

- Multi-commodity team returns early positive results

- Pan concentrate and soil sampling outlines multiple gold anomalies

- Reconnaissance pan program and soil sampling program continues

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 19, 2016) - [Cancana Resources Corp.](#) (TSX VENTURE:CNY) (the "Company" or "Cancana") and its joint venture partner Ferrometals BV, together are pleased to provide an update on the regional exploration activities for gold on the Brazil Manganese Corporation ("BMC") Project Area.

Cancana's President & CEO, Anthony Julien, said, "We are very encouraged with the positive early results from the multi-commodity team. The discovery of multiple gold anomalies greatly enhances the exploration potential of the BMC Project Area. Ongoing work is in progress to extend the sampling across all licences, and to fully define the extent of the anomalies at the newly emerging gold targets".

EXPLORATION OVERVIEW

BMC is pleased to provide an update from its multi-commodity team which was established to evaluate the prospectivity of metals beyond manganese on its licences in Rondônia, NW Brasil. The BMC project area is located on the SW margin of the Amazon Craton, which hosts a number of Proterozoic gold and tin provinces. The initial priority has been to evaluate the potential for gold mineralisation within the licence area (which has not previously been systematically reviewed). The team currently comprises a six-member geochemical crew, working under the supervision of two dedicated geologists.

Activity has initially focussed on testing for drainage anomalism, through a pan-concentrate sampling program. Soil geochemistry has since been initiated in two prioritised areas where a positive response has been detected. Soil surveys are being conducted on a 400m x 50m reconnaissance grid, with infill of anomalous areas on 100 x 25m pattern. The survey program remains in progress, with 328 pan concentrate samples having been collected to date, and gold analyses have been returned from 980 of the 1537 soil samples collected. The soil grids cover an aggregate strike length of 10km along structural corridors identified in mapping and geophysical data.

Mapping is underway to confirm potential source areas. The basement is intermittently exposed, with the majority of the area obscured by soil and colluvium. Subcrop of variably sheared and locally pyritic quartz veins are locally observed in the catchments of anomalous areas, along with bordering areas of silica-sericite-pyrite alteration. Trenching programs will be undertaken as the next phase of work as the infill soil program advances. Three initial trenches (with a total length of 518m) have been made to expose the bedrock beneath the soil and colluvium at the Gazetta Prospect. The trenches are being used to gather information on the position and orientation of underlying structures. The trenches have been channel sampled, with analyses pending.

The next in the steps in the gold evaluation will be:

- to continue to extend the reconnaissance pan concentrate program,
- to complete infill soil sampling to enhance target definition for follow-up trenching, and
- to refine targets for follow up drilling, subject to the trenching program.

Once the gold program has advanced, the multi-commodity team will refocus on the evaluation of the tin potential within its licences and regionally. The state of Rondônia has been a significant producer of tin. BMC will apply a similar geochemical approach to evaluate the granite stocks identified with a prospective tin signature from its initial reconnaissance programs (reported 22 Sept 2015).

Maps and images are available at the following address: <http://media3.marketwire.com/docs/1063097.pdf>

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.](#) 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 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.

Notes

Positive visual identifications of gold in field pan-concentrates are cross-checked by mineralogical reports at SGS Laboratories in Belo Horizonte. Soil samples are collected by pitting or hand-auger from "B-Horizon". Samples are sieved to 80# and pulverised to 150#. Gold is analysed by Fire Assay of a 50g charge. Pathfinder elements are analysed by multi-acid digest and ICP-OES analyses (SGS ICP40B package for thirty-six elements). Analytical quality is monitored by certified references and blanks. Until dispatch, samples are stored in the company's supervised stockpile yard or exploration office. The samples are couriered to the assay laboratory using a commercial contractor (Eucatur). Consignments are weighed prior to dispatch and on receipt at the laboratory. Pulps and rejects are returned to the Company. The company conducts periodic umpire testwork on results.

Contact

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