



Canadian Metals Inc.

CSE: CME

CANADIAN METALS SELECTS BAIE-COMEAU, FOR ITS HYBRID FLEX PLANT AND ENTERS INTO AN AGREEMENT WITH ID MANICOUAGAN

November 8, 2016. Montréal, Québec – Canadian Metals Inc. (The “Corporation”) (CSE : CME) is pleased to announce that it has selected the Municipality of Baie-Comeau in the Northern region of Quebec to conduct its pre-feasibility study for its Hybrid Flex plant. The Company also confirms that it has entered into an agreement with Innovation and Development Manicouagan (IDM) for the financial contribution in the amount of \$340,000 via its business and development fund. The non-reimbursable financial contribution from IDM is conditional upon the Company making a minimum financial commitment of \$390,000 towards the advancement of their project.

The total investment of \$730,000 will thus allow the Company to complete the pre-feasibility study on the development of its Hybrid Flex project in the industrial port zone of Baie-Comeau. This important first step will lead the Company towards the feasibility stage of the project and may conceivably open the door for an investment of over \$300 million in the Baie-Comeau area that would directly employ over 200 people once the plant is constructed and in operation. In addition, the extraction of the Langis quarry, located in St. Vianney, which would supply the required raw material to the future Baie-Comeau plant, would create another 20 or more jobs.

During the pre-feasibility phase of the project, the Company will conduct a series of activities as recommended by the engineering firm CIMA+. These activities include drilling, 3-D modeling of the deposit, resource estimation, metallurgical analysis and testing. This will allow the Company to evaluate the Hybrid Flex option with the base case 100% silicon metal.

The attractiveness of the environment for business, a strategic location in the Plan Nord, the maritime accessibility, low cost connection to the available electrical, a presence of high quality suppliers combined with a skilled workforce and access to vast industrial land package well located offering ,integrated transport networks as well as accesses to an efficient seaport for exportation platform to external markets – largely tipped the scales in favor of Baie-Comeau.

"We believe that Baie-Comeau has all the advantages to build a more competitive silicon plant not only in North America but in the world," mentioned President Stephane Leblanc. "This is a market that will be very important in America and Europe but especially in North America by 2020. It is essential for the Company to position itself favorably in this promising and demanding market," emphasizes Mr. Leblanc.

Eventually, the company hopes to produce 50,000 of silicon metal per year in Baie-Comeau, primarily for the US market. Silicon metal is used in the production of alloys for the automotive industry, in the manufacturing of silicone, in the development of high performance concrete, and in both the solar panel and lithium-ion battery industries.

About Innovation and Development Manicouagan

Economic development agency, Innovation and Development Manicouagan (CLD) support entrepreneurship through advisory services and financing (loans and grants) to businesses and community organizations. The organization is industrial development and socioeconomic development of the Manicouagan in order to maximize the benefits for the region and facilitate networking of different partners.

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 silicon metal and ferrosilicon producer.

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