

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and, except pursuant to an applicable exemption from registration set forth in the 1933 Act, may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction, including the Commonwealth of Puerto Rico (the "United States"), or to or for the account of any citizen, national or resident thereof or to a Corporation, partnership or other entity created or organized in or under the laws of the United States or an estate or trust the income of which is subject to United States federal income taxation regardless of its source (a "U.S. person"). See "Plan of Distribution".

PROSPECTUS

Initial Public Offering

April 30, 2013

CANADIAN METALS INC.



Minimum Offering: 4,666,667 Units
\$700,000

Maximum Offering: 10,666,667 Units
\$1,600,000

Each unit (a "Unit" and collectively "Units") consists of: (i) one common share (a "Common Share" and collectively "Common Shares") of Canadian Metals Inc. ("Canadian Metals" or the "Corporation"); and (ii) one Common Share purchase warrant (a "Unit Warrant" and collectively "Unit Warrants"), each Unit Warrant entitling the holder thereof to acquire one additional Common Share of the Corporation at a price of \$0.25 for a period of eighteen (18) months. See "Plan of Distribution".

This prospectus (the "Prospectus") qualifies the distribution (the "Offering") by Canadian Metals of a minimum (the "Minimum Offering") of 4,666,667 Units and a maximum (the "Maximum Offering") of 10,666,667 Units at a price of \$0.15 per Unit (the "Issue Price") to purchasers residing in the provinces of Quebec, Ontario, Alberta and British Columbia (the "Offering Jurisdictions") for gross proceeds of a minimum of \$700,000 and a maximum of \$1,600,000. Industrial Alliance Securities Inc. (the "Agent") is the exclusive lead agent and sole book-runner of the Corporation for the purposes of the Offering.

Issue Price: \$0.15 per Unit
Minimum Subscription: 1,000 Units

	Price to the Public ⁽¹⁾	Agent's Commission ⁽²⁾⁽³⁾	Net Proceeds to the Corporation ⁽³⁾⁽⁴⁾
Per Unit:	\$0.15	\$0.012	\$0.138
Minimum Offering:	\$700,000	\$56,000	\$644,000
Maximum Offering:	\$1,600,000	\$128,000	\$1,472,000

Notes:

⁽¹⁾ The Issue Price was determined by negotiation between the Corporation and the Agent.

⁽²⁾ The Agent will receive a cash commission equal to 8% of the gross proceeds of the Offering (the "Agent's Commission"), payable at closing. In addition to the Agent's Commission, the Agent will receive Common Share purchase warrants (the "Agent's Warrants") entitling the Agent to purchase that number of Common Shares (the "Agent's Warrant Shares") equal to 8% of the number of Common Shares issued under this prospectus pursuant to the Offering. Each Agent's Warrant entitles the holder to purchase one Common Share at a price of \$0.25 for a period of 12 months following the closing of the Offering. This prospectus qualifies the distribution of the Agent Warrants, the distribution of the Common Shares issuable upon exercise of the Agent Warrants and the distribution of Units issued upon exercise of the Over-Allotment Option (as defined below). If the Over-Allotment Option is exercised, the Agent will receive a cash commission equal to 8% of the gross proceeds and Agent's Warrants equal to 8% of the number of Common Shares issued pursuant to such option. See "Plan of Distribution".

⁽³⁾ These figures do not include the Agent's expenses that the Corporation must also pay, including the reasonable fees and disbursements, plus applicable taxes, of the legal counsel to the Agent associated with the Offering. See "Plan of Distribution".

⁽⁴⁾ This amount represents the net proceeds to the Corporation after deducting the Agent's Commission and before deducting the estimated expenses of the Offering of \$125,000, both of which will be paid out of the proceeds of the Offering.

The completion of the Offering is subject to a minimum subscription of 4,666,667 Units for gross proceeds of \$700,000. Subscription proceeds will be received by the Agent, or by any other securities dealer authorized by the Agent, and will be held by the Agent in trust until the initial closing of the Offering. With respect thereto, the Agent agrees to maintain a register containing the date of subscription, the name and account number or address of each subscriber, as well as the number of securities subscribed by each subscriber. If a closing for a minimum of 4,666,667 Units (\$700,000) has not occurred by July 30, 2013, all subscription funds will be returned to the subscribers, without interest or deduction, as soon as possible thereafter.

The Corporation will grant to the Agent an option (the “**Over-Allotment Option**”), exercisable in whole or in part and from time to time, in the sole discretion of the Agent, for a period of 30 days following the closing of the Offering, to purchase at the Offering Price that number of additional Units (the “**Over Allotment Units**”) equal to a maximum of up to 15% of the Units issued and sold pursuant to the Maximum Offering to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, the Agent’s Fee and the net proceeds to the Corporation before expenses will be \$240,000, \$19,200 and \$220,800 respectively. This prospectus qualifies the distribution of the Over-Allotment Units and the distribution of the Common Shares issuable upon exercise of the Over-Allotment Option. See “Plan of Distribution”.

The following table sets out the number of options and other compensation securities that have been issued or may be issued by the Corporation to the Agent:

Agent’s Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	1,600,000 Units	30 days following the closing of the Offering (assuming the Over-Allotment Option is exercised in full)	\$0.15 per Unit
Agent Warrants	853,333 Common Shares ⁽¹⁾	Twelve months following the closing of the Offering	\$0.25 per Unit
Total securities issuable to the Agent	853,333 Common Shares		

Note:

⁽¹⁾ Does not include Agent Warrants issuable upon the exercise of the Over-Allotment Option.

The Agent, as lead agent of the Corporation for the purposes of the Offering, conditionally offers the Units for sale on a best efforts basis and subject to prior sale, if, as and when issued by the Corporation, in accordance with the conditions contained in the Agency Agreement, and subject to the approval of certain legal matters on behalf of the Corporation by Dentons Canada LLP and on behalf of the Agent by Colby, Monet, Demers, Delage & Crevier L.L.P.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right to close the subscription books at any time without notice. The Offering will be discontinued in the event that completion of the Offering has not occurred on or prior to the date that is 90 days from the issuance of a receipt for the final Prospectus relating to this Offering or, if a receipt has been issued for an amendment to the final Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of the receipt for the final Prospectus. See “Plan of Distribution”. Except as otherwise required by law or in accordance with certain regulatory requirements, it is anticipated that the Common Shares acquired hereunder will be issued under the book-based system. At the closing of the Offering, certificates representing all of the Common Shares will be issued in registered form to the applicable participants (the “**CDS Participants**”) in the Canadian Depository for Securities Limited (“**CDS**”) depository service, which includes securities brokers and dealers, banks, and trust companies. It is anticipated that such CDS Participants will deposit such certificates with CDS in connection with the book-based system and a global certificate representing the Common Shares will be issued in the name of CDS or its nominee for the Common Shares held through the book-based system. A holder of a Common Share participating in the book-based system will not be entitled to a certificate or

other instrument from the Corporation or the Corporation's transfer agent evidencing that person's interest in or ownership of Common Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS Participant. However, a holder of Common Shares participating in the book-based system may, through the applicable CDS Participant, request that such Common Shares no longer be held through the book-based system, in which case a certificate representing such Common Shares will be issued to such holder as soon as reasonably practicable. Certificates representing the Unit Warrants shall be available for delivery no later than two days after the closing of the Offering.

THE ISSUE PRICE UNDER THIS OFFERING SIGNIFICANTLY EXCEEDS THE NET TANGIBLE BOOK VALUE PER COMMON SHARE, AND ACCORDINGLY, INVESTORS WILL SUFFER IMMEDIATE AND SUBSTANTIAL DILUTION OF THEIR INVESTMENT IN THE AMOUNT OF 65% OR \$0.0975 PER SHARE IN THE EVENT OF A MINIMUM OFFERING AND 51% OR \$0.0765 PER SHARE IN THE EVENT OF A MAXIMUM OFFERING. SEE "DILUTION" AND "PRIOR SALES".

AN INVESTMENT IN THE COMMON SHARES SHOULD BE CONSIDERED HIGHLY SPECULATIVE DUE TO THE NATURE OF THE CORPORATION'S BUSINESS, ITS PRESENT STATE OF DEVELOPMENT AND OTHER RISK FACTORS.

AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE ISSUER'S PROPERTIES ARE IN THE EXPLORATION STAGE AS OPPOSED TO THE DEVELOPMENT STAGE. AN INVESTMENT IN THESE SECURITIES SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS".

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD AND PURCHASERS MAY NOT BE ABLE TO RESELL SECURITIES PURCHASED UNDER THIS PROSPECTUS. THIS MAY AFFECT THE PRICING OF THE SECURITIES IN THE SECONDARY MARKET, THE TRANSPARENCY AND AVAILABILITY OF TRADING PRICES, THE LIQUIDITY OF THE SECURITIES AND THE EXTENT OF ISSUER REGULATION. SEE "RISK FACTORS". THE CORPORATION HAS APPLIED TO THE CNSX TO CONDITIONALLY APPROVE THE LISTING OF THE COMMON SHARES ON THE CNSX. THE LISTING OF THE COMMON SHARES IS SUBJECT TO THE CORPORATION MEETING ALL OF THE LISTING REQUIREMENTS OF THE CNSX INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess income tax, legal and other aspects of this investment based upon their own personal circumstances.

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The CNSX has conditionally accepted the listing of the Common Shares. The listing of the Common Shares will be subject to the Corporation fulfilling all the listing requirements of the CNSX.

The Corporation is neither a "connected issuer" nor a "related issuer" to the Agent as defined in *Regulation 33-105 respecting Underwriting Conflicts*.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

No person is authorized by the Corporation to provide any information or to make any representations other than those contained in this Prospectus in connection with the issue and sale of the securities offered hereunder.

**Industrial Alliance Securities Inc.
2200, McGill College Avenue, Suite 350
Montreal, Quebec, H3A 3P8
Attn: Mélanie Legris
Tel: (514) 499-1351
Fax: (514) 499-1071**

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Statements contained in this Prospectus that are not historical facts are “forward looking statements” or “forward looking information” (collectively, “**Forward Looking Information**”) (within the meaning of applicable Canadian securities legislation) that involve risks and uncertainties. Forward Looking Information includes, but is not limited to, statements relating to the amount of financings; expected use of proceeds; business objectives; the acquisition of interests in mineral properties; the timing and costs of future exploration activities on the Corporation’s properties; success of exploration activities; permitting time lines and requirements for additional capital. In certain cases, Forward Looking Information 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”. In making the forward looking statements in this Prospectus, the Corporation has applied several material assumptions, including, but not limited to, the assumption that any financing needed in addition to the funds raised pursuant to the Offering will be available on reasonable terms. Other assumptions are discussed throughout this Prospectus and, in particular, in the “Risk Factors” section in this Prospectus. Forward Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the Forward Looking Information. Such risks and other factors include, among others, risks related to the completion of financings and the use of proceeds; operations and contractual obligations; changes in exploration programs based upon results of exploration; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks of the mineral exploration industry; environmental risks; community relations; and delays in obtaining governmental approvals or financing; as well as those factors discussed in the section entitled “Risk Factors” in this Prospectus. Although the Corporation has attempted to identify important factors that could affect the Corporation and may cause actual actions, events or results to differ materially from those described in Forward Looking Information, 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 Information 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 Information. The Forward Looking Information in this Prospectus is made only as of the date hereof. The Corporation, to the extent required by applicable securities law, will release publicly any revisions to Forward Looking Information contained in this Prospectus to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Corporation: The Corporation was incorporated under the *Business Corporations Act* (Quebec) on August 17, 2012.

The Corporation's head office is located at 3-1940 Cuvillier Street, Montreal, Quebec, H1W 3Y9.

The Corporation is a mineral exploration corporation focused on the acquisition, exploration and ultimately development of production facilities and the sale of exploration and evaluation of mineral properties. The Corporation owns, a 100% beneficial interest in the Massicotte Property, located in the Abitibi region in Northwestern Quebec, which the Corporation believes is prospective for gold and base metals. See "Description of the Business".

The Offering and Issue Price: The Offering consists of a Minimum Offering of 4,666,667 Units and a Maximum Offering of 10,666,667 Units at a price of \$0.15 to purchasers residing in the provinces of Quebec, Ontario, Alberta and British Columbia for gross proceeds of a minimum of \$700,000 and a maximum \$1,600,000.

Agent's Commission: The Agent will be paid a cash commission (the "**Agent's Commission**") equal to 8% of the gross proceeds raised pursuant to the Offering. In addition, the Agent will receive the Agent's Warrants entitling the Agent to purchase that number of Agent's Warrant Shares that is equal to 8% of that number of Common Shares issued pursuant to the Offering at an exercise price of \$0.25. See "Plan of Distribution".

Over-Allotment Option: The Corporation will also grant to the Agent the Over-Allotment Option solely to cover Over-Allotments, if any, and for market stabilization purposes. This Prospectus also qualifies both the grant of the Over-Allotment Option and the issuance of securities upon exercise of such Over-Allotment Option. See "Plan of Distribution".

Use of Proceeds: The gross proceeds in the event of a Minimum Offering will be \$700,000 and \$1,600,000 in the event of a Maximum Offering. The net proceeds to the Corporation from the sale of the Units offered hereunder, after deducting the Agent's Commission, together with the estimated expenses of the Offering (\$125,000), are estimated to be respectively \$519,000 and \$1,347,000. The Corporation intends to use the net proceeds of the Offering primarily to conduct the recommended exploration program on the Massicotte Property, to cover estimated general and administrative expenses and for unallocated working capital. See "Use of Proceeds".

Listing: Listing is subject to the Corporation meeting all of the listing requirements of the CNSX.

Summary of Financial Information: The following table sets forth selected financial information. This summary should be read in conjunction with the "Management's Discussion and Analysis", the audited interim financial statements of the Corporation for the 167 day-period ended January 31, 2013 and notes attached thereto.

Period	Period ended January 31, 2013 (audited)
Operating Expenses	\$(191,437)
Net (loss) and comprehensive loss for the period	\$(191,437)
Basic and diluted loss per share	\$(0.03)
Total assets	\$266,377
Total liabilities	\$61,750
Long term financial liabilities	Nil
Cash dividends declared	Nil

Risk Factors:

An investment in Common Shares is speculative and involves a high degree of risk. See “**Risk Factors**” for a discussion of certain factors you should carefully consider before deciding to invest in the Common Shares. See also “**Description of the Business**” and “**Principal Holders of Securities**”. Such factors include:

- The securities of the Corporation are highly speculative due to the nature of the Corporation’s business and the present stage of its development.
- The Corporation will require additional funds to further explore and develop the Massicotte Property. The Corporation may not have sufficient funds upon closing of the Offering to carry out the completion of all proposed activities, and may have to obtain other financing or raise additional funds.
- The properties may be subject to prior unregistered agreements of transfer or land claims by First Nations groups or others, and title may be affected by undetected defects.
- The Corporation’s activities are subject to the risks normally encountered in the resource exploration, development and mining business.
- There is no assurance that the Corporation’s exploration will result in the discovery of an economically viable mineral deposit.
- The economics of developing and operating resource properties are affected by many factors including the cost of exploration and development operations, variations of the grade of ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection.
- A continued or worsened slowdown in the financial markets or other economic conditions may adversely affect the Corporation’s growth.
- While upon completion of the Offering the Corporation will have sufficient financial resources to undertake the initial recommended exploration program for the Massicotte Property, the Corporation will require additional funds to explore and develop both the Massicotte Property and its other properties, if any.

- There is no assurance that such additional funding will be available to the Corporation or on terms favorable to the Corporation.
- The Corporation has a very limited history of operations. It is in the early stage of exploration and development and must be considered a start-up.
- The Corporation has no history of earnings, and there is no assurance that any of its mineral properties will generate earnings, operate profitably or provide a return on investment in the future.
- The Corporation may become subject to liability for hazards, including environmental hazards, against which it is not insured.
- Additional equity financing may result in substantial dilution thereby reducing the marketability of the Common Shares.
- There is no current public market for the Common Shares.
- The Corporation competes with other mining companies with greater financial and technical resources.
- Certain of the Corporation's directors and officers serve as directors or officers of other resource companies, and to the extent that such other companies may participate in ventures in which the Corporation may participate, such directors and officers of the Corporation may have a conflict of interest. See "Risk Factors".
- These risk factors, together with all other information contained in this Prospectus, including information in the section entitled "Cautionary Statement Regarding Forward-Looking Information" should be carefully reviewed and considered before a decision to purchase the Units is made.

GLOSSARY OF DEFINED TERMS

Unless otherwise indicated, the following terms used in this Prospectus have the meanings ascribed to them below. This Glossary of Defined Terms is not exhaustive of the defined terms or expressions used in this Prospectus and other terms and expressions may be defined throughout this Prospectus.

“**1933 Act**” means the United States *Securities Act of 1933*, as amended.

“**Agency Agreement**” means the agency agreement dated as of the Closing Date, 2013 between the Agent and the Corporation.

“**Agent**” means Industrial Alliance Securities Inc.

“**Agent’s Commission**” means a fee of 8% of the aggregate gross proceeds from the sale of the Units pursuant to the Offering to be paid to the Agent by the Corporation on the Closing Date in cash.

“**Agent’s Warrant Shares**” means the Common Shares issuable upon the exercise of the Agent’s Warrants.

“**Agent’s Warrants**” means Common Share purchase warrants entitling the Agent to purchase that number of Common Shares that is equal to 8% of the total number of Common Shares issued under the Offering at an exercise price of \$0.25 per Agent’s Warrant Share.

“**AMF**” means the *Autorité des marchés financiers*.

“**Closing Date**” means such date as the Agent and the Corporation shall mutually agree to close the Offering.

“**Common Shares**” means the Class A common shares in the share capital of the Corporation.

“**Companion Policy 43-101CP**” means Companion Policy 43-101CP to NI 43-101.

“**Corporation**” or “**Canadian Metals**” means Canadian Metals Inc., a Corporation incorporated under the laws of the province of Quebec.

“**CNSX**” means the Canadian National Stock Exchange.

“**CRA**” means Canada Revenue Agency.

“**Escrow Agent**” means Computershare Investor Services Inc.

“**Form 43-101F1**” means Form 43-101F1 – *Technical Report* of the Canadian Securities Administrators.

“**Issue Price**” means \$0.15 per Unit.

“**Massicotte Property**” or “**property**” means the property consisting of five (contiguous) blocks composed of 484 map designated claims in the Abitibi region, approximately 50 km west of the Town of Matagami, 100 km north Amos and 50 km east of the Detour Gold Mine located just across the provincial border of Ontario.

“**Maximum Offering**” means up to 10,666,667 Units qualified for distribution under this Prospectus or any amendment hereto.

“**Minimum Offering**” means up to 4,666,667 Units qualified for distribution under the Prospectus or any amendment thereto.

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators.

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

“NI 52-110” means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators.

“Offering” means the distribution by the Corporation of a minimum of 4,666,667 Units and a maximum of 10,666,667 Units at the Offering Price by way of this Prospectus for gross proceeds of up to \$1,600,000, without giving effect to the Over-Allotment Option.

“Over-Allotment Option” means the option granted by the Corporation to purchase at the Offering Price that number of Over-Allotment Units which is equal to 15% of the Units issued pursuant to the Offering, such option exercisable in whole or in part at any time and from time to time for a period of 30 days following the Closing Date.

“Over-Allotment Units” means the Units that may be purchased by the exercise of the Over-Allotment Option.

“Prospectus” means this prospectus and any appendices, schedules or attachments hereto.

“Regulations” means the regulations promulgated under the Tax Act.

“Securities Commissions” means the AMF, the Ontario Securities Commission, the Alberta Securities Commission and the British Columbia Securities Commission.

“Stock Option Plan” means the stock option plan of the Corporation providing for the granting of incentive options to the Corporation’s directors, officers, employees and consultants in accordance with the rules and policies of the CNSX.

“Subscriber” means a subscriber for Offered Securities subscribed for under the Offering.

“Tax Act” means the *Income Tax Act* (Canada), as amended.

“Transfer Agent” means Computershare Investor Services Inc.

“Units” means the Units offered pursuant to the Offering, each Unit consisting of one Common Share and one Unit Warrant.

“Unit Warrants” means the Common Share purchase warrants comprising the Units, each entitling the holder thereof to acquire one additional Common Share at a price of \$0.25 for a period of 18 months.`

“Warrant Agent” means Computershare Trust Company of Canada Inc.

GLOSSARY OF TECHNICAL TERMS

Conversion Factors

To Convert Metric Measurement Shares	To Imperial Measurement Shares	Multiply By
Grams (g)	Ounces (troy) (oz)	0.032
Grams per tonne (g/t)	Ounces (troy) per ton (oz/ton)	0.029
Hectares (ha)	Acres	2.471
Kilometres (km)	Miles (mi)	0.621
Square kilometres (km ²)	Square mile (mi ²)	0.386
Metres (m)	Feet (ft)	3.281
Millimetres (mm)	Inches (in)	0.039
Tonnes (t)	Short tons (2,000 pds)	1.102

Mineral Elements

Symbol	Element
Al	Aluminum
Ag	Silver
Au	Gold
Ca	Calcium
Cr	Chromium
Fe	Iron

Symbol	Element
K	Potassium
Mg	Magnesium
Mn	Manganese
Na	Sodium
P	Phosphorus
Pt	Platinum

Symbol	Element
Si	Silicon
Ti	Titanium
V	Vanadium
Zn	Zinc

Unless otherwise indicated or inconsistent with the context, technical terms used in this Prospectus have the meanings ascribed below.

“amphibolite” means a crystalloblastic rock consisting mainly of amphibole and plagioclase with little or no quartz. As the content of quartz increases, the rock grades into hornblende-plagioclase gneiss.

“anorthosite” means a plutonic rock composed almost wholly of plagioclase.

“EM survey” means an electromagnetic geophysical survey.

“geophysical survey” means the systematic collection of geophysical data for spatial studies. Geophysical surveys may use a great variety of sensing instruments, and data may be collected from above or below the earth’s surface or from aerial or marine platforms.

“grade” means the concentration of each ore metal in a rock sample, usually given as weight percent. If concentrations are extremely low, as with Au, Ag, Pt and others, the concentration may be given in grams per tonne (g/t) or ounces per ton (opt). The grade of an ore deposit is calculated, often employing very sophisticated statistical procedures, as an average of the grades of a very large number of samples collected from throughout the deposit.

“granulite” means a metamorphic rock consisting of even-sized, interlocking mineral grains.

“igneous” means produced under conditions involving intense heat, as rocks of volcanic origin or rocks crystallized from molten magma.

“ilmenite” means an iron-black opaque rhombohedral mineral. It is the principal ore of titanium. Ilmenite is a common accessory mineral in basic igneous rocks, especially gabbros and norites, and is also concentrated in mineral sands.

“labradorite” means a feldspar mineral of the plagioclase series having approximately equal proportions of sodium and calcium. It is common in igneous rocks of intermediate to low silica content.

“mafic” means a term used to describe minerals or igneous rocks that are rich in iron and/or magnesium.

“magnetic survey” or **“MAG survey”** means a common type of geophysical survey carried out using a magnetometer to measure the difference in magnetism of different rock types and structures.

“mineralization” means a general term which usually refers to ore minerals but which often may refer to other metallic minerals such as pyrite.

“monzonite” means a group of plutonic rocks intermediate in composition between syenite and diorite, containing approximately equal amounts of alkali feldspar and plagioclase, little or no quartz, and commonly augite as the main mafic mineral.

“norite” means a coarse-grained plutonic rock containing basic plagioclase (labradorite) as the chief constituent and differing from gabbro by the presence of orthopyroxene (hypersthene) as the dominant mafic mineral.

“NSR” means a net smelter return.

“quartz” means the second most abundant mineral in the Earth's crust. It has a hexagonal crystal structure made of trigonal crystallized silica (silicon dioxide, SiO_2), with a hardness of seven on the Mohs scale.

“sulphide” means mineral compound containing sulphur but no oxygen. Example: Chalcopyrite (CuFeS_2), galena (PbS), and chalcocite (Cu_2S); not antlerite ($\text{Cu}_3\text{SO}_4(\text{OH})_4$).

“tectonic” means or relating to the larger structural features of the earth, such as mountain belts, volcanic chains or ocean basins.

CORPORATE STRUCTURE

Name, Address and Incorporation

Canadian Metals Inc. was incorporated under the *Business Corporations Act* (Quebec) on August 17, 2012.

The Corporation's head office is located at 3-1940 Cuvillier Street, Montreal, Quebec, H1W 3Y9.

Intercorporate Relationships

The Corporation has no subsidiaries.

DESCRIPTION OF THE BUSINESS

The Corporation

The Corporation is a junior mineral exploration corporation focused primarily on the acquisition, exploration, and development of mineral properties in Canada. The Corporation's principal mineral property is the Massicotte Property located in the Abitibi region in Northwestern Quebec and covers a surface area of more than 268 km² within the region known as the "Detour Gold Trend". More precisely, the property consists of 5 blocks composed of 484 map designated claims within NTS 32E09, 32E15 and 32E16. The property has a general north northwest - east southeast trend and lies within parts of the following townships: Aloigny, Bapst, Brouillan, Beschefer, Desmazures, Gaudet, Saint-Helene. The northwest end of the property is located approximately 50 km east of the Detour Gold Mine which is situated just across the provincial border in Ontario. The southeast end of the property is located approximately 50 km west of the town of Matagami and 100 km north of the large town of Amos. Parts of each claim Block are accessible via the Selbaie Mine road and a network of paved, gravel and winter forestry roads.

The Corporation holds a 100% beneficial interest in these mineral claims. The Massicotte Property is the Corporation's primary asset. The Corporation's current objective is to focus on the exploration of the Massicotte Property. See "Mineral Projects".

History of the Corporation

The Corporation was incorporated on August 17, 2012 and has a total of 12,741,414 Common Shares issued and outstanding. Since its incorporation, the Corporation has been involved in the business of mineral exploration with a particular focus on mineral properties in Canada. Since its inception, the principal activities of the Corporation have been limited to the acquisition of the Massicotte Property and procedures relating to the application for listing on the CNSX.

Purchase of the Massicotte Property

On August 31st, 2012, Canadian Metals entered into two separate purchase agreements for the acquisition of the Massicotte Property.

The first agreement (the "**Principal Claims Purchase Agreement**") was entered into between the Corporation and 9248-7792 Québec Inc. ("**9248**"), 9257-1256 Québec Inc. ("**9257**") and Glenn Griesbach ("**Griesbach**") (9248, 9257 and Griesbach collectively referred to as the "**Sellers**"). 9248 is a corporation that is wholly-owned by Stéphane Leblanc, Vice-President and Director of the Corporation. The other Sellers are both close business associates of Mr. Leblanc.

Pursuant to the Principal Claims Purchase Agreement, Canadian Metals purchased 403 mining claims from the Sellers for a consideration of 1,500,000 Common Shares in the share capital of the Corporation and a royalty (the “**Principal Royalty**”) equal to 1.4%¹ of the NSR of all mineral products mined from the purchased claims. The Principal Royalty is to be allocated among the Sellers in the following proportions: 0.4% to 9257 and 1% to Griesbach. The Corporation has the option to buy back from the Sellers, at any time one half of the Royalty (0.7%) for the sum of \$700,000, in the same proportions as indicated above.

The second agreement, (the “**Secondary Claims Purchase Agreement**”) was entered into between the Corporation and China Global Mining Group (“**CGMG**”), an arm’s-length party. Pursuant to the Secondary Claims Purchase Agreement, Canadian Metals purchased 81 mining claims from CGMG for a consideration of 300,000 Common Shares in the share capital of the Corporation and a royalty (the “**Secondary Royalty**”) equal to 2% of the NSR of all mineral products mined from the purchased claims after the commencement of commercial production. The Corporation has the option to buy back from CGMG, at any time, a 1% portion (½ of the Royalty) for the sum of \$500,000. Considering the minimum share price of \$0.02 stipulated in the CNSX Policy, the value of these 81 claims was set at 300,000 x \$0.021= \$6,300 or \$78/claim. This price was used as reference for the Principal Claims Purchase Agreement. The purchase price for these 403 claims was calculated at \$78/claim for a total consideration of \$31,434 (rounded off to \$31,500). Therefore the Massicotte Property was valued at \$37,800 (\$6,300+\$31,500).

On December 17, 2012, the Corporation completed a non-brokered private placement and issued 6,740,000 Common Shares at \$0.05 per Common Share for aggregate gross proceeds of \$337,000.

MINERAL PROJECT

The Corporation’s principal mineral project is the Massicotte Property. The information under this section is derived from and in some instances is an extract from the technical report dated December 21, 2012, relating to the Massicotte Property entitled “NI 43-101 Technical Report pertaining to the Massicotte Property, Northwestern Quebec, Selbaie and Matagami Mining Camp (the “**Technical Report**”). The Technical Report was prepared by Donald Théberge, ing., P.Eng., M.B.A., who was contracted by the Corporation to review the Massicotte Property and to prepare the Technical Report in accordance with NI 43-101, Companion Policy 43-101CP and Form 43-101F1. Information under the sections “Mineral Project – Introduction” – Property Description and Location – Accessibility, Climate, Local Resources, Infrastructure and Physiography – History – Geological Setting – Mineralization – Exploration – Drilling – Sample Preparation, Analysis and Security – Exploration and Development – Proposed Budget” has been summarized or extracted from the Technical Report. Mr. Théberge is a qualified person for the purpose of NI 43-101. Reference should be made to the full text of the Technical Report, which is available for review under the Corporation’s profile on the SEDAR website at www.sedar.com.

Summary

The property is located in NTS sheet 32E/09, 32E/15, and 32E/16. It covers parts of Gaudet, Beschefer, Bapst, Ste-Hélène, Aloigny, La Gauchetière, Desmazures and Joutel townships. It is made of 484 map-designated cells totalling 26,839,7 ha or 268,39 km². The property has been divided into five blocks called Blocks A to E. Expiry dates range from September 27, 2013, to August 13, 2014. Exploration work in the amount of \$580,100 will be required on the next renewal, along with \$26,230.50 in mining duties, to keep the claims in good standing.

The property was acquired pursuant to two purchase agreements entered into on August 31, 2012, one with 9248-7792 Québec inc, 9257-1256 Québec inc., and Glenn Griesbach for Blocks A, B, C and D, and the other with China Global Mining Group for Block E. Neither purchase required any cash payment, but rather issuance of a total of 1.8M common shares of Canadian Metals for a 100% interest. Blocks A, B, C, and D are subject to a 1.4% NSR.

¹ 9248 has voluntarily and unilaterally renounced to its share of the Principal Royalty pursuant to a Renunciation, Release and Discharge dated April 18, 2013. See “Material Contracts”.

0.7% of the NSR can be bought back for \$700,000 for Blocks A, B, C, and D and one percent (1%) of the NSR can be bought back for \$500,000 for Block E.

To the knowledge of the author, there are no environmental liabilities pertaining to the Massicotte Property. The only permit required to perform ground exploration, mainly drilling, is the usual forestry management permit. The company must also respect all the environmental laws applicable to the type of work done.

The property is easily accessible via the Selbaie Mine road and several old logging roads. All-terrain vehicles or helicopter support is required to access certain areas of the property. The town of Matagami is located about 45 km east of the property as the crow flies. Services and equipment not available at Matagami can be obtained from Amos, Val-d'Or or Rouyn-Noranda.

The first work on the property took place in 1948, with ground geophysical and geological surveys. These kinds of surveys plus airborne EM and Mag surveys prevailed until 1959, when the first drilling was done by Selco. From 1959 to 2003, no fewer than 15 companies, sometimes with their partners, drilled and reported at least 96 holes for a total of 18,460 m or 60,459 feet. Some holes, mainly on Block E, revealed alterations typical of volcanogenic massive sulphide (VMS) deposits. One hole drilled on Block C revealed anomalous gold values in the order of 226 ppb Au/7.5 m, and anomalous gold values over 88 m in sericitized and carbonatized intermediate volcanic rocks.

Geologically, the property is located in the Abitibi sub-province. It is underlain by a mix of volcanic and sedimentary rocks, cut by syn to late tectonic intrusives, and Proterozoic diabase dykes. Two kinds of sedimentary rocks have been identified, the first made of conglomerate, mudstone and siltstone and the second, which is less important in term of quantity, composed of iron formation, argillite and pyroclastites. The sediments usually strike roughly east-west, excepted in the north part of the area, where they divide into two volcanic domains with a southeast-northwest.

The volcanites range very widely in composition. They vary from rhyolitic to komatiitic. The komatiites occur mainly in the south part of the area, and form in part the Cartwright Hills. In the north part of the area, intermediate to mafic flows dominate, with felsic flows locally. There is no well-defined mineralized zone with estimated resources on the property. However, several anomalous gold values have been obtained in historical drill holes, along with massive sulphide (pyrite-pyrrhotite) intersections.

Two main types of orebodies should be considered for the exploration model on the Massicotte Property:

Massive sulphide (VMS) deposits of the Matagami / Selbaie type;

Gold deposits of the Douay, or Casa Berardi type, associated with shear zones in volcanics/sediments.

The rock alterations already described in historical drilling, mainly on Block E, are typical of volcanogenic massive sulphide deposits. Alterations typical of VMS orebodies like sericite alteration, chlorite alteration in felsic rocks, the presence of chert, and felsic agglomerate have been reported on the property. Several intersections of massive sulphide in the form of pyrite and pyrrhotite further show the potential of the Massicotte Property for this kind of orebody. VMS examples surrounding the property are the Selbaie Mine located approximately 15 to 20 km west of Block E, Phelps Dodge, Caber and Caber North, located from 2 to 6 km east of Blocks C and D.

The second type of deposit to consider is the Douay / Casa Berardi type. The Douay deposit is located about 3 km east of the two claims that are part of the D Block to the south. The Douay deposit is hosted in felsic to mafic rocks, associated with a deformation zone and showing a strong carbonate-sericite alteration. Casa Berardi type deposits are characterized by gold mineralization in quartz veins, associated with a shear zone along a volcanic-sedimentary contact.

Canadian Metals has not initiated any exploration work since it acquired the property. At present, there are no adjacent properties that could have a material impact on Massicotte Property.

Orebodies observed in the area are all VMS-type deposits. Many holes drilled on the property show typical rocks and/or alteration associated with VMS-type deposit. Anomalous zinc values such as 1,863 ppm/4.5 m and 1869 ppm/2.1 m have been reported on Block A. On Block E, several sections of massive pyrite were observed along with rhyolite, chert and agglomerate. Rhyolite with chlorite and sericite schist was reported close to the contact with sedimentary rocks.

Anomalous gold values have been reported on Block C. This is particularly interesting in Hole 237-90-04, which returned 226 ppb Au/7.5 m. In this hole drilled by Total Energold in 1990, all the andesite and intermediate agglomerate units extending from 65.5 to 153.5 m are anomalous for gold and associated with sericite and carbonate alterations with 1% to 2% pyrite and pyrrhotite. On the east part of Block C, anomalous copper values in the order of 0.17%/3 m and 0.16%/3 m have been reported.

In conclusion, two main targets become apparent on the property in light of the currently-available information: massive sulphide deposits, mainly on Block E and C, and gold deposits on Block C.

Because of the deep overburden, a systematic geological survey is not recommended, excepted in the area where the Selbaie road crosses the Harricana River. A two-phase exploration program is suggested and has been adapted to the deep overburden. In Phase I, a deep penetrating helicopter-borne EM survey and magnetic survey is recommended. This survey should be done systematically on flight lines 200 m apart. This would be useful for locating massive sulphides and shear zones. A computerized geological compilation is also recommended to complement the information provided by the airborne survey, including the main historical ground geophysical surveys, the drill holes, including the gold and base metals assays and, when available, the lithogeochemical analyses, to locate areas that show typical VMS alteration.

Phase II will include ground follow-up on anomalous zones generated by the airborne survey and geological compilation. This follow-up would include line cutting, deep penetrating EM surveys, or IP if judged preferable, and approximately 3,000 m of drilling to test these anomalies.

The budget to complete both Phases I and II is shown on page 25.

Property Description and Location

The Massicotte Property is made up of five claim blocks totalling 484 map-designated cells, for 26,839.7 ha.

The property extends for more 50 km in a north-west/south-east direction, and covers parts of Desmazures, Aloigny, La Gauchetière, Ste-Hélène, Joutel, Bapst, Beschefer, Gaudet and Joutel townships. The south boundary of the property is located approximately 25 km north north-east of the ghost town of Joutel. The north boundary of the property is situated 50 km farther to the north-west. Geographically, the property is situated in NTS2 sheet 32E09, 32E15 and 32E16 and centered on UTM3 coordinates 683,000E / 5,517,000N. The property location is shown in Figure 1, "Location Map".

Exploration work in the amount of \$580,100 is required to keep the claims in good standing. However, there is no accrued work registered on the claims. Mining duties of \$26,230.50 will be due on claim renewal. The claims are described in Appendix 1, "Claims Description", and illustrated in Figure 2, "Claims Map". Table 1 describes the expiry date, accumulated work, required work and mining duties for each claim block.

² NTS: National Topographic System

³ UTM: Universal Transverse Mercator

Figure 1: Location Map

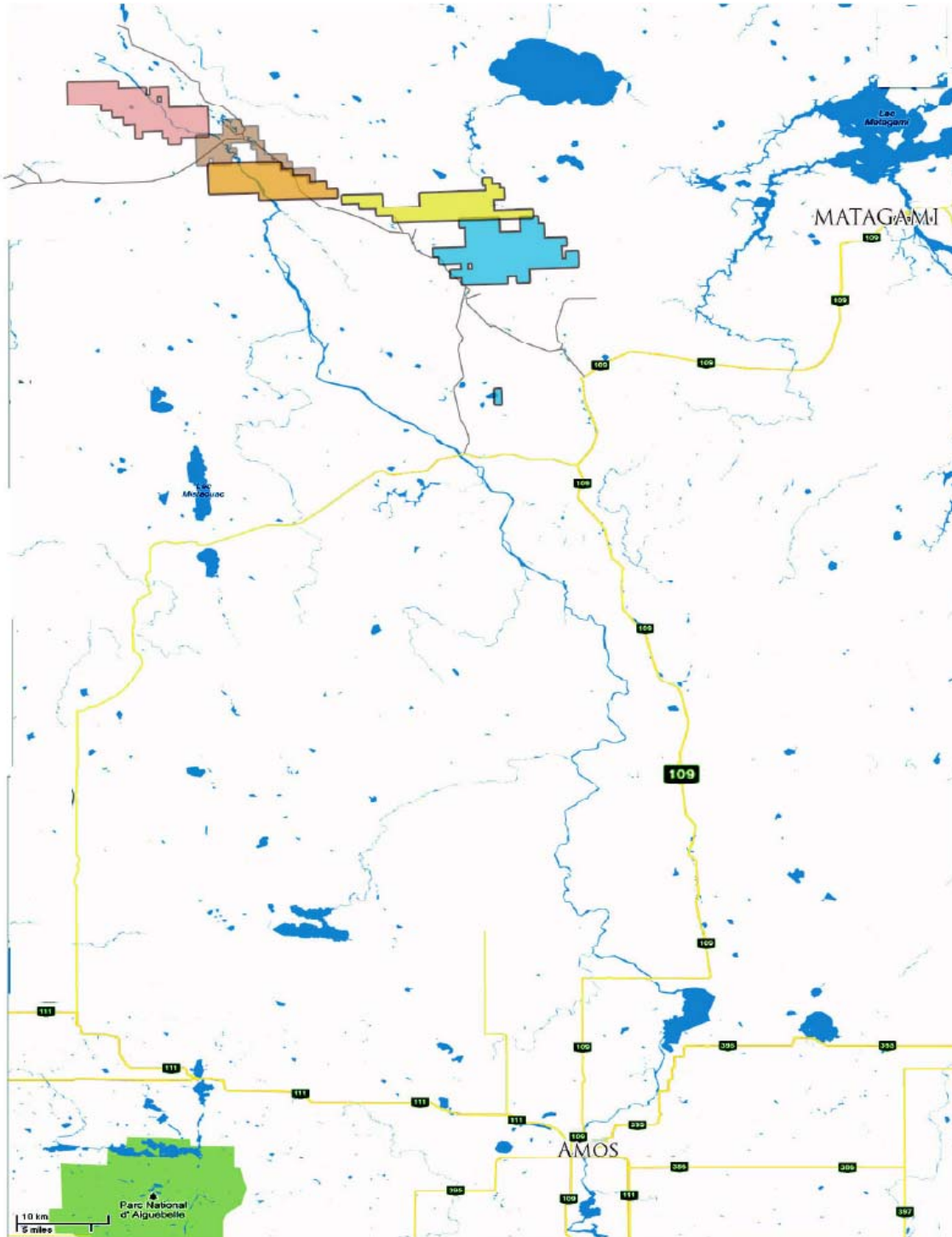


Figure 2: Claims Map

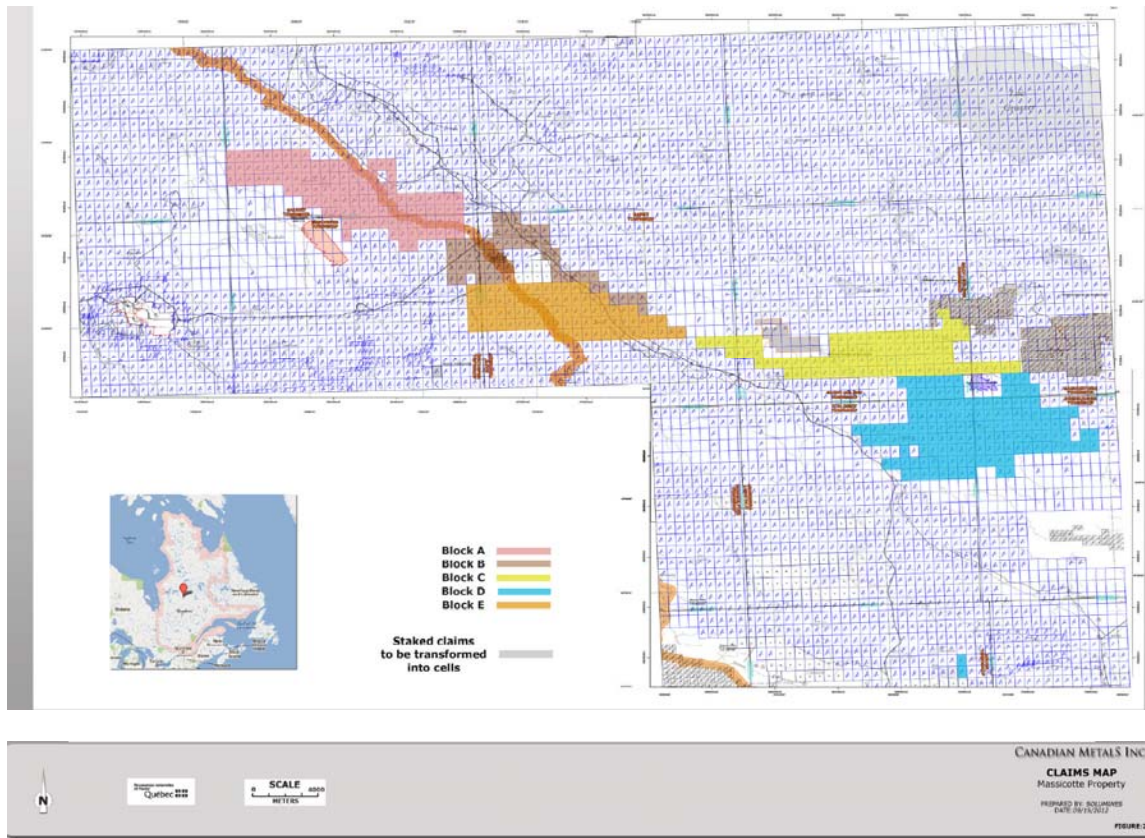


Table 1: Claims

Block	Cells	Expiry date	Area (ha)	Accumulated work	Required work	Mining rights
A	111	From Jan. 10, 2014 to June 20, 2014	6,159.88	\$0	\$133,200	\$6,021.75
B	54	From May 15, 2014 to July 18, 2014	2,999.96	\$0	\$64,800	\$2,929.50
C	90	From March 28, 2014 to July 18, 2014	4,929.30	\$0	\$107,300	\$4,856.00
D	148	From March 25, 2014 to May 14, 2014	8,246.88	\$0	\$177,600	\$8,029.00
E	81	From March 14, 2014 to May 14, 2014	4,503.68	\$0	\$97,200	\$4,394.25
Total	484		26,839.70	\$0	\$580,100	\$26,230.50

The property was acquired pursuant to two purchase agreements entered into on August 31, 2012, the first signed jointly with 9248-7792 Québec inc., 9257-1256 Québec inc. and Glenn Griesbach, and the second with China Global Mining Group. The general terms of the agreements are summarized in Table 2 below.

Table 2: General terms of the option agreement

Seller	Cash (\$)	Common Shares	Claim Block
9248-7792 Québec inc	\$0	600,000	A, B, C, D
9257-1256 Québec inc	\$0	400,000	A, B, C, D
Glenn Griesbach	\$0	500,000	A, B, C, D
China Global Mining Group	\$0	300,000	E
Total	\$0	1,800,000	

The property boundaries have not been surveyed. They are already defined by the NTS system coordinates.

There are no known mineralized zones with estimated resources on the Massicotte Property.

The sellers retain a 1.4%⁴ NSR royalty; 0.7% of this NSR can be bought back by Canadian Metals for \$700,000 for Blocks A, B, C and D and 1% for \$500,000 for Block E. Each seller's portion of NSR and amount payable to buy back the NSR is described in Table 3, "NSR":

Table 3: NSR

Seller	NSR divided between the sellers	NSR that can be bought back	Amount to pay to buy back the NSR	Claim Block
9257-1256	0.4%	0.2%	\$200,000	A, B, C, D
Glenn Griesbach	1%	0.5%	\$500,000	A, B, C, D
China Global Mining Group	2%	1%	\$500,000	E

There are no environmental liabilities pertaining to the Massicotte Property.

The only permit required to pursue exploration work on the property is the usual permit for forestry management. The company must also respect all the environmental laws applicable to the type of work done.

Accessibility, Climate, Local Resources, Infrastructures and Physiography

The property shows a relatively flat topography, with a maximum elevation difference of 10 m between the highest and lowest points. The average elevation is approximately 260 m above sea level. Like much of the area, the property is covered by a mix of swamp and forest of spruce, birch and alder. Based on historical drilling, overburden thickness varies from 0 to a vertical depth of approximately 80 m.

The property is easily accessible via Route 109, which connects the town of Amos to the town of Matagami. About 130 km north of Amos, the route turns left onto the road leading to the now dismantled town of Joutel, and then right just east of the Harricana River onto the old Selbaie Mine road, now called the Villebois road. This road is paved up to the Harricana River where it becomes a gravel road leading to the now abandoned Selbaie Mine site. This road crosses Blocks B and E, and is in the immediate vicinity of Blocks A, C and D.

All terrain vehicles and/or helicopter support will be required to access parts of each claim blocks. Several old logging have been observed, mainly on Blocks A, B and E. For geological surveys and drilling, a camp will be required to optimize the field work.

⁴ 9248 has voluntarily and unilaterally renounced to its share of the Principal Royalty pursuant to a Renunciation, Release and Discharge dated April 18, 2013. See "Material Contracts".

There is no mining infrastructure on the property. Matagami, with a population of 2,000, located 45 km east of the property as the crow flies or about 100 km by road, may provide some of the services and equipment required for the exploration programs. Any services and equipment not readily available in Matagami can be found in Amos, Val-d'Or or Rouyn-Noranda, 150 km south, 225 km south south-east and 260 km south south-west, respectively.

The area lies at the limit between the subarctic and humid continental climates. This climatic zone is characterized by long cold winters and short cool summers. Daily average temperatures range from -20°C in January to +16°C in July. Break-up usually occurs in early April and freeze-up in November. These are normal conditions for the Abitibi region, where exploration work is usually conducted year round.

No resources have ever been estimated on the property, nor has production ever taken place.

History

The first work by the Quebec Government dates back to 1901 and consisted of a large-scale reconnaissance survey between the Lac St-Jean and Baie James areas. The next survey was produced by Longley about 40 years later in the Matagami and Grasset Lake area. The most interesting work really began around 1973, with airborne EM Input and magnetic surveys that delineated the conductive zones. These airborne surveys culminated in 2008 with the release of a Megatam and magnetic survey by the Ministry of Natural Resources (Quebec). Unfortunately, this survey covered only part of the Massicotte Property.

During the 1980s, several geochemical surveys were completed by Beaumier, and only isolated anomalies were identified on the property. In 1986 and 1987, Lacroix mapped the area, including mainly the west part of the property. Unfortunately, very few outcrops were discovered. Finally, from 2005 to 2012, large-scale studies to assess the potential for orogenic gold deposit, massive sulphide (VMS) type orebodies and Cu, Au, Mo porphyry deposits were undertaken. They revealed high potential for VMS-type deposits over Blocks A, E and D. Figure 5, "Evaluation of the volcanogenic massive sulphides potential, Noranda type", shows a typical VMS-type deposit.

The first exploration work on the property and in its immediate vicinity was reported around 1948, with a magnetic and geological survey by Anglo-Huronian Ltd. From 1948 to 1959, the only exploration work reported consisted of ground and airborne geophysical and geological surveys. From 1959 to 2003, 96 holes totalling 18,460 m or 60,459' feet were drilled on the property, along with some deep penetrating EM surveys. The most relevant work is described more in detail below.

Selco Exploration Ltd., Selco Mining, Mine Selbaie, Les Métaux Billiton

Over the years, Selco Exploration became Selco Mining, and then following the discovery of the Selbaie Mine, Selco proceeded with the exploration work and finally, Billiton Metals acquired the Selbaie mine and its surrounding exploration properties, and exploration resumed under the name Les Métaux Billiton. Drilling first took place in 1959 with one 115 m hole. Selco Mining resumed drilling in 1974, with four holes; one of these, Hole G-33-1, returned 70% sulphides over 0.6 m. No assays were recorded for these holes. From 1995 to 1997, Les Métaux Billiton drilled 11 holes on the Massicotte Property. A gold value of 408 ppb was obtained from Hole 1172-97-17, drilled on Block E.

Noranda Exploration and Matagami Lake Mines

At about the same time as Selco, from 1959 to 1965, Noranda Exploration drilled nine holes, all on the actual Block C of the Massicotte Property. Low copper assays of less than 0.2% Cu were obtained. Hole MS-8 revealed 60% pyrite over 1 m. Several years later, in 1976, Matagami Lake Mines drilled four holes, including Hole #1 drilled

on Block E, which cut a chloritic rhyolite and iron formation. From 1981 to 1985, Noranda Exploration drilled three holes and a gold value of 0.4 g/t over 1.5 m was obtained from Hole #G-81-1.

Pennaroya Canada Ltd.

In 1968, Pennaroya Canada Ltd. ("Pennaroya") completed ground Mag and EM surveys on parts of the E Block. The year after, in 1969, Pennaroya drilled two holes totalling 312.5 m. Unfortunately, no assays are reported on the logs.

Phelps Dodge

From 1972 to 1974, following an airborne EM survey and ground geophysical surveys (IP, EM and Mag), Phelps Dodge drilled 10 holes for a total of 1,372.2 m, on Blocks C and D, located just west of the Phelps Dodge discovery in the Matagami mining camp. However, for almost all the holes, no assay results are reported.

Kenn Development Corp.

From 1974 to 1976, Kennco drilled six holes, with three of them on Block B (534.3 m) and three on Block E (725.2 m), for a total of 1,259.5 m. The most interesting geology was intersected on Block E, in Holes B-5, 6 and 7, with chert, rhyolite-chlorite-sericite schist and agglomerate. Short sections of massive pyrite were also reported. These three holes were drilled close to the contact with sedimentary rocks. No anomalous results are reported.

Falconbridge Nickel Mines Ltd.

Also in the mid-1970s, and more precisely in 1976, Falconbridge Nickel Mines Ltd. drilled seven holes totalling 1,183 m, all on Block E. Here too, favourable geology in the form of rhyolite, chert, agglomerate and sections of massive pyrite were intersected. No anomalous results were obtained.

Amoco Canada Ltd.

In 1978, Amoco Canada drilled five holes for 888 m on Block C. The best intersections were 60% pyrite over 2.7 m in Hole MQ-78-18-1 and 80% pyrite over 2.8 m in Hole MQ-78-18-2. Graphitic argillite is also reported. Several slightly anomalous zinc values (less than 0.5%) were reported.

Canadian Nickel Company

In 1978, Canadian Nickel and Soquem completed a ground EM and Mag survey and one drill hole on Block D. No anomalous values were obtained. Two years later, in 1980, Canadian Nickel drilled three holes for a total of 366.1 m, all on Block C. Unfortunately, no assays were reported.

Teck Explorations Ltd.

From 1982 to 1984, Teck Explorations Ltd. drilled eight holes, four of them on Block C and the other four on Block E, for a total of 1,014.6 m. The EM conductors were usually explained by graphitic argillite and/or short sections of massive sulphides (pyrite-pyrrhotite). None of these holes revealed anomalous gold or base metal values.

Noramco Explorations Inc.

In 1987, Noramco Explorations Inc. and its partners drilled five holes on Block B. The holes cut mainly graphitic shears. Two anomalous gold values were obtained, including 150 ppb Au over 1.5 m in Hole 1454-002 associated with a network of quartz carbonates veinlets and 250 ppb over 1.5 m in the same kind of environment, in Hole 1432-085.

Société d'Explorations Min. Mazarin I

Also in 1987, Mazarin did EM and Mag surveys, followed by one drill hole, on Block C. This drill hole cut mainly a sequence of sedimentary rocks with graphitic sections. No anomalous gold or base metal values were reported.

Bresea Resources and its partners

In 1988, Bresea drilled two holes on Block D. The EM conductor in one of the holes was explained by graphitic shale; the other one remains unexplained. The holes cut a sequence of volcanic and sedimentary rocks. Very few assays were taken and no anomalous gold results were obtained. Base metals were not assayed for.

Total Energold

In 1990-1991, Total Energold Corp. completed ground geophysics (EM and Mag) and four drill holes on Block C. The EM conductors in each of these holes were explained by sections of graphitic argillite, sometimes with 15-20% pyrite and pyrrhotite. Anomalous gold values were obtained in Hole 237-90-01, with 226 ppb over 7.5 m, including up to 485 ppb Au over 1.5 m, associated with sericitized and carbonatized andesite with 1-2% finely disseminated pyrite and pyrrhotite. In fact, in this hole, all the andesite and intermediate agglomerate units extending from 65.5 m to 153.5 m are anomalous for gold.

Cameco Corp.

In 1992-1993, Cameco Corp. did ground and EM and Mag surveys, followed by two drill holes totalling 544 m, on Block E. EM conductors were explained by short sections of graphite and pyrite. The best gold value obtained was 66 ppb Au over 1.5 m in Hole BA 93-09.

Serem Gatro Canada

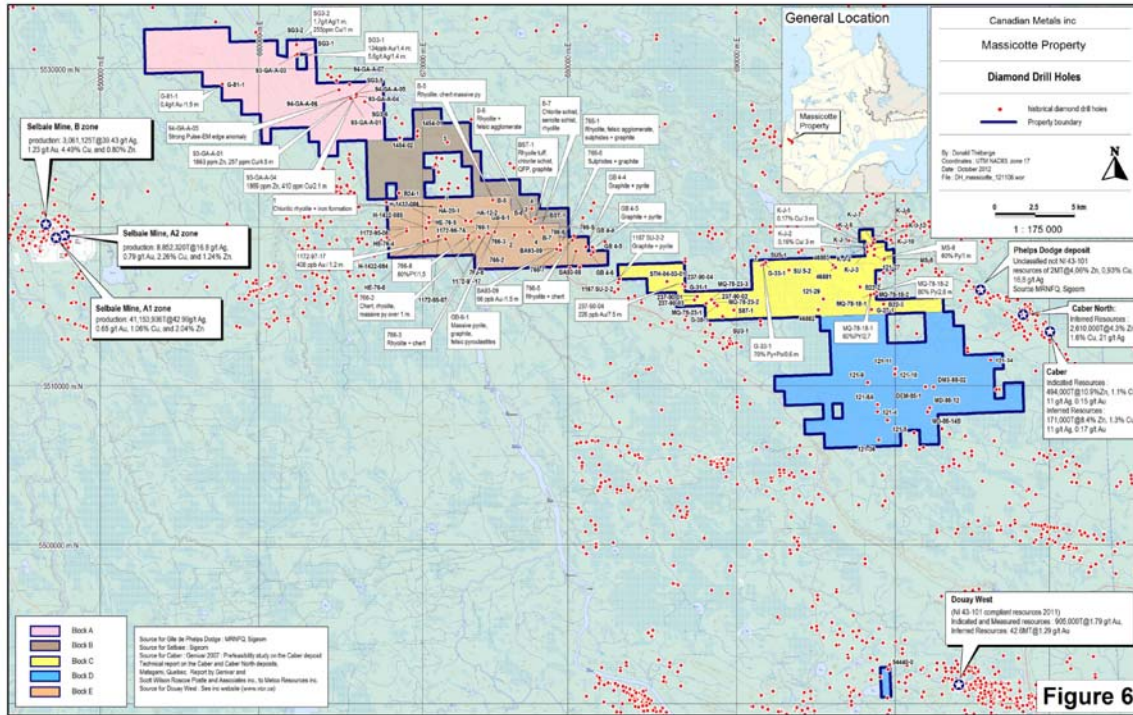
From 1992 to 1994, Serem Gatro Canada Inc. completed EM, Mag, IP and Pulse-EM (DeepEM) ground surveys, followed by six drill holes, all on Block A. EM conductors were usually explained by graphite and/or pyrite intersections. The best results were 1,863 ppm Zn and 257 ppm Cu over 4.5 m in Hole 93GA-A-01 and 1,869 ppm Zn and 419 ppm Cu over 2.1 m in Hole 93GA-A-04. A strong edge Pulse-EM anomaly was discovered in Hole 94GA-A-05, in the extension of the graphitic conductor.

Virginia Gold Mines and Noranda Exploration Inc.

In 2003, Mines d'Or Virginia and Noranda Explorations Inc. drilled one hole on Block C. The EM anomaly was explained by 2% to 25% pyrrhotite with traces of pyrite, located in the brecciated facies of massive lava flows. No anomalous results were obtained.

Figure 3 shows the position of historical drill holes on the property.

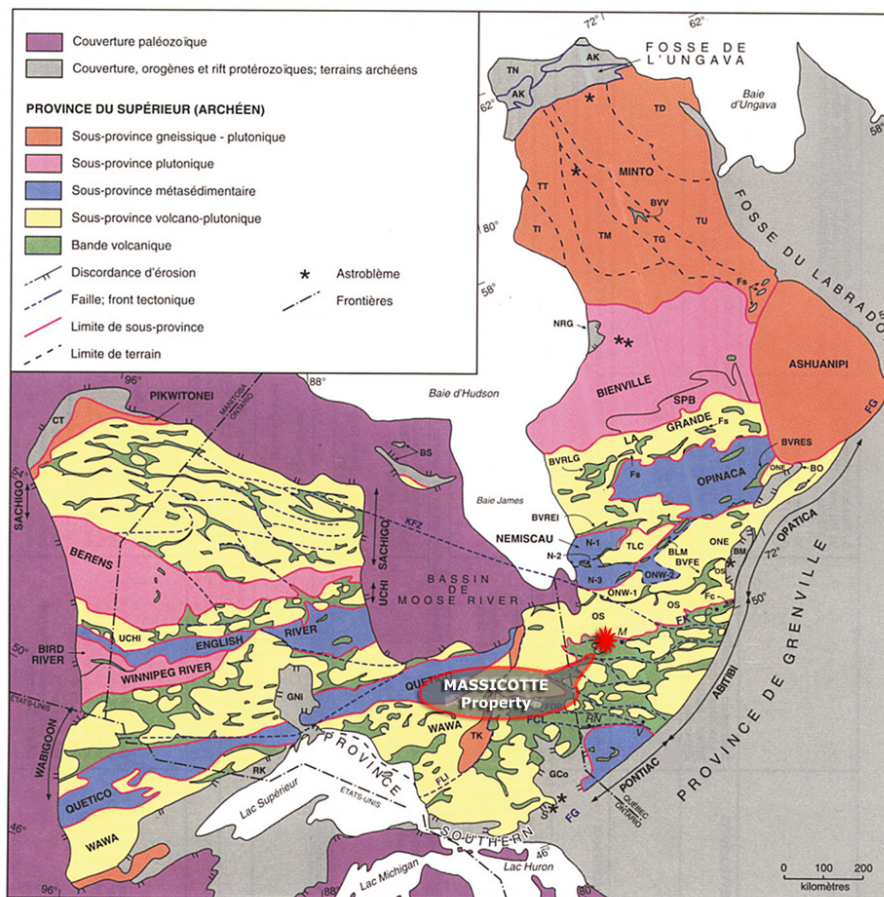
Figure 3: Historical Drilling



Geological Settings

The Massicotte Property is located in the center-west part of Superior province, which itself lies at the heart of the Canadian Shield. Superior province extends from Manitoba to Quebec, and is mainly made up of Archean rocks. The general metamorphism is at the greenschist facies, except in the vicinity of intrusive bodies, where it can go to the amphibolite-to-granulite facies. In Quebec, the eastern extremity of Superior Province has been classified into the following sub-provinces, from south to north: Pontiac, Abitibi, Opatica, Nemiscau, Opinaca, La Grande, Ashuanipi, Bienville and Minto.⁵ According to Card and Ciesielski (1986), the area covered by the property is located in the Abitibi sub-province. Figure 4, "Regional Geology", shows the position of the property within Superior Province.

Figure 4: General Geology



The whole area is underlain by a mix of volcanic and sedimentary rocks, cut by syn to late tectonic intrusives, and Proterozoic diabase dykes. Two kinds of sedimentary rocks have been recognized. The first is made up of conglomerate, mudstone and siltstone, and the second, which is less significant in term of quantity, is composed of iron formation, argillite and pyroclastites. The sediments usually strike roughly east-west, excepted in the north part of the area, where they divide two volcanic domains with a south-east/north-west orientation.

⁵ Classification by Hocq, M., in Géologie du Québec, MM 94-01

The volcanic rocks show a very wide range in composition, varying from rhyolitic to komatiitic. The komatiites occur mainly in the south part of the area, and form in part the Cartwright Hills. In the north part of the area, intermediate to mafic flows dominate, with locally felsic flows.

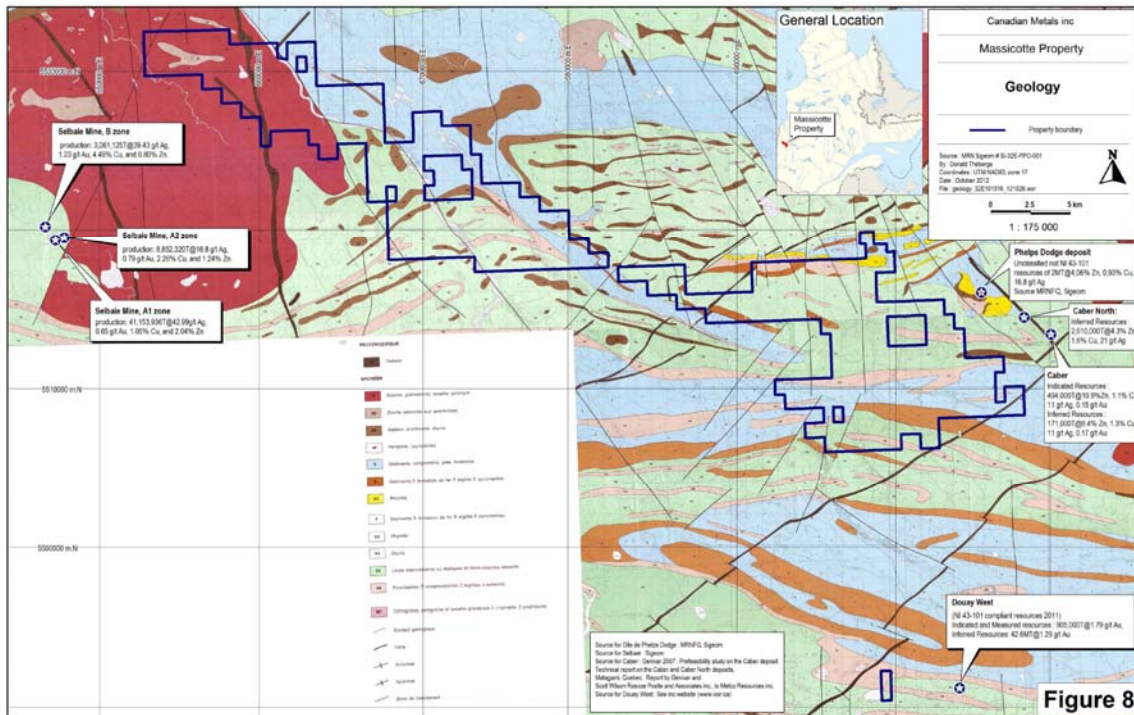
One main felsic intrusive occupies the north-west part of the area. This is an important feature, as the Selbaie Mine is located in close proximity to the west. This intrusive can probably be considered as the heat source for the hydrothermal system responsible for the mineralization at the Selbaie Mine.

Many gabbro sills cross the area. They strike generally east/west, except in the west part of the area, where their orientation is often the same as the sedimentary unit of the second type. Late diabase dykes cut all the rock sequence in a north-east/south-west and north/south direction. The area is cut by two main fault systems, the first oriented north north-west/south south-east and showing a close relationship to the Phelps Dodge, Caber and Caber North deposits, and the second oriented north-east/south-west.

The property is underlain by all the geological units previously described. Block A covers the east part of the main north-west intrusive, which in this area is in contact with sedimentary and volcanic rocks. Block B covers the contact between sedimentary and volcanic rocks. Block E is in the extension of Blocks A and B, and also covers the contact between the volcanic rocks and sediments, which is marked here by a pyroclastic horizon.

Blocks C and D host mainly volcanic rocks that contain a wide band of sediments in the south part of Block D. Two claims that are part of Block D are located about 10 km to the south, in the western strike of the Douay deposit. Regional and property geology are illustrated in Figure 5.

Figure 5: Regional and Property Geology



Mineralization

There is no well-defined mineralized zone with estimated resources on the property. However, several anomalous gold values have been obtained in historical drill holes, along with massive sulphide (pyrite-pyrrhotite) intersections.

Two main types of orebodies should be considered for the exploration model on the Massicotte Property:

- Massive sulphide (VMS) deposits of the Matagami / Selbaie type;
- Gold deposits of the Douay, or Casa Berardi type, associated with shear zones in volcanics/sediments.

The rock alterations already described in historical drilling, mainly on Block E, are typical of volcanogenic massive sulphide deposits. Alterations typical of VMS orebodies, like sericite alteration, chlorite alteration in felsic rocks, the presence of chert, and felsic agglomerate have been reported on the property. Several intersections of massive sulphide in the form of pyrite and pyrrhotite further show the potential of the Massicotte Property for this kind of orebody. VMS examples surrounding the property are the Selbaie Mine, located approximately 15 to 20 km west of Block E, and Phelps Dodge, Caber, and Caber North, which are located from 2 to 6 km east of Blocks C and D. Production and resources are described in Item 23, “Adjacent Properties”.

Also in the VMS category, the Agnico-Eagle (Joutel) type gold-enriched VMS must also be considered. Agnico is actually unique in the sense that gold was the only economic mineral, but this kind of orebody may occur on the Massicotte Property.

The second type of deposit to consider is the Douay / Casa Berardi type. The Douay deposit is located about 3 km east of the two claims that are part of Block D to the south. From a geological standpoint, the Douay deposit is hosted in felsic to mafic rocks associated with a deformation zone and showing a strong carbonate-sericite alteration. Casa Berardi type deposits are characterized by gold mineralization in quartz veins, associated with a shear zone along a volcanic-sedimentary contact.

In conclusion, the best model to consider for the exploration of the property is the volcanogenic massive sulphide deposit of the Selbaie / Noranda type. However, if strong carbonate-sericite alterations are discovered, the Douay-type deposit should also be considered. The Casa Berardi type of deposit should be considered mainly in sedimentary rocks. In this area, the thick overburden is an additional challenge. Historical drill holes on the property revealed an average of 30 to 35 m of overburden, and up to 104 m (at -50°) on Block A. Outcrops can only be observed along the Harricana River in the vicinity of the Selbaie road bridge.

Exploration

Canadian Metals has not undertaken any exploration work since acquiring the property.

Drilling

Canadian Metals has not done any drilling since acquiring the property.

Sample Preparation, Analyses and Security

Canadian Metals did not perform any sampling on the property. Sampling is reported in historical reports, mainly in drill holes. However, almost all these reports were written in accordance with common practice of the time, before NI 43-101 came into effect, and sample preparation, analyses and security are not described. Sometimes assays are not even reported.

Actually there are no adjacent properties that could have a material impact on the Massicotte Property. However, four VMS deposits are located in the vicinity of the property: Phelps Dodge, Caber and Caber North are located 2 km to 6 km east of Blocks C and D, and the Selbaie Mine is approximately 15 km to 20 km west of Block E.

Just as a reminder, estimated resources for Caber, Caber North and Phelps Dodge are as follows:⁶

Caber (NI 43-101-compliant, Scott Wilson RPA, 2007)

Category	T	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)
Indicated	494,000	10.9	1.1	11	0.15	0.01
Inferred	171,000	8.4	1.3	11	0.17	0.01

Caber North (NI 43-101-compliant, Scott Wilson RPA, 2007)

Category	T	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)
Inferred	2,610,000	4.3	1.6	21		

Phelps Dodge (unclassified historical resources, source MRNFQ, Sigeom)

Category	T	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)
Not classified	2,000,000	4.06	0.93	16.8		

The Selbaie Mine produced Ag, Au, Cu and Zn from three zones, A1, A2 and B. Tonnage and grade are summarized hereafter.

Selbaie Mine: production

	T	Ag (g/t)	Au (g/t)	Cu %	Zn %
B zone	3,061,125	39.43	1.23	4.49	0.8
A2 zone	8,852,320	16.8	0.79	2.26	1.24
A1 zone	41,153,936	42.99	0.65	1.06	2.04

⁶ Please note that the qualified person has been unable to verify the information on Phelps Dodge, and was involved in the prefeasibility study on Caber and Caber North, on behalf of Metco Resources Inc. The information is not necessarily indicative of the mineralization on the property.

Exploration and development

The Massicotte Property covers a vast area of 268.39 km². It is underlain by several different geological units, mainly made up of sediments and volcanic rocks intruded by gabbroic sills, and in the NW corner, by a granitic to granodioritic intrusion. Volcanic composition ranges from rhyolitic to basaltic. There are almost no outcrops on the property and the geology has to be extrapolated from diamond drilling and airborne surveys.

Orebodies observed in the area are all VMS-type deposits; they are known as Caber, Caber North and Phelps Dodge to the east of the property, and the Selbaie Mine to the west. Many holes drilled on the property show typical rocks and/or alteration associated with VMS-type deposits. Anomalous zinc values, like 1,863 ppm over 4.5 m and 1,869 ppm over 2.1 m have been reported on Block A. On Block E, several sections of massive pyrite were observed along with rhyolite, chert and agglomerate. Rhyolite with chlorite and sericite schist was reported close to the contact with sedimentary rocks.

Anomalous gold values have been reported on Block C. This is particularly interesting in Hole 237-90-04, which returned 226 ppb Au over 7.5 m. In this hole drilled by Total Energold in 1990, all the andesite and intermediate agglomerate units from 65.5 to 153.5 m are anomalous for gold and associated with sericite and carbonate alterations with 1% to 2% pyrite and pyrrhotite. On the east part of Block C, anomalous copper values in the order of 0.17% over 3 m and 0.16% over 3 m have been reported.

In conclusion, two main targets become apparent on the property in light of the information actually available: first, massive sulphide deposits mainly on Blocks E and C, and second, gold deposit on Block C. This picture may change as more information becomes available.

Because of the deep overburden, a systematic geological survey is not recommended, excepted in the area where the Selbaie road crosses the Harricana River. A two-phase exploration program is suggested and has been adapted to the deep overburden. In Phase I, a deep-penetrating helicopter-borne EM and magnetic survey is recommended. This survey should be done systematically on flight lines 200 m apart. It will be useful for locating massive sulphides and shear zones. To complement the information provided by the airborne survey, a computerized geological compilation should be done, including the main historical ground geophysical surveys, the drill holes including gold and base metal assays and, when available, the lithogeochemical analyses, to locate areas that show typical VMS alterations.

Phase II would include ground follow-up on the anomalous zones generated by the airborne survey and geological compilation. This follow-up would include line cutting, deep-penetrating EM surveys, or IP if deemed preferable, and approximately 3,000 m of drilling to test these anomalies.

The budget for both Phases I and II is shown on next page.

Budget

Phase I: Airborne Survey, Compilation					
Work	Quantity	Unit	Unit cost	Total	
Program preparation	3	days	800 \$	2 400 \$	
Helicopter borne Survey					
Mobilization – demobilization			13 000 \$	13 000 \$	
Survey	800	km	140 \$	112 000 \$	
Compilation				40 000 \$	
Geology, field verification				15 000 \$	
Report at the end of Phase I, and filing for statutory purposes				10 000 \$	
Contingencies 12%				23 088 \$	
				Total Phase I	215 488 \$

Phase II: Ground surveys and drilling					
Work	Quantity	Unit	Unit cost	Total	
Program preparation	5	days	800 \$	4 000 \$	
Line cutting, and ground surveys, provision of \$75,000				75 000 \$	
Diamond drilling (150\$/m all inclusive)	3000	m	150 \$	450 000 \$	
Report at the end of Phase 2, and filing for statutory purposes				15 000 \$	
Contingencies (average of 12%)				65 280 \$	
				Total Phase II	609,280 \$
				Total Phase I and II	824,768 \$

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering after deducting the Agent's Commission and the estimated expenses of the Offering of \$125,000, is estimated to be \$519,000 in the event of the completion of the Minimum Offering and \$1,347,000 in the event of the completion of the Maximum Offering, in both cases without giving effect to the Over-Allotment Option.

The funds expected to be available to the Corporation upon completion of the Offering and the expected principal purposes for which such funds will be used are described below.

Funds Available

Sources	Funds Available	
	Minimum Offering	Maximum Offering
Net Proceeds ⁽¹⁾	\$519,000	\$1,347,000
Net Working Capital ⁽²⁾	\$147,000	\$147,000
Total Funds Available	\$666,000	\$1,494,000

Notes:

⁽¹⁾ Less the Agent's Commission and estimated expenses of the Offering of \$125,000, including legal fees, audit fees, fees of the CNSX and the Securities Commissions, and the expenses of the Agent.

⁽²⁾ Unaudited estimate of the net working capital immediately following the Closing Date as of February 27, 2013.

The Minimum Offering would fund the operations of the Issuer for a period of 12 months while the Maximum Offering would fund the operations of the Issuer for a period of approximately 17 months. The estimated general and administrative costs of the Issuer per month are approximately \$28,032. See "Use of proceeds – Principal Purposes".

Principal Purposes

The proceeds from the Offering are expected to be expended primarily on the exploration program on the Massicotte Property recommended in the Technical Report. This program is estimated to cost a total of approximately \$824,768, as detailed under "Mineral Project – Exploration and Development". The Agent's Commission together with the other estimated expenses of the Offering of \$125,000 will be paid from the proceeds of the sale of Units under the Offering. In addition, the Corporation intends to use the proceeds of the Offering to cover general administrative expenses and general working capital to fund ongoing operations.

The total estimated net funds available of \$574,000 assuming the completion of the Minimum Offering and of \$1,494,000 assuming the completion of the Maximum Offering, as calculated above, will be allocated as follows:

Principal Purposes	Minimum Offering	Maximum Offering
To pay the estimated costs of conducting the exploration program on the Massicotte Property	\$215,488	\$824,768
To pay estimated general and administrative costs for the next 12 months ⁽¹⁾	\$336,382	\$336,382
To provide general working capital to fund ongoing operations	\$100,000	\$100,000
Total:	\$651,870	\$1,261,150

Note:

⁽¹⁾ General and administrative costs for the next 12 months are expected to be comprised of: legal costs of \$27,436; audit and accounting costs of \$15,500; consulting fees of \$246,000 (see "Executive Compensation"); and miscellaneous administrative costs of \$47,446 per year (comprised of capital, equipment, office, investor relations and other miscellaneous costs).

Phase I is planned to begin soon after the closing of the Offering (summer 2013) and Phase II is scheduled to start at the end of 2013.

In order to keep the mineral claims that comprise the Massicotte Property in good standing, the Corporation will be required to incur a minimum of \$580,100 in mineral exploration expenditures prior to the renewal date of these claims which range from January 14, 2014 to August 13, 2014. Working capital will be used for business development activities for the purpose of growing the Corporation and to fund additional work on the Corporation's properties as required.

The Corporation may need to raise additional capital in order to pursue the second phase of the recommended exploration program set out in the Technical Report. The Corporation may apply funds currently allocated to general working capital to fund part of the phase II exploration program. In the event that the results of phase I are not sufficiently positive to warrant phase II exploration of the Massicotte Property, the Corporation will apply any remaining funds to general working capital. If need be, the Issuer would be able to fund phase II by a subsequent offering of flow-through shares.

If the phase I exploration program renders inconclusive results and further financing becomes unavailable because the market has lost faith in the Massicotte Property, the Issuer intends to acquire another property with mineral potential through Stéphane Leblanc, its Vice-President, Business Development, who owns or has an interest in an important number of mining claims. Such acquisition would likely be paid for in Common Shares only thus preserving the Issuer's cash position.

The Corporation intends to spend the funds available as set out above. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. The Corporation will only redirect the funds to other properties on the basis of a recommendation from a professional geologist or engineer. If such event occurs during distribution of the Units offered under this Prospectus, if required, an amendment to this Prospectus will be filed.

DIVIDENDS OR DISTRIBUTIONS

The Corporation has not declared any dividends or distributions on its Common Shares. It is not contemplated that the Corporation will pay any dividends in the immediate future as it is the Corporation's intention to use all available cash flow to finance exploration and development work on the Massicotte Property. Any decision to pay dividends on Common Shares in the future will be made by the board of directors on the basis of the earnings, financial requirements and other conditions existing at such time.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information should read in conjunction with the Corporation's interim financial statements for the 167 day-period ended January 31, 2013 and related notes which are included as part of this Prospectus. The Corporation reports financial information in Canadian dollars in accordance with International Financial Reporting Standards.

This management's discussion and analysis ("**MD&A**") follows rule 51-102A of the Canadian Securities Administrators regarding continuous disclosure for reporting issuers. It is a complement and supplement to the Corporation's audited interim financial statements and related notes for the 167 day-period ended January 31, 2013. This MD&A represents the view of management on current activities of the Corporation, as well as an outlook of the activities in the coming months. The Corporation prepared its interim financial statements in accordance with the International Financial Reporting Standards ("**IFRS**") as required by the Canadian Institute of Chartered Accountants' Handbook ("**CICA Handbook**"), for years beginning on or after January 1st, 2011. These audited interim financial statements have been prepared in accordance with IFRS applicable to the interim financial statements.

Date

This MD&A of Canadian Metals constitutes management's review of the financial condition and results of the operation of the Corporation, as April 30, 2013, and of the factors that affected the Corporation's financial and operating performance for the 167 day-period ended January 31, 2013. Without contrary indication, all the amounts are in Canadian dollars.

Forward looking statements

This MD&A contains forward-looking statements that are based on the Corporation's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. These statements are reasonable but involve a number of risks and uncertainties, and there can be no assurance that they will prove to be accurate. Therefore, actual outcome and results may differ materially from those expressed in or implied by these forward-looking statements. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome. Factors that could affect the outcome include, among others: the actual results of current exploration, competition, price of lithium or phosphate, competition, general business, economic, political and social uncertainties, environmental issues, additional financial requirements and the Corporation's ability to meet such requirements. 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 expressed in or implied by these forward-looking statements.

Nature of activities

The Corporation is at the exploration and evaluation stage and its operations include the acquisition, exploration, evaluation and ultimately development of production facilities and the sale of exploration and evaluation assets. The Corporation holds one property located in Quebec (Canada).

The recoverability of exploration and evaluation assets is dependent upon: the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, evaluation, development and construction of processing facilities, obtaining certain government approvals and proceed from disposal of assets.

Overall performance⁷

Financial markets

The global markets situation, over the past few months, is largely the result of economic problems in Europe and the sluggish economy in the United States. The financial markets recovery in 2013, along with other factors, will also depend on the Western countries ability to solve their fiscal and debt issues. Nevertheless, according to several analysts, Canada is among Western countries that is in a good position to perform in the in the coming year.

The financial market's conditions will be an important factor for Canadian Metals as it intends to list on the CNSX this spring. Those market conditions could ease the Corporation's Initial Public Offering ("IPO").

Gold market

Gold has divided the analyst community through the volatile 2012. In 2012, the yellow metal surged to early highs in the first quarter, only to completely breakdown along with risk assets as the European sovereign debt crisis intensified and China slowed down. Gold then rise again coming into the third quarter only to gradually decline throughout the fourth quarter of 2012.

⁷ www.trustablegold.com/gold-2013/

<http://www.forbes.com/sites/afontevicchia/2012/12/17/historic-2013-for-gold-ge-fueled-new-highs-and-the-end-of-an-11-year-rally-analysts-say/>

For the fourth quarter of 2013, analysts surveyed by Bloomberg at the end of 2012 forecasted a level of US dollars 1,925 per ounce of gold. Most of analysts have forecasts that spread from US dollars 1,675 to 2,200 per ounce of gold. The diversity of analyst predictions with regard to the gold price in 2013 and the following years mirrors the uncertainties in the global market. Gold therefore tends to perform positively in time of economic uncertainties as well as in acute crises.

The overarching driver of the gold price for the year 2013 and beyond will be the development of the global financial situation including the levels of debt piled by Western governments. The present situation preserves gold as an attractive insurance asset or store of value for many conservative investors in 2013 and beyond. Geopolitical risks will also further support this position of gold as a safe haven.

Discussion on exploration activities

Canadian Metals was incorporated on August 17, 2012. The Massicotte Property, composed of 5 different blocks (Block A, Block B, Block C, Block D and Block E), was acquired pursuant to two purchase agreements signed on August 31, 2012. Neither option required any cash payment, but rather issuance of a total of 1,800,000 common shares of Canadian Metals for a 100% interest. The entire property is subject to a 2% NSR. One percent (1%) of the NSR can be bought back for \$1,000,000 for Blocks A, B, C, and D and \$500,000 for Block E.

The property is located in NTS sheet 32E/09, 32E/15, and 32E/16. It covers parts of Gaudet, Beschefer, Bapst, Ste-Hélène, Aloigny, La Gauchetière, Desmazures and Joutel townships. It is made of 484 map-designated cells totalling 26,783.97 ha or 267.84 km². The property is easily accessible via the Selbaie Mine road and several old logging roads. All-terrain vehicles or helicopter support is required to access certain areas of the property. The town of Matagami is located about 45 km east of the property as the crow flies. Services and equipment not available at Matagami can be obtained from Amos, Val-d'Or or Rouyn-Noranda.

The Corporation completed its NI 43-101 Technical Report for the Massicotte property in December 2012. The work was done by Mr. Donald Théberge, Eng., P.Eng., M.B.A. and describes, among other things, the scientific and technical information concerning the exploration activities, both historical and recent, carried out on the Massicotte property. The first work on the property took place in 1948, with ground geophysical and geological surveys. These kinds of surveys plus airborne electromagnetic and magnetic surveys prevailed until 1959, when the first drilling was done by Selco. From 1959 to 2003, no fewer than 15 companies, sometimes with their partners, drilled and reported at least 96 holes for a total of 18,460 m or 60,459 feet. Some holes, mainly on Block E, revealed alterations typical of Noranda and/or Matagami type volcanogenic massive sulphide (VMS) deposits. One hole drilled on Block C revealed anomalous gold values in the order of 226 ppb Au/7.5 m, and anomalous gold values over 88 m in altered andesite volcanic rocks. See "Mineral Project" and the Technical Report, which is available for review under the Corporation's profile on the SEDAR website at www.sedar.com.

Usually the hydrothermal fluids responsible for the deposition of massive sulphides, leave a characteristic print in the surrounding rocks, called an alteration pipe. External part of this pipe shows a sericite alteration, going toward the core of the pipe, chlorite alteration becomes more intensive. Both alterations are often good indicator of the proximity of a VMS deposit.

Geologically, the property is located in the Abitibi sub-province. It is underlain by a mix of volcanic and sedimentary rocks, cut by syn to late tectonic intrusives, and Proterozoic diabase dykes. Two kinds of sedimentary rocks have been identified, the first made of conglomerate, mudstone and siltstone and the second, which is less important in term of quantity, composed of iron formation, argillite and pyroclastites. The sediments usually strike roughly E-W, excepted in the north part of the area, where they divide into two volcanic domains with a SE-NW orientation.

The volcanites range very widely in composition. They vary from felsic (silica rich) to ultramafic (magnesium rich). The ultramafic rocks occur mainly in the south part of the area, and form in part the Cartwright Hills. In the

north part of the area, intermediate to mafic flows dominate, with felsic flows locally. Several anomalous gold values have been obtained in historical drill holes, along with massive sulphide (pyrite-pyrrhotite) intersections.

Two main types of ore bodies should be considered for the exploration model on the Massicotte property:

- Massive sulphide (VMS) deposits of the Matagami / Selbaie type;
- Gold deposits of the Douay, or Casa Berardi type, associated with shear zones in volcanics/sediments.

The rock alterations already described in historical drilling, mainly on Block E, are typical of volcanogenic massive sulphide deposits. Alterations typical of VMS ore bodies like sericite alteration, chlorite alteration in felsic rocks, the presence of chert, and felsic agglomerate have been reported on the property. Several intersections of massive sulphide in the form of pyrite and pyrrhotite further show the potential of the Massicotte property for this type of ore body. VMS examples surrounding the property are the Selbaie Mine located approximately 15 km to 20 km W of Block E, Phelps Dodge, Caber and Caber North, located from 2 km to 6 km E of Blocks C and D. To show the potential of the property, resources for the previously cited ore bodies is given hereafter:

Discussion on exploration activities -continued

Caber (NI 43-101-compliant, Scott Wilson RPA, 2007)

Category	Tonnes	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)
Indicated	494,000	10.9	1.1	11	0.15	0.01
Inferred	171,000	8.4	1.3	11	0.17	0.01

Caber North (NI 43-101 – compliant, Scott Wilson RPA, 2007)

Category	Tonnes	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)
Inferred	2,610,000	4.3	1.6	21		

Philps Dodge (unclassified historical resources, source MRNFO Sigeom)

Category	Tonnes	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)
Not classified	2,000,000	4.06	0.93	16.8		

Selbaie Mine: production

	Tonnes	Ag (g/t)	Au (g/t)	Cu %	Zn %
B zone	3,061,125	39.43	1.23	4.49	0.8
A2 zone	8,852,320	16.8	0.79	2.26	1.24
A1 zone	41,153,936	42.99	0.65	1.06	2.04

The second type of deposit to consider is the Douay / Casa Berardi type. The Douay deposit is located about 3 km E of the two claims that are part of the D Block to the south. The Douay deposit is hosted in felsic to mafic

rocks, associated with a deformation zone and showing a strong carbonate-sericite alteration. Casa Berardi type deposits are characterized by gold mineralization in quartz veins, associated with a shear zone along a volcanic-sedimentary contact.

Ore bodies observed in the area are all VMS-type deposits. Many holes drilled on the property show typical rocks and/or alteration associated with VMS-type deposit. Anomalous zinc values such as 1,863 ppm/4.5 m and 1869 ppm/2.1 m have been reported on Block A. On Block E, several sections of massive pyrite were observed along with rhyolite, chert and agglomerate. Rhyolite with chlorite and sericite schist was reported close to the contact with sedimentary rocks.

Anomalous gold values have been reported on Block C. This is particularly interesting in Hole 237-90-04, which returned 226 ppb Au/7.5 m. In this hole drilled by Total Energold in 1990, all the andesite and intermediate agglomerate units extending from 65.5 to 153.5 m are anomalous for gold and associated with sericite and carbonate alterations with 1% to 2% pyrite and pyrrhotite. On the east part of Block C, anomalous copper values in the order of 0.17%/3 m and 0.16%/3 m have been reported.

In conclusion, two main targets become apparent on the property in light of the currently-available information: massive sulphide deposits, mainly on Block E and C, and gold deposits on Block C.

Discussion on exploration activities –continued

A two-phase exploration program is proposed in the NI43-101 Technical Report:

Phase I recommends a deep penetrating helicopter-borne electromagnetic and magnetic survey. This survey should be done systematically on flight lines 200 m apart. This would be useful for locating massive sulphides and shear zones. A computerized geological compilation is also recommended to complement the information provided by the airborne survey, including the main historical ground geophysical surveys, the drill holes, including the gold and base metals assays and, when available, the lithochemical analyses, to locate areas that show typical VMS alteration.

Phase II suggests a ground follow-up on anomalous zones generated by the airborne survey and geological compilation. This follow-up would include line cutting, deep penetrating electromagnetic surveys, or induced polarization if judged preferable, and approximately 3,000 m of drilling to test these anomalies.

Following those recommendations, during December 2012, Canadian Metals mandated the BPR firm to produce a request for proposal document for Phase 1. The request for proposal invites geophysical service companies to bid on a geophysical survey for the Corporation. The survey objective is to complete the regional geophysical information currently available. The survey consists of a magnetic airborne survey and a simultaneous electromagnetic airborne survey. The area's surface to cover is 18 600 ha. The maximum spacing required between flight lines is 200 m with a tolerance of ± 30 m for Block A-B-E, Block D, blocks Douay and Caber. Orthogonal flight lines must be completed with a maximum spacing of 2000 m. For Block C, 100m maximum spacing lines is required and orthogonal lines should have a maximum spacing of 1000 m.

The request for proposal document has been completed at the end of 2012. The document will be sent to the geophysical service companies as soon as the IPO is completed.

Selected financial information

The Corporation prepared its interim financial statements in accordance with the International Financial Reporting Standards ("IFRS") as required by the Canadian Institute of Chartered Accountants' Handbook ("CICA Handbook"), for years beginning on or after January 1st, 2011. These are the first financial statements prepared by the Corporation and are presented in Canadian dollars, which is also the functional currency of the Corporation.

Results of operations for the 167 days ending January 31, 2013		
EXPENSES		\$
General and administration charges		
	Office expenses	(7,918)
	Consulting fees	(67,500)
	Professional fees	(9,023)
	Public company expenses	(83,478)
	Amortization of property and equipment	(354)
	Business development	(13,240)
		(181,513)
General exploration		(9,924)
Deferred income taxes		-
Net loss for the period and total comprehensive loss for the period		(191,437)
Basic and diluted gain per share		(0,03)

No dividends were declared during the period.

The comprehensive loss for the period was \$191,437 and included general and administrative (G&A) expenses of \$181,513 and general exploration charges of \$9,924. The G&A expense is composed of public company expenses of \$83,478 representing the legal and accounting fees, this \$83,478 includes legal fees paid and provisioned for \$75,446 out of an amount of \$95,000 due as per agreement (79% of legal fees due are recorded as expense). This leaves a residual amount of \$19,554 of fees left to be recorded as expense until the IPO is completed. G&A expenses also includes consulting fees of \$67,500 representing management fees and \$13,240 representing the business development cost for the period; these later expenses were incurred for the financing activities, the organisation of the Corporation's business procedures, the formation of the board of Directors membership and the analysis of various projects presented to management during the period.

Exploration and evaluation expenditures

During the 167 day-period ended January 31, 2013, the Corporation invested \$63,481 in exploration and evaluation expenses where \$53,557 was capitalized to the exploration and evaluation assets and \$9,924 was expensed. During the period, the Corporation has accrued for \$10,593 in refundable tax credits related to exploration and evaluation expenditures.

Financial Position for the period ended January 31, 2013

As at January 31, 2013, the current assets of \$208,078 can be used for working capital or exploration campaign, as there is no restriction on the usage of the funds. In this situation, any funds spent on exploration and evaluation assets, would allow the refund of a mining credit. The exploration and evaluation assets of \$53,557 represents the total amount capitalised at January 31, 2013; this amount is composed of mining assets purchased with shares and valued at \$37,800, exploration charges of \$26,350 and a mining tax credit provisioned of \$10,593. The current liabilities of \$61,750 is explained by accruals for legal fees of \$43,000, mining rights transfer charges of \$9,500 and audit fees for \$9,250 at the end of the period.

Financial Position	January 31, 2013
	\$
Current assets	208,078
Exploration and evaluation asset	53,557
Property and equipment	4,742
Total assets	266,377
Current liabilities	61,750

Financial Position	January 31, 2013 \$
Equity	204,627
	266,377

Exploration activities for the period ending January 31, 2013

Propriété Massicotte						
	Bloc "A" \$	Bloc "B" \$	Bloc "C" \$	Bloc "D" \$	Bloc "E" \$	Total: \$
Mining Properties						
Balance, August 17, 2012						
Acquisitions	8,669	4,217	7,029	11,559	6,326	37,800
Balance January 31, 2013	8,669	4,217	7,029	11,559	6,326	37,800
Exploration and evaluation						
Balance, August 17, 2012	6,061	2,899	5,006	7,904	4,480	26,350
Refundable tax credits	(2,436)	(1,165)	(2,012)	(3,178)	(1,802)	(10,593)
Balance January 31, 2013	3,625	1,734	2,994	4,726	2,678	15,757
Total:	12,294	5,951	10,023	16,285	9,004	53,557

Investing activities

During the period ended January 31, 2013, the Corporation paid a total \$26,350 for exploration and evaluation charges relating to the following activities:

The Corporation completed its NI43-101 Technical Report for the Massicotte Property in December 2012; the work was done by Mr. Donald Théberge and described, among other things, the scientific and technical information concerning the exploration activities, both historical and recent, carried out on the Massicotte Property. A two-phase exploration program is proposed in the NI43-101 Technical Report.

Additionally, during December 2012, the Corporation mandated the BPR firm to produce a request for proposal document for the first phase proposed by Solumines (Phase 1). The request for proposal invites geophysical service companies to bid on a geophysical survey for the Corporation. The survey objective is to complete the regional geophysical information currently available on the property.

Investing activities through share issuance

On August 31st, 2012, Canadian Metals entered into two separate purchase agreements for the acquisition of the Massicotte Property.

The first agreement (the "**Principal Claims Purchase Agreement**") was entered into between the Corporation and 9248-7792 Québec Inc. ("**9248**"), 9257-1256 Québec Inc. ("**9257**") and Glenn Griesbach ("**Griesbach**") (9248, 9257 and Griesbach collectively referred to as the "**Sellers**"). Pursuant to the Principal Claims Purchase Agreement, Canadian Metals purchased 403 mining claims from the Sellers for a consideration of 1,500,000 Common Shares in the share capital of the Corporation and a royalty (the "**Principal Royalty**") equal to 1.4%⁸ of the NSR of all mineral products mined from the purchased claims. The Principal Royalty is to be allocated among the Sellers in the following proportions: 0.4% to 9257 and 1.0% to Griesbach. The Corporation has the option to buy back from the

⁸ 9248 has voluntarily and unilaterally renounced to its share of the Principal Royalty pursuant to a Renunciation, Release and Discharge dated April 18, 2013. See "Material Contracts".

Sellers, at any time one half (0.7%) of the Royalty for the sum of \$1,000,000, in the same proportions as indicated above.

The second agreement, (the “**Secondary Claims Purchase Agreement**”) was entered into between the Corporation and China Global Mining Group (“**CGMG**”). Pursuant to the Secondary Claims Purchase Agreement, Canadian Metals purchased 81 mining claims from CGMG for a consideration of 300,000 Common Shares in the share capital of the Corporation and a royalty (the “**Secondary Royalty**”) equal to 2% of the NSR of all mineral products mined from the purchased claims after the commencement of commercial production. The Corporation has the option to buy back from CGMG , at any time, a 1% portion (½ of the Royalty) for the sum of \$500,000.

On December 17, 2012, the Corporation completed a non-brokered private placement and issued 6,740,000 Common Shares at \$0.05 per Common Share for aggregate gross proceeds of \$337,000.

Financing activities

The Corporation is pursuing its financing alternatives mainly through the issuance of new equity and with the collaboration of its financial advisors.

On August 28, 2012, the Corporation completed a private placement with its founding shareholders. The Corporation proceeded with a first private placement of \$25,264 by issuing 3,935,353 Common Shares at the price of 0.005\$ per Common Share and 266,061 Common Shares at the price of 0.021\$ per Common Share, in conformity with the CNSX policies and securities regulatory requirements. These Common Shares will be in escrow for a period of 36 months and can be traded on a thirty six months period where 10% can be traded at issuance and thereafter, an additional 15% of shares can be traded every six months. There are no warrants associated to this share issuance.

On December 17, 2012, the Corporation completed a private placement for the amount of \$337,000 by issuing a total of 6,740,000 shares at the price of \$0.05 per share in accordance with the CNSX policies and securities regulatory requirements. There are no warrants associated to this share issuance.

Related party transactions

Remuneration of key management

Key management includes directors and senior executives. The compensation recognized as an expense and paid to key management for services is presented below:

	January 31, 2013
	\$
Management fees	67 500

Amounts Paid to Related Parties

During the period and not in the normal course of business, companies controlled by officers and directors participated in a private placement of Common Shares for a total cash consideration of \$25,264.

On August 31, 2012, the Corporation acquired 403 mining rights (Block "A", "B", "C", and "D") from a group composed of two private companies and one individual. One of the private companies is controlled by a director who received a consideration of 600,000 Common Shares, valued at \$12,600 for its part of the mining rights. This evaluation of the mining rights was based on the number of Common Shares and consideration requested for a similar transaction that occurred at arms length between the Corporation and an independent private company, the same day, for the purchase of Block "E".

Liquidity and capital resources

The Corporation has a positive working capital of \$146,328 as at January 31, 2013. Management is of the opinion that new financings will be necessary, afterwards, to maintain the status of its current and future obligations and to proceed with the 2013 exploration program.

The Corporation's principal source of financing is equity financing, the success of which depends on capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its future exploration activities and be able to support its ongoing operations, the Corporation will need to maintain and expand its relationships with the financial community in order to obtain further equity financing. A financing is mandatory to pay the working capital and to continue the exploration and evaluation of the mining properties.

Off-balance sheets arrangements

The Corporation has not entered into any off-balance sheet arrangements including, without limitation, in respect of guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or in respect to any obligation under a variable interest equity arrangement.

Critical accounting policies and estimates

The preparation of interim financial statements in conformity with IFRS requires management to make estimates and assumptions that effect amounts reported in the interim financial statements and accompanying notes. There is a full disclosure and description of the Corporation's significant accounting policies, critical policies estimates, judgments and assumptions in the interim financial statements for the 167 day-period ended on January 31, 2013. Management has established these amounts in a reasonable manner, in order to ensure that the interim financial statements are presented fairly in all material respects.

Areas of significant judgment and estimates affecting the amounts recognized in the interim financial statements include:

- **Impairment of property and equipment and exploration and evaluation assets**

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses are a subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

As at January 31, 2013, the exploration and evaluation assets had no loss in value and therefore, no depreciation loss was recorded.

Financial instruments and other instruments

The accounting value of cash of accounts payable and accrued liabilities, is considered as a reasonable approximation of the market value as a result of the short-term termination of these instruments.

Financial risks factors

The Corporation's activities expose it to various risks in relation to financial instruments. The Corporation's financial assets and liabilities by category are summarized in note 16. The main types of risks are credit risk and liquidity risk.

(a) Credit risk sensitivity

The credit risk for cash and cash in trust is considered negligible, since the counterparties are reputable banks with high quality external credit ratings and a reputable lawyer firm.

(b) Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has financing sources such as private and public investments for a sufficient amount.

Over the past period, the Corporation has financed its mining rights acquisitions, its exploration expense and its working capital requirements through a private financing and common share issuance.

Risks and uncertainties

An investment in the common shares of the Corporation should be considered highly speculative for a variety of reasons. The following is a general description of certain significant risk factors which should be considered:

Risks Inherent to Mining Exploration

The Corporation is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Corporation's property interests are in the exploration and evaluation stage only and are without a known body of commercial ore. Accordingly, there is little likelihood that the Corporation will realize any profits in the short to medium term. Any profitability in the future from the Corporation's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Regulation and Environmental Requirements

The activities of the Corporation require permits from various governmental authorities and are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, environmental protection and other matters.

Increased costs and delays may result of the need to comply with applicable laws and regulations. If the Corporation is unable to obtain or renew licenses, approvals and permits, it may be curtailed or prohibited from proceeding with exploration or development activities.

Capital Needs

The exploration and evaluation, development, mining and processing of the Corporation's properties may require substantial additional financing. The only current source of future funds available to the Corporation is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Corporation or that it will be obtained on terms favourable to the Corporation or will provide the Corporation with sufficient funds to meet its objectives, which may adversely affect the Corporation's business and financial position.

In addition, any future equity financings by the Corporation may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Corporation's properties or even a loss of property interest.

Commodity Prices

The market price of the Corporation's common shares, its financial results and its exploration and evaluation, development and mining activities have previously been, or may in the future be, significantly adversely affected by the volatility in the price of precious or base minerals, including lithium and phosphate.

Uninsured Risks

The Corporation's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Going Concern

The future of the Corporation depends on its ability to finance its activities and to develop its assets. Failure to obtain sufficient financing may result in the Corporation not being able to continue its operations, realize its assets and discharge its liabilities in the normal course of business in the foreseeable future.

Qualified person

Donald Théberge, ing., P.Eng., M.B.A., is the Qualified Person under NI 43-101 who has reviewed the scientific and technical information in this document.

Outlook

The availability of funds is a function of the capital markets. The Corporation is presently in the process of financing to be in a position to proceed with its exploration program anticipated for the second part of 2013.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Common Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares without par value. As of the date of this Prospectus, 12,741,414 Common Shares are issued and outstanding. There are no special rights or restrictions attached to the Common Shares.

The Common Shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends out of moneys of the Corporation properly applicable to the payment of dividends if and when declared by the board of directors of the Corporation and to participate rateably in the remaining assets of the Corporation in any distribution on a dissolution or winding-up.

All registered shareholders are entitled to receive a notice of all meetings of shareholders to be convened by the Corporation. At any general meeting, subject to the restrictions on joint registered owners of Common Shares, on a show of hands every registered shareholder who is present in person or by proxy and entitled to vote has one vote, and on a poll, every registered shareholder who is entitled to vote has one vote for each Common Share held and may exercise such vote either in person or by proxy.

Unit Warrants

The Unit Warrants will be created and issued pursuant to a Warrant indenture (the “**Warrant Indenture**”) to be dated as of the date of Closing between the Company and the Warrant Agent. The Common Shares and the Warrants comprising the Units will separate immediately upon Closing. Each Warrant will be exercisable by the holder thereof to acquire one Common Share at a price of \$0.25 at any time before 5:00 p.m. on the date that is 18 months following the Closing Date, after which time the Warrants will expire and become null and void.

The following is a summary only of certain provisions of the Warrant Indenture and does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Unit Warrants.

The Warrant Indenture will provide for adjustments in the exercise price and number of Common Shares issuable upon the exercise of the Unit Warrants upon the occurrence of certain events, including: the issuance of Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of distribution (other than a distribution of Common Shares upon the exercise of Unit Warrants); the subdivision, redivision or change of the outstanding Common Shares into a greater number of Common Shares; the reduction, combination or consolidation of the Common Shares into a smaller number of Common Shares; the fixing of a record date for a rights offering; and the fixing of a record date for the making of a distribution by the Company to all or substantially all of the holders of outstanding Common Shares of securities, securities convertible into or exchangeable for Common Shares (other than pursuant to a rights offering), evidence of its indebtedness or any property or other assets.

The Warrant Indenture will also provide that, in certain cases of reclassification of Common Shares or capital reorganization of the Corporation, as well as in the case of a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity (any of the foregoing referred to as a “**Reorganization**”), any registered holder of Warrants who has not exercised his Unit Warrants prior to the effective date of such Reorganization, upon the exercise of his Unit Warrants thereafter, shall receive, in lieu of the number of Common Shares that prior to such effective date such holder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from or party to such Reorganization that such holder would have been entitled to receive on such Reorganization, if on the effective date thereof, as the case may be, such holder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Unit Warrants.

No adjustment in the exercise price of Unit Warrants will be required unless such adjustment would require an increase or decrease of at least 1% in the exercise price then in effect; provided however, that any adjustments which by reason of this provision are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

The Corporation will covenant in the Warrant Indenture that, so long as any Unit Warrants remain outstanding, it will give notice to the Warrant Agent and to the registered holders of Unit Warrants of its intention to fix a record date that is prior to the expiry date of the Unit Warrants for any matter which an adjustment may be required as described above. The notice shall be given in each case not less than 14 days prior to such applicable record date.

No fractional Unit Warrants shall be issued or otherwise provided for by the Warrant Indenture, and Unit Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Except as specifically provided in the Warrant Indenture, the holding of a Unit Warrant certificate, entitlement to a Unit Warrant or otherwise, does not confer upon a holder of Unit Warrants any right or interest whatsoever as a shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend,

meetings of Shareholders or any other proceedings of the Corporation, or the right to dividends and other allocations.

From time to time, the Corporation and the Warrant Agent may execute and deliver indentures or instruments supplemental to the Warrant Indenture for certain purposes, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions therein, or modifying any provisions of the Warrant Indenture, provided that in the opinion of the Warrant Agent, relying on the advice of counsel, the rights of the Warrant Agent or of the registered holders of Unit Warrants are in no way prejudiced thereby. The holders of Unit Warrants have the power exercisable from time to time by Extraordinary Resolution to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of registered holders of Unit Warrants or the Warrant Agent in its capacity as warrant agent under the terms of the Warrant Indenture (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the registered holders of Unit Warrants against the Company whether such rights arise under the Warrant Indenture or otherwise. An "Extraordinary Resolution" is a resolution which is either (i) proposed at a meeting of the registered holders of Unit Warrants at which there are registered holders of Warrants present in person or represented by proxy holding at least 25% of the aggregate number of Common Shares that could be acquired pursuant to all the then outstanding Unit Warrants and passed by the affirmative vote of registered holders of Unit Warrants holding not less than 66 ⅔% of the aggregate number of Common Shares that could be acquired at the meeting and voted on the poll upon such resolutions; or (ii) signed in writing by registered holders of Unit Warrants holding at least 66 ⅔% of the aggregate number of Common Shares that could be acquired pursuant to all the then outstanding Unit Warrants.

Agent's Warrants

Upon the completion of the Offering, the Agent will receive Agent's Warrants entitling the Agent to purchase in the aggregate that number of Common Shares equal to 8% of the total number of Common Shares issued under the Offering. If the Over-Allotment Option is exercised, the Agent will receive a cash commission equal to 8% of the gross proceeds and Agent's Warrants equal to 8% of the number of Common Shares issued pursuant to such option. See "Plan of Distribution".

Each Agent's Warrant entitles the holder to purchase one Agent's Warrant Share at the Issue Price for a period of 12 months following the Closing Date. This Prospectus qualifies the distribution of the Agent's Warrants and the Agent's Warrant Shares.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at January 31, 2013 based on the financial statements of the Corporation for the 167 day-period ended January 31, 2013. There has been no material change in the share and loan capital of the Corporation since January 31, 2013.

Designation of Security	Authorized Amount	Outstanding as at January 31, 2013 (audited)	Outstanding as at the date of this Prospectus	Outstanding after giving effect to the Minimum Offering	Outstanding after giving effect to the Maximum Offering
Common Shares	Unlimited	12,741,414	12,741,414	17,408,081	23,408,081
Unit Warrants	10,666,667	NIL	NIL	4,666,667	10,666,667
Agent's Warrants	853,333	NIL	NIL	373,333	853,333
Stock Options	10% of issued and outstanding Common Shares	NIL	750,000	750,000	750,000

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

Options to purchase an aggregate of 750,000 Common Shares have been granted and are currently outstanding as at the date of the Prospectus, the particulars of which are set out below.

Name	Position	Common Shares Under Options Granted	Exercise Price (\$/Common Share)	Expiry Date
David Vincent	President Chief Executive Officer Director	200,000	\$0.10	5 years from the date of grant
Daniel Bélisle	Chief Financial Officer	100,000	\$0.10	5 years from the date of grant
Guy Chamard	Director	200,000	\$0.10	5 years from the date of grant
André Laferrière	Director	200,000	\$0.10	5 years from the date of grant
Christian Marti	Member of the Advisory Committee	50,000	\$0.10	5 years from the date of grant

Stock Option Plan

On January 22, 2013, the board of directors of the Corporation adopted the Corporation's Stock Option Plan effective upon the completion of the listing of the Corporation on the CNSX. The Stock Option Plan was adopted by the board of directors in order to have a stock option plan which complies with the rules and policies of the CNSX in anticipation of listing on the CNSX.

The Stock Option Plan provides that, subject to the requirements of the CNSX, the aggregate number of Common Shares reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the number of issued Common Shares at the time the options are granted.

The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued Common Shares, calculated at the date the option was granted. The maximum number of options which may be granted to any one consultant shall not exceed 2% of the issued Common Shares, calculated at the date the option was granted. The maximum number of options which may be granted to employees and those individuals conducting investor relations activities may not exceed 1% of the issued Common Shares, calculated at the date the option was granted.

The Stock Option Plan is administered by the board of directors of the Corporation or by a committee appointed by the board of directors to administer the Stock Option Plan. The board or committee has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan, to such directors, officers, employees or consultants of the Corporation and its affiliates, if any, as the board of directors may from time to time designate. The exercise price of any options granted under the Stock Option Plan shall be determined by the board of directors, but the exercise price may not be less than the market price of the Common Shares on the CNSX on the date of the grant and if there were no transactions on that date, the average of the closing bid and closing price seller the day before the grant. The term and vesting of any options granted under the Stock Option Plan shall be determined by the board of directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan may not exceed 5 years.

Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Stock Option Plan expire upon the earlier of the normal

expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Stock Option Plan will expire 90 days after the holder ceases to hold office. In the case of an individual employed to provide investor relations activities, an option shall expire 30 days after that individual ceases to act for the Corporation. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate.

PRIOR SALES

The following table summarizes the issuance of the Common Shares by the Corporation within the 12-month period prior to the date of this Prospectus:

Date of Issue	Price per Security	Number and Type of Security
August 17, 2012	\$0.005	3,935,353 Common Shares
August 31, 2012	\$0.021	266,061 Common Shares
August 31, 2012	\$0,021	1,800,000 Common Shares
December 17, 2012	\$0.05	6,740,000 Common Shares

The founders and current officers of the Corporation invested a total of \$25,264.04 for the 4,201,414 Common Shares issued on August 17, 2012 and August 31, 2012. The founders collectively hold Common Shares and Stock Options representing, on a fully diluted basis, 25.9% of all outstanding Common Shares in the event of the Minimum Offering and 19.2% of all outstanding Common Shares in the event of the Maximum Offering.

ESCROWED SECURITIES

Escrowed Securities

As of the date of this Prospectus, no securities of the Corporation are held in escrow. However, in accordance with National Policy 46-201 – *Escrow for Initial Public Offerings*, all securities of the Corporation that are owned or controlled by its “Principals” (see Note 1 to the table below) are required to be deposited into escrow. The following table sets forth details of the securities of the Corporation to be held in escrow by the Escrow Agent in connection with the Offering:

Designation of Class	Number of Escrowed Securities ⁽¹⁾⁽²⁾	Percentage of Class prior to Completion of Offering ⁽⁴⁾	Percentage of Class after Completion of Minimum Offering ⁽⁵⁾	Percentage of Class after completion of Maximum Offering ⁽⁶⁾
Common Shares	4,651,414 ⁽³⁾	36.5%	26.7%	19.9%

Notes:

⁽¹⁾ Common Shares to be held in escrow are all Common Shares issued to “Principals” of the Corporation prior to the Offering, “Principals” being: (i) directors or senior officers of the Corporation or any material operating subsidiary; (ii) promoters of the Corporation during the two years preceding this Offering; (iii) persons who owns/controls more than 10% of the outstanding Common Shares immediately before and immediately after the Closing Date who also have a right to elect or appoint a director or senior officer of the Corporation or

a material operating subsidiary; (iv) persons who hold/controls more than 20% of the outstanding Common Shares immediately before the Closing Date; (v) companies, trusts, partnerships or other entities held more than 50% by one or more of the foregoing; and (vi) spouses or other relatives that live at the same address as a Principal who is an individual.

- (2) These securities are held in escrow by the Escrow Agent as depository. Pursuant to the Escrow Agreement, 10% of such securities held in escrow will be released from escrow on the date the Common Shares are listed on the CNSX, and 15% every six months thereafter, subject to acceleration provisions provided for in National Policy 46-201 – *Escrow for Initial Public Offerings*.
- (3) Includes 700,000 Stock Options issued to Principals with an exercise price of \$0.10 per Common Share.
- (4) On the basis of the issued and outstanding Common Shares as at the date hereof, including any Common Shares issuable upon the exercise of any of the Stock Options. See “Options to Purchase Securities - Outstanding Options”.
- (5) On the basis of the issued and outstanding Common Shares assuming completion of the Minimum Offering, including any Common Shares issuable upon the exercise of any of the Stock Options. See “Options to Purchase Securities - Outstanding Options”.
- (6) On the basis of the issued and outstanding Common Shares assuming completion of the Maximum Offering, including any Common Shares issuable upon the exercise of any of the Stock Options. See “Options to Purchase Securities - Outstanding Options”.

Pursuant to an escrow agreement (the “**Escrow Agreement**”) to be entered into among the Corporation, the Escrow Agent and the Principals of the Corporation, a total of 3,951,414 Common Shares and 700,000 Stock Options to purchase Common Shares (the “**Escrowed Securities**”) will be deposited into escrow with the Escrow Agent and will be held in escrow subject to the terms of the Escrow Agreement as at the date of the final Prospectus. As an “emerging issuer” under NP 46-201, the Escrow Agreement provides that the Escrowed Securities will be released from escrow as to 10% on listing its securities on the CNSX and then in equal tranches at six-month intervals over the 36 months following the listing of the Common Shares on the CNSX (that is 15% of each Principal’s holdings being released in each tranche with an initial 10% tranche being released on the date the Common Shares are listed on the CNSX). Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may be transferred within escrow to (i) an individual who is a director or senior officer of the Corporation or of a material operating subsidiary of the Corporation, subject to the approval of the Corporation’s board of directors, (ii) to a person or corporation that before the proposed transfer holds more than 20% of the voting rights attached to the Corporation’s outstanding securities, (iii) to a person or corporation that after the proposed transfer will hold more than 10% of the voting rights attached to the Corporation’s outstanding securities and has the right to elect or appoint one or more directors or senior officers of the Corporation or any of its material operating subsidiaries (iv) to a financial institution as collateral for a loan upon realization of the loan or (v) to or between a registered retirement savings plan (RRSP), registered retirement income fund (RRIF), or other similar registered plan or fund, where the annuitant of the RRSP or RRIF, or the beneficiaries of the other registered plan or fund are limited to the Principal and his or her spouse, children or parents or, if the Principal is the trustee of such a registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund, as applicable, or his or her spouse, children and parents. Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a Principal of the Corporation who is a party to the Escrow Agreement, the Escrowed Securities may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a Principal of the Corporation who is a party to the Escrow Agreement, all Escrowed Securities will be released from escrow to the deceased holder’s legal representative.

Seed Share Escrow Agreement

Pursuant to a seed share escrow agreement (the “**Seed Share Escrow Agreement**”) to be entered into among the Corporation, the Escrow Agent and the non-Principals of the Corporation that were issued Common Shares of the Corporation prior to the initial public offering at a price which is below the Issue Price, a total of 8,790,000 Common Shares (the “**Escrowed Seed Shares**”) will be deposited into escrow with the Escrow Agent and will be held in escrow subject to the terms of the Seed Share Escrow Agreement as at the date of the final Prospectus.

The Seed Share Escrow Agreement provides that the Escrowed Seed Shares will be released from escrow as to 25% on listing its securities on the CNSX and then in equal tranches of 25% at six-month intervals over the 18 months following the listing of the Common Shares on the CNSX. All other provisions of the Escrow Agreement to be entered into among the Corporation, the Escrow Agent and the Principals of the Corporation will apply *mutatis mutandis* to the Seed Share Escrow Agreement.

Designation of Class	Number of Escrowed Securities ⁽¹⁾	Percentage of Class prior to Completion of Offering ⁽¹⁾	Percentage of Class after Completion of Minimum Offering ⁽²⁾	Percentage of Class after completion of Maximum Offering ⁽³⁾
Common Shares	8,790,000	69%	50.5%	37.6%

⁽¹⁾ On the basis of the issued and outstanding Common Shares as at the date hereof.

⁽²⁾ On the basis of the issued and outstanding Common Shares assuming completion of the Minimum Offering.

⁽³⁾ On the basis of the issued and outstanding Common Shares assuming completion of the Maximum Offering.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Corporation, at the date of this Prospectus, no person beneficially owns, directly or indirectly, or exercises control or direction over, the Common Shares carrying more than 10% of the outstanding voting rights attached to the Common Shares, other than the following:

Name	Number of Securities Held	Percentage of Total Issued and Outstanding Common Shares	Percentage of Issued and Outstanding Common Shares Assuming Completion of the Minimum Offering	Percentage of Issued and Outstanding Common Shares Assuming Completion of the Maximum Offering
9248-7792 Québec Inc. ⁽¹⁾	1,711,414 Common Shares	13.4%	9.8%	7.3%
9266-9712 Québec Inc. ⁽²⁾	1,340,000 Common Shares	10.5%	7.7%	5.7%

Note:

(1) The sole shareholder of the corporation is Stéphane Leblanc, Vice-President and Director of Canadian Metals.

(2) The sole shareholder of the corporation is David Vincent, President, Chief Executive Officer and Director of Canadian Metals.

DIRECTORS AND OFFICERS

Current Directors and Officers

The name, province and country of residence and position with the Corporation of each director and officer of the Corporation, and the principal business or occupation in which each director and officer of the Corporation has been engaged during the immediately preceding five years, and the period during which each has served in his current position is set out in the table below. Each director's term of office will expire at the next annual general meeting of the Corporation.

Name, Province and Country of Residence	Position with the Corporation	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number of Common Shares and Percentage of Common Shares Held Assuming the Offering is Completed in Full
David Vincent ⁽⁴⁾ Montreal, Canada	Director, President and Chief Executive Officer	Director, Business Development and Investor Relations, Gastem Inc. (oil and gas exploration and development company) Director, Business Development and Investor Relations, Ditem Explorations Inc. (mineral exploration and development company)	August 28, 2012 – Present	1,340,000 ⁽¹⁾ (7.7%/ 5.7%) ⁽²⁾

Name, Province and Country of Residence	Position with the Corporation	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number of Common Shares and Percentage of Common Shares Held Assuming the Offering is Completed in Full
Stéphane Leblanc Trois-Rivières, Canada	Director, Vice- President	President, 9248-7792 Québec inc., a company doing business under the name Québec Mineral Properties. (mining claims management company)	August 28, 2012 - Present	1,711,414 ⁽³⁾ (9.8%/7.3%) ⁽²⁾
Guy Chamard ⁽⁴⁾ LaPrairie, Canada	Director	Director, Mine and Geology at Genivar Inc. (engineering firm)	December 3, 2012 - Present	50,000 ⁽⁵⁾ (0.29%/0.21%) ⁽²⁾
André Laferrrière ⁽⁴⁾ Montreal, Canada	Director	Vice-President, Mining and Geology, Argex Titanium Inc. (mining exploration company)	December 3, 2012 - Present	50,000 (0.29%/0.21%) ⁽²⁾
Daniel Bélisle L'Île-Bizard, Canada	Chief Financial Officer	President, 3096-6410 Québec Inc., a company doing business under the name BF Growth Capital (accounting, financial and corporate services – CFO for public companies)	August 28, 2012 – Present	800,000 ⁽⁶⁾ (4.6%/3.4%)

Note:

- (1) Common Shares held by 9266-9712 Québec Inc., a corporation whose sole shareholder is David Vincent.
- (2) Immediately after the closing of the Minimum Offering/Maximum Offering on a non-diluted basis, assuming the Over-Allotment Option is not exercised.
- (3) Common Shares held by 9248-7792 Québec Inc., a corporation whose sole shareholder is Stéphane Leblanc.
- (4) Member of the Audit Committee.
- (5) Common Shares held by 9197-0723 Québec Inc., a corporation whose sole shareholder is Guy Chamard.
- (6) Common Shares held by 3096-6410 Québec Inc., a corporation whose sole shareholder is Daniel Bélisle.

The directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over 3,951,414 Common Shares, representing 31% of all issued and outstanding Common Shares as of the date of this Prospectus. No officer or director, or any of their respective associates and/or affiliates, intend to acquire Common Shares pursuant to the Offering.

The term of office of the directors expires annually at the time of the Corporation's annual general meeting. The term of office of the officers expires at the discretion of the Corporation's directors. None of the directors of the Corporation have entered into non-competition or non-disclosure agreements with the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no director or executive officer of the Corporation is, at the date of this Prospectus, or has been, within the 10 years prior to the date this Prospectus, a director, chief executive officer or chief financial officer of any issuer (including the Corporation) that:

- (a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

“**Order**” means a cease trade order or similar order or an order that denied an issuer access to any statutory exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

In addition, except as disclosed below, no director or executive officer or promoter of the Corporation or shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, at the date this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any issuer (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or
- (c) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On February 19, 2004, Stéphane Leblanc filed for voluntary assignment in bankruptcy (Court Number/BIA Estate number 41-315417). He was automatically discharged from all debts 9 months after, on November 20, 2004.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interest of the Corporation and to disclose any interests which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

To the best of the Corporation’s knowledge, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other private and public companies.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors’ and officers’ conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers, in accordance with the *Business Corporations Act* (Quebec) are required to disclose all such conflicts and are expected to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Management of the Corporation

The following provides additional information regarding the Corporation's directors and executive officers. None of the directors or officers of the Corporation have entered into non-competition or non-disclosure agreements with the Corporation.

David Vincent, age 36 – Director, President and Chief Executive Officer

Mr. Vincent is a Director and President of the Corporation since 28 August, 2012. He holds 1,340,000 and 10.5% of the voting common share in the share capital of the Corporation indirectly through a wholly-owned corporation, 9266-9712 Quebec Inc.

Mr. Vincent has more than 10 years of experience as executive specialized in the energy and natural resources sectors. In the last five years, he has been part of different mining, oil and gas exploration companies' management teams as Director, Business Development and Investor Relations for both Gastem Inc., an oil and gas exploration company and Ditem Exploration Inc., a mineral exploration company. Mr. Vincent has also been in charge of resources and energetic infrastructure projects development and economic evaluation. He previously worked as in the corporate development and financing industry. Mr. Vincent holds a Masters degree in financial economics and a Masters degree in Business Administration.

As President and Chief Executive Officer of the Corporation, Mr. Vincent is responsible for supervising and coordinating other officers in matters of day-to-day management and leading policy decision-making.

Mr. Vincent carries out his duties on a part-time basis and an estimated 70% of his time is devoted to the Corporation.

Stéphane Leblanc, age 32 – Director, Vice-President

Mr. Leblanc is a Director and Vice President of the Corporation since August 28, 2012. He holds 1,711,414 and 13.4% of the voting common share in the share capital of the Corporation indirectly through a wholly-owned corporation, 9248-9877 Quebec Inc. ("9248").

He is also President of 9248 a corporation doing business under the name Quebec Mineral Properties. 9248 is a mining claims management company that owns approximately 6,000 claims within the province of Quebec. Mr. Leblanc is a shareholder and in charge of the corporate development of 9232-0373 Quebec Inc. a corporation doing business under the name of St-Laurent siding, a manufacturer and distributor of siding products. Mr. Leblanc is an entrepreneur with more than 12 years of experience in all aspect of business management and development.

As Vice President of the Corporation, Mr. Leblanc is responsible for the corporate and business development of Canadian Metals. Mr. Leblanc carries out his duties on a part-time basis and an estimated 50% of his time is devoted to the Corporation.

Guy Chamard, age 52 –Director

Mr. Chamard is a Director of the Corporation since December 8, 2012.

Since 2007, Mr. Chamard works for the engineering firm GENIVAR Inc., in Montreal, as Principal Director, Mine and Geology for new projects in Canada and abroad. He has more than 30 years of experience in project management in Quebec and abroad. He is specialized in work design, planning, and costs evaluation in different sector including mining, energy, petrochemical, nuclear and forestry. He holds a bachelor's degree in civil =engineering and a master's degree in project management.

Mr. Chamard carries out his duties on a part-time basis and an estimated 10% of his time is devoted to the Corporation.

André Laferrière, age 40 – Director

Mr. Laferrière is a Director of the Corporation since December 3, 2012.

Since June 2011, Mr. Laferrière is Vice President, Mining and Geology for Argex Titanium Inc. He has over 15 years of experience in mineral exploration and mining development projects for precious metals (gold, silver, PGE), base metals (nickel, copper, zinc, lead, iron), and technology metals (lithium, rare earths). As a registered professional geologist (OGQ) and NI 43-101 Qualified Person, his expertise includes project evaluation, mineral resource estimation, NI 43-101 technical reporting, and exploration projects design, implementation and management. He holds M.Sc. and B.Sc. degrees in Geology of the University of Montreal.

Mr. Laferrière carries out his duties on a part-time basis and an estimated 10% of his time is devoted to the Corporation.

Daniel Bélisle, age 58 - Chief Financial Officer

Mr. Bélisle is the Chief Financial Officer of the Corporation since August 28, 2012. He holds 800,000 and 6.3% of the voting common share in the share capital of the Corporation.

Mr. Bélisle is a former member of the Board of Directors of Diabras Exploration, of the management of UAP Inc. and Canadair Ltd.. He is also currently on the Board of Directors of Glen Eagle Resources Inc. and acts as consultant for other public mining companies, through BF Growth Capital. Mr. Bélisle has more than 30 years of experience in executive positions in corporate financing, financial management and auditing for public companies in the mining and manufacturing sectors. He participated in the corporate development and start-up of many small businesses to obtain loans and governmental grants. He holds a degree as Professional Chartered Accountant/Chartered Accountant.

As Chief Financial Officer of the Corporation, Mr. Bélisle is responsible for overseeing the regulatory matters for the filing of financial and corporate information and compliance matters, performing capital budgeting tasks and developing and maintaining cash flow forecasts. Mr. Bélisle carries out his duties on a part-time basis and an estimated 35% of his time is devoted to the Corporation.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation philosophy, objectives and processes and to discuss compensation decisions relating to the Chief Executive Officer; the Chief Financial Officer; or each of the three most highly compensated executive officers of the Corporation, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 (each a "**Named Executive Officer**").

Executive compensation is paid in consideration of the work, duties, responsibilities and tasks carried out by the three individuals identified above in their respective roles as officers of the Issuer. See "Directors and Officers – Management of the Corporation" and "Material Contracts".

In connection with setting appropriate levels of compensation for the executive officers, the Issuer's directors base their decisions on their general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account the Issuer's development stage and strategic

goals. The remuneration established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance, business acumen and other discretionary factors deemed relevant.

The Issuer will adjust director compensation to take into account the evolution of the Corporation's development stage. If the Corporation evolves from being a junior exploration company to a production company, the duties and responsibilities of the directors will increase accordingly. In that case, the Issuer would adjust the directors' compensation to reflect such a change.

If the technical or financial expertise of individual directors is solicited by the Issuer beyond their normal duties as members of the board of a junior exploration company (for example in the case of a special acquisition project), these directors will be compensated accordingly in addition to their present compensation as directors.

The Corporation's compensation program is designed to be competitive with similar junior mining exploration companies and to recognize and reward executive performance. Compensation to be awarded to the directors and officers will reflect the compensation paid to directors and officers of companies of similar size and stage of development in the mineral exploration industry and the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation.

All executive compensation is reviewed annually by the board of directors of the Corporation. The board of directors takes into account executive compensation paid by companies comparable with the Corporation, although no specific benchmarking policy is in place for determining compensation or any element of compensation. The Compensation Committee recommends compensation levels to the board of directors.

Option Based Awards

A total of 300,000 options were issued to Named Executive Officers on February 21, 2013.

Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officer for the Corporation's financial period since inception on August 17, 2012 and ending January 31, 2013:

Name and Principal Position	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
David Vincent, President and Chief Executive Officer	25,000 ⁽¹⁾	NIL	20,000 ⁽⁴⁾	NIL	NIL	NIL	NIL	\$45,000
Stéphane Leblanc, Vice-President	25,000 ⁽²⁾	NIL	NIL	NIL	NIL	NIL	NIL	\$25,000
Daniel Bélisle, Chief Financial Officer	17,500 ⁽³⁾	NIL	10,000 ⁽⁴⁾	NIL	NIL	NIL	NIL	\$27,500

Note:

⁽¹⁾ Remuneration paid to 9266-9712 Quebec Inc. ("9266"), a company whose sole shareholder is David Vincent, pursuant to an Amended Consulting Agreement dated April 15, 2013 and effective since November 1, 2012. Under the Amended Consulting Agreement, 9266 was

paid a signing bonus of \$10,000 and total monthly compensation of \$5,000. Once the Corporation is listed on the CNSX, the monthly compensation paid to 9266 will increase to \$7,500.

- (2) Remuneration paid to 9248-7792 Quebec Inc. (“9248”), a company whose sole shareholder is Stéphane Leblanc, pursuant to an Amended Consulting Agreement dated April 15, 2013 and effective since November 1, 2012. Under the Amended Consulting Agreement, 9248 was paid a signing bonus of \$10,000 and total monthly compensation of \$5,000. Once the Corporation is listed on the CNSX, the monthly compensation paid to 9248 will increase to \$7,500.
- (3) Remuneration paid to 3096-6410 Quebec Inc. (“3096”), a company doing business under the name BF Growth Capital and whose sole shareholder is Daniel Bélisle, pursuant to an Amended Consulting Agreement dated April 15, 2013 and effective since September 1, 2012. Under the Amended Consulting Agreement, 3096 was paid a total monthly compensation of \$3,500. Once the Corporation is listed on the CNSX, the monthly compensation paid to 3096 will increase to \$5,000.
- (4) Refers to stock options granted under the Corporation’s Stock Option Plan. See “Options to Purchase Securities”./

Consulting Agreements

Compensation is paid to Named Executive Officers on the basis of Amended Consulting Agreements entered into on April 15, 2013 between the Issuer and companies which are wholly-owned by each Named Executive Officer. The Amended Consulting Agreements contain confidentiality obligations to which the Named Executive Officers are bound. Each Amended Consulting Agreement has a term of 24 months and may be terminated upon a six-month written notice by the Issuer. See “Material Contracts”.

Incentive Plan Awards

The Corporation does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the directors and officers of the Corporation.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits to the directors or officers of the Corporation at, following, or in connection with retirement.

Employment Contracts

The Corporation has consulting agreements with wholly-owned company’s of each Named Executive Officer. See “Summary Compensation Table”.

Termination and Change of Control Benefits

The Corporation is not a party to any contracts that provide for termination or change of control benefits.

Director Compensation

Other than compensation paid to the Named Executive Officers, no compensation was paid to directors in their capacity as directors of the Corporation, in their capacity as members of a committee of the board of directors, or as consultants or experts, during the Corporation’s most recently completed financial year. Following the completion of the Offering, the Corporation plans to review its compensation of directors to ensure that it is commensurate with other public companies with similar operations and resources.

Since the end of the Corporation’s most recently completed financial year, the Corporation has adopted the Stock Option Plan under which directors of the Corporation may be granted options to purchase common shares of the Corporation. See “Options to Purchase Securities”. Other than through the issuance of stock options which may be granted from time to time at the discretion of the board pursuant to the Stock Option Plan, the Corporation does not compensate its directors in their capacities as such. However, the directors may be reimbursed for expenses incurred on behalf of the Corporation. From time to time, directors may also be retained

to provide specific services to the Corporation and will be compensated on a normal commercial basis for such services.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Corporation, or associate or affiliate of any such director or officer, is indebted to the Corporation.

AUDIT COMMITTEE

The Audit Committee's Charter

The directors of the Corporation have adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Corporation's Audit Committee Charter is attached to this Prospectus as Schedule A.

Composition of the Audit Committee

The following are the members of the Audit Committee:

Name of Member	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Guy Chamard	Yes	Yes
André Laferrière	Yes	Yes
David Vincent	No	Yes

Note:

⁽¹⁾ As defined by National Instrument 52-110 ("NI 52-110").

Audit Committee Member Education and Experience

All members of the Audit Committee have the ability to read, analyze, and understand the complexities of financial statements. See also "Directors and Officers".

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed fiscal period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed fiscal period has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Except as described in the Audit Committee Charter attached to this Prospectus, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditors Service Fees

The Corporation's external auditors did not bill any amounts to the Corporation in the financial period ended January 31, 2013. In connection with the audit of its January 31, 2013 financial statements, the Corporation's external auditors have billed \$8,400 for their services.

Exemption in Section 6.1 of NI 52-110

The Corporation is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Part 3 (Composition of Audit Committees) and Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines; however, the board of directors considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore such guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

The Corporation's board of directors consists of four directors, two of whom the Corporation considers to be independent based upon the tests for independence set forth in NI 52-110. The Corporation considers Guy Chamard and André Laferrière to be independent directors. David Vincent and Stéphane Leblanc are not independent, as they are also officers of the Corporation.

Management Supervision by Board

The size of the Corporation is such that all of the Corporation's operations are conducted by a small management team which is also represented on the board of directors. The board of directors considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Corporation and have regular and full access to management. Further supervision is performed through the audit committee which is composed of a majority of independent directors who meet with the Corporation's auditors without management being in attendance.

Participation of Directors in Other Reporting Companies

None of the directors of the Corporation currently hold directorships in other reporting issuers, other than as follows:

Name of Director	Name of Other Reporting Issuer
Guy Chamard	Glen Eagle Resources Inc.

Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, new board members are provided with:

- (a) access to recent, publicly filed documents of the Corporation, technical reports in respect of the Corporation's mineral properties and the Corporation's internal financial information;

- (b) access to management and technical experts and consultants; and
- (c) a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

Ethical Business Conduct

The board of directors views good corporate governance as an integral component to the success of the Corporation and to meet responsibilities to shareholders. The directors of the Corporation as a whole, as appropriate from time to time, provides officers, directors and other representatives of the Corporation guidance in properly recognizing and resolving any legal or ethical issues that they may encounter while conducting the business of the Corporation.

Nomination of Directors

The board has responsibility for identifying potential board candidates. A formal process has not been adopted. The board assesses potential board candidates to fill perceived needs on the board for required skills, expertise, independence and other factors and then refers recommendations to the full board and then ultimately to the shareholders for approval. Members of the board, management and representatives of the mineral exploration industry are consulted for possible candidates.

Compensation

The Corporation considers Guy Chamard and André Laferrière to be independent directors of the Corporation. These directors will have the responsibility for approving compensation for the directors and senior management.

To determine compensation payable, the board will review compensation paid for directors and executive officers of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation. In setting the compensation, the board intends to annually review the performance of the senior officers in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives. See also "Executive Compensation – Compensation Discussion and Analysis".

Board Committees

Advisory Committee

The Corporation has created an Advisory Committee that will advise the board of directors on technical matters relating to mineral exploration and production. The Advisory Committee will be composed of technically competent individuals in the fields of engineering and geology. The board has nominated Mr. Christian Marti as the first member of the Advisory Committee. Mr. Marti has more than 30 years of experience in mining project management and development in North America, Africa, Central America and Asia. He has been project manager for SNC Lavalin for Canadian Royalties Inc.'s Nunavick nickel mine feasibility study and general manager of the Nuiphaovica Corporation in Vietnam, a Tiberon Minerals Ltd. project. Since 2008, Mr Marti is Director, Business Development, Mining Industry, for the engineering firm, GENIVAR Inc. He is a Professional Engineer in geology and member of *l'Ordre des ingénieurs du Québec*.

As the directors are actively involved in the operations of the Corporation and the size of the Corporation's operations does not warrant a larger board of directors, the board has determined that any committees in addition to the Audit Committee and the Advisory Committee are not necessary at this stage of the Corporation's development.

Assessments

The board does not consider that formal assessments would be useful at this stage of the Corporation's development. The board conducts informal annual assessments of the board's effectiveness, the individual directors and the Audit Committee.

PLAN OF DISTRIBUTION

The Offering

Under the Agency Agreement to be entered into between the Corporation and the Agent, the Corporation will appoint the Agent to offer the Units at the Issue Price to the public in Quebec, Ontario, Alberta and British Columbia on a best efforts basis. The Agent will not be obligated to purchase any of the Common Shares for its own account.

Assuming Completion of the Maximum Offering, the gross proceeds of the Offering will be \$1,600,000.

The Agency Agreement

Pursuant to the Agency Agreement, the Corporation will appoint as its agent to offer the Units to the public in Quebec, Ontario, Alberta and British Columbia on a best efforts basis.

The Units, Common Shares, Unit Warrants and the underlying Common Shares (the "**Offered Securities**") have not been, and will not be, registered under the 1933 Act, and, except pursuant to an applicable exemption from registration set forth in the 1933 Act, may not be offered, sold or delivered, directly or indirectly, in the United States, or to or for the account of a U.S. person. The Agent has agreed not to sell any of the Offered Securities within the United States or to U.S. persons.

The Agent is not obligated to purchase any of the Offered Securities for its own account.

The Agent will receive the Agent's Commission, being a commission equal to 8% of the gross proceeds of the Offering, payable in cash. The Agent will receive the Agent's Warrants. Each Agent's Warrant will entitle the holder thereof to acquire one Agent's Warrant Share for a period of 12 months following the Closing Date at the Issue Price. If the Over-Allotment Option is exercised, the Agent will receive a cash commission equal to 8% of the gross proceeds and Agent's Warrants equal to 8% of the number of Common Shares issued pursuant to such option.

The Corporation has agreed to pay the Agent's reasonable expenses including the reasonable fees and disbursements, plus applicable taxes, of legal counsel to the Agent in connection with the Offering, subject to a maximum of \$30,000 plus applicable taxes.

The Offered Securities, the Agent's Warrant Shares and the Agent's Warrants are qualified for distribution pursuant to this Prospectus.

The issue price of \$0.15 per Common Share was determined by negotiation between the Corporation and the Agent.

The completion of the Offering is subject to a maximum subscription of 10,666,667 Units for gross proceeds of \$1,600,000. The Offering will not be completed and no subscription funds will be advanced to the Corporation unless and until the Minimum Offering of \$700,000 has been raised. In the event that the Minimum Offering is not attained by the end of the period of the Offering, all subscription funds that subscribers may have advanced to the Agent in respect of the Offering will be refunded to the subscribers without interest or deduction.

NI 41-101 imposes a restriction on the maximum number of securities which may be distributed under a prospectus to the Agent as compensation ("**Qualified Compensation Securities**"). Pursuant to NI 41-101, the aggregate Qualified Compensation Securities must not exceed 10% of the securities offered pursuant to this Prospectus, which in the case of this Offering is 1,066,667.

To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the securities issued under the Offering, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

The Agency Agreement provides that, upon the occurrence of certain events or at the discretion of the Agent on the basis of its assessment of the state of financial markets or the market for the Offered Securities, the Agent may terminate the Offering and the obligations of Subscribers to purchase the Offered Securities will then cease.

Subscriptions will be received for the Offered Securities subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the term of the Agency Agreement or the time required by the Securities Commissions, the subscription price and the subscription will be returned to the Subscriber forthwith without interest or deduction. If subscriptions for all of the Offered Securities have not been received by that day which falls 90 days from the date of issue of a receipt for the final prospectus, or if a receipt has been issued for an amendment to the final prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of the receipt for the final prospectus, subscription funds will be returned to Subscribers without interest or deduction, unless other instructions are given to the Agent.

There is currently no market through which any securities of the Corporation, including the Common Shares, may be sold and subscribers and holders thereof may not be able to resell or dispose of any of the securities purchased, distributed or qualified under this Prospectus.

The Corporation has agreed to indemnify the Agent and its directors, officers, employees, shareholders and agents against all liabilities arising directly or indirectly from the Agency Agreement. Notwithstanding the above, the indemnity does not include claims arising from gross negligence, dishonesty or willful misconduct of the Agent.

Pursuant to the Agency Agreement, the Corporation has agreed not to, directly or indirectly, issue, sell or grant or agree to announce any intention to issue, sell or grant, any additional equity or quasi-equity securities for a period of 90 days after the closing of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements; (ii) outstanding warrants; (iii) obligations in respect of existing mineral property agreements; and (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business.

Pursuant to the Agency Agreement, the Corporation has granted the Agent a right of first refusal to provide the next brokered equity financing the Corporation proposes to conduct from the Closing Date.

Listing Application

The CNSX has conditionally accepted the listing of the Common Shares. The listing of the Common Shares will be subject to the Corporation fulfilling all the listing requirements of the CNSX.

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

DILUTION

The Issue Price under this Offering significantly exceeds the net tangible book value per Common Share, and accordingly, investors will suffer immediate and substantial dilution of their investment in the amount of 65% or \$0.0975 per Common Share share on the basis of there being 17,408,081 Common Shares issued and outstanding assuming completion of the Minimum Offering, and will suffer an immediate dilution of 51% or \$0.0765 per Common Share on the basis of there being 23,408,081 Common Shares issued and outstanding in the event of a Maximum Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this Prospectus and from sales of securities prior to filing this Prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

The Common Shares should be considered highly speculative due to the nature of the Corporation's business and the present stage of its development. In evaluating the Corporation and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Corporation or in connection with the Corporation's operations.

Speculative Nature of the Corporation's Securities

The securities of the Corporation are highly speculative due to the nature of the Corporation's business and the present stage of its development.

Capitalization and Commercial Viability

The Corporation will require additional funds to further explore and develop the Massicotte Property. The Corporation may not have sufficient funds upon closing of the Offering to carry out the completion of all proposed activities, and may have to obtain other financing or raise additional funds. See "Use of Proceeds – Principal Purposes". The Corporation has limited financial resources, and there is no assurance that additional funding will be available to the Corporation to carry out the completion of all proposed activities, for additional exploration or for the substantial capital that is typically required in order to place a property into commercial production. Although the Corporation has been successful in the past in obtaining financing through the sale of Common Shares, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

While, upon completion of the Offering, the Corporation will have sufficient financial resources to begin the recommended exploration program in respect of the Massicotte Property, the Corporation will require additional funds to further explore and develop the Massicotte Property and to develop its other properties or to acquire additional properties.

Factors Beyond Corporation's Control

The exploration and development of the Massicotte Property and the marketability of any minerals contained in the Massicotte Property will be affected by numerous factors beyond the control of the Corporation. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability

of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Title Matters

While the Corporation has performed its own due diligence with respect to title of its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements of transfer or land claims by First Nations groups or others, and title may be affected by undetected defects.

Exploration and Development

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines.

None of the Corporation's properties presently contain any mineral resources or mineral reserves. Should any mineral deposits be discovered, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine, and to obtain the required environmental approvals and permitting required to commence commercial operations. Should any mineral resource be defined on such properties there can be no assurance that the mineral resource on such properties can be commercially mined or that the metallurgical processing will produce economically viable saleable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to:

- (a) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities;
- (b) availability and costs of financing;
- (c) ongoing costs of production;
- (d) market prices for the minerals to be produced;
- (e) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and
- (f) political climate and/or governmental regulation and control.

The ability of the Corporation to sell, and profit from the sale of any eventual production from any of the Corporation's properties will be subject to the prevailing conditions in the marketplace at the time of sale. Many of these factors are beyond the control of the Corporation and therefore represent a market risk which could impact the long term viability of the Corporation and its operations.

General Economic Conditions

The events in global financial markets recently have had a profound impact on the global economy. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Corporation's growth.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by the broad lack of investor confidence. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future and, if obtained, on terms favorable to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation's activities could be adversely impacted and the trading price of the Common Shares could be adversely affected.

Lack of Operating History

The Corporation has a very limited history of operations, is in the early stage of exploration and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues.

No History of Earnings

The Corporation has no history of earnings, and there is no assurance that any of its mineral properties will generate earnings, operate profitably or provide a return on investment in the future. The purpose of this Offering is to raise funds to carry out exploration and development on the Massicotte Property. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the foreseeable future.

Environmental Risks and Other Regulatory Requirements

The current or future operations of the Corporation, including exploration and development activities and commencement of production on its properties, require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Corporation may require for future exploration activities, construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Corporation might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by

reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Corporation.

The Corporation is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Corporation periodically evaluates the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Corporation becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Corporation has to pay such liabilities and result in bankruptcy. Should the Corporation be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

Operating Hazards and Risks

Mineral exploration and development involves risks which even a combination of experience, knowledge and careful examination may not be able to overcome. Operations in which the Corporation has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppage, damage to or destruction of property, loss of life and environmental damage. Such liabilities may have materially adverse effect upon the Corporation's financial condition.

Securities of the Corporation

The price at which the seed rounds of securities were sold was determined by the Corporation and the price of the Units offered under this Prospectus was determined by negotiation between the Corporation and the Agent and bears no relationship to earnings, book value or other valuation criteria. The Corporation plans to focus on exploration of its properties and to use the proceeds of the Offering to carry out such exploration, but to further such activities and to acquire additional properties will require additional funds and it is likely that, to obtain the necessary funds, the Corporation will have to sell additional securities including, but not limited to, Common Shares or some form of convertible securities, the effect of which would result in a substantial dilution of the present equity interests of the Corporation's shareholders.

Lack of Public Market for the Corporation's Shares

There is no current public market for the Common Shares. If an active public market for the Common Shares does not develop, the trading price of the Common Shares may decline below the Issue Price.

Dilution

Issuance of additional securities pursuant to future financing will result in dilution of the equity interests of persons who become shareholders of the Corporation under the Offering.

Competition

Significant and increasing competition exists for mining opportunities internationally. There are a number of large established mining companies with substantial capabilities and far greater financial and technical resources than the Corporation. The Corporation may be unable to acquire additional attractive mining properties on terms it considers acceptable and there can be no assurance that the Corporation's exploration and acquisition programs will yield any new reserves or result in any commercial mining operations. The Corporation's inability to compete with other mining companies could have a material adverse effect on the Corporation.

Conflicts of Interest

Certain directors and officers of the Corporation are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in other corporations which are potential competitors of the Corporation. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Corporation. Directors and officers of the Corporation with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Management

The Corporation's future success depends, in significant part, upon the continued service and performance of its directors and senior officers. The experience and ability of these individuals will be a factor contributing to the Corporation's success and growth. The loss of the services of some or all of these individuals could have a material adverse effect on the Corporation's business prospects. The Corporation has not obtained key man insurance with respect to any of its senior officers.

Dependence on Outside Parties

The Corporation has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments and to develop processes to extract the commodity from ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Corporation.

Litigation

The Corporation has entered into legally binding agreements with various third parties for consultation services. The interpretation of the rights and obligations that arise from such agreements is open to interpretation as the Corporation may disagree with the position taken by the various other parties, resulting in a dispute that could potentially result in litigation and cause the Corporation to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of such disputes could have a material adverse effect on the Corporation.

Eligibility for Investment

The Common Shares are not currently listed on a "designated stock exchange" as defined in the Tax Act, and will only be conditionally listed on the CNSX on the Closing Date. If the Corporation does not make a Tax Return Election (as defined hereafter) or Prescribed Form Election (as defined hereafter) in the manner contemplated in

this Prospectus, the purchasers will be penalized under the Tax Act with respect to any Common Shares held in an RRSP, RRIF, registered disability savings plan, deferred profit sharing plan, registered education savings plan and TFSA (as defined hereafter).

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to subscribing to the Offering.

Dividends

The Corporation has not declared any dividends on the Common Shares since incorporation and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Payment of any future dividends will be at the discretion of the Corporation's board of directors.

PROMOTERS

Stéphane Leblanc may be considered a promoter of the Corporation within the meaning of the relevant Canadian securities legislation. As of the date hereof, Mr. Leblanc beneficially owns, controls or directs, directly or indirectly, 1,711,414 Common Shares, comprising 13.4% of the issued and outstanding Common Shares as of the date hereof. See "Principal Shareholders" and "Directors and Officers".

As Vice-President of the Corporation, the promoter will receive, indirectly through 9248-7792 Quebec Inc. ("**9248**"), a company whose sole shareholder is Mr. Leblanc, remuneration pursuant to a Amended Consulting Agreement dated April 15, 2013 and effective since November 1, 2012. Under the Consulting Agreement, 9248 was paid a signing bonus of \$10,000 and total monthly compensation of \$5,000. Once the Corporation is listed on the CNSX, the monthly compensation paid to 9248 will increase to \$7,500. See "Summary Compensation Table".

On February 19, 2004, Stéphane Leblanc filed for voluntary assignment in bankruptcy (Court Number/BIA Estate number 41-315417). He was automatically discharged from all debts 9 months after, on November 20, 2004.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Corporation is not a party to any legal proceedings material to it, or of which any of its property is the subject matter, and no such proceedings are known to be contemplated.

Regulatory Actions

There are no penalties or sanctions imposed against the Corporation by a court or a regulatory body and the Corporation has not entered into any settlement agreements before a court or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Prospectus, no director or officer of the Corporation or any shareholder holding, of record or beneficially, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, have any material interest, directly or indirectly, in any material transaction with the Corporation since incorporation or in any proposed transaction which has materially affected or would materially affect the Corporation.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is neither a “related issuer” nor a “connected issuer” to the Agent, as such terms are defined in National Instrument 33-105 - *Underwriting Conflicts*.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Raymond Chabot Grant Thornton LLP at its office located at 600, de la Gauchetière Street West, Suite 2000, Montreal, Quebec, H3B 4L8.

The Corporation’s registrar and transfer agent for the Common Shares is Computershare Investor Services Inc. at its office located at 1500, University Street, 7th Floor, Montreal, Quebec, H3A 3S8.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following contracts indicated below are the only material contracts entered into by the Corporation since its incorporation:

1. The Principal Claims Purchase Agreement.
2. Renunciation, Release and Discharge dated April 18, 2013 executed by 9248-7792 Quebec Inc. with respect to its share of the royalty on the NSR pursuant to the Principal Claims Purchase Agreement.
3. The Secondary Claims Purchase Agreement.
4. Agency Agreement dated as of the Closing Date between the Corporation and the Agent. See “Plan of Distribution.”
5. Escrow Agreement dated as of the Closing Date between the Corporation and the Escrow Agent. See “Escrowed Securities”.
6. Seed Escrow Agreement dated as of the Closing Date between the Corporation and the Escrow Agent. See “Escrowed Securities”.
7. Amended Consulting Agreement dated April 15, 2013 (effective as of November 1, 2012) between the Corporation and 9266-9712 Quebec Inc. See “Executive Compensation”.
8. Amended Consulting Agreement dated April 15, 2013 (effective as of November 1, 2012) between the Corporation and 9248-7792 Quebec Inc. See “Executive Compensation”.
9. Amended Consulting Agreement dated April 15, 2013 (effective as of September 1, 2012) between the Corporation and 3096-6410 Quebec Inc. See “Executive Compensation”.
10. Warrant Indenture dated as of the Closing Date, between the Corporation and the Warrant Agent. See “Description of the Securities Distributed-Unit Warrants”.

Copies of the above-noted material contracts will be available for inspection at the offices of Dentons Canada LLP, 1, Place Ville-Marie, 39th Floor, Montreal, Quebec, H3B 4M7 during regular business hours during the distribution of the Common Shares and for a period of 30 days thereafter.

EXPERTS

Certain legal matters related to the Offering have been passed upon on behalf of the Corporation by Dentons Canada LLP, counsel to the Corporation. At the date hereof, the partners and associates of Dentons Canada LLP, as a group, own, beneficially, directly or indirectly, less than 1% of the securities of the Corporation.

The information of a scientific or technical nature regarding the Massicotte Property in this Prospectus is summarized or extracted from and based on the Technical Report prepared by Donald Théberge, ing., P.Eng., M.B.A., an independent qualified person pursuant to NI 43-101. At the date hereof, Mr. Théberge does not own, beneficially, directly or indirectly, or exercise control or direction over, any securities of the Corporation.

The audited interim financial statements of the Corporation included with this Prospectus have been subject to audit by Raymond Chabot Grant Thornton LLP and their audit report is included herein Raymond Chabot Grant Thornton LLP have advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Ordre des comptables professionnels agréés du Québec.

OTHER MATERIAL FACTS

There are no other material facts concerning the Offering other than as disclosed in this Prospectus.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In some jurisdictions, the securities legislation further provides a purchaser with remedies for rescission or revisions to the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions to the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

ELIGIBILITY FOR INVESTMENT

In the opinion of Dentons Canada LLP, counsel to the Corporation, based on the current provisions to the Tax Act and Regulations and the proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, (i) the Common Shares (ii) the Unit Warrants or (iii) the Common Shares to be issued on the exercise of the Unit Warrants, as the case may be, will be, at the time of their respective issuances, a "qualified investment" under the Tax Act and the regulations thereunder for trusts governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan, a registered education savings plans, a registered disability savings plan or a tax-free savings account ("TFSA") (all as defined in the Tax Act, and collectively, "Plans"), provided that:

- i. In the case of the Common Shares comprised in the Units, the Corporation is a "public corporation" as defined in the Tax Act or such Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CNSX) at the time of their issuance;
- ii. In the case of the Unit Warrants comprised in the Units, the Corporation is a public corporation for purposes of the Tax Act or the Common Shares are listed on a designated stock exchange as defined in the Tax Act at the time of the issuance of the Unit Warrants and provided that the Corporation and any person who does not deal at arm's length (within the meaning of the Tax Act) with the Corporation is not

an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Plan, at the relevant time; and

- iii. In the case of the Common Shares to be issued on the exercise of the Unit Warrants, the Common Shares are listed on a designated stock exchange as defined in the Tax Act at the time of their issuance.

The Corporation is not currently a “public corporation” for purposes of the Tax Act and the Common Shares are not currently listed on a “designated stock exchange”. The Corporation has applied to list the Common Shares on the CNSX, however, the Common Shares may not be unconditionally listed on a “designated stock exchange” on the Closing Date. The Corporation intends to elect to be a public corporation in its first income tax return, and file the income tax return by its first filing due date (the “**Tax Return Election**”). If the Corporation is unable to make a Tax Return Election, the Corporation will make an election in prescribed form, pursuant to the Tax Act, to be a public corporation on the same day of, but after the closing of the Offering (the “**Prescribed Form Election**”). The Corporation will make the Prescribed Form Election on the reliance that the Canada Revenue Agency (“**CRA**”) will administratively accept that the Prescribed Form Election, if validly made in satisfaction of the minimum requirements set out in the Tax Act and the Regulations duly filed, will render the Common Shares issued on the Closing Date to be “qualified investments” for the Plans at the time of issuance (the “**Corporation’s Reliance**”). If the Corporation’s Reliance is incorrect or the Prescribed Form Election is not accepted as being validly filed or made in satisfaction of the minimum requirements set out in the Tax Act and the Regulations, the Common Shares and the Warrants will not be “qualified investments” for the Plans at the time of issuance.

Notwithstanding the foregoing, if the Common Shares comprised in the Units, the Unit Warrants or the Common Shares to be issued on the exercise of the Unit Warrants held by the TFSA, RRSP or RRIF are a “prohibited investment” under the Tax Act, the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Common Shares comprised in the Units, the Unit Warrants or the Common Shares to be issued on the exercise of the Unit Warrants, as the case may be, are a “prohibited investment” if the holder of a TFSA or the annuitant of a RRSP or RRIF, as the case may be: (i) does not deal at arm’s length with the Corporation for purposes of the Tax Act; (ii) has a “significant interest” (within the meaning of the Tax Act) in the Corporation; or (iii) has a “significant interest” (within the meaning of the Tax Act) in a corporation, partnership or trust with which the Corporation does not deal at arm’s length for purposes of the Tax Act. The Minister of Finance released draft legislation on December 21, 2012 that proposes to remove the condition in (iii) above. Pursuant to the draft legislation, the Common Shares comprised in the Units or the Common Shares to be issued on the exercise of the Unit Warrants, as the case may be, will not be a “prohibited investment” if the Common Shares comprised in the Units or the Common Shares to be issued on the exercise of the Unit Warrants, as the case may be, are “excluded property” as defined in the draft legislation. Prospective investors who intend to hold Common Shares comprised in the Units, the Unit Warrants or the Common Shares to be issued on the exercise of the Unit Warrants in a TFSA, RRSP or RRIF should consult their own tax advisors.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Dentons Canada LLP, counsel to the Corporation, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations pursuant to the Tax Act and the Regulations generally applicable to a purchaser of Units offered under this Prospectus who, for purposes of the Tax Act and the Regulations, and all relevant times, holds the Common Shares, the Unit Warrants and Common Shares acquired on the exercise of the Unit Warrants as capital property, and deals at arm’s length and is not affiliated with the Corporation and the Agents or a subsequent purchaser of the Common Shares or Unit Warrants (a “**Holder**”). The Units and Common Shares acquired on the exercise of the Unit Warrants will generally be considered capital property to a Holder unless either the Holder holds such Common Shares or Unit Warrants in the course of carrying on a business or the Holder has acquired the Units or the Common Shares acquired on the exercise of the Unit Warrants in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder: (i) that is a “specified financial institution” or that is, for purposes of certain rules (referred to as the mark-to-market rules), a “financial institution”, both as defined in subsection 142.2(1) of the Tax Act; (ii) an interest in which constitutes a “tax shelter investment” within the meaning of the Tax Act; (iii) that makes or has made a “functional currency” reporting election under section 261 of the Tax Act; or (iv) that is exempt from tax under Part I of the Tax Act. Such Holders should consult their own tax advisors. This summary does not address the deductibility of interest by a Holder who borrows money to acquire Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes, controlled by a non-resident corporation for the purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to the consequences of acquiring the Units.

This summary is based upon the facts set out in this Prospectus, the current provisions of the Tax Act and the Regulations in force as of the date hereof, all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposals”) and counsel’s understanding of the current administrative and assessing practices and policies of the CRA published in writing prior to the date hereof. No assurance can be given that the Proposals will be enacted as proposed, if at all. This summary does not take into account or anticipate any other changes in law, whether by legislative, regulatory, administrative or judicial decision or action or changes in the administrative or assessing practices and policies of the CRA, is not exhaustive of all Canadian federal income tax considerations and does not take into account other federal tax considerations or provincial, territorial or foreign income tax legislation or considerations which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to a Holder acquiring Units pursuant to the Offering. Accordingly, this summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Prospective Holders should consult their own tax advisors with respect to the income tax consequences of investing in Units based on the Holder's particular circumstances.

Allocation of Issue Price

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Common Share and the Unit Warrant comprising the Units to determine the cost of each for purposes of the Tax Act. For its purposes, the Corporation intends to allocate \$0.149 of the Offering Price as consideration for the issue of each Common Share and \$0.001 of the Offering Price as consideration for the issue of each Unit Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the Holder. The Holder’s adjusted cost base of the Common Share comprising a part of each Unit will be determined by averaging the cost allocated to the Common Share with the adjusted cost base to the Holder of all of the Corporation’s common shares owned by the Holder as capital property immediately prior to such acquisition.

Exercise or Expiry of Unit Warrants

No gain or loss will be realized by a Holder upon the exercise of a Unit Warrant to acquire a Common Share. When a Unit Warrant is exercised, the Holder’s cost of the Common Shares acquired thereby will be the aggregate of the Holder’s adjusted cost base of such Unit Warrants and the exercise price paid for the Common Share. The Holder’s adjusted cost base of the Common Shares so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all of the Corporation’s common shares owned by the Holder as capital property immediately prior to such acquisition.

The expiry of an unexercised Unit Warrant will generally result in a capital loss to the Holder equal to the adjusted cost base of the Unit Warrant to the Holder immediately before its expiry. The tax treatment of capital losses is discussed in greater detail below under the subheading “Taxation of Capital Gains and Capital Losses”.

Residents of Canada

The following section of this summary applies to a Holder (“**Canadian Holder**”) who, for the purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada at all relevant times. Certain of such persons whose Common Shares might not constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to have the Common Shares and every “Canadian security” as defined in the Tax Act, held by such Canadian Holder in the year of the election and in all subsequent taxation years deemed to be capital property. This election does not apply to deem the Unit Warrants to be capital property. Canadian Holders should consult their own tax advisors regarding this election.

Dividends

Dividends received or deemed to be received by a Canadian Holder on the Common Shares will be included in computing the Canadian Holder’s income for purposes of the Tax Act. The gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations will apply to dividends received by an individual (and certain trusts), including the enhanced gross-up and dividend tax credit provisions where the Corporation provides notice to the recipient designating the dividend as an “eligible dividend”. There may be limitations on the ability of the Corporation to designate dividends as eligible dividends. Dividends received or deemed to be received by a Holder that is a corporation will be included in computing the corporation’s income and will generally be deductible in computing its taxable income.

A Holder that is a “private corporation” or a “subject corporation” for purposes of the Tax Act may be liable to pay a refundable tax under Part IV of the Tax Act, at a rate of 33⅓% on the dividends received or deemed to be received on the Common Shares to the extent that such dividends are deductible in computing the corporation’s taxable income. Canadian Holders to whom these rules may be relevant should consult their own tax advisors.

Dispositions of Common Shares and Unit Warrants

A Canadian Holder who disposes of or is deemed to dispose of a Common Share or Unit Warrant (other than a disposition arising on the exercise or expiry of a Unit Warrant), other than to the Corporation, will generally realize a capital gain (or a capital loss) equal to the amount by which the Canadian Holder’s proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the aggregate of the adjusted cost base thereof to the Canadian Holder immediately before the disposition.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Canadian Holder must be included in income for the taxation year of disposition and one-half of any capital loss (an “**allowable capital loss**”) realized must be deducted by the Canadian Holder against any taxable capital gains realized in the same taxation year. Any excess of allowable capital losses over taxable capital gains for the year of disposition is generally deductible against net taxable capital gains realized in any of the three prior taxation years or in any subsequent taxation year in the circumstances and to the extent described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Canadian Holder that is a corporation may be reduced by the amount of dividends received or deemed to be received by the Canadian Holder on such Common Share or a share substituted for such share in the circumstances and to the extent described in the Tax Act. Similar rules may apply where a Canadian Holder that is a corporation is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust which owns Common Shares.

A Canadian Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be subject to an additional refundable tax of 6⅔% in respect of its “aggregate investment income” (which is defined in the Tax Act to include an amount in respect of taxable capital gains).

Alternative Minimum Tax

Capital gains realized and dividends received by a Canadian Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act.

Non-Residents of Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act and at all relevant times: (i) is not and will not be deemed to be resident in Canada at any time while it holds the Common Shares and Unit Warrants; and (ii) does not use or hold the Common Shares and Unit Warrants in carrying on a business in Canada (“Non-Resident Holder”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. In the case of a Non-Resident Holder who is a resident of the United States and entitled to the benefits under the current provisions of the Canada-United States Tax Convention (1980), as amended, the rate of withholding tax on such dividends will generally be reduced to 15%.

Dispositions of Common Shares or Unit Warrants

Generally, a Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition or deemed disposition of a Common Share or Unit Warrant unless the Common Share or Unit Warrant, as the case may be, constitutes, or is deemed to constitute, “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act and the gain is not exempt from tax pursuant to the terms of an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

As long as the Common Shares are listed on the CNSX at the time of disposition, the Common Shares and Unit Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder, unless at any time during the 60-month period immediately preceding the disposition: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Corporation; and (ii) more than 50% of the fair market value of the shares of the Corporation was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), or an option, an interest or right in such property, whether or not the property exists.

A Non-Resident Holder’s capital gain (or capital loss) in respect of Common Shares or Unit Warrants that constitute or are deemed to constitute taxable Canadian property (and are not exempt from Canadian tax under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident) will generally be computed in the manner described above under “Residents of Canada – Dispositions of Common Shares and Unit Warrants” and “Taxation of Capital Gains and Capital Losses”.

Non-Resident Holders whose Common Shares and Unit Warrants are taxable Canadian property should consult their own tax advisors.

AUDITORS' CONSENT

We have read the prospectus of Canadian Metals Inc. (the "**Corporation**") dated April 30, 2013 relating to the issue and sale of a minimum of 4,666,667 units and a maximum of 10,666,667 Units of the Corporation (the "**Units**") at a price of \$0.15 per Unit for gross proceeds of a minimum of \$700,000 and a maximum of \$1,600,000. We have complied with Canadian generally accepted standards for an auditor's involvement with the offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Corporation on the interim statement of financial position of the Corporation as at January 31, 2013 and the interim statement of comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the 167 day-period ended January 31, 2013. Our report is dated April 30, 2013.

/S/ RAYMOND CHABOT GRANT THORNTON LLP
Partnership of Chartered Professional Accountants
Montreal (Quebec)
April 30, 2013

**Interim financial statements
Canadian Metals Inc.
(In Canadian dollars)**

For the 167-day period ended January 31, 2013

Independent Auditor's Report

To the Directors of
Canadian Metals Inc.

Raymond Chabot Grant Thornton LLP
Suite 2000
National Bank Tower
600 De La Gauchetière Street West
Montréal, Quebec H3B 4L8

Telephone: 514-878-2691
Fax: 514-878-2127
www.rcgt.com

We have audited the accompanying interim financial statements of Canadian Metals Inc., which comprise the interim statement of financial position as at January 31, 2013 and the interim statement of comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the 167-day period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

our responsibility is to express an opinion on these interim financial statements based on our audit. we conducted our audit in accordance with canadian generally accepted auditing standards. those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the interim financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the interim financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the interim financial statements present fairly, in all material respects, the financial position of Canadian Metals Inc. as at January 31, 2013 and its financial performance and its cash flows for the 167-day period then ended in accordance with International Financial Reporting Standards (IFRS).

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the interim financial statements, which indicates that the Corporation has a deficit of \$191,437 as at January 31, 2013. This condition, along with other matters as set forth in Note 2, indicates the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

/S/ Raymond Chabot Grant Thornton LLP¹

Montréal, Quebec
April 30, 2013

¹ CPA auditor, CA public accountancy permit no. A115879

Canadian Metals Inc.
Interim Statement of Financial Position
(In Canadian dollars)

As at
January 31,
2013
\$

ASSETS

Current

Cash	174,019
Other receivables <i>[Note 6]</i>	31,942
Prepaid expenses	2,117
	208,078

Non-current

Exploration and evaluation assets <i>[Note 7]</i>	53,557
Property and equipment <i>[Note 8]</i>	4,742
	58,299

TOTAL ASSETS

266,377

LIABILITIES AND EQUITY

Current

Accounts payable and accrued liabilities	61,750
--	--------

Total liabilities

61,750

Equity

Share capital <i>[Note 9]</i>	396,064
Deficit	(191,437)

Total equity

204,627

TOTAL LIABILITIES AND EQUITY

266,377

Going concern [Note 2]

The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors

(s) David Vincent

David Vincent

(s) Stéphane Leblanc

Stéphane Leblanc

Canadian Metals Inc.
Interim Statement of Comprehensive Income
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

	<u>\$</u>
Expenses	
General and administrative <i>[Note 13]</i>	(181,513)
General exploration	<u>(9,924)</u>
Loss before income taxes	(191,437)
Deferred income taxes	<u>-</u>
Net loss and total comprehensive loss for the period	<u>(191,437)</u>
Basic and diluted loss per share <i>[Note 11]</i>	(0.03)

The accompanying notes are an integral part of these financial statements.

Canadian Metals Inc.
Interim Statement of Changes in Equity
For the 167-day period ended on January 31, 2013

	Number of common shares	Share capital \$	Deficit \$	Total equity \$
Balance at August 17, 2012	-	-	-	-
Net loss and comprehensive loss for the period	-	-	(191,437)	(191,437)
	-	-	(191,437)	(191,437)
Shares issued by private placements <i>[Note 9]</i>	10,941,414	362,264	-	362,264
Issuance costs of units <i>[Note 9]</i>	-	(4,000)	-	(4,000)
Shares issued for the acquisition of mining rights <i>[Note 7]</i>	1,800,000	37,800	-	37,800
	12,741,414	396,064	-	396,064
Balance at January 31, 2013	12,741,414	396,064	(191,437)	204,627

The accompanying notes are an integral part of these financial statements.

Canadian Metals Inc.
Interim Statement of Cash Flows
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

	\$
OPERATING ACTIVITIES	
Net loss for the period	(191,437)
Adjustments for:	
Amortization of property and equipment <i>[Note 8]</i>	354
	<u>(191,083)</u>
Changes in working capital items	
Other receivables	(21,349)
Prepaid expenses	(2,117)
Accounts payable and accrued liabilities	61,750
	<u>61,750</u>
Cash flows from operating activities	<u>(152,799)</u>
INVESTING ACTIVITIES	
Increase in exploration and evaluation assets	(26,350)
Acquisition of property and equipment	(5,096)
	<u>(5,096)</u>
Cash flows from investing activities	<u>(31,446)</u>
FINANCING ACTIVITIES	
Issuance of shares by private placements	362,264
Share issuance costs	(4,000)
	<u>(4,000)</u>
Cash flows from financing activities	<u>358,264</u>
Net change in cash	174,019
Cash at beginning of period	-
	<u>-</u>
Cash at end of period	<u>174,019</u>

The accompanying notes are an integral part of these financial statements.

Additional information on non-cash flow adjustments

Shares issued for the acquisition of mining rights	37,800
Refundable tax credits in deduction of exploration and evaluation assets	10,593

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

1 NATURE OF ACTIVITIES

Canadian Metals Inc. (hereafter the "Corporation") is engaged in the acquisition, the exploration and the evaluation of mining properties. The Corporation was incorporated under the Business Corporations Act (Quebec) on August 17, 2012. The address of registered office and its principal place of business is 1940 Cuvillier Street, Suite 3, Montréal, Quebec, Canada. The Corporation specializes in gold exploration located in the area of Matagami, Quebec, Canada.

2 GOING CONCERN

The Corporation's interim financial statements have been prepared on the basis of the going concern assumption, which contemplates the realization of assets and settlement of liabilities in the normal course of business, as they come due, by the Corporation. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Corporation's ability to continue as a going concern as described in the following paragraph and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These interim financial statements do not reflect the adjustment to the carrying values of assets and liabilities, to expenses and to the statement of financial position classifications that would be necessary were the going concern assumption would not be appropriate. These adjustments could be material.

For the interim period ended on January 31, 2013, the Corporation recorded a comprehensive loss and an accumulated deficit of \$191,437. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its existing objectives for exploration and evaluation programs and for the payment of its general and administrative costs. As at January 31, 2013, the Corporation had a working capital of \$146,328 considering cash of \$174,019. Management estimates that these funds will not be sufficient to meet the Corporation's obligations. Any additional funding may be met in the future in a number of ways including, but not limited to the issuance of new equity instruments. Given that the Corporation has not yet determined whether the exploration and evaluation assets have economically recoverable ore reserves, the Corporation has not yet generated income. Recovery of amounts indicated under exploration and evaluation assets and other tangible and intangible assets are subject to certain conditions: the discovery of economically recoverable reserves, the Corporation's ability to obtain the financing required to complete exploration, evaluation, development, construction and, ultimately, the sale of such assets. During the interim period ended January 31, 2013, the Corporation completed private placements totalling \$337,000 for the financing of exploration and evaluation assets and its working capital, general and administrative expenses. While management has been successful in securing financing in the past, there is no assurance that it will manage to obtain additional financing in the future.

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

3 STATEMENT OF COMPLIANCE TO IFRS

The interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

The annual financial statements year-end of the Corporation is July 31, 2013. The present interim financial statements for the 167-day period were approved by the Board of Directors and authorized for issue on April 30, 2013.

4 SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies that have been applied in the preparation of these interim financial statements are summarized below.

Basis of evaluation

These interim financial statements are prepared using the historical cost method.

Functional and presentation currency

The interim financial statements are presented in Canadian dollars, which is also the functional currency of the Corporation.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Corporation

At the date of authorization of these interim financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Corporation.

Management anticipates that all of the relevant pronouncements will be adopted in the Corporation's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation's interim financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Corporation's interim financial statements.

IFRS 9 "Financial Instruments" (IFRS 9)

The IASB aims to replace IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after January 1, 2015. Chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2012, the IASB published an exposure draft in order to make limited modifications to IFRS 9's financial asset classification model to address application issues. The Corporation's management has yet to assess the impact of this new standard on the Corporation's interim financial statements. However, management does not expect to implement IFRS 9 until all of its chapters have been published and they can comprehensively assess the impact of all changes.

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

4 SUMMARY OF ACCOUNTING POLICIES - continued

IFRS 13 "Fair Value Measurement" (IFRS 13)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. IFRS 13 applies prospectively for annual periods beginning on or after January 1, 2013. Management is in the process of reviewing its valuation methodologies for conformity with the new requirements and has yet to complete its assessment of their impact on the Corporation's interim financial statements.

Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expires, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables;
- Financial assets at fair value through profit or loss;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income. All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs or financial income, if applicable.

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

4 SUMMARY OF ACCOUNTING POLICIES - continued

Financial assets - continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Corporation's cash falls into this category of financial instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held-for-trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. The Corporation has no financial assets in this category.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Corporation has the intention and ability to hold them until maturity. The Corporation has no financial assets in this category.

Held-to-maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Corporation has no financial assets in this category.

All available-for-sale financial assets are measured at fair value. Net change in fair value is recognized in other comprehensive income and reported within Other item for comprehensive loss, in equity. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss in financial income or finance costs, if applicable, and presented as a reclassification adjustment within Other comprehensive income (loss). Interest calculated using the effective interest method are recognized in profit or loss within financial income.

Reversals of impairment losses are recognized in other comprehensive income, if applicable.

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

4 SUMMARY OF ACCOUNTING POLICIES - continued

Financial assets - continued

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is an objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of receivables are presented in profit or loss within Other operating expenses, if applicable.

Financial liabilities

The Corporation's financial liabilities include accounts payable and accrued liabilities.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All interest-related charges are reported in profit or loss within Finance costs, if applicable.

Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting loss attributable to ordinary shareholders of the Corporation, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

Refundable tax credits

The Corporation is entitled to a refundable tax credit on qualified exploration expenditures incurred and a refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration costs incurred.

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

4 SUMMARY OF ACCOUNTING POLICIES - continued

Exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are capitalized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Up to now, the Corporation has not started a drilling campaign and is only establishing the principles that will guide the recording of its expenses of exploration and evaluation, and assets of exploration and evaluation.

Although the Corporation has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Corporation's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

4 SUMMARY OF ACCOUNTING POLICIES - continued

Property and equipment

Property and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof.

Recognition of costs in the carrying amount of an item of property and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The period applicable is as follows:

	Useful life
Computer equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognized.

Impairment of exploration and evaluation assets and property and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

4 SUMMARY OF ACCOUNTING POLICIES - continued

Impairment of exploration and evaluation assets and property and equipment - continued

- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Corporation's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible, given that the Corporation's operations are still in the exploration and evaluation stage, and are capitalized to the cost of exploration and evaluation assets as incurred. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

Canadian Metals Inc.
Notes to Interim Financial Statements
For the 167-day period ended on January 31, 2013
(In Canadian dollars)

4 SUMMARY OF ACCOUNTING POLICIES - continued

Provisions, contingent liabilities and contingent assets - continued

As at January 31, 2013, the Corporation had no contingent liabilities and therefore no provision was recorded in the interim financial statements.

Any reimbursement that the Corporation can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible inflows of economic benefits to the Corporation that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in the interim financial statements since this may result in the recognition of income that may never be realized.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the interim financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Corporation has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Canadian Metals Inc.
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4 SUMMARY OF ACCOUNTING POLICIES - continued

Equity

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs.

If shares are issued following the exercise of share options, or warrants, this account also includes the charge previously accounted to the contributed surplus. Furthermore, if shares are issued following the acquisition of mining property or other non-financial assets, shares are valued at fair value of mining property on the day the agreement was concluded.

Other elements of equity

Contributed surplus includes unrealized charges related to share options and warrants until these options and warrants are exercised, if applicable.

Deficit includes all current period retained profits or losses.

Equity-settled share-based payments

The Corporation operates equity-settled share-based payment plans for its eligible directors, employees and consultants. None of the Corporation's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value indirectly by reference to the fair value of the equity instruments granted.

For transactions with employees and other providing similar services, the Corporation measures the fair value of services received by reference to the fair value of equity instruments granted.

All equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to Stock options, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Canadian Metals Inc.
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4 SUMMARY OF ACCOUNTING POLICIES - continued

Segmental reporting

The Corporation presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the Chairman and the Board of Directors. The Chairman and the Board of Directors have joint responsibility for allocating resources to the Corporation's operating segments and assessing their performance.

The Corporation has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

5 CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing these interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment of property and equipment and exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

As at January 31, 2013, the exploration and evaluation assets had no loss in value and therefore, no impairment loss was recorded.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Canadian Metals Inc.
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6 OTHER RECEIVABLES

	January 31, 2013
	<u>\$</u>
Goods and services tax receivable	21,349
Refundable tax credits	<u>10,593</u>
	<u>31,942</u>

7 EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets capitalized charges are composed of mining rights owned at 100% and detailed as follows:

	Massicote property					
	Block "A"	Block "B"	Block "C"	Block "D"	Block "E"	TOTAL
	\$	\$	\$	\$	\$	\$
Mining properties						
Balance, August 17, 2012	-	-	-	-	-	-
Acquisitions	8,669	4,217	7,029	11,559	6,326	37,800
Balance, January 31, 2013	8,669	4,217	7,029	11,559	6,326	37,800
Exploration and						
Balance, August 17, 2012	-	-	-	-	-	-
Acquisitions (a)	6,061	2,899	5,006	7,904	4,480	26,350
Refundable tax credits (b)	(2,436)	(1,165)	(2,012)	(3,178)	(1,802)	(10,593)
Balance, January 31, 2013	3,625	1,734	2,994	4,726	2,678	15,757
TOTAL	12,294	5,951	10,023	16,285	9,004	53,557

(a) Projects are at the exploration and evaluation stage. Geology and prospection charges were incurred for the production of a NI-43101 report.

(b) This amount is estimated based on the actual tax and mining legislation.

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7 EXPLORATION AND EVALUATION ASSETS - continued

Massicotte property

On August 31, 2012, the Corporation concluded two agreements for property acquisition:

- (i) The first agreement was concluded with a private company to acquire 81 mining rights (claims) composing the block "E" located in the Matagami area, province of Quebec. Per agreement, the Corporation accepted to remit 300,000 common shares to the vendor. The Corporation established the value of these shares at the fair value of mining rights of \$6,300. Furthermore, the vendor is entitled to a net smelter return (NSR) of 2%, when commercial production begins; if this situation occurs, the Corporation will have the option to buy back 1% NSR for \$500,000 payable to the vendor;
- (ii) The second agreement was concluded with a group composed of two private companies and one individual for the acquisition of 403 mining rights (claims) composing Blocks "A" to "D", located in the Matagami area, province of Quebec. Block "A" is comprised of 111 claims, block "B" 54 claims, block "C" 90 claims and block "D" is comprised of 148 claims. Per agreement, the Corporation accepted to remit 1,500,000 common shares to the vendors. The Corporation established the value of these shares at the fair value of mining rights of \$31,500. Furthermore, the vendor is entitled to a net smelter return (NSR) of 1.4%, when commercial production begins; if this situation occurs, the Corporation will have the option to buy back 1% NSR for \$700,000 payable to the vendor.

8 PROPERTY AND EQUIPMENT

	Computer equipment \$
Gross carrying amount	
Balance at August 17, 2012	-
Acquisition	<u>5,096</u>
Balance at January 31, 2013	<u>5,096</u>
Accumulated depreciation and impairment	
Balance at August 17, 2012	-
Depreciation	<u>354</u>
Balance at January 31, 2013	<u>354</u>
Carrying amount at January 31, 2013	<u><u>4,742</u></u>

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9 EQUITY

Share capital

The Corporation's share capital is composed of shares fully paid.

Authorized

Unlimited number of shares without par value. All shares are equally admissible to receive dividends and the repayment of capital, and represent one vote each at the shareholders' meeting of the Corporation.

- (a) During the period, the Corporation proceeded to the following private placements:
- (i) On August 30, 2012, the Corporation proceeded with a private placement with shareholder founders. The Corporation proceeded with a first private placement of \$25,264 by issuing a total of 4,201,414 shares at a price of \$0.006 in conformity with regulation requirements. These shares are in escrow for a period of thirty-six months and can be traded on a thirty-six-month period where 10% can be traded at issuance and thereafter, an additional 15% of shares can be traded every six months. There is no warrants associated to this share issuance;
 - (ii) On December 19, 2012, the Corporation completed a private placement for the amount of \$337,000 by issuing a total of 6,740,000 shares at the price of \$0.05 per share in accordance with the regulatory requirements. There is no warrants associated to this share issuance.
- (b) On August 31, 2012, the Corporation proceeded with the acquisition of mining rights, by the conclusion of two agreements:
- (i) The first agreement was concluded with a private corporation for the acquisition of 81 mining rights. Per agreement, the Corporation accepted to remit 300,000 common shares to the vendor. The Corporation established a price of \$0.021 for those shares, for a total consideration of \$6,300, in accordance with the regulatory requirements. There is no warrants associated to this share issuance;
 - (ii) The second agreement was concluded with two private corporations for the acquisition of 403 mining rights. Per agreement, the Corporation accepted to remit 1,500,000 common shares to the vendors. The Corporation established a price of \$0.021 for those shares, for a total consideration of \$31,500, in accordance with the regulatory requirements. There is no warrants associated to this share issuance.

Issuance cost of shareholders' equity instruments for \$4,000 has been reduced to the Share capital account.

Warrants

As at January 31, 2013, the Corporation did not have any warrants issued and outstanding.

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10 SHARE-BASED PAYMENTS

The Corporation has a stock option plan whereby the Board of Directors may grant to directors, officers or consultants of the Corporation options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. The Board of Directors approved a "Rolling" stock option plan reserving a maximum of 10% of the shares of the Corporation at the time of the stock option grant, with an allowed vesting period of zero up to eighteen months, to be determined by the Board of Directors. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares. The number of stock options granted to a beneficiary are determined by the Board of Directors.

The exercise price of any option granted under the Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed five years from the date of grant. Options are not transferable and can be exercised while the beneficiary ceases to be a director, officer, employee or consultant of the Corporation.

There is no share option issued during the period ended January 31, 2013 and there is no option outstanding as at January 31, 2013. There is no expense charge for share-based payments for the period ended January 31, 2013.

11 LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. There is no warrants or options issued for the period and therefore, the diluted and basic loss per share is the same for the period ended January 31, 2013.

There has been no other transactions involving common shares between the reporting date and the date of authorization of the interim financial statements.

	January 31, 2013
	<u>\$</u>
Net loss for the period	<u>(191,437)</u>
Weighted average number of common shares in circulation	<u>7,385,164</u>
Basic and diluted loss per share	<u>(0.03)</u>

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12 INCOME TAXES

The effective income tax rate of the Corporation differs from the combined federal and provincial income tax rate in Canada. This difference results from the following items:

	January 31,
	2013
	\$
	<hr/>
Loss before taxes	(191,437)
	<hr/>
Tax recovery at combined statutory rate of 19% in 2013	(37,366)
Decrease (increase) in taxes resulting from:	
Tax impact of variation of unrecorded temporary differences	37,266
Non-deductible items and others	100
	<hr/>
	-
	<hr/>

Composition of current and deferred income taxes in the statement of comprehensive income

	January 31,
	2013
	\$
	<hr/>
Inception and reversal of temporary differences	(37,266)
Tax impact of variation of unrecorded temporary differences	37,266
	<hr/>
	-
	<hr/>

Changes in deferred taxes in 2013

	Opening	Recognized	Balance at
	balance	in	January 31,
	\$	net income	2013
	<hr/>	<hr/>	<hr/>
	\$	\$	\$
Exploration and evaluation assets	-	738	738
Exploration tax credits receivable	-	(738)	(738)
Variation of future income taxes in the statement of comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>

Canadian Metals Inc.
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12 INCOME TAXES - continued

Changes in deferred taxes in 2013 - continued

As at January 31, 2013, deductible timing differences for which the Corporation has not recognized a deferred tax asset are as follows:

	Federal	Provincial
	\$	\$
Exploration and evaluation assets	11,295	11,295
Property, plant and equipment	354	354
Shares issuance costs	3,634	3,634
Non-capital loss	185,413	184,083
	200,696	199,366

As at January 31, 2013, non-capital loss for which no deferred tax asset has been recorded expires as follows:

	Federal	Provincial
	\$	\$
2033	185,413	184,083

The Corporation has an investment tax credit of \$1,713 that is not recorded. This credit is available to reduce deferral income taxes for the future years. This investment tax credit expires in 2033.

13 GENERAL AND ADMINISTRATIVE EXPENSES

	January 31,
	2013
	\$
Office expenses	7,918
Consulting fees	67,500
Professional fees	9,023
Public company expenses	83,478
Amortization of property and equipment	354
Business development	13,240
	181,513

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14 RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Key management includes directors and senior executives. The compensation paid to key management is comprised of the following charges:

	January 31, 2013
	<u>\$</u>
Management fees	<u>67,500</u>

Not in the normal course of business, during the period, companies controlled by officers and directors participated in a private placement of common shares for a total cash consideration of \$25,264.

On August 31, 2012, 403 mining rights were acquired from a group composed of two private companies and one individual. One of the companies is controlled by a director who received a counterpart of 600,000 common shares, valued at \$12,600 for his part of the mining rights.

15 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Corporation's capital management objectives are:

- to ensure the Corporation's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Corporation's own means.

The Corporation monitors capital on the basis of the carrying amount of equity. Capital for the reporting period under review is summarized in the interim statement of changes in equity.

The Corporation is not exposed to any externally imposed capital requirements except when the Corporation issues flow-through shares for which amounts should be used for exploration and evaluation work. There was no flow-through financing during the period.

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15 CAPITAL MANAGEMENT POLICIES AND PROCEDURES - continued

The Corporation sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Corporation manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Corporation finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Corporation may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

No changes were made in the objectives, policies and processes for managing capital during the current reporting period.

16 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities categories

	January 31, 2013	
	Carrying amount	Fair value
	\$	\$
Financial assets		
Loans and receivables		
Cash	174,019	174,019
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	61,750	61,750

The carrying value of cash and of accounts payable and accrued liabilities is considered as a reasonable approximation of the market value as a result of the short-term termination of these instruments.

17 FINANCIAL INSTRUMENT RISKS

The Corporation's activities expose it to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk.

The Corporation's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Corporation's short- to medium-term cash flows by minimizing the exposure to financial markets.

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17 FINANCIAL INSTRUMENT RISKS - continued

(a) Credit risk analysis

Credit risk is the risk that one party to a financial instrument will arise a financial loss for the other party by failing to discharge an obligation.

The Corporation's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	January 31, 2013
	<u>\$</u>
Cash	164,019
Cash - in trust account	<u>10,000</u>
Carrying amounts	<u>174,019</u>

The credit risk for cash and cash - in trust account is considered negligible, since the counterparties are reputable banks with high quality external credit ratings and a reputable lawyer firm.

None of the Corporation's financial assets are secured by collateral or other credit enhancements and all financial assets are considered good credit quality.

(b) Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has financing sources such as private and public investments for a sufficient amount.

Over the past period, the Corporation has financed its mining rights acquisitions, its exploration expense and its working capital requirements through a private financing and common share issuance.

The accounts payable and accrued liabilities are all contractually due within twelve months.

The Corporation's existing cash resources significantly exceed the current cash outflow requirements.

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18 SUBSEQUENT EVENTS

Initial public offering (IPO)

The Corporation filed a prospectus dated April 30, 2013. The Corporation is offering a minimum of 4,666,667 units and a maximum of 10,666,667 units at \$0.15 per unit for gross proceeds of a minimum of \$700,000 and maximum of \$1,600,000. Each unit consists of one common share of the Corporation and one common share purchase warrant, each unit warrant entitling the holder to acquire one additional common share of the Corporation at a price of \$0.25 for a period of eighteen (18) months.

The cost of the issue is estimated to be \$125,000 excluding agent commission estimated to be 8% of the gross proceed and 8% of the number of common shares issued under this prospectus. In addition, the agent will receive common share purchase warrants entitling the agent to purchase that number of common shares equal to 8% of the number of common shares issued under the prospectus.

If a closing for a minimum of 4,666,667 units (\$700,000) has not occurred by July 30, 2013, all subscription funds will be returned to the subscribers, without interest or deduction, as soon as possible thereafter.

Stock options

On February 21, 2013, the Board of directors approved the attribution of 750,000 options to officers and directors at the price of \$0.10, according to the option plan approved by the Corporation. These options are vested immediately and have a duration period of five years but, as the exercise price is lower than the IPO price, the shares that could be issued will be freely traded on a 3-year period.

AUDIT COMMITTEE CHARTER

This charter (the "Charter") sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the "Committee") of the directors (the "Board") of Canadian Metals Inc. ("Canadian Metals").

1. PURPOSE

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented by management of Canadian Metals; and
- external and internal audit processes.

2. COMPOSITION AND MEMBERSHIP

a) The members (collectively "Members" and individually a "Director") of the Committee shall be appointed by the Board to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. . The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A member of the Committee may resign at any time and a member of the Committee will cease to be a member of the Committee upon ceasing to be a director of Canadian Metals.

b) The Committee will consist of at least three members. The majority of the members of the Committee must be a Director who is independent and every member of the Committee must be financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules, regulations and stock exchange requirements (collectively "Applicable Laws"). In this Charter, the terms "independent" and "financially literate" have the meaning ascribed to such terms by Applicable Laws and include the meaning given to similar terms herein by Applicable Laws to the extent such similar latter terms are applicable under Applicable Laws.

c) The chairman of the Committee will be appointed by the Board and confirmed by the Committee or appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Board or Committee may determine in their business judgement. The secretary of Canadian Metals (the "Secretary") will be the secretary of all meetings and will maintain minutes of all meetings, deliberations and proceedings of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3. MEETINGS

a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Any member of the Committee or the auditor of Canadian Metals may call a meeting of the Committee at any time upon not less than forty-eight (48) hours advance notice is given to each member of the Committee orally, by telephone, by facsimile or by email, unless all

Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.

b) At the request of the external auditors of Canadian Metals, the Chief Executive Officer or the Chief Financial Officer of Canadian Metals or any member of the Committee, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one their number to act as Chairman of the meeting.

d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.

e) The Committee may invite from time to time such persons as the Committee considers appropriate fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, except to the extent the exclusion of certain persons is required pursuant to this Charter or by Applicable Laws. The Committee will meet in camera without management at each meeting of the Committee.

f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Canadian Metals to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee as they relate to the following matters, to the extent considered appropriate or desirable or required by Applicable Laws, are to:

4.1 Financial Reporting and Disclosure

a) review and recommend to the Board for approval, the audited annual financial statements of Canadian Metals, including the auditors' report thereon, the quarterly financial statements of Canadian Metals, the management discussion and analysis of Canadian Metals, financial reports of Canadian Metals, guidance with respect to earnings per share, and any public release of financial information of Canadian Metals through press release or otherwise, with such documents to indicate⁴ whether such information has been reviewed by the Board or the Committee;

b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents;

c) review with management of Canadian Metals and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards (“IFRS”) all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Canadian Metals’ financial position and the results of its operations in accordance with IFRS;

d) annually review Canadian Metals’ corporate disclosure policy and recommend any proposed changes to the Board for consideration; and

e) review the minutes from each meeting of the disclosure committee of Canadian Metals established pursuant to Canadian Metals’ corporate disclosure policy, since the last meeting of the Committee.

4.2 Internal Controls and Audit

a) review and assess the adequacy and effectiveness of Canadian Metals’ system of internal control and management information systems through discussions with management and the external auditor to ensure that Canadian Metals maintains: (a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Canadian Metals’ transactions; (b) effective internal control systems; and (c) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Canadian Metals at any particular time;

b) satisfy itself that management has established adequate procedures for the review of Canadian Metals’ disclosure of financial information extracted or derived directly from Canadian Metals’ financial statements;

c) periodically assess the adequacy of such systems and procedures to ensure compliance with regulatory requirements and recommendations;

d) review and discuss the major financial risk exposures of Canadian Metals and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

e) review and assess, and in the Committee’s discretion make recommendations to the Board regarding, the adequacy of Canadian Metals’ risk management policies and procedures with regard to identification of Canadian Metals’ principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Canadian Metals; and

f) review and assess annually, and in the Committee's discretion make recommendations to the Board regarding, the investment policy of Canadian Metals;

4.3 External Audit

a) recommend to the Board a firm of external auditors to be engaged by Canadian Metals;

b) ensure the external auditors report directly to the Committee on a regular basis;

c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;

d) review and approve the compensation of the external auditors, and the scope and timing of the audit and other related services rendered by the external auditors;

e) review the audit plan of the external auditors prior to the commencement of the audit;

f) establish and maintain a direct line of communication with Canadian Metals' external and internal auditors;

g) meet in camera with only the auditors, with only management, and with only the Members at every Committee meeting;

h) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;

i) oversee the work of the external auditors appointed by the shareholders of Canadian Metals with respect to preparing and issuing an audit report or performing other audit, review or attest services for Canadian Metals, including the resolution of issues between management of Canadian Metals and the external auditors regarding financial disclosure;

j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Canadian Metals, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

k) discuss with the external auditors their perception of Canadian Metals' financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

l) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the

incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and

m) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

4.4 Associated Responsibilities

- a) monitor and periodically review the whistleblower policy and associated procedures for:
- i. the receipt, retention and treatment of complaints received by Canadian Metals regarding accounting, internal accounting controls or auditing matters;
 - ii. the confidential, anonymous submission by directors, officers and employees of Canadian Metals of concerns regarding questionable accounting or auditing matters; and
 - iii. any violations of any Applicable Laws that relate to corporate reporting and disclosure; and
- b) review and approve the hiring policies of Canadian Metals regarding employees and partners, and former employees and partners, of the present and former external auditor of Canadian Metals;

4.5 Non-Audit Services

a) pre-approve all non-audit services to be provided to Canadian Metals or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

4.6 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Canadian Metals' financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are Directors, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Canadian Metals, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member

as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Canadian Metals' financial information or public disclosure.

5. REPORTING

The Committee shall provide the Board with a summary of all actions taken at each Committee meeting or by written resolution.. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the Committee and each written resolution passed by the Committee to the Board. The Committee shall produce and provide the Board with all reports or other information required to be prepared under Applicable Laws.

6. ACCESS TO INFORMATION AND AUTHORITY

The Committee will be granted unrestricted access to all information regarding Canadian Metals and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Canadian Metals' expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

7. REVIEW OF CHARTER

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

CERTIFICATE OF THE CORPORATION

Dated: April 30, 2013

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the provinces of Quebec, Ontario, Alberta and British Columbia.

(s) David Vincent

DAVID VINCENT
President

(s) Daniel Bélisle

DANIEL BÉLISLE
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(s) Guy Chamard

GUY CHAMARD
Director

(s) André Laferrière

ANDRÉ LAFERRIÈRE
Director

CERTIFICATE OF THE AGENT

Dated: April 30, 2013

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of Quebec, Ontario, Alberta and British Columbia.

INDUSTRIAL ALLIANCE SECURITIES INC.

By: *(s) Pierre Colas* _____

PIERRE COLAS

Vice-President & Managing Director
Investment Banking

CERTIFICATE OF THE PROMOTER

Dated: April 30, 2013

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the provinces of Quebec, Ontario, Alberta and British Columbia.

(s) Stéphane Leblanc

STÉPHANE LEBLANC