



Canadian Metals Inc.

CSE: CME

CANADIAN METALS PROVIDES BI-WEEKLY UPDATE ON STATUS OF MCTO

August 31, 2016- Montréal, Québec – Canadian Metals Inc. (The “Corporation”) (CSE : CME) announces that further to its application for a Management Cease Trade Order ("MCTO"), which was granted on July 29, 2016, the Corporation has been required to provide bi-weekly status reports in accordance with National Policy 12-203, until such time as the Corporation files its amended technical report (the "Amended Report")

The Corporation reports that, since its most recent press release, there has not been any failure, by the Corporation to fulfill its intentions with respect to satisfying the provisions of the alternative information guidelines, and there have been no additional defaults subsequent to such announcement. Further, other than the information provided below, there has been no additional material information concerning the Corporation and its affairs since its most recent press release that has not been disclosed.

The Amended Report will include a re-scoping the PEA for a Hybrid Flex plant base case 100% ferrosilicon rather than a base case 100% silicon metal. It is expected that this will impact the values attributed to the project announced previously. Therefore, until the filing of an Amended Report, the press release dated April 28, 2016 and the technical report filed June 22, 2016 should not be relied upon

Canadian Metals is pleased to announce the award of the Langis Preliminary Economic Assessment (PEA) revision and Amended Report preparation to CIMA+

The strategy for the work plan was developed around existing resource model for Hybrid Flex with Base Case 100% Ferro Silicon. Canadian Metals will consider to evaluate the Hybrid Flex with Base Case 100% Silicon Metal option during the feasibility stage.

The general scope of work will involve:

- Compliance with the requirements from the Autorité Des Marchés Financiers (AMF)
- Geology and Resource Model review
- Beneficiation Plant design review and optimizations
- Metallurgical Plant review and optimizations
- Capital and Operating costs structure optimization and adhering to the local standards and specifics
- Revised project economics including a new Financial Model, based on the optimized Capital and Operating costs completed in Canadian Dollars (CAN\$)
- Updates in the Conclusions and Recommendations area
- Complete National Instrument 43-101 Preliminary Economic Assessment Report

- Introduction of new Qualified Persons (QP) under the National Instrument 43-101, qualified to perform the respective mandates with deep understanding and vast experience in their respective fields.

Mr. Leblanc, president and CEO of Canadian Metals, stated: "We are very pleased to have engaged CIMA+ for the Langis PEA revision work. CIMA+ has the right expertise and experience to successfully perform the work, having proven record in similar projects before. We are confident CIMA+ will perform the whole mandate within what is a very tight schedule to complete the revision so that we file the report on time. The work has already been initiated and we have already made some very good progress and we are on the right track."

Canadian Metals looks forward to the partnership with CIMA+ and for the successful completion of the Langis PEA revision, which will open the doors for continuing to the next stage of the Project Development – a feasibility study.

The Corporation intends to file its next Default Status Report by September 9, 2016.

About CIMA+

CIMA+ is a multidisciplinary Canadian corporation that specializes in consulting engineering, project management, urban planning and communications systems, on both national and international markets. Founded in 1990 through mergers and acquisitions of firms with close to 30 years of knowledge, our company is one of the largest consulting services in Canada. With about 40 offices, we are present in all major Canadian cities and a vast number of municipalities, from coast to coast, as well as on the African continent.

CIMA+ can pride itself on having reached the prestigious Best Employers in Canada's Platinum Level, which is exclusively reserved for organizations that have achieved the best results in the Aon Hewitt survey.

About Canadian Metals

Canadian Metals Inc. is focused exclusively on the development of its Langis Project, a high-purity silica deposit located in the province of Quebec. The Company is rapidly positioning itself to eventually become a North American ferrosilicon and silicon metal producer.

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

For more information, please contact:

Stéphane Leblanc

President and CEO

Email: sleblanc@canadianmetalsinc.com

Website: www.canadianmetalsinc.com