to both the agricultural and steel industries. His business career is underpinned by energy and an entrepreneurial spirit refined by the experience of developing and selling various companies in IT, wholesale/distribution and media. He strengthened these capabilities with a move to enterprise level organizations when he sold his mobility software company to Epicor in 2009 and took on the global mobility sales responsibilities. Building on his global sales experience with Epicor, he joined SAP in 2011, focused on providing SAP mobility solutions to major accounts in retail, mining and energy. This experience fostered his interest in resource-based industries and created an opportunity to reconnect with The Sentient Group who funded his early entrepreneurial business success. Ferrometals' first major investment is the formation of Rio Madeira as a joint venture with Cancana to expand existing production and further develop Cancana's manganese-mining claims in Brazil. In addition to being CEO of Ferrometals, Mr. Julien will hold the position of chairman of Rio Madeira and holds the positions of CEO of Oregon Resource Corporation and CEO of Ferrometals Holdings.

### **About Cancana**

Cancana is an exploration stage company that has transitioned into production with assets in Brazil and Canada. The Company has been seeking projects that expand its resource base and provide for near term production and revenue. All available resource reports and information on the Company's properties are located on the Company website: [www.cancanacorp.com](http://www.cancanacorp.com)

For further information about Cancana, please visit the Company's website.

Issued on behalf of the Board of Directors of Cancana Resources Corp.

Andrew Male  
President, CEO and Director

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