

TECHNICAL REPORT

Rio Madeira Comércio Importação e Exportação de Minérios LTDA
Manganese Properties
Rondônia, Brazil

Prepared For
Cancana Resources Corp.

Lat./Long.: Latitude 11⁰ 31' 30" South, Longitude 60⁰ 45' 0" West
Coverage: Lavra / 15 claims located on 1:100,000 Sheets: Serra Azul, MI 1747
Primavera, MI 1804 and Sargento Paixão MI 1805

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Terms – Definitions

DNPM	Brazilian Department of Mineral Production
CONFEA	Conselho Federal de Engenharia, Arquitetura e Agronomia, Brazil's federally legislated governing body for Engineers (including Geologists), Architects and Agronomists. CREA is the state based arm of CONFEA
CREA-RO	Conselho Regional de Engenharia, Arquitetura e Agronomia do Rondonia
Guia	Small mining license – Allows an initial 6,000 tonnes of material to be removed for testing purposes.
Lavra	Mining License or Concession
Process	Claim
Rio Madeira	Rio Madeira Comércio Importação e Exportação de Minérios Ltda, manganese cobble production in Rondonia
Eletroligas	Eletroligas Ltda, manganese cobble production in Rondonia, ferromanganese and silicomanganese production in Bahia, Brazil

Summary

This report is a review of the Rio Madeira Comércio Importação e Exportação de Minérios LTDA ("Rio Madeira") manganese properties in Rondonia, Brazil. I visited the property on two occasions, February 8 through February 13, 2013 and during June 2010. Both visits were conducted to review their resource calculations as well as their exploration and potential for additional resources. My findings were consistent with their calculations as provided by Rio Madera to Brazilian Mining authorities as part of their applications for mining licenses. They have a current Inferred Resource of 1,006,234 tonnes of mineralization with an average grade of 52% manganese taken from an aggregate area of approximately 146 ha. Four samples were collected in 2010 with 2 more collected during February 2013. All samples were brought to Canada for assay. The six samples ranged from 46.82% Mn to 56.55% Mn with the averaged value being 52.16% Mn.