



CANACCORD FINANCIAL INC. TO ISSUE \$100 MILLION OF PREFERRED SHARES

*NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR
DISSEMINATION TO THE UNITED STATES*

TORONTO, June 6, 2011 – Canaccord Financial Inc. (“Canaccord”, TSX: CF, AIM: CF.) is pleased to announce that it has agreed to issue 4,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series A (the “Series A Preferred Shares”) to a syndicate of underwriters led by CIBC World Markets Inc. and Canaccord Genuity Corp., for distribution to the public. The Series A Preferred Shares will be issued at a price of \$25.00 per share for aggregate gross proceeds of \$100 million. Holders of the Series A Preferred Shares will be entitled to receive fixed, cumulative, preferential dividends payable quarterly, if, as and when declared by the board of directors of Canaccord, and yielding 5.50% annually for the initial period ending on September 30, 2016. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 3.21%.

Holders of Series A Preferred Shares will have the right, at their option, to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series B (the “Series B Preferred Shares”), subject to certain conditions, on September 30, 2016 and on September 30 every five years thereafter. Holders of the Series B Preferred Shares will be entitled to receive floating rate, cumulative, preferential dividends payable quarterly, if, as and when declared by the board of directors of Canaccord, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.21%.

Canaccord has also granted the underwriters an option to purchase up to an additional 600,000 Series A Preferred Shares, on the same terms and conditions as the offering, exercisable in whole or in part, for a period of 30 days from the closing date of the offering. If this option is exercised in full, the total gross proceeds to Canaccord will be \$115 million.

DBRS Limited has assigned a rating of Pfd-3 (low) for the Series A Preferred Shares.

The net proceeds of the offering will be used for general corporate purposes. The offering is expected to close on or about June 23, 2011, subject to certain conditions, including Toronto Stock Exchange approval, as well as other conditions set forth in an underwriting agreement to be entered into between Canaccord and the underwriters.

The Series A Preferred Shares will be offered for sale to the public in each of the provinces of Canada by way of a short form prospectus to be filed with Canadian securities regulatory authorities in all provinces of Canada.

The Series A Preferred Shares and Series B Preferred Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, absent registration or an applicable exemption from registration requirements. This press release does not constitute an offer to sell or a solicitation of an offer to buy any security within the United States, and shall not

constitute an offer, solicitation, or sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. These statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events including business and economic conditions and Canaccord's growth, results of operations, performance and business prospects and opportunities. 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", "intend" 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 that 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 and the risks and uncertainties detailed from time to time in Canaccord's interim and annual consolidated 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 will not be updated or revised except as may be required by applicable law.