

- Loan maturity extended to November 30, 2016

- Interest rate reduced to 0% per annum

- US\$1,250,000 available to be drawn

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 22, 2016) - [Cancana Resources Corp.](#) (TSX VENTURE:CNY) ("Cancana" or the "Company") reports it has renegotiated the interest rate and extended the US\$2 million loan agreement (the "Loan") from its largest shareholder and joint venture partner, Ferrometals BV ("Ferrometals") which was due on June 30th, 2016 and was announced on November 6th, 2015.

The extended loan agreement has a new repayment date of November 30, 2016 and the interest rate for the extension period will be reduced to 0% per annum. To date the Company has drawn down US\$750,000 of the US\$2,000,000 available. The remaining balance of the loan will be used for general working capital purposes, including the settlement of a legacy issue in Brazil dating back to 2004.

Cancana President and CEO, Anthony Julien said, *"This extension of the short-term loan gives Cancana the time and capital to continue assessing various investing, restructuring and fundraising options. The Company continues to benefit from its partner Ferrometals' continued funding of Cancana and the JV, including the exploration program."*

Joint Venture Status

As of the date of this news release, Ferrometals has contributed US\$27,550,000 and Cancana has contributed US\$7,500,000 to the Brazil Manganese Corp joint venture ("BMC"). Based on these contributions, Ferrometals owns approximately 78.6% and Cancana owns the remaining 21.4% of BMC.

On behalf of the Board of Directors of

[Cancana Resources Corp.](#)

Anthony Julien, President, CEO and Director

ABOUT CANCANA

[Cancana Resources Corp.](#) is focused on exploring and developing the BMC manganese project in Brazil with its joint venture partner Ferrometals BV. The JV is employing a two-pronged strategy at BMC, where the primary objective is to advance the project to an initial resource and onward to feasibility, while also expanding current small-scale production to support those exploration activities. Further information can be found at [cancanacorp.com](#), and [bmcorporation.com.br](#).

ABOUT FERROMETALS

Ferrometals BV is part of a privately held metals group, focusing on acquisition, exploration, development and mining activities. Further information can be found at [ferrometals.net](#).

FORWARD-LOOKING STATEMENTS

Some statements in this news release contain forward-looking information or forward-looking statements for the purposes of applicable securities laws. These statements include, among others, statements with respect to the Company's plans for exploration and development of BMC's properties and potential mineralization. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such risk factors include, among others, failure to obtain regulatory approvals, failure to complete anticipated transactions, the timing and success of future exploration and development activities, exploration and development risks, title matters, inability to obtain any required third party consents, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices and one-time events. In making the forward-looking statements, the Company has applied several material assumptions including, but not limited to, the assumptions that: (1) the proposed exploration and development of mineral projects will proceed as planned; (2) market fundamentals will result in sustained metals and minerals prices and (3) any additional financing needed will be available on reasonable terms. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.

The Company cautions that it has not completed any feasibility studies on any of BMC's mineral properties, and no mineral reserve estimate has been established. Because the Company production decision, related to BMC, is not based upon a feasibility study of mineral reserves, the economic and technical viability of the property has not been established.

Contact

[Cancana Resources Corp.](#)

Anthony Julien

info@cancanacorp.com

+1-604-681-0405