



Canadian Metals Inc.

CSE: CME

CANADIAN METALS PROVIDES BI-WEEKLY UPDATE ON STATUS OF MCTO

September 23, 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 of 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 and the Corporation still expects to file the Amended Report on time and within the expected budget with the challenge with the Geology/Resources areas, in receiving timely vital input data on the Block model, namely, database, drawings, and certificates of analysis.

The latest updates of the work progress are as follows:

- Compliance with the requirements from the Autorité Des Marchés Financiers (AMF) – comments from AMF were addressed in the report
- Geology and Resource Model review – the QP Claude Duplessis received the data required to be reviewed on Monday, September 19, 2016. His site visit is expected to occur early in the week of September 26, 2016.
- 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 is leading 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 – Viridis IQ completed the revision of the Section 17 related to the HF Plant design and revised Operating costs to accommodate the new base case of production of FeSi instead of mgSi.

- Capital and Operating costs structure optimization and adhering to the local standards and specifics – the work is 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 is near completion with only the sensitivity analysis left
- Updates in the Conclusions and Recommendations area – the work is almost completed
- 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 the delayed Geology and Resources sections pending only. A draft report (without sections 7, 8,9,10,11,12,14, and 23) is ready for a review.
- 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.

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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