Canaf announces financial results for year ended 31 October 2016

February 27, 2017, Vancouver, British Columbia - Canaf Group Inc. (TSXV: CAF), ("Canaf") the Canada-registered mining related group, is pleased to announce the release of its Financial Statements, and Management Discussion and Analysis for the year ended October 31 2016.

The financial results for the year ended 31 October 2016 reflect the Corporation's strong recovery at the end of the year, as it reports a profit for the final quarter.

For the year, revenue decreased to $4,703,528 from $9,156,927 the previous year, and the Corporation recorded a net loss of $179,155 in comparison to a profit of $128,442 the previous year. EBITDA for the year was recorded at $104,691, approximately C$140,208.

The final quarter of the year reflects the continued recovery of the business, during which the Corporation recorded a net profit of $136,764, generated from sales of $1,796,330. Sales for the 3-month period end 31 January 2017, are expected to increase further and management's overall revenue target for the next fiscal year-end 31 October 2017, is to achieve in excess of a 100% increase in comparison to the reported year-end 31 October 2016.

During the challenging year, the Corporation successfully commissioned its new efficient calcining facility, which became operational in Q2, 2016. The new facility enabled the Corporation to sustain a quarter of depressed sales, due to its reduced operating costs. Since the end of the year, the Corporation is witnessing a renewed interest in its sector, and should these improved market conditions continue, management will consider investing in one of its two older facilities, by converting to the more efficient technology of the recently commissioned one, thus further reducing the cost structure and improving margins for its operations.

The Corporation is pleased to return to a positive free cash flow position with a more optimistic outlook and, towards the end of the current fiscal year, management expects to be in a position to explore new opportunities for investment in related businesses in South Africa.

For more details and discussion on the results, the Financial Statements and Management Discussion and Analysis can be viewed on www.sedar.com or the Company's website, www.canafgroup.com. All references to dollars herein are to US dollars.

About Canaf

Canaf is a junior mining related group based in Vancouver, Canada, and 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 produces a high carbon, de-volatised anthracite.

About Quantum

Quantum produces calcined anthracite, a product used primarily as a substitute to coke in sintering processes. Quantum 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.

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

Quantum, through its wholly owned subsidiary Southern Coal has been profitably carrying on this business since 2004.

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 have been 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.

For further information on Canaf Group, visit www.canafgroup.com or see contacts below.

UK Office:
Christopher Way
Canaf Group Inc.
Phone: +44 1273 492100
Fax: +44 1273 492175
E: info@canafgroup.com

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