



Canadian Metals Provides Baie-Comeau Silicon Project Update

MONTREAL, Sept. 19, 2019 -- **Canadian Metals Inc.** (“CME” or the “Company”) (CSE: CME) has completed its review of the industrial feasibility study for its Baie-Comeau silicon project.

SMS Metix was responsible for the design and costing of a single submerged arc furnace with a production capacity of 22,000 mt per year and all other process equipment. Mesar provided preliminary engineering for buildings, structure and balance of plant. The study reveals a higher capital expenditure than anticipated but more importantly has given CME significant data and a potential plan to pursue the project towards an economical success.

Significant Findings

- Capital expenditure resulting from the study totalled \$380 million, where initial estimates were in the range of \$150 to \$200 million. A high-level optimization exercise occurred during the summer and revealed a potential capital expenditure reduction of approximately \$130 million.
- A portion of the identified savings is from the elimination of duplication given the studies were done separately.
- In order to further reduce the capital requirement and to benefit from economies of scale, the technology used for the furnace needs to be standard and proven otherwise a pilot plant is required to mitigate project and operational risks.
- Production volume of 22,000 mt per year generated by a one-furnace project cannot support capital expenditures above \$200 million.

Path Forward

With those initial results, the Company intends to pursue the study through the following steps:

- Optimization review and modification of the scope of the study would include up to 3 furnaces without eliminating the possibility of testing other types of furnaces through a pilot plant but only once the project has reached economic success.
- Modify the permitting mandate to include production levels up to three times the initial volume of 22,000 mt per year which would drive the project schedule and allow us to be ready to initiate financing and construction, once the silicon market improves.
- The letter of intent with the city of Baie-Comeau to reserve a plot of land in the industrial sector is being modified to extend CME’s option to purchase the land by an additional 2 years, now expiring on December 31, 2021.
- Hydro-Québec has completed all pertinent study to build a 12km – 161kV multi-user power line from the Haute-Rive substation to the plant location. Detailed review and negotiations are underway.
- Rail access from the port of Baie-Comeau to the plant location is currently under study.
- The search for a strategic partner is a continuous activity and a key driver in the successful execution of this project and operation of the silicon plant.

In order to execute its path forward, CME estimates that it will cost approximately \$1 million in mandates for permitting, engineering, and a project integrator role.

While current silicon market conditions are unfavorable, the longer-term outlook is still very positive and showing growth in this sector.

About Canadian Metals Inc.

Canadian Metals is a diversified resource company focused on creating shareholder value through the development of large-scale mineral deposits in safe jurisdictions. The Company is focusing on its new acquisition of the Iron deposits as well as advancing its special development in the Silicon market.

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Certain statements in this news release constitute "forward-looking" statements. These statements relate to future events or

our future performance. Forward-looking statements include the completion of the Consolidation and the statement that the Consolidation will permit CME to reduced future dilution from the ability to raise additional capital at a higher price per share. All such statements involve substantial known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to vary from those expressed or implied by such forward-looking statements. Forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date of this news release. Forward-looking statements involve significant risks and uncertainties, they should not be read as guarantees of future performance or results, and they will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, that the closing will not occur. Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions on the date of this news release, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statement are subject to certain risks and uncertainties and other risks detailed from time-to-time in CME's ongoing filings with the securities regulatory authorities, which filings can be found at www.sedar.com. These forward-looking statements are made as of the date of this news release and CME disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

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