



CANACCORD CAPITAL INC. TO ACQUIRE ADAMS HARKNESS FINANCIAL GROUP, INC.

Canaccord expands global small to mid cap market niche into the United States

VANCOUVER, September 13, 2005 – Canaccord Capital Inc. (“Canaccord”, CCI: TSX & AIM) today announced it has signed a definitive agreement to acquire 100% of Adams Harkness Financial Group, Inc. (“Adams Harkness”), a privately-held Boston, Mass. based institutional investment bank, for US\$20 million. The acquisition will create Canaccord Adams, a new brand for Canaccord’s Global Capital Markets operations worldwide. This new group will combine the industry expertise, services and market reach of Canaccord Capital and Adams Harkness and enhance the company’s ability to serve the global small to mid cap market niche.

“We see our expansion into the US as an extension of our niche approach. Partnering with the skilled professionals at Adams Harkness creates an exciting opportunity to provide a higher level of differentiated ideas and execution to our clients,” said Paul Reynolds, Vice Chair, Head of Global Capital Markets, Canaccord Capital Inc. “The combined operations will enhance Canaccord’s global capabilities, expand and add balance to our sector coverage and further diversify our revenue base.”

“The marketplace for entrepreneurial companies has become global in scope and opportunity,” said John Adams, Chairman, Adams Harkness Financial Group, Inc. “Both Canaccord and ourselves have observed this phenomenon with keen interest and we want to be in a position to exploit it for the benefit of our respective clients. We believe that we are first to market and we are committed to being the best. A long acquaintance with Canaccord has convinced us that we share a common culture as well as a common vision.”

The US\$ 20 million in consideration will consist of US\$8 million in cash and US\$12 million in approximately 1.34 million common shares of Canaccord Capital Inc., which will come from a combination of shares acquired from selling shareholders and issuance of treasury shares. Shares will be held in escrow until June 30, 2008, with annual releases of one-third per year, beginning on June 30, 2006. Current shareholders of Adams Harkness will retain ownership of certain non-core assets.

In addition, a US\$10 million retention pool in Canaccord common shares has been established to retain key Adams Harkness employees and ensure that senior management will continue in their roles. The retention pool involves the issuance of 1.12 million common shares of Canaccord Capital Inc., to be paid after a three-year vesting period. The total number of shares to be vested is also based on achievement of certain performance levels. Therefore, the total number of common shares required for purchasing Adams Harkness and employee retention purposes is 2.46 million.

Canaccord expects this transaction to be neutral to Canaccord's fiscal 2006 EPS and accretive to EPS in fiscal 2007 based on the assumptions outlined above. Canaccord intends to continue its normal course issuer bid. As of August 30, 2005, Canaccord had a total of 45,929,368 common shares outstanding.

The agreement is subject to regulatory approvals in Canada and the US, which are expected to take between 90 and 120 days to obtain and is subject to approval by the shareholders of Adams Harkness and other customary closing conditions. The transaction is expected to close prior to the end of fiscal Q4/06, which ends on March 31, 2006.

Acquiring Adams Harkness is consistent with Canaccord's stated acquisition policy that acquisitions will: have like minded partners and a culture that will integrate well with Canaccord's; service focused markets that are complementary to our existing areas of expertise; be accretive within a reasonable time frame; and, effectively invest surplus capital.

Adams Harkness' original operating entity was founded in 1937 and has 165 employees in Boston, New York and San Francisco. In fiscal 2004, the company had annual revenue of US\$62 million, a loss of US\$9 million and net assets of US\$11 million. Fiscal 2004 was a transition year for Adams Harkness, involving internal changes, restructurings, changes in senior management and write offs, helping prepare the firm to focus on its priorities in fiscal 2005. Excluding these items Adams Harkness would have had an operating loss of US\$3 million in fiscal 2004. With a strategic focus on growth companies in the technology, healthcare, consumer services and industrial & manufacturing growth sectors and strong client relationships, Adams Harkness has built an idea-based franchise of independent research, innovative sales and trading execution, and focused investment banking activity.

The addition of Adams Harkness to Canaccord's existing platform will allow for enhanced revenue opportunities in M&A, corporate finance, institutional sales and trading execution. It is expected that Canaccord Adams will create a strong base of global client offerings and will enable seamless distribution of products and services in three core capital markets – Canada, the US and Europe. Additionally, Canaccord Adams will build upon Canaccord's and Adams Harkness' established focus on the small to mid cap market niche globally and offer clients expertise in the metals and mining, energy, technology, life sciences and diversified sectors.

A presentation for the investment community with highlights of the transaction will be available following the distribution of this release on Canaccord Capital Inc.'s web site in the investor relations section at: http://www.canaccord.com/investor/shareholder/investor_presentations.htm.

The highlights will be presented by senior executives to analysts and institutional investors on a conference call which will include a question and answer session. The call is scheduled for Tuesday, September 13, 2005 at 8 a.m. (Pacific time); 11 a.m. (Eastern time); and 4 p.m. (UK time). Analyst and institutional investors can call in via telephone at:

- 416-640-4127 (within Toronto)
- 1-800-814-4853 (toll-free outside of Toronto)
- 00-800-0000-2288 (toll-free from the United Kingdom)

The conference call may also be accessed live and will be archived on a listen-only basis via the Internet at: www.canaccord.com/investor/webcast.

A replay of the conference call can be accessed after 1:00 p.m. (Eastern time) on September 13, 2005 until midnight September 27, 2005 at 416-640-1917 or 1-877-289-8525 by entering passcode 21150374#.

ABOUT CANACCORD CAPITAL INC.:

Canaccord Capital Inc. is a leading independent full service investment dealer, publicly traded on both the Toronto Stock Exchange and the Alternative Investment Market (AIM), a market operated by the London Stock Exchange. Canaccord has operations in two of the principal segments of the securities industry: Private Client Services and Global Capital Markets. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to Canaccord's retail, institutional and corporate clients. Canaccord has approximately 1,300 employees worldwide in 28 offices, this includes Investment Advisors located in 25 offices across Canada, and international Global Capital Markets professionals based in Vancouver, Calgary, Toronto, Montréal and London (UK).

ABOUT ADAMS HARKNESS:

Adams Harkness is a privately held institutional investment bank focused on growth companies in the technology, healthcare and consumer sectors. With a focus on research-driven investment ideas, Adams Harkness offers investment banking and sales and trading services to its corporate and institutional clients. Headquartered in Boston, Mass. and with offices in New York, N.Y. and San Francisco, Calif., Adams Harkness offers the expertise of a national investment bank with the personalized attention and long-term strategic client relationships of a boutique investment bank. More information is available at www.adamsharkness.com. Adams Harkness is a member of the NASD and SIPC.

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Caution regarding forward-looking statements

This document may contain certain forward-looking statements. These statements relate to future events or future performance and reflect management's expectations regarding Canaccord's growth, results of operations, performance and business prospects and opportunities. These statements also include expectations relating to completion of the proposed transaction with Adams Harkness, realization of expected synergies from the transaction and other matters. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors, which may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry, the ability to successfully integrate the operations of Adams Harkness with the operations of Canaccord, and the risks and uncertainties detailed from time to time in Canaccord's interim and annual financial statements and its Annual Report and Annual Information Form filed on www.sedar.com. These forward-looking statements are made as of the date of this document, and Canaccord assumes no obligation to update or revise them to reflect new events or circumstances.