

CANCANA CLOSES ON PRIVATE PLACEMENT & ANNOUNCES APPOINTMENT OF PRESIDENT

January 31, 2013 – VICTORIA, BC, CANADA – Cancana Resources Corp. (TSXV: CNY) (the “Company” or “Cancana”) has closed a non-brokered private placement of Units and is announcing the appointment of Andrew Male as President of the Company.

Cancana is pleased to announce that it has closed a non-brokered private placement offering (the "**Offering**") for aggregate gross proceeds of \$1,096,180. The Company issued an aggregate of 5,480,900 units (each a "**Unit**"), at a price of \$0.20 per Unit. Each Unit consists of one common share of the Company ("**Common Share**") and one common share purchase warrant (each a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Common Share of the Company at a price of \$0.25 until January 2015.

In connection with the Offering, the Company paid an aggregate amount of \$55,640 in cash fees to certain eligible arm's length persons and issued 265,400 non-transferable finder's warrants (the "**Finder Warrants**"). Each Finder Warrant is exercisable into a Unit at an exercise price of \$0.25 per Unit for a period of twenty-four (24) months from the closing of the Offering. The Finder Warrants and the securities underlying the Finder Warrants issuable upon due exercise of the Finder Warrants will all be subject to a statutory hold period expiring four months and one day from the closing of the Offering.

On October 19, 2012 and November 2, 2012 the Company announced the closing of a private placement having raised aggregate gross proceeds in the amount of \$932,632.40 through the issuance of an aggregate of 4,663,162 Units. The closing of today's Offering, together with the October, 2012 private placement, represents aggregate gross proceeds of \$2,028,812.40 to the Company.

Cancana is also pleased to announce that, in conjunction with the financing, the Board of Directors of the Company has appointed Andrew Male, currently the Chief Executive Officer of Cancana, to the office of President of the Company.

Andrew Male, President and CEO of Cancana, commented: "I am pleased to accept appointment to the office of President in addition to my position as CEO. I would like to thank the Board of Directors for their confidence in me as we move forward and begin to transition from exploration to production." Mr. Male further noted that "that the completion of this private placement in conjunction with our earlier financing announced in October 2012, signifies, in management's view, the market's validation of our business strategy and the future prospects of our operations in Brazil."

All securities issued pursuant to the Offering, including the Common Shares and Warrants underlying the Units and the Common Shares underlying the Warrants are subject to a four (4) month and one (1) day statutory hold commencing from closing. The Offering is subject to TSX Venture Exchange acceptance of requisite regulatory filings. The proceeds raised from the Offering will be used for general working capital.

In connection with the Offering, certain directors and officers of the Company acquired an aggregate of 990,000 Units. The participation of such directors and officers in the Offering constitutes a related party transaction pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is exempt from the formal valuation and minority approval requirements of MI 61-101 in reliance on Sections 5.5(a) and (b) and Sections 5.7(a) and (b), respectively, of MI 61-101.

Cancana is an exploration stage company that is transitioning to production with assets in Brazil and Canada. The Company has been seeking projects that expand its resource base and provide for near term production and revenue. All available resource reports and information on the Company's properties are located on the Company website: www.cancanacorp.com

For further information about Cancana, please visit the Company's website or contact the Company at +1 403 269 2065 or preferably email: cancana.ir@cancanacorp.com or **CHF Investor Relations** attention: Morgan Tyghe, Account Manager email: morgan@chfir.com

Issued on behalf of the Board of Directors of Cancana Resources Corp. "Andrew Male"
Andrew Male, President, CEO and Director

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