

## CANACCORD FINANCIAL INC. DISCLOSES DIRECTORS' DEALINGS AND CANCELLATION OF SHARES

**TORONTO, May 24, 2011** – Canaccord Financial Inc. (“CF” or the “Company”) announces:

- (1) the cancellation of 84,654 common shares;
- (2) the vesting of Restricted Share Units (“RSUs”) that were acquired by Paul Reynolds, Mark Maybank, Tim Hoare and Matthew Gaasenbeek through the Long Term Incentive Plan (“LTIP”) in lieu of cash compensation;
- (3) the issuance of 288,207 shares;
- (4) the sale of shares by Paul Reynolds, Matthew Gaasenbeek and Philip Evershed;
- (5) adoption of a Deferred Share Unit plan for the independent directors of the Company.

(1) Canaccord Financial Inc. also announces that the company has cancelled 84,654 of its common shares. These shares had been acquired by wholly-owned subsidiaries from former employees in accordance with pre-existing contractual arrangements.

(2) On May 19, 2011, certain RSUs vested in respect of previous LTIP awards. Of the RSUs which vested on May 19, 2011, Paul Reynolds held 97,704 RSUs; Mark Maybank held 29,976 RSUs; Tim Hoare held 47,094 RSUs and Matthew Gaasenbeek held 48,338 RSUs. They will therefore respectively acquire 97,704, 29,976, 47,094 and 48,338 common shares in the Company. Mr. Hoare will receive all of his shares from treasury. Messrs. Maybank and Gaasenbeek will receive all of their shares by transfer from the employee benefit trust, which had previously acquired these shares on the open market. Mr. Reynolds will receive 54,940 shares from treasury and 42,764 shares by transfer from the employee benefit trust.

The LTIP is an initiative by Canaccord that was announced on June 7, 2007, and approved at the Company’s annual general meeting on August 2, 2007.

(3) For employees in the United States and the United Kingdom (principally employees of Canaccord Genuity Inc. and Canaccord Genuity Limited), the shares to be issued on the vesting of the awards are issued from treasury. Therefore, in respect of the RSUs which have now vested, a total of 288,207 common shares of the Company will be issued and application has been made for their admission to AIM on May 26, 2011. Following the issue of these shares, and taking into account the cancelled shares, Canaccord Financial Inc. will have 83,156,489 common shares in issue.

(4) Canaccord Financial Inc. announces that on May 19, 2011, Paul Reynolds, Matthew Gaasenbeek, and Philip Evershed, directors of the Company, sold shares of the Company. Paul Reynolds sold 100,000 shares at an average price of \$14.00 per share. Matthew Gaasenbeek sold 297,372 shares at an average price of C\$14.00. Phil Evershed sold 350,000 shares from the Evershed Family Trust at \$14.00 per share. All shares were sold through the facilities of the Toronto Stock Exchange.

*In summary, after the vesting of RSUs, the holdings related to Messrs. Reynolds, Maybank, Hoare and Gaasenbeek are as follows:*

| Director            | Shares owned (excluding RSUs) prior to May 19 | RSUs held before May 19 vesting | RSUs vested and common shares acquired on May 19 | RSUs held after May 19 vesting | Shares sold on May 19 | Total common shares + RSUs + options | Total common shares owned as of May 19 | Total common shares as % of total CF issued common shares (as of May 26, 2011). |
|---------------------|-----------------------------------------------|---------------------------------|--------------------------------------------------|--------------------------------|-----------------------|--------------------------------------|----------------------------------------|---------------------------------------------------------------------------------|
| Paul D. Reynolds    | 909,248                                       | 293,823                         | 97,704                                           | 196,119                        | 100,000               | 1,220,398                            | 906,952                                | 1.1%                                                                            |
| Mark G. Maybank     | 731,780                                       | 203,203                         | 29,976                                           | 173,227                        | --                    | 1,052,301                            | 761,756                                | 0.9%                                                                            |
| Timothy J. D. Hoare | 1,018,831                                     | 138,571                         | 47,094                                           | 91,477                         | --                    | 1,274,720                            | 1,065,925                              | 1.3%                                                                            |
| Matthew Gaasenbeek  | 424,366                                       | 199,936                         | 48,338                                           | 151,598                        | 297,372               | 444,248                              | 175,332                                | 0.2%                                                                            |

(5) The Company has adopted a deferred share unit (DSU) plan for its independent directors. Effective from April 1, 2011, the independent directors can elect to have the fees payable to them paid in the form of the issuance of DSUs. Directors must elect annually whether they wish their directors' fees to be so used and can specify a portion of their directors' fees to be used for DSUs and the remaining amount of fees to be paid in cash. A DSU is a bookkeeping entry that tracks the value of one common share of the Company. When cash dividends are paid on common shares, eligible directors are credited with additional DSUs. The number of additional DSUs is calculated by multiplying the cash dividend per common share by the number of DSUs in the director's account as of the date of record divided by the fair market value of a common share on the payment date of the dividend. DSUs accumulate over a director's term of service and are not paid out until the director leaves the Board of Directors, providing them with an ongoing interest in the Company during the term of service. When the director leaves the Board of Directors, payment for the DSUs is made in cash. Under the plan the Directors are not entitled to receive any shares in the Company and under no circumstances will DSUs confer on any participant any of the rights or privileges of a holder of Common Shares. Directors will have five years from the date of their election or appointment to acquire shares with a market value of \$250,000. Unexercised "in the money" options do not count towards the share ownership threshold. Until the share ownership threshold is met, a minimum of \$50,000 of the annual retainer will be in the form of DSUs. After the share ownership threshold is met, a minimum of \$25,000 of the retainer will be in the form of DSUs. Directors may elect to take any part (up to 100%) of their fees in the form of DSUs.

#### **ABOUT CANACCORD FINANCIAL INC.:**

Through its principal subsidiaries, Canaccord Financial Inc. is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and global capital markets. Since its establishment in 1950, Canaccord has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. Canaccord has 46 offices worldwide, including 32 Wealth Management offices located across Canada. Canaccord Genuity, the international capital markets division, operates in the U.S., the U.K., Canada, China and Barbados.

Canaccord Financial Inc. is publicly traded under the symbol CF on the TSX and the symbol CF. on AIM, a market operated by the London Stock Exchange.

**FOR FURTHER INFORMATION CONTACT:**

**North America media:**

Scott Davidson

Managing Director, Global Head of Marketing & Communications

Phone: 416-869-3875, email: scott.davidson@canaccord.com

**For investor relations inquiries contact:**

Jamie Kokoska

Manager, Investor Relations & Communications

Phone: 416-869-3891, email: jamie.kokoska@canaccord.com

**London media:**

Bobby Morse or Ben Romney

Buchanan Communications (London)

Phone: +44 (0) 207 466 5000, email: bobbym@buchanan.uk.com

**Nominated Adviser and Joint Broker:**

Marc Milmo or Carl Holmes

Charles Stanley Securities

Phone: +44 020 7149 6764, email: marc.milmo@csysecurities.com

**Joint Broker:**

Oliver Hearsey or Nick Triggs

Keefe, Bruyette & Woods Limited

Phone: +44 (0) 20 7663 5400, email: ohearsey@kbw.com