



Canaf announces finalisation of B-BBEE transaction for its South African subsidiary

Aug 15, 2018, Vancouver, British Columbia - Canaf Investments Inc., formerly known as Canaf Group Inc., (TSXV: CAF), ("Canaf") the Canada-registered mining related group, is pleased to announce the finalisation of its new Broad-Based Black Economic Empowerment, ("B-BBEE") transaction for its South African subsidiary, Southern Coal (Pty) Ltd., ("Southern Coal").

Further to the announcement dated 06 July 2018, the Corporation can confirm that Amandla Amakhulu (RF) (Pty) Ltd., ("AAM"), a 100% black, privately owned ringfenced company incorporated in South Africa, has acquired 30% of the issued shares of Southern Coal, from Canaf's wholly owned subsidiary, Quantum Screening and Crushing (Pty) Ltd., ("Quantum"), for the value of R18million (C\$1.7m approx), with effective date 03 July 2018.

Quantum has in return received cumulative, redeemable preference shares in AAM in the amount of the purchase price, R18million (C\$1.7million approx). These preference shares shall provide preferential dividends, until all preference shares have been redeemed by AAM. These dividends are subject to terms and conditions requiring AAM to pay Quantum such dividends from any distribution received from Southern Coal and is also subject to further protective conditions to the benefit of Quantum.

Christopher Way, Chief Executive Officer of Canaf, states, "the finalisation of the transaction with Amandla Amakhulu marks a significant milestone in a strategic plan to bring Southern Coal's B-BBEE rating in line with our customers requirements. It is with great pleasure to deliver what we have promised to our customers."

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 70% 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 rotary kilns, 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.