



Canadian Metals Inc.

CSE: CME

## Canadian Metals Announces Closing of over-subscribed \$2M Private Placement

February 22, 2021, Montréal, Québec. - Canadian Metals Inc. (“**CME**” or the “**Corporation**”) (**CSE: CME**) is pleased to announce that it has completed a non-brokered private placement (the “**Private Placement**”), pursuant to which it has issued an aggregate of 25,350,000 units (each, a “**Unit**”) at a price of \$0.08 per Unit for gross proceeds of \$2,028,000.

Each Unit will be comprised of one common share in the capital of the Corporation (each, a “**Share**”) and one-half of one non-transferable share purchase warrant (each, a “**Warrant**”). Each Warrant will entitle the holder to purchase one additional Share in the capital of the Corporation (each, a “**Warrant Share**”) for a period of 24 months from the closing date (the “**Warrant Expiry Date**”) at an exercise price of \$0.15. Insiders may participate in the Private Placement.

Certain insiders of the Corporation subscribed for a total of 4,000,000 Units under the Private Placement, which is a “related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The issuances to the insiders are exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Corporation's shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the securities issued to the related parties did not exceed 25% of the Corporation's market capitalization. The Corporation did not file a material change report more than 21 days before the expected closing of the Private Placement as the details of the Private Placement and the participation therein by related parties of the Corporation were not settled until shortly prior to closing and the Corporation wished to close on an expedited basis for sound business reasons.

The Corporation paid finder fee of \$83,140 in cash and issued 1,039,500 non-transferable Finder's warrants entitling the holder thereof to purchase one (1) Share at an exercise price of \$0.15 per Share until the Warrant Expiry Date.

All securities issued in respect of the Private Placement will be subject to a hold period of four (4) months and a day from closing of the Private Placement in accordance with securities laws.

The proceeds of the Private Placement will be used for general working capital.

Mr. Stéphane Leblanc, President & CEO, stated that “From existing cash, two private placements and the restructuring of the debentures, the company now has liquidity in excess of C\$2,500,000. CME also has positive cash flows from the Langis Property which is being mined by MIQ at an annual rate of about C\$300,000 per year. At the same time, the company strengthened its board with the addition of Yves Rougerie And Patrick Moryoussef and made transformations in its management team with hiring Beat Frei VP Development & Project Finance. I believe that this new fundament will allow the company to aggressively pursue a growth strategy in exploration and mining while continuing improving the existing silicon metals project on a Co2 neutral basis”

## **Early Warning Disclosure**

Prior to the issuance of the Units, Victor Cantore, a shareholder of the Corporation held 1,804,837 Shares. Following completion of the Private Placement, Mr. Cantore now has control and direction over an aggregate of 3,804,837 Shares and convertible securities exercisable to acquire 2,550,000 Shares. If the convertible securities held by Mr. Cantore are fully exercised, Mr. Cantore would own 13.61% of the issued and outstanding Shares on a partially-diluted basis.

Following completion of the Private Placement, Beat Frei, the VP Development & Project Finance of the Corporation, directly and indirectly held 2,580,000 Shares. Following completion of the Private Placement, Mr. Frei now has control and direction over an aggregate of 4,580,000 Shares and convertible securities exercisable to acquire 3,668,750 Shares. If the convertible securities held by Mr. Frei are fully exercised, Mr. Frei would own 16.52% of the issued and outstanding Shares on a partially-diluted basis.

All securities of the Corporation controlled by Mr. Cantore and Mr. Frei are held for investment purposes. In the future, Mr. Cantore and Mr. Frei (directly or indirectly), may acquire and/or dispose of securities of the Corporation through the market, privately or otherwise, as circumstances or market conditions may warrant.

This portion of this news release is issued pursuant to National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues of the Canadian Securities Administrators, which also requires an early warning report to be filed with the applicable securities regulators containing additional information with respect to the foregoing matters. A copy of the early warning report filed by Mr. Cantore and Mr. Frei in connection with completion of the Private Placement is available under the Corporation's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **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 specific commodities and safe jurisdictions.

### **For more information, please contact:**

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