



CANACO
RESOURCES INC

TSX-V: CAN



Denver Gold Show – September 2011

Cautionary Statement



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This document contains "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, including provisions of the *Securities Act* (Ontario) and the provisions for "safe harbour" under the United States Private Securities Litigation Reform Act of 1995 concerning anticipated developments and events which the Company has a reasonable basis to believe may occur in the future. These forward-looking statements are based on projections, expectations and estimates as of the date of this document. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this document are qualified by these cautionary statements and those made in the Company's other filings with the securities regulators of Canada.

Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and other metals, the estimation of mineral resources and reserves, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, timing of completion of pre-feasibility studies, success of exploration and development activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of exploration operations, environmental risks, title disputes or claims, completion of acquisitions and their potential impact on the Company and its operations, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks related to the exploration and development of mineral properties; actual results of current exploration activities; current global economic conditions; conclusions of future economic evaluations; changes in project parameters as plans continue to be refined; environmental risks; future prices of gold and other metals; currency fluctuations; possible variations in ore reserves, resources, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; risks related to joint venture operations; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; and those factors discussed in the section entitled "Risk Factors" in the Company's annual information form for the year ended June 30, 2010.

Although the Company has attempted to identify important factors (which it believes are reasonable) that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Such statements are based on management's best judgment based on facts and assumptions that management considers reasonable, which may prove to be incorrect, including but not limited to assumptions about: general business and economic conditions; interest rates and foreign exchange rates; market competition; the availability of financing; changes to tax rates and benefits; the Company's costs of exploration, the Company's ability to attract and retain skilled employees; and the Company's ongoing relations with its employees and business partners. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise.

Key Objectives – July 2011 to June 2012



- Complete delineation drilling of Magambazi by Q4 2011
- Drilling of priority exploration targets at Magambazi
- Drilling of regional targets – MK Trend and others
- Initial resource calculation – Q1 2012
- Preliminary economic assessment – Q2 2012
- Add technical personnel



Canaco at a Glance



- Gold-focused exploration company
 - Building on rare grass roots discovery
 - 1st mover advantage in new gold district
 - Accelerating toward catalysts in 2010
- Key exploration assets in East Africa
 - 100%-owned Handeni gold project in Tanzania
- Strategic partner Sinotech (20%)
 - 45% state owned Chinese Mining company
- Trades on TSX-V – symbol *CAN*



Canaco Market Profile – September 2011

Issued and outstanding	199.4 million
Warrants and options	14.1 million
Fully diluted	213.5 million
Share price (Sept 15)	\$3.60
52-week low/high	\$2.50 - \$6.45
Market cap	\$720 million
Owned by management (FD)	13.7 million (7%)
Owned by Sinotech	40.0 million (20%)
Cash	\$125 million – no debt



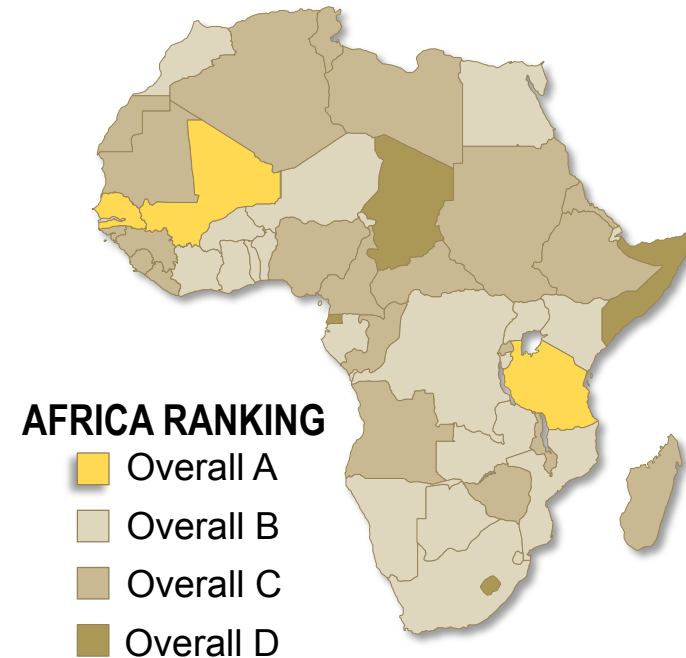
March 2011 financing raised net proceeds of \$130 million for minimal dilution (13%) and de-risked Handeni project through feasibility

Tanzania



- Favourable government policies
 - low royalty of 4% vs. 12% in South Africa
- Stable democratic government
 - established civil service, free press
- Strong economic growth
 - 6.5% GDP growth in 2010
- Fastest-emerging gold producer in the world
 - no mechanized mining before 1994
 - Africa's third-largest gold producer
 - 1997 Mineral Policy marked a clear shift toward private sector development and market-oriented economic management

**Tanzania Ranks as
One of the Best Overall
Risk Profiles in Africa***



A Rare Discovery → Accelerating Toward Feasibility



2007

- Property acquisition
- Geological assessment

2009

- Detailed geological mapping, sampling
- Commenced drilling at Magambazi

2011

- Continued exploration success
- Regional potential defined
- Raised \$180 million



2008

- Regional mapping, surveying
- 1,800 metre reconnaissance drill program

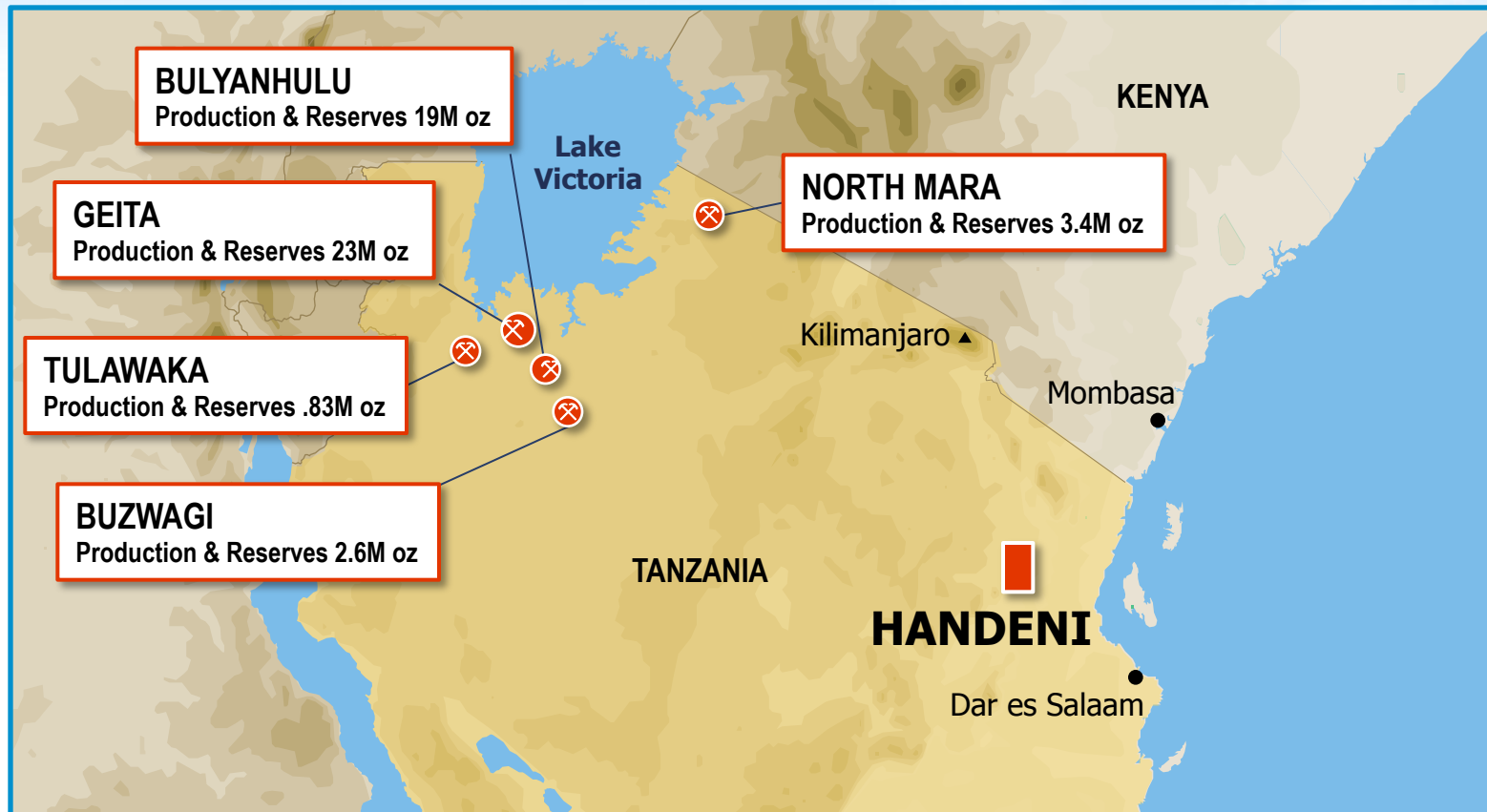
2010

- Excellent drill results
- Raised \$25 million

2012

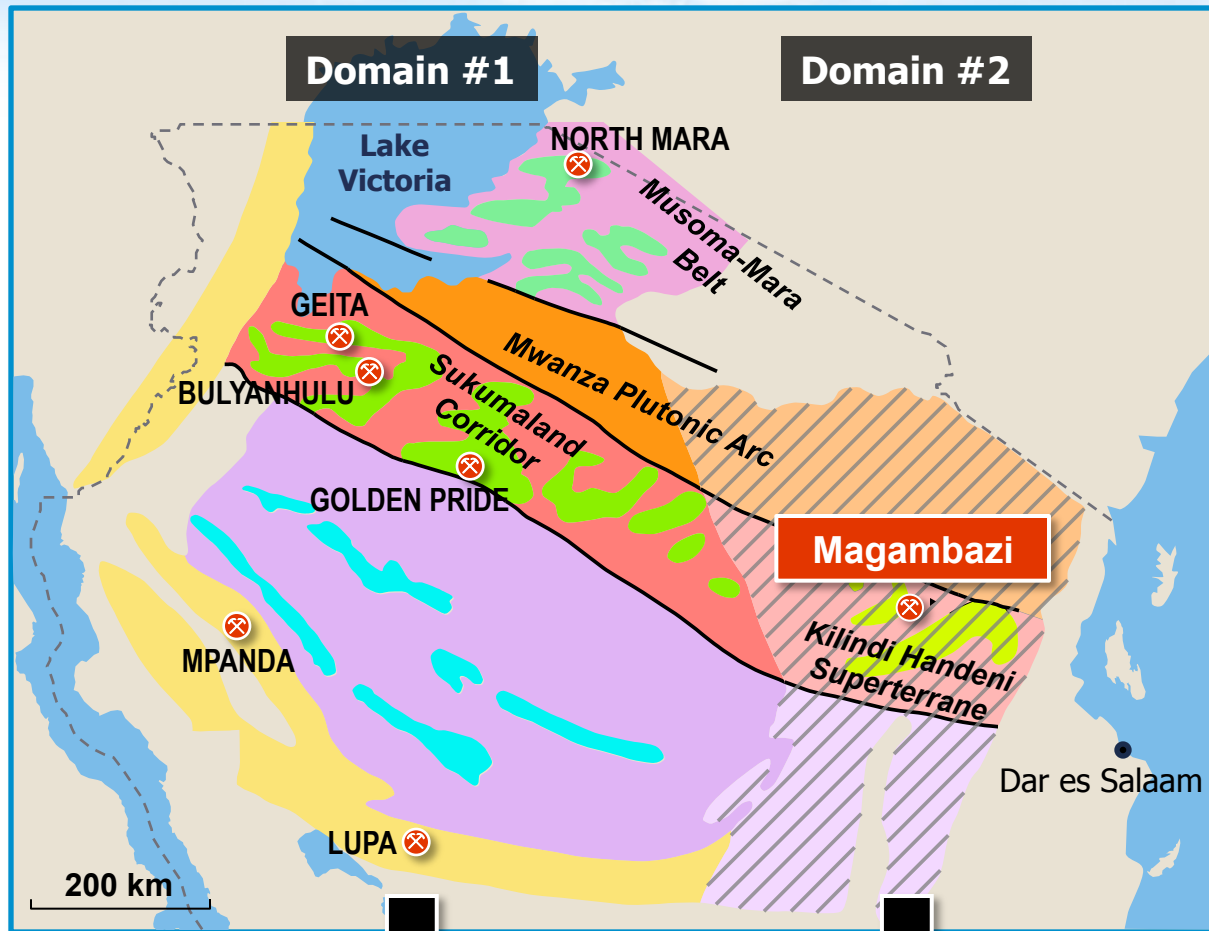
- 200,000 metre drill program
- Initial resource
- Preliminary economic analysis

Tanzania



>1M oz annual gold production confined to Western Tanzania

Tanzania – Reinterpreted the Geology

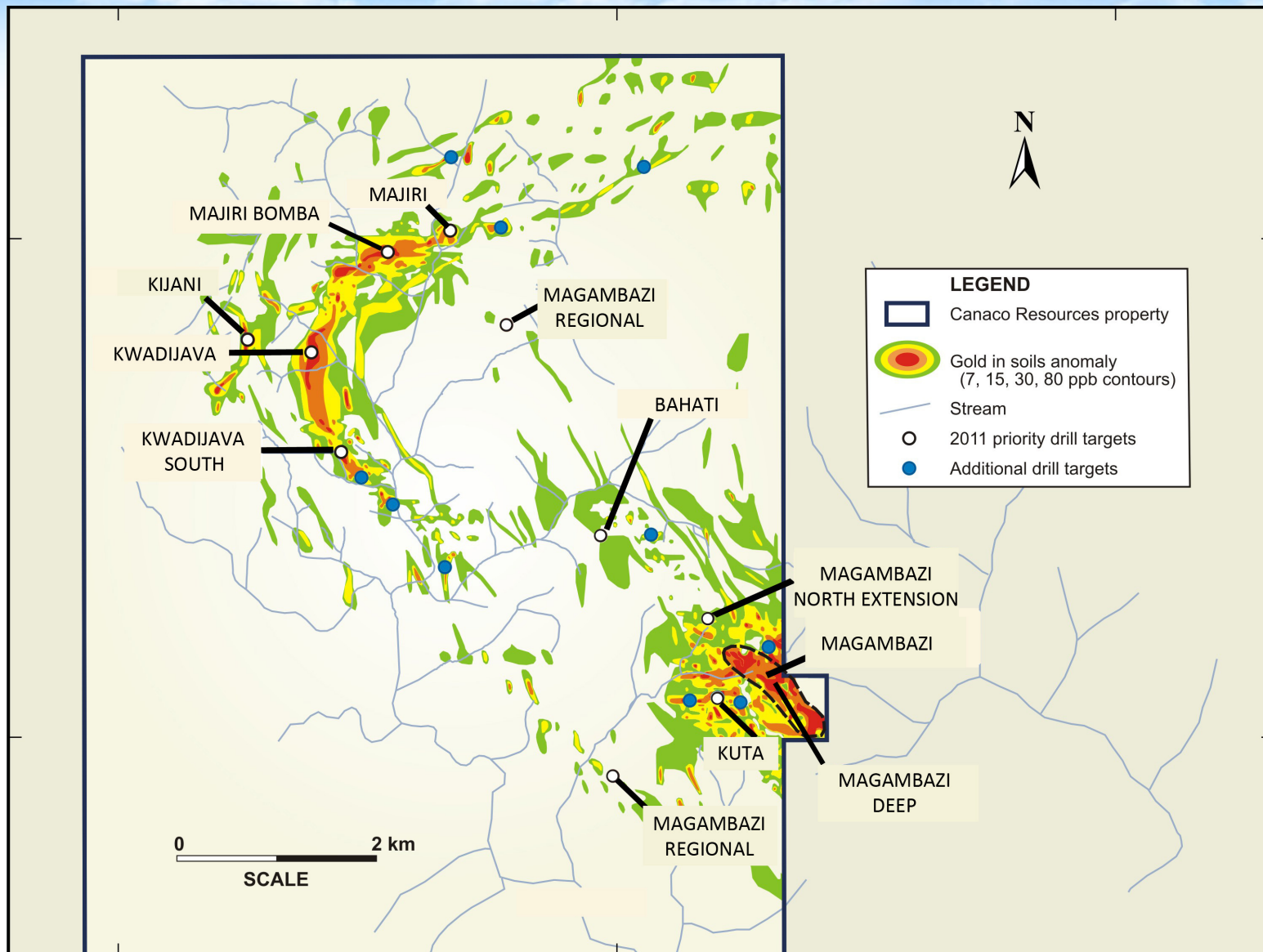


- Proterozoic Belts
- Proterozoic mobile belts with reworked Archean
- Northern greenstones
- Southern greenstones
- Reworked greenstones (?)
- Granitoids
- Reworked granitoids (?)
- Plutonic arc
- Reworked arc (?)
- Old greenstones
- Old gneisses
- Reworked old gneisses (?)

Classic Archean shield ~2.7B years

Reinterpreted, age dating/analysis → with 2.7B years, highly prospective

Handeni Gold Trend



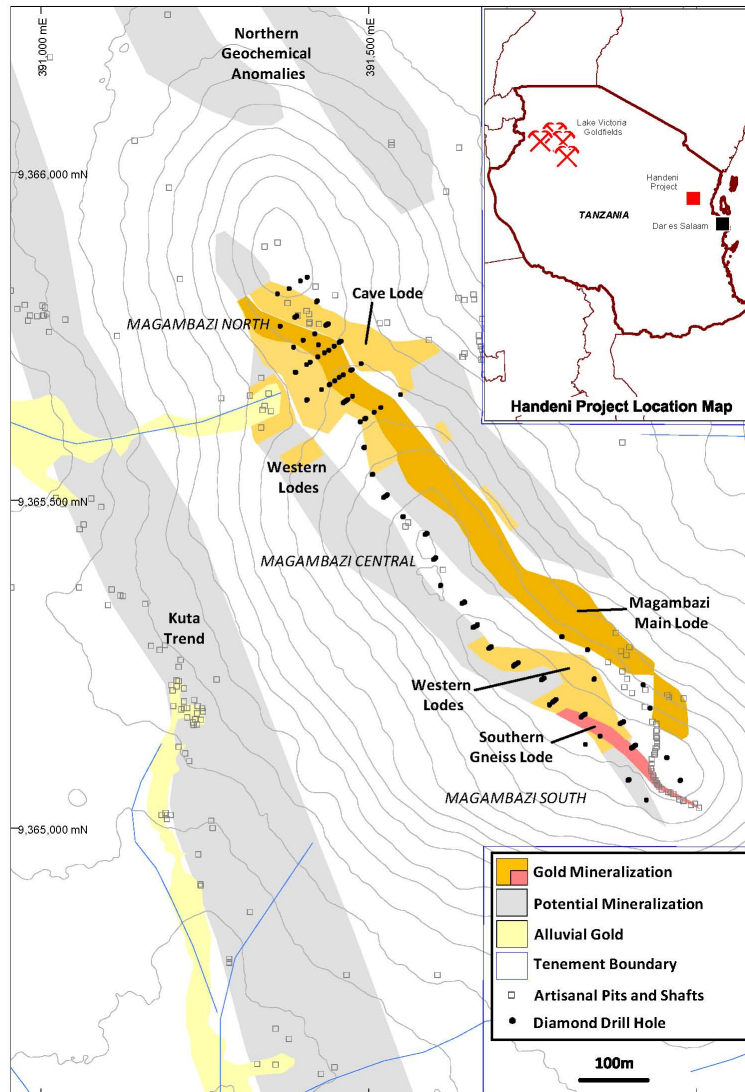
Tanzania – Magambazi Drill Results

Hole		Intercept (m)	Au grade (g/t)	Area
001		59.0	4.28	Magambazi
	including	17.0	10.39	Magambazi
012		56.2	6.39	Magambazi North
045		21.7	6.79	Magambazi North
066		37.0	12.45	Magambazi
	including	23.0	19.14	Magambazi Central
073		32.0	9.27	Magambazi
	including	16.4	17.56	Magambazi
084		13.4	13.54	Magambazi
096		48.6	14.81	Magambazi
	including	16.8	41.51	Magambazi
098		53.2	9.51	Magambazi
	including	23.8	15.08	Magambazi
107		48.3	7.24	Magambazi
117		8.7	38.76	Magambazi North

May 2010 metallurgical tests showed 94% gold recoveries

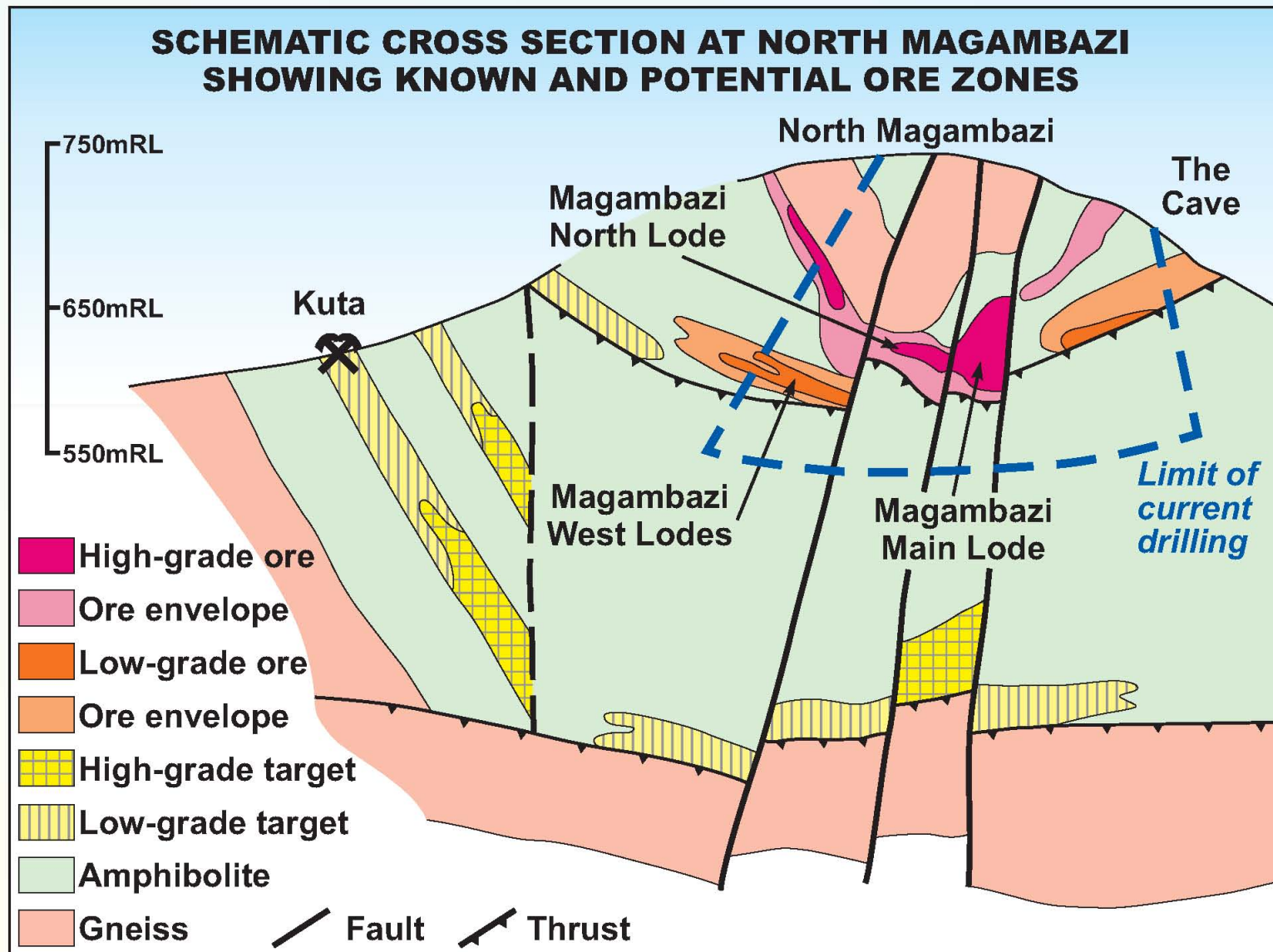


Magambazi Plan View



- Hole 1 – 59 metres at 4.28 g/t gold
- 205 holes reported to date; 87% mineralized
- Recent drilling confirms Magambazi contain at least five distinct mineralized lodes
- Strike length defined along one kilometre of drilling
- Additional potential to the north, west and at depth
- Currently eight rigs active on site – increasing to 12 by Q4

Magambazi North Schematic Cross Section



2011/12 Plan and Objectives – Handeni



- 200,000 metres of drilling by June 2012, including:
 - ✓ 155,000 metres of delineation drilling at Magambazi
 - 95,000 metres at Magambazi
 - 60,000 metres diamond drill follow-up of favourable targets at Kuta and Magambazi Deep
 - ✓ 45,000 metres of exploration drilling on regional targets
 - MK Trend focused on priority targets at Kwadijava South, Majiri, Bahati, Kijani, and Magambazi North
 - Diamond drilling on the MK Trend targeted at high priority targets at Kwadijava, and Kijani and Majiri
- Initial resource calculation – Q1 2012
- Magambazi PEA – Q2 2012

Timeline to Production – Handeni Project



	2011	2012	2013	2014	2015
Delineation and exploration drilling at Magambazi	[Blue bar spanning 2011-2015]				
Exploration drilling along MK Trend and other targets	[Blue bar spanning 2011-2015]				
Magambazi resource estimate and PEA	[Blue bar spanning 2011-2012]				
Pre-feasibility/feasibility study		[Blue bar spanning 2012-2013]			
Financing			[Blue bar spanning 2013-2014]		
Construction, pre-production				[Large blue arrow pointing right from 2014 to 2015]	

Ingredients for Growth

1 Potential for quality ounces

+

2 A stable jurisdiction

+

3 Regional exploration potential

+

4 Experienced team

+

5 Strategic partners



Magambazi – Potential for Quality Ounces



- Magambazi deposit hosts potential for a high-grade open pit mining operation, characterized by:
 - ✓ Topographic advantage
 - ✓ Favourable geometry
 - ✓ Excellent recoveries
 - ✓ Low capital cost
 - ✓ Low cash costs; high operating margins
 - ✓ Located in favourable mining jurisdiction
 - ✓ Close to existing infrastructure



Investment Highlights



World-class gold development asset

- Handeni (100%-owned) – Tanzania
 - ✓ 205 holes reported to date at Magambazi – 87% mineralized
 - ✓ Large scale, district play
 - ✓ High-grade, open-pit potential; likely to have relatively low capex and low operating costs

Excellent jurisdiction

- Asset in region with favourable government policies; strong economic growth
- Handeni project's location in eastern Tanzania is particularly underexplored and underdeveloped

Capital structure

- Strong partner in Sinotech (20% ownership)
- Aligned board and management (7% ownership)

Experienced management

- Technically skilled team
- Team background is deep in execution experience

Exploration upside

- Handeni strike length defined along one km of drilling and target remains open at depth and along strike

Management



Andrew Lee Smith, President, CEO and Director – Co-founder of Canaco; Professional geologist with over 25 years experience in mineral exploration and mine development; also co-founder of True North Gems Inc.

Jeff Heidema, VP Exploration – Professional geologist with over 25 years of domestic and international exploration experience, specializing in VMS and Archean gold projects

Shannon Ross, Chief Financial Officer – CA with more than 25 years of accounting and financial management experience in the mining sector

Nick Watters, Director Business Development – Co-founder of Canaco; independent businessman with over 15 years experience working with public companies in the mining, high-tech and biotech industries

Meghan Brown, Director Investor Relations – MBA with 20 years experience in the resource sector; most recently was responsible for investor relations at Ventana Gold Corp.

Dr. David Groves, Director Project Development, Tanzania – PhD and Professor emeritus, University of Western Australia; world renowned expert on Archean gold deposits

Denis Dillip, Chief Geologist, Tanzania – Graduate of the University of Dar es Salaam; over 10 years experience working for major mining companies in Tanzania

Board/Advisory Board



BOARD OF DIRECTORS

Dr. Jingbin Wang, PhD Geology, Chairman – President of Sinotech Minerals Exploration Co., Ltd.; 24 years experience and a leader in the non-ferrous metals industry in China and recognized expert in mineral exploration and mining

Andrew Lee Smith, PGeo – Canaco co-founder, President and CEO; >25 years in mineral exploration and mine development experience; also co-founder of True North Gems Inc.

David Parsons – Vice President, Insurance for Goldcorp Inc.; CGA with >25 years experience in mining industry

Randy Smallwood, PEng – President and CEO of Silver Wheaton Corp.; former Director, Project Development for Goldcorp Inc.

Brian Lock, PEng – Chairman of Castle Peak Mining Ltd.; founder of Proton International Engineering with >30 years experience in mine development

Shuixing Fu – Deputy General Manager of SinoTech (Hong Kong) Corporation Limited and Sinotech Minerals Exploration Co., Ltd.; professional geologist with >20 years experience in mineral exploration

ADVISORY BOARD

Dr. Alan Carter, PhD – Director of Peregrine Diamonds Ltd.; former Business Development with BHP Billiton

Joanne Freeze, PGeo – CEO of Candente Copper Corp. and Candente Gold Corporation

David W. Moore, MSc, PGeo – President and CEO of Serengeti Resources; former Teck Cominco

Sean Waller, PEng – President of Candente Copper Corp.