MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE INITIAL PERIOD OF 349 DAYS ENDED JULY 31ST, 2013

(IN CANADIAN DOLLARS)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 annual financial statements and related notes for the initial 349 days period ended July 31, 2013 and should also be read in conjunction with the annual audited financial statements and related notes for the initial period of 349 days that ended July 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 annual audited 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 April 1st, 2011. These annual financial statements have been prepared in accordance with IFRS applicable to the interim financial statements, including IAS 34 and IFRS 1.

1.1 DATE

This MD&A of Canadian Metals constitutes management's review of the financial condition and results of the operation of the Corporation, as at November 8th, 2013 and of the factors that affected the Corporation's financial and operating performance for the annual financial statements ended July 31, 2013. Without contrary indication, all the amounts are in Canadian dollars.

1.2 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.

1.3 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.

1.4 OVERALL PERFORMANCE

Financial markets

The first quarter of 2013 resembled very much what we witnessed in 2012: strong U.S. markets while the Canadian markets posted a weak performance. For the quarter, the S&P 500 was up a strong 10% for 2013. In Canada, the S&P TSX advanced only 2.5%.

In Canada our market is driven by three cylinders: Energy, Mining and Financials. While oil prices are stable, the stocks of Canadian oil producers have been falling. Metals and Minerals prices along with the stock prices of the producers have also be languishing. The Gold price and Gold Producers have been particularly hard hit. The Financial sector experienced a stable performance. The leading sectors in Canada were the industrial names and consumer staples.

Gold market

In 2012, gold's average market price of $1,669 per ounce was an all-time record high, representing a 6% annual increase. Lingering concerns about Europe's financial problems, China's reduced economic growth, and announcement of the third round of quantitative easing in US, led to a surge in gold prices.

In the first quarter of 2013, gold prices ranged from $1,574 per ounce to $1693.75 per ounce, with average gold price at $1,631.80 per ounce, down 3% year over year. However, gold prices slumped drastically subsequent to the first quarter. On April 12, prices dipped 9% in 1 day from $1,535.50 to $1,395 per ounce, a level last witnessed in Feb 2011. After a short-term correction, the price dipped to the lowest level in 2013 of $1,354.75 on May 20.

It was not a day's event that affected the gold market, but the unfavorable factors had been building up over the past few months. The U.S economy started showing signs of a revival and a decline in inflation level across the globe also reduced gold's value as a hedge against rising prices. Furthermore, anticipation that U.S Fed's quantitative easing could end soon also influenced the fall. Rising interest rates make bonds more attractive than gold. The final straw was the news that Cyprus may sell gold from its reserves. This led investors to offload their positions in gold.

Analysts continue to see headwinds coming; however, they expect prices to remain above 1,500 per ounce in 2013. Even though recent events have resulted in major losses in the paper gold market, it has otherwise triggered a gold rush for the actual physical metal, in the form of bullion, jewelry, bars and coins. Thus, gold prices will at least become stable if not move higher as retail demand for gold lends support, particularly in India and China.

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 km^2. 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 NI43-101 Technical Report for the Massicotte property in November, 2012. The work was done by Solumines 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.

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:

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.

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 lithogeochemical 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 document was sent to the geophysical service companies and the corporation is waiting for proposals to select a a company that will be in charge of the geophysical work.

1.5 SELECTED FINANCIAL INFORMATION

The Corporation prepared its 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 April 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 initial period of 349 days ending July 31, 2013		
EXPENSES		**$**
General and administration charges		
	Office expenses and rent	(26,187)
	Consulting fees	(192,060)
	Share based payments	(82,827)
	Professional fees	(22,693)
	Public company expenses	(158,227)
	Amortization of property and equipment	(1,203)
	Business development	(26,676)
	Total	(509,873)
General exploration		(14,987)
Deferred income tax recovery		-
Net loss for the period		(524,860)
Other item for comprehensive loss		-
Comprehensive loss for the period		(524,860)
Basic and diluted gain net loss per share		(0.05)

No dividends were declared during the period.

The comprehensive loss for the initial period of 349 days ended on July 31, 2013, was $524,860 and included general and administrative (G&A) expenses of $509,874 and general exploration charges of $14,987. The G&A expense is composed of public company expenses of $158,227 representing the legal and accounting fees for the prospectus and initial public offering being prepared for the listing of the Corporation on the CNSX; G&A also includes consulting fees for $192,060 representing management fees and $26,676 representing the cost for business development during the period; these later expenses were incurred for the financing activities, the organisation of the Corporation's business procedures, and the analysis of various projects presented to management during the period.

Exploration and evaluation expenditures

During the period of 349 days ending July 31, 2013, the Corporation invested $68,544 in exploration expenses where $53,557 was capitalized to the exploration and evaluation assets and $14,987 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 initial period of 349 days ended July 31, 2013

As at July 31, 2013, the currents assets of $676,518 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 the end of the period ended July 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 $10,493. The current liabilities of $59,759 is explained by payables and accruals for legal fees of $1,970 and audit fee accruals of $10,500 and share transfer costs of $21,216 at the end of the period.

Financial Position	**July 31, 2013** **$**
Current assets	676 518
Exploration and evaluation asset	53 557
Property and equipment	3 892
Intangible assets	733 967
Current liabilities	59759
Shareholders’ equity	674 208
	733 967

Exploration activities for the 349 days period ending July 31, 2013

Massicotte 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 July 31, 2013	8,669	4,217	7,029	11,559	6,326	37,800
Exploration and evaluation charges						
Balance, August 17, 2012	-	-	-	-	-	-
Acquisitions	6,061	2,899	5,006	7,904	4,480	26,350
Refundable mining tax credits	(2,436)	(1,165)	(2,012)	(3,178)	(1,803)	(10,593)
Balance July 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**

1.6 INVESTING ACTIVITIES

During the period of 349 days ended July 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 Solumines (Donald Théberge, geologist) 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 31, 2012, the Corporation concluded two distinct purchase agreements for the acquisition of the Massicotte property.

The first agreement was concluded between the Corporation and China Global Mining Group (« CGMG »). According to this agreement, the Corporation proceed with the acquisition, at arm's length, of 81 claims composing the Block ''E'' and issued 300,000 shares of its share capital as the vendor is entitled to a net smelter return of 2% (NSR), 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. The Corporation established the value of these shares and these mining rights, at an adjusted cost of $6,300.

The second agreement was concluded between the Corporation and 9248-7792 Quebec Inc. (« 9248 »), 9257-1256 Quebec Inc. (« 9257 ») and one individual, Glen Griesbach (« M. Griesbach »)., (9248, 9257 et M. Griesbach are collectively called the « vendor »). According to the purchase claim agreement, the Corporation purchased 403 claims composing the blocks ''A'', ''B'', ''C'' and ''D'' and issued 1,500,000 shares of its share capital as the vendor is entitled to a net smelter return of 1.4% (NSR), when commercial production begins; this net smelter return is divided to the vendors, as follow: 0% (révised from .6%) to 9248, .4% to 9257 and 1.0% to Mr. Griesbach. The Corporation established the value of these shares and these mining rights, at an adjusted cost of $31,500. The Corporation will have the option to buy-back, at its discretion, .7% (revised from 1%) NSR, for $700,000 (revised from $1,000,000) payable to the vendors, in the proportion indicated above.

1.7 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 a total of 3,935,353 common shares at the price of $0.05 per common share and 266,061 common shares at the price of $0.021 per common share, in conformity with regulation requirements. These Common Shares will be in escrow for a period of thirty six 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 is no warrants associated to this share issuance.

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 regulation requirements. There are no warrants associated to this share issuance.

On June 27th, 2013, the Corporation closed this financing of 5,399,832 shares at the price of $0.15 per unit for a gross proceeds of $809,975. Each unit is composed 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 until December 26th, 2014.

1.8 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:

	Period of 349 days ended on July 31, 2013 $
Management fees	**159,000**
Sharebase payments	**76,585**

On February 21, 2013, the Corporation granted 750,000 common shares to Directors and Officers. These options are vested the day when granted, according to the option plan n effect. The options are exercisable at the price of $0.10. The fair value of options was determined to be $53,146, using the Black-Scholes price evaluation model and the following assumptions: the estimated share price at the granting of options is $0.10, annual dividend yield is 0%, expected volatility of 100%, risk free interest rate of 100%, expected life of 60 months.

Considering that the exercice price of options was determined at a lower price than the IPO common share price, shares that could be issued will not be freely negociable for a period of three years.

On July 23, 2013, the Corporation attributed a total of 220,000 common shares to a director and a consultant. The options are fully vested on the day of granting, in accordance with the option plan. The options granted are exercisable at $0.19 per share. The fair value of these options was estimated at $29,681 using the Black-Scholes option-pricing model with the following assumptions: stock price when options are granted $0.19, expected dividend yield 0%, expected volatility 100%, risk free rate of 1.69% and expected life of 5 years.

1.9 LIQUIDITY AND CAPITAL RESOURCES

The Corporation has a positive working capital of $616,759 as at July 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.

1.10 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.

1.11 CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that effect amounts reported in the 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 annual financial statements for the period of 349 days ended July 31, 2013. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Areas of significant judgment and estimates affecting the amounts recognized in the 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 must be estimated.

As at July 31, 2013, the exploration and evaluation assets had no lost in value and therefore, no depreciation charge was recorded.

1.12 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The accounting value of cash and cash equivalents, of cash held for exploration expenses 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.

Financial risks factors

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.

(a) Credit risk sensitivity

The credit risk for cash and cash equivalents In Trust account is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(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.

1.13 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:

<u>Risks Inherent to Mining Exploration</u>

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.

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.

1.14 QUALIFIED PERSON

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

1.15 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.

1.16 SUBSEQUENT EVENTS

On September 16th, 2013, the Corporation proceed with the acquisition of the Langis property in the Matane area (Quebec). This is a silicium property acquired from an associated corporation. The property is located 30 km south of Matane 30km North of Amqui. Furthermore, the Corporation acquired a first right of refusal in the Colline Tortue property, also a silicium property in the close vicinity of the Langis property.

1.17 INFORMATION ON OUTSTANDING SHARES

Information on outstanding shares, warrants and options, as at November 8th, 2013.

Common shares outstanding: **18,141,246**

Warrants outstanding: **5,831,819**

Number of warrants	Exercice price	Expiration date
5,399,832	$0.25	December 26, 2014
431,987	$0.15	June 26, 2014

Options outstanding : **970,000**

Number of options	Exercice price	Expiration date
750,000	$0.10	February 20th, 2018
220,000	$0.19	July 22, 2018

1.18 ADDITIONNAL INFORMATION

The additionnal information on the Corporation is available through regular filings of quarterly financial statements and press releases on Sedar (www.sedar.com) and on the Corporation's web site www.canadianmetalsinc.com

INFORMATION CORPORATIVE

Officers

(s) Stéphane Leblanc
Stéphane Leblanc
Président

(s) Daniel Bélisle
Daniel Bélisle
Chef des opérations financières

(s) Victor Cantore
Victor Cantore
Vice-président développement

Director

Stéphane Leblanc
David Vincent
Guy Chamard
André Laferrière

Transfer agent

Computershare Canada
1500 University, Suite 700
Montreal (Quebec) H3A 3S8

Head office

1200 avenue McGill College
Suite 1240
Montréal (Québec) H3B 4G7
Tel : 418-717-2553

Auditor

Raymond Chabot Grant Thornton
Montreal (Quebec)

Legal advisors

Dentons Canada
Montreal (Quebec)