



Canaf announces termination of B-BBEE Agreement for South African Subsidiary

Feb 20, 2018, Vancouver, British Columbia - Canaf Group Inc. (TSXV: CAF), ("Canaf") the Canada-registered mining related group, announces the termination of the agreement to sell 30% of its subsidiary to Elkhat (Pty) Ltd, as part of its Broad-Based Black Empowerment, ("B-BBEE") transaction.

Further to the announcement on 29 January 2018, the Corporation advises that a letter of termination has been issued to Elkhat (Pty) Ltd., after the parties failed to agree final terms of the transaction.

The Corporation remains confident that it will complete its B-BBEE transaction for its South African subsidiary, Southern Coal (Pty) Ltd., with a new partner, which has already been identified. The terms of any new agreement will remain the same in principal and the Corporation expects the new transaction to close by 18 May 2018.

Christopher Way, Chief Executive Officer of Canaf, states, "Despite Elkhat and the Corporation not being able to agree on final terms of the transaction, the Corporation remains confident that it will achieve its B-BBEE goals during the current fiscal year and we remain optimistic of the opportunities that will arise from such a transaction."

For more information on B-BBEE visit https://www.thedti.gov.za/economic_empowerment/bee_codes.jsp.

About Canaf

Canaf is a public company listed on the TSX-V Exchange. Canaf's head office is in Vancouver, Canada, with subsidiary offices in the United Kingdom and South Africa. Canaf owns 100% of Quantum Screening and Crushing (Pty) Ltd., ("Quantum"), a South African based company that owns 100% of Southern Coal (Pty) Ltd., ("Southern Coal"), a company that produces a high carbon, de-volatilised anthracite.

About Southern Coal

Southern Coal produces calcined anthracite, a product used primarily as a substitute to coke in sintering processes. Southern Coal produces calcined anthracite by feeding washed anthracite coal through a rotary kiln, at temperatures between 900 and 1100 degrees centigrade; the volatiles are driven off and the effective carbon content increased.

Southern Coal's two largest clients are African leaders in steel and ferromanganese production. Southern Coal operates near Newcastle, KwaZulu-Natal, where Quantum's three kilns operate; the majority of Southern Coal's feedstock anthracite is supplied from local anthracite mines in KwaZulu-Natal.

Forward Looking Statements

Certain information regarding Canaf contained herein may constitute forward-looking statements. Forward looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Canaf believes that the expectations reflected in such forward looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward looking statements. Canaf is under no obligation to update or alter any forward looking statement. These risks include operational, political, currency and geological risks and the ability of Canaf to raise or obtain funds for its operations. Canaf's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.