



Canadian Metals Inc.

CSE: CME

CANADIAN METALS INC. ANNOUNCES BROKERED AND NON BROKERED PRIVATE PLACEMENTS CONSISTING OF FLOW THROUGH SHARES AND DEBENTURES

December 7, 2017. Montréal, Québec – Canadian Metals Inc. (The “Company”) (CSE: CME) is pleased to announce that it has entered this day into an engagement letter (the “Engagement Letter”) with Leede Jones Gable Inc. (the “Agent”) pursuant to which the Agent has agreed to act as lead manager, on a commercially reasonable effort basis, of a proposed offering of unsecured convertible 10% debentures (the “Debentures”) and Flow-Through shares (each a “FT Share”) of the Company to raise gross proceeds of up to a maximum of \$1,750,200 by way of private placement pursuant to applicable exemptions from the prospectus requirements (the “Brokered Private Placement”).

The Brokered Private Placement consists of (i) the issuance of up to \$1,000,000 aggregate principal amount of convertible unsecured subordinated debentures due December 31, 2022, bearing a 10% interest per annum (the “Interest”) payable semi annually on June 30 and December 31 of each year, the Interest being payable in cash or in common shares of the Company, at the sole discretion of the Company, and convertible into common shares of the Company at a minimum price of \$0.20 per common share; and (ii) the issuance of up to 6,820,000 FT Shares at a price of \$0.11 per FT Share for gross proceeds of \$750,200.

The Brokered Private Placement is made on a private placement basis in the Provinces of Quebec, Ontario, British Columbia and any other jurisdiction mutually agreed upon by the Company and the Agent.

Pursuant to the terms of the Agency Agreement to be entered by the Company and the Agent, the Agent shall be paid a fee equal to 8% of the first \$500,000 gross proceeds received from the sale of Debentures, and 7% on the remaining gross proceeds received by the Company from the sale of Debentures sold pursuant to the Brokered Private Placement. Similarly, the Company shall pay to the Agent a fee equal to 8% of the first \$500,000 gross proceeds received from the sale of FT Shares, and 7% on the remaining gross proceeds received by the Company from the sale of FT Shares sold pursuant to the Brokered Private Placement.

The Company will also grant to the Agent, broker warrants (the “Broker Warrants”) entitling the Agent to purchase that number of common shares of the Company equal to 8% of the total number of common shares underlying the Debentures and FT Shares sold under the Brokered Private Placement. The Broker Warrants will be exercisable for a period of 24 months, at a price \$0.15 per common share.

Concurrently with the Brokered Private Placement, the Company also contemplates to complete non-brokered offerings (the “Non-Brokered Private Placements”), on a private placement basis, consisting of (i) the issuance of units of the Company issued at a price of \$0.075 per unit (each a “Unit”), each Unit being comprised of one common share in the share capital of the Company and one common share purchase warrant (each a “Warrant”), each Warrant entitling its holder to purchase one common share of the Company at a price of \$0.15 per common share for a period of 24 months from the closing date for gross proceeds up to \$300,000; and (ii) the issuance of FT Shares in the share capital of the Company at a price of \$0.11 per FT Share for gross proceeds up to \$300,000.

Debentures and or common shares of the Company issued as a result of conversion of the Debentures, FT Shares and Warrants issued pursuant to the Brokered Private Placement and the Non-Brokered Private Placements are subject to a statutory four months and a day hold period.

The net proceeds of the sale of the Brokered Private Placement and the Non-Brokered Private Placements will be used by the Company to develop its Langis Project and for general working capital purposes.

About Canadian Metals

Canadian Metals is focused on the development of its Langis Project, a high-purity silica deposit located in the province of Quebec. The Company is rapidly positioning itself as a supplier of high purity silica and silicon alloy in North America. Silicon based materials can be formulated to provide a broad range of products from more durable, faster building materials with smarter electronic devices, solar panels and more efficient wind turbines. We expect to become a global supplier for a number of industries and applications but without limitation: glass, ceramics, lighting, oil and gas, paint, plastic and rubber. We also want to become an integrated supplier to metallurgical industries including foundries, and participate in a wide range of civil, industrial, environmental and related applications. These target markets are an integral part of the lives of millions of people every day.

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Cautionary Statements Regarding Forward Looking Information

Certain statements included herein may constitute “forward-looking statements”. All statements included in this press release that address future events, conditions or results, including in connection with the pre-feasibility study, its financing, the hybrid flex project, job creation, the investments to complete the project and the potential performance, production and environmental footprint of the silicon plant, are forward-looking statements. These forward-looking statements can be identified by the use of words such as “may”, “must”, “plan”, “believe”, “expect”, “estimate”, “think”, “continue”, “should”, “will”, “could”, “intend”, “anticipate” or “future” or the negative forms thereof or similar variations. These forward-looking statements are based on certain assumptions and analyses made by management in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. These statements are subject to risks, uncertainties and assumptions, including those mentioned in the Corporation’s continuous disclosure documents, which can be found under its profile on SEDAR (www.sedar.com). Many of such risks and uncertainties are outside the control of the Corporation and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, on the basis of currently available information, for which there is no insurance that such information will prove accurate. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. The Corporation is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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