

- **BMC to construct 50,000 tonne pilot processing plant**
- **Enable processing of both colluvium and primary vein material**
- **Expected to be operational in early 2017**

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 28, 2016) - Cancana Resources Corp. (TSX VENTURE:CNY) (the "Company" or "Cancana") and its joint venture partner Ferrometals BV ("Ferrometals"), together Brazil Manganese Corporation ("BMC"), are pleased to announce that BMC has engaged engineering and consulting firm Küttner to construct a 50,000 tonne per year pilot processing plant.

BMC has entered into a contract with Küttner (<http://www.kuttner.com.br/>) to begin construction of a pilot processing plant at BMC's manganese project in Rondônia, as recommended in the engineering report prepared by Ausenco Ltd (refer to the September 16, 2015 news release). The pilot processing plant will enable BMC to process both the colluvium and primary vein material. Highlights include:

- The pilot processing plant capacity will be 50,000 tonnes of finished manganese product per year;
- The pilot processing plant will be located at the Jaburi site and is expected to commence operations in early 2017;
- The detailed engineering of the plant has been initiated by Küttner. The procurement for the equipment and material should commence in the coming months with the jigs being supplied by Allmineral (<http://www.allmineral.com/gb/index.php>)
- The total cost of the pilot processing plant is expected to be BRL\$11,700,000 (approximately C\$4.1 million). The pilot processing plant will be funded by contributions from the joint venture partners in accordance with the BMC shareholders agreement.

The goal is to achieve cost savings through additional capacity and a streamlined process, as well as providing reliable conditions for BMC to achieve its production and safety goals. The expanded capacity will also allow BMC to further explore and reach out to international niche markets of high grade Manganese.

Cancana's President & CEO, Anthony Julien, stated, "Our investment in this pilot processing plant is a positive commitment to our strategy for increasing the scale of production output to match continuing discovery of further manganese mineralization through our exploration program".

The Company believes that current demand for BMC's product exceeds the planned capacity of the pilot plant with sales orders for the first quarter of 2016 totalling 15,657 tonnes of manganese. The pilot processing plant will also enable BMC to understand the response of the forecasted mining process to the primary veins and enable BMC to verify the metallurgy as it moves the focus to planning the feasibility studies for a further expanded Phase 1 plant. A Phase 1 plant is dependent on the completion of a positive preliminary economic assessment and feasibility study. The proposed pilot processing plant is anticipated to generate significant data for such studies.

#### 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](http://cancanacorp.com), and [bmcorporation.com.br](http://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](http://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

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