

**NOTIFICATION OF CANCELLATION OF COMMON SHARES
BY CANACCORD FINANCIAL INC.**

TORONTO, January 3, 2012 – Canaccord Financial Inc. (TSX: CF & AIM: CF.) repurchased for cancellation between December 19 and 30, 2011, 261,900 of its common shares at an average price of \$7.36 per share under the terms of its Normal Course Issuer Bid (NCIB), which commenced on June 13, 2011, through the facilities of the Toronto Stock Exchange. The common shares will be cancelled effective the day of their purchase and have been cancelled on the Toronto Stock Exchange (“TSX”) and AIM. As of December 30, 2011, after taking into account the purchases and cancellation, the total number of common shares remaining available for repurchase under the NCIB is 1,350,000 and the total number of outstanding common shares of Canaccord Financial Inc. is 83,412,456.

Background on the NCIB

A normal course issuer bid is a purchase by a TSX listed company of its own common shares through the facilities of the TSX in accordance with its rules. The purchase of common shares under the normal course issuer bid enables Canaccord to acquire common shares for cancellation or for resale. In the case of the Company, the TSX rules limit the daily purchases to 40,523 common shares except for one block purchase each calendar week.

All purchases are subject to the Company’s normal trading blackouts and the availability of common shares for purchase. The amount and timing of any purchases are determined by Canaccord. To fulfill its regulatory reporting requirements, when actively repurchasing its common shares for cancellation, Canaccord will issue a press release with an updated report on the common shares repurchased at a minimum of every two weeks and will immediately issue a press release if more than 1% of its outstanding common shares are repurchased for cancellation on any one day.

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 49 offices worldwide, including 32 Wealth Management offices located across Canada. Canaccord Genuity, the international capital markets division, operates in Canada, the U.S., the U.K., China, Hong Kong, Australia 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. Canaccord’s Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A

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