



Canadian Metals Inc.

CSE: CME

Canadian Metals Announces a Sale and Supply Agreement with an Experienced Quarry Operator

May 2, 2019 Montréal, Québec. - **Canadian Metals Inc.** (“**CME**” or the “**Corporation**”) (**CSE: CME**) is pleased to announce that it has entered into a definitive agreement with a strategic and experienced quarry operator, Les Minéraux Industriels du Québec Inc. (“**MIQ**” or the “**Purchaser**”), pursuant to which CME intends to sell (the “**Disposition**”) all its right, titles and interest in and to the Langis property (the “**Property**”), in exchange of a long-term quartz price lock-in supply agreement (the “**LTA**”) and \$2,250,000.

This strategic alliance with MIQ should allow optimization of the resource extracted from the Property and will generate short- and medium-term cash flow for CME.

The Corporation’s management believes quartz supply for its Baie-Comeau project should now be fully secured through the LTA and CME 100% interests in other mining titles with similar quartz characteristics, including its Lake La Chesnaye property located in the Baie-Comeau area, which might ultimately prove to be more suitable for the Baie-Comeau plant due to its logistical cost advantage.

The Disposition provides CME with:

- \$2,250,000, where \$500,000 is due at closing of the Disposition and staged cash payments totalling \$1,750,000 modulated on the Purchaser production on the Property, with the following deadlines: (i) \$150,000 on or before December 31, 2019; (ii) \$300,000 on before each of December 31, 2020, 2021, and 2022, (iii) \$450,000 on or before December 31, 2023, and (iv) a final \$250,000 over a maximum of 5 years after the previous payment.
- The LTA meeting its specific quartzite requirements at a currently favorable fixed price until January 1, 2024, after which date the original fixed price would be indexed every year until 2039.

The transaction is structured as a sale with a resolutive condition whereby, in the event that the transfer of the mining titles and authorization certificate comprised in the Property is not completed prior to August 30, 2019 (or such other date as may be agreed upon by the Corporation and the Purchaser), the Disposition will be deemed to have never occurred and title to the Property will revert back to CME.

The cash proceeds will be used to further strengthen CME’s balance sheet and, most importantly, allow the Corporation to focus on its development activities.

This Disposition remains subject to approval of the Canadian Securities Exchange.

About Canadian Metals Inc.

Canadian Metals is a diversified resource company focused on creating shareholder value through the development of large-scale industrial mineral portfolios in specific commodities and jurisdictions that will fuel the new energy economy. The company is uniquely positioned to pursue this strategy in silicon, precious and base metal assets.

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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 prefeasibility study, its financing, job creation, the investments to complete the project and the potential performance, production, and environmental footprint of the ferrosilicon 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.