



Canadian Metals Inc.

CSE: CME

CANADIAN METALS PROVIDES BI-WEEKLY UPDATE ON STATUS OF MCTO

September 9, 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 positive updates for the Langis Preliminary Economic Assessment (PEA) revision, conducted by CIMA+.

The work is progressing well on time and within the expected budget. 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 latest updates of the work progress are as follows:

- Compliance with the requirements from the Autorité Des Marchés Financiers (AMF) – comments from AMF are being addressed as per the requested notes from AMF
- Geology and Resource Model review – CIMA+ has retained Claude Duplessis, well known Geology and Resources specialist to review the existing work and revise accordingly, propose recommendations for the next stage and become a QP on the respective sections of the report. His work is progressing well and he will conduct a site visit as well.
- Beneficiation Plant design review and optimizations – the work has been completed with the main strategy being to replace the originally proposed plant

equipment with mobile ones, placed on a chassis and wheeled so that the need of extensive civil work and structural design and steel materials is eliminated. This lead to significant reduction of the Capital costs required for that part of the project, while facilitating the closure procedures and improve environmental conditions on site at closure

- Metallurgical Plant review and optimizations – CIMA has retained Viridis IQ to revise the HF Plant design assumptions and costs to accommodate the new base case of production of FeSi instead of mgSi. The work is expected to be completed on time and the operating costs associated to that change to be optimized.
- Capital and Operating costs structure optimization and adhering to the local standards and specifics – the work is almost completed with a lot of cost items being optimized to reflect the new changes to FeSi production and to reflect more thoroughly the working conditions in the region.
- Revised project economics including a new Financial Model, based on the optimized Capital and Operating costs completed in Canadian Dollars (CAN\$) – the process was initiated with a few cost items still to be completed
- Updates in the Conclusions and Recommendations area – the work is initiated and is expected to be completed on time
- Complete National Instrument 43-101 Preliminary Economic Assessment Report – the overall original report has been placed in the CIMA+ report template and was revised for the most part, with the input from Viridis and Claude Duplessis pending only.
- 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.

The Corporation intends to file its next Default Status Report by September 23, 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 producer.

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

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