

- Record second quarter production for JV

- Record quarter sales for JV

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 12, 2016) - [Cancana Resources Corp.](#) (TSX VENTURE:CNY) (the "Company" or "Cancana") and its joint venture partner Ferrometals BV ("Ferrometals"), together are reporting quarter two 2016 production and sales results of Brazil Manganese Corporation ("BMC").

Cancana's President & CEO, Anthony Julien, said, "This result demonstrates strong production and sales growth for the second straight quarter of 2016. Sales and interest in our product continues to grow as we strive to provide consistent supplies of high quality manganese mineral product. We are committed to grow the business which is demonstrated by our continued engagement with new domestic and international customers and investment in a new pilot plant with 50,000 tonnes per annum processing capacity." (Refer to the June 27, 2016 news release.)

Production

During the second quarter of 2016 BMC produced 5,293 tonnes, which increased 147% from 2,143 tonnes during the comparative quarter in 2015. Production for the year to June 30, 2016 totals 7,731 tonnes, which increased 119% from 3,525 tonnes during the comparative period in 2015. During the quarter the BMC commenced extraction from the Ademir-California prospect area. In addition to the second quarter production, the JV also reports record weekly production during the first week of the third quarter, producing 1,017 tonnes.

Full assay data has been received from the first quarter production sources. An average grade of 51.9% Mn was returned from regional sources (representing 54% of the first quarter production tonnage). The remaining material was collected from trial mining of the Lucas vein breccia (averaging 36.9% Mn). This material will be used to support BMC's testwork programs on future transition into fresh bedrock mining. The harder lump breccia material requires crushing to beneficiate. Testwork will be conducted using the upgraded pilot plant and at independent laboratories. Full assay data for second quarter production is pending.

BMC also completed operational improvements and rehabilitation during the period. BMC continued investing in plant improvements, including revamping water recovering ponds, electrical reform of select areas in the plants, and replacement of water pipes at the Jaburi plant. BMC also completed the environmental rehabilitation of all areas mined during 2015. Both plants are currently fully operational heading into the 2016 dry season.

Sales

During the second quarter of 2016 BMC shipped sales of 9,112 tonnes of manganese mineral product, reaching a total of 13,466 tonnes delivered for the six month period to June 30, 2016. BMC continues its efforts in engaging new clients and continues to receive positive feedback from trial shipment sales to the premium markets.

CIF Tianjin pricing for 44% manganese was \$1.86 per dmtu as of January 4, 2016 and is currently \$3.11 per dmtu as of July 1, 2016 (source: www.metalbulletin.com). CIF Tianjin pricing for 44% manganese has been as high as \$4.08 during 2016.

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. 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

QUALIFIED PERSON

The technical information about the Company's mining activities has been prepared under the supervision of and verified by Dr. Adrian McArthur (B.Sc. Hons, PhD. FAusIMM), a consultant to Brazil Manganese Corporation, who is a "qualified person" within the meaning of National Instrument 43-101.

ABOUT CANCANA

[Cancana Resources Corp.](http://www.cancanacorp.com) 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 www.cancanacorp.com, and www.bmccorporation.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 www.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 the Brazil 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 is not based upon a feasibility study of mineral reserves, the economic and technical viability of the property has not been established.

Stockpile grades are monitored by a channel sampling program on individual truckloads of manganese oxide it is delivered to a centralised storage facility. Samples have been analyzed via lithium borate fusion XRF techniques at accredited laboratories.

- SGS Laboratories in Belo Horizonte, Brazil - 182 samples;
- Bureau Veritas Minerals Laboratories in Perth, Western Australia - 760 samples.
- ALS Minerals, Vancouver, Canada - 164 samples.

Trace elements have been monitored via 4 acid digest and ICP-OES analytical techniques SGS Laboratories, and Fused Bead Laser Ablation ICP-MS techniques at Bureau Veritas Minerals Laboratories.

Submissions include certified references to monitor laboratory performance, which have returned results within the expected laboratory analytical tolerance levels. Stockpile tonnages are currently monitored by an independent weighbridge service, with trucks weighed upon arrival and departure in the township of Espigao d'Oeste.

Contact

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