

Canadian Metals Inc.

CNSX : CME



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Canadian Metals Inc. Acquires Two Silica Properties in British Columbia, Canada from Zimtu Capital

MONTREAL, QUEBEC--(Marketwired - March 11, 2014) - Canadian Metals Inc. (the "Corporation") (CSE:CME) is pleased to announce that it has signed an agreement with Zimtu Capital Corp. (TSX VENTURE:ZC)(FRANKFURT:ZCT1) to acquire a 100%-interest in the Longworth and Kinney High Purity Silica Properties located in British Columbia, Canada.

Stéphane Leblanc, President and CEO, remarked, "We are delighted to have secured these two properties and bolster our position in what many believe to be a promising growth resource sector."

Longworth Property

The Longworth Property, consisting of 17 claims totalling 1,160 hectares, covers a band of quartzite on Bearpaw Ridge, on the east side of the Fraser River, about 85 km east of Prince George, British Columbia.

A sequence of clastic sediments, limestone and volcanics equivalent to the Lower Silurian Nonda Formation, outcrop along the ridge. The quartzite is comprised of one main unit, up to 400 m thick, and three thinner units, all of which are characterized as massive, fine-grained, equigranular quartzite with silica values mainly in excess of 99.5% (Quartermain 1986).

The property is accessible by logging roads and is less than 4 km from the Canadian National Railroad mainline and power lines suitable for a quarry type mining operation. The current property covers recently lapsed claims that were held by Silver Standard Resources Inc. ("Silver Standard") since 1977. Silver Standard had completed detailed metallurgical work on the contained silica mineralization which yielded positive characteristics for a feed source for silicon metal smelting (Quartermain 1986). Silver Standard was incorporated in 1948 as a B.C. focused multi commodity mining company and has been recently letting its portfolio of legacy properties to expire in the current market environment to focus on their South American projects.

Kinney Property

The Kinney Property consists of two individual, continuous claims totaling 518 hectares located approximately 70 km's south-east of Mackenzie, British Columbia, adjacent to Mt. Kinney. The majority of the visible

outcrop on the property was held by Silver Standard historically and was host to a drilling program by the company in July 1975. It is known that Silver Standard encountered quartzite at 12'-298 feet and quartzite and dolomite from 298-358 feet. In 1975, Silver Standard was engaged in a joint venture on the project with Hanna Mining Ltd. whom produced crude historic economic studies for the project.

Canadian Metals Inc. will be compiling all of the available historic exploration information available for the Longworth and Kinney Properties in anticipation of initial surface exploration program in the Spring/Summer of this year.

High Purity Silica

High purity silica is prized by the silicon industry who use it in the production of silicon metal. Silicon-based materials, including silicones, can be formulated to deliver a wide range of products from more durable construction materials; faster, smarter electronic devices and more efficient solar panels and wind turbines. They also used in healthcare and cosmetic products.

High purity silica can be used to make silicon and ferrosilicon. Silicon is used in the manufacturing of aluminum alloys, where iron, calcium and phosphorus are critical elements; silicones and silanes, where calcium and aluminum are critical elements; and semiconductor silicon (polysilicon) which remains the fastest-growing segment of the metallurgical silicon market.

Terms

Canadian Metals Inc. has the option to earn a 100%-interest in the Longworth and Kinney Properties from Zimtu Capital Corp. (the "Optionor") by making the following payments and issuing the following common shares to the Optionor: (i) \$50,000 and 1,000,000 common shares within five business days following, and subject to, the closing of a private placement of CME common shares as described hereafter (the "Financing Closing"); (ii) 1,000,000 common shares on that day which is 12 months from the date of the Financing Closing and; (iii) 1,000,000 common shares 24 months from the date of the Financing Closing. The Optionor will retain a 2% Royalty on the Property. Upon commencement of Commercial Production, Canadian Metals will also pay the underlying vendor whom sold a portion of the claims to Zimtu \$250,000 cash and 100,000 common shares.

The private placement will be for minimum gross proceeds of (i) \$500,000 through the sale of units (hard dollars) ("Units") at a price of \$0.15 per Unit. Each Unit will consist of one common share and one full common share purchase warrant ("Warrant") and each whole Warrant will entitle the holder to acquire one common share of CME at a price of \$0.25 per common share for a period of 18 months following the closing date and (ii) \$500,000 through the sale of flow-through common shares of CME ("FT Share") at a price of \$0.175 per FT Share.

The agreement remains subject to acceptance by the CSE. A finder's fee will be payable with respect to the transaction pursuant to the policies of the CSE.

NI 43-101 Disclosure

The technical information above has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the company by Donald Théberge Eng., M.B.A, a qualified person.

About Canadian Metals

Canadian Metals Inc. is focused exclusively on the exploration and development of high-purity Silica properties in Canada. The Company is rapidly positioning itself as North America's premier pure-play silica company through the exploration and development of its portfolio of Silica assets in Quebec and British Columbia. Silicon-based materials can be formulated to deliver a wide range of products from more durable construction materials; faster, smarter electronic devices and more efficient solar panels and wind turbines.

We expect to become a global supplier for a number of industries and applications, namely but without limitation, glass, ceramics, lighting, oil and gas, paint, plastic and rubber. We also wish to become an integrated supplier for metallurgical industries and foundries, and to participate in a wide range of civil, industrial, environmental and related building applications. These target markets for Canadian Metals affect the lives of millions of people every day. Canadian Metals is also looking for new projects to add to its portfolio.

This news release contains forward-looking information within the meaning of applicable Canadian securities laws. All information other than historical fact is forward-looking information. Forward-looking information relates to future events or future performance and is based on CME current internal expectations, estimates, projections, assumptions and beliefs. Forward-looking information is often, but not always, identified by the use of words such as "expect", "project", "proposed", "intend", "seek", "anticipate", "budget", "plan", "continue", "estimate", "forecast", "may", "will", "predict", "potential", "targeting", "could", "might", "should", "believe" and similar expressions. Although management considers the assumptions and estimates, reflected in forward-looking information, to be reasonable, based on information currently available, there can be no assurance that such information will prove to be correct. As a consequence, actual results may differ materially from those anticipated.

Undue reliance should not be placed on forward-looking information which is inherently uncertain, and subject to known and unknown risks and uncertainties (both general and specific) and other factors that contribute to the possibility that the future events or circumstances contemplated by the forward looking information will not occur or that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. These risks include, but are not limited to risks associated with general economic conditions, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future metal prices, financial risks and substantial capital requirements. Further information regarding certain of these risks (as well as risks relating generally to the Company's business) may be found under the headings "Risks and Uncertainties", "Forward-Looking Information" and "Financial risk factors" in the latest Company's Management's Discussion & Analysis on www.sedar.com. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. The forward-looking statements contained in this news release are made as of the date hereof and CME does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

Neither the CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

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