Cancana Outlines Comprehensive 2015 Exploration and Development Program for the BMC Joint Venture

20.02.2015 | Marketwired

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Feb 20, 2015) - **Cancana Resources Corp. (TSX VENTURE:CNY)** (the "Company" or "Cancana") provided today an update on exploration and development programs at the BMC Joint Venture Project in Rondônia, northwest Brazil.

BMC has consolidated its land package, with recent agreements to take the project area to 104,536 ha in area[1]. Significant advances were made during 2014 to evaluate this portfolio, and field activities have recommenced for 2015.

Anthony Julien, Cancana's CEO and President, said, "2014 was a busy and decisive year for Cancana. We finalized the investment and corporate participation of Ferrometals that enabled us to increase our exploration activities and to attain a detailed understanding of the scope of the Project. We are now in a position to accelerate our work on the Project. In 2015 we will be undertaking a broad array of exploration initiatives including the first ever drill program on the Project. We will also be expanding our existing first phase pilot production. As we expand this production, we will gain insight that will enable us to develop an economic model for an expanded steady state production of the existing inferred boulder resource and operations. Our ultimate goal is to establish significant new high grade manganese resources that can be developed to supply the Brazilian agricultural market."

A project-wide rock chip-sampling program has confirmed the high-tenor character of manganese mineralisation in the colluvial showings (Figure 1, also located at www.cancanacorp.com). An average grade of 54.2% Mn was returned from the 83 results from rock chip samples reported to date[2]. An auger and pitting program has commenced to improve definition of the colluvial resources and assist in mine scheduling. Ten new colluvial showings were identified during the mapping programs and will be progressively evaluated for their potential to add to the resource inventory[3]. The high tenor character of the regional rock-chip samples is consistent with recently reported production grades[4]. The results support the Company's immediate objectives of marketing a product that occupies a particularly high-grade niche amongst manganese producers.

Field mapping and excavations have confirmed that the colluvial mineralisation is sourced from deeper, structurally controlled hydrothermal veins. The better individual vein zones observed to date can be approximately 1 - 3m wide, and exhibit a predominant ENE strike orientation and steep dips. Subordinate N and NW strike trends have been locally observed. Testing the resource potential of the bedrock mineralisation will be a key exploration objective in 2015 and onwards.

Ground geophysical programs have commenced over select prospects to confirm the effectiveness of various techniques in targeting under-cover vein mineralisation. To date, the trials have involved 104 line km of ground magnetic surveys, 6 line km of Dipole-Dipole IP surveys, 5km^2 of Gradient Array IP surveys, and 17 line km of ground penetrating radar surveys. Induced polarisation surveys appear to be particularly effective, with resistivity data highlighting the position of the host structures (Figure 2, also located at www.cancanacorp.com). Associated chargeability anomalies, 100 - 500m long, provide exploration targets for bedrock vein mineralisation (note that targets defined by geophysical anomalies are preliminary in nature and are not conclusive evidence of the likelihood of the occurrence of a mineral deposit).

Geophysical programs will extend into the 2015 period following the conclusion of the wet season, with CGG to conduct a regional HeliTEM aerial survey and the ground surveys to be continued. Highly ranked targets will be evaluated through trenching and drilling activities planned for 2015. The initial focus of activity will be on areas where higher levels of past colluvial production have been recorded, and/or wider zones of veining are identified. Some prospects of particular interest include São Filipe, Eduardo Mendes, Ademir, Gomes

Floresta, and structural corridors around the Jaburi and Rio Madeira plant areas (Figure 3, also located at www.cancanacorp.com). Additional targets are being developed and will be prioritised following aerial and ground geophysical programs. The Company is awaiting assessment of various technical reports by the DNPM to facilitate access to some of these areas, and is liaising with government agencies and landholders on permitting for its programs[5].

An initial campaign involving 1000-2000m of drilling will be scheduled on established prospects once tenement approvals and agreements are in place. The priority for the first phase of drilling will be to test vein continuity at intervals of ~80m to 160m along strike and depths within easy reach of potential open pit development (~20-30 meters below surface). The extent of subsequent drilling programs for 2015 will be reviewed once economic intersections are confirmed which warrant infill resource definition drilling, and as further targets are developed from the geophysical program.

To view Figures 1 to 3, visit the following link: http://media3.marketwire.com/docs/Cancana_Figures1to3.pdf

ON BEHALF OF THE BOARD of Cancana Resources Corp.

Anthony Julien, President, CEO and Director

QUALIFIED PERSON

The technical information about the Company's exploration 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. is a TSX Venture - listed production and exploration company based in Vancouver, BC, Canada. The Company's primary focus is its 23.87% interest in joint venture with Ferrometals BV (a subsidiary of The Sentient Group, one of the world's largest natural resource focused private equity groups) on a manganese mine in Brazil. The joint venture, called Brazil Manganese Corp. ("BMC"), is currently producing high-grade manganese to supply Brazil's growing fertilizer market. Further information can be found on the Company's website: www.cancanacorp.com

NOTES

*[1] Refer to news releases on the Company website (www.**cancana**corp.com/) dated September 15th and December 22nd, 2014.*

[2] Rock chips represent selective samples of mineralisation within the colluvial profile. The Company's mining and processing steps removes soil and gangue to concentrate this material for sale. Geochemical samples are submitted to an accredited SGS Laboratory in Belo Horizonte, Brazil. Submissions include certified references to monitor laboratory performance, which have returned results within the expected laboratory analytical error margins. Major elements have been analysed by lithium-borate fusion - XRF techniques. Trace elements are monitored via a multi-acid digest and ICP-OES analysis. Rock-chip results have ranged from 36.6 % Mn to the upper detection limit of 58% Mn, with an average of at least 54.2% Mn. The results support the inferred resource grade of 52% that was based on a smaller number of samples. The colluvial resource inventory will be updated as the results from mining / pre-production sampling progress.

[3] Current resource reports can be accessed via the Company's releases on SEDAR (http://www.sedar.com/) dated January 15th and March 21st, 2014.

*[4] Refer to news releases on the Company website (www.**cancana**corp.com/) dated February 5th, 2015.*

[5] DNPM analysis and approval of partial or final technical reports is required to facilitate drilling on the São

Filipe, Eduardo Mendes, Ademir and Gomes Floresta areas. The company is liaising in the meantime with the environmental agency SEDAM for on permitting, and putting into place land access agreements with landholders.

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.

Contact

Cancana Resources Corp.
Dylan Berg
VP Corporate Development
604-681-0405
dberg@cancanacorp.com