

CANCANA ANNOUNCES SIGNING OF SHARE PURCHASE AGREEMENT WITH RIO MADEIRA

July 16, 2013 – TORONTO, ONTARIO, CANADA – Cancana Resources Corp. (TSXV: CNY) (the “Company” or “Cancana”) is pleased to announce that it has signed the Share Purchase Agreement, (“SPA”), with the shareholders of Rio Madeira Comercio Importacao E Exportacao De Minerios, (“Rio Madeira”).

Cancana and Rio Madeira signed the SPA with revisions to the Closing Date of the acquisition, exhaustive development and procurement of the various Schedules and Annexes attached to the SPA and on-going due diligence.

Cancana previously announced on June 25, 2013, that Cancana and Rio Madeira agreed to an extension of the exclusive Memorandum of Understanding, (“MOU”), announced on February 8th, 2013 between Cancana and Rio Madeira for the 100% acquisition of the Rio Madeira share capital and all of its associated assets, mineral claims and operations. The extension to the MOU provided that the acquisition was to complete by June 24, 2013. Both Rio Madeira and Cancana realised the progress that had been made between the two companies in an effort to complete this transaction, and in consultation with Cancana’s financiers, and a revised Closing Date of September 30, 2013 was established.

Pursuant to the terms of the SPA and former MOU, this acquisition is subject to the successful completion of confirmatory due diligence, financing logistics and receipt of all applicable regulatory approvals.

The original MOU contemplated an acquisition of 100% of the shares of the company. Under the terms of the SPA, Cancana will purchase 75% of the shares, plus one share, initially, and have the option to purchase the balance of the shares for a two year period from the date of Closing. This will allow Cancana to utilise less capital initially and be able to potentially exercise the option for the balance of the shares with profits generated from operations.

Cancana will be adopting substantially all of the employees and contractors as well as all equipment and infrastructure, including fee simple land package where the processing facility is centrally located. The Rio Madeira company is being purchased as a turnkey operation.

Rio Madeira is a producing Manganese mine operation, producing lump ore of varying sizes and is located adjacent to, and mainly contiguous with, Cancana’s Manganese claims. Rio Madeira holds title to 24 mineral claims that total approximately 72,500 hectares in size. Rio Madeira is also fully permitted for unlimited production and sale of Manganese. The combination of the Rio Madeira claims alongside the 41,351 hectares of Cancana claims, which are mainly contiguous to Rio Madeira claims, will provide for an area of over 1,100 square kilometres of Manganese bearing claims.

All Manganese assays sampled on Rio Madeira claims have demonstrated similar grading to that of the Manganese claims held by Cancana. As reported on January 15, 2013, Cancana completed a National Instrument 43-101 (“NI 43-101”) compliant technical report on claim # 886241/2011 with an average Manganese grade of 53.81%.

As a result of this turnkey acquisition of Rio Madeira, Cancana will be able to benefit by the consolidation of operations, equipment and resources. Cancana announced on July 15, 2013 that it had obtained the Guia De Utilização, or Trial Mining License, (“Guia”), on its 886241/2011 manganese claim. Ore from this claim may now be extracted and processed at the Rio Madeira facility effecting a capital expenditures cost savings and operational advantages.

Andrew Male, President & CEO of Cancana, commented; “We are very excited about the signing of the SPA. This advances Cancana along the way to completing the acquisition of Rio Madeira. We continue to work with our financiers to ensure full understanding of all aspects of the SPA and requirements of this acquisition in order to seek a successful Closing which we are confident of. The combination of this signing of the SPA and the permitting of the Valdirão claim yesterday are transformational for Cancana.

Cancana Resources Corp. is an exploration stage company that is transitioning into 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.

For further information about Cancana Resources Corp., 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: Jeanny So, Director of Operations email: jeanny@chfir.com.

Issued on behalf of the Board of Directors of Cancana Resources Corp.

"Andrew Male"

Mr. Andrew Male, CEO & Director

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