



Canadian Metals Inc.

CSE: CME

Canadian Metals Announces Acquisition of New Brunswick Projects

March 31, 2021, Montréal, Québec. - Canadian Metals Inc. (“**CME**” or the “**Corporation**”) (CSE: **CME**) is pleased to announce the signing of a binding letter agreement (the “**Agreement**”) with Targets Minerals Inc. (“**TM**”) for the proposed acquisition of a 100% interest in the Nicholas-Denis and Oxford Brook projects located in New Brunswick (the “**Acquisition**”).

CME will pay the shareholders of TM C\$5.5 million as consideration for all the issued and outstanding shares of TM, through the issuance of 27,000,000 common shares (each a “**Share**”) of CME at deemed price of C\$0.20 per Share, representing the 5 day vwap of the Shares.

The Nicholas-Denis project, located near Bathurst, comprises 564 units held in 15 contiguous mineral claims encompassing 11,180 Ha (111.8 km²), and is divided in four named areas: Ann’s Creek, Beresford, Millstream and Goldstrike.

The Oxford Brook project, located near St-Quentin, comprises 169 units held in two contiguous mineral claims encompassing 3,380 Ha (33.8 km²).

CME will be assuming the following pre-existing net smelter royalties (“**NSR**”) to underlying parties: (i) 3% Au + Ag NSR and 2% on other metal on Beresford, half of which can be bought back for C\$1 million, (ii) 2% Au + Ag NSR and 1% on other metals on Ann’s Creek, all of which can be bought back for C\$1.75 million, (iii) an additional 1% NSR on Ann’s Creek and Beresford half of which can be bought back for C\$1 million, (iv) 2% NSR on Goldstrike and Millstream half of which can be bought back for C\$1 million, and (v) 2% NSR on Oxford Brook. As a result, except for 0.5% on Ann’s Creek, 1% on Goldstrike and Millstream and 2% on Oxford Brook, all the overriding NSR can be retired for \$4,000,000 at any time.

Apart from its ongoing work to pursue the construction of a silicon metal smelter based on raw material inputs from Langis high-purity quartz deposit under the long-term price lock-in supply agreement, the Corporation wants to reinvest on minerals exploration with a clear focus on New Brunswick and Québec.

“This is a great transaction for CME, as it will allow us to add to our existing holdings in New Brunswick an additional circa 100km² of exploration tenements with strong historic results over 35km continuous land holding covering two major regional faults and the Nicholas-Denys pluton just outside of Bathurst/NB. Previous owners invested over C\$12 million on the overall properties with a focus on the area Henry/Henry East & Shaft which are within the Ann’s Creek area, and a substantial portion of the property remains unexplored,” said Stéphane Leblanc, President and Chief Executive Officer of CME.

“CME is excited to have been able to acquire this large property with multiple targets and strong historic results for polymetallic minerals within the well know Bathurst mining camp which is home to some of the world’s largest mining operations such as the closed Brunswick No. 12 Mine. The

acquired claims contain high grades for silver and gold both from surface exploration and historic drill results and we believe that the camp was overlooked for a long time for the potential of significant silver and gold discoveries. We do like the combination of industrial metals (zinc, lead and copper and others) together with precious metals (gold and silver) as it provides a natural hedge through the various cycles of the economy. The property is just off Bathurst and is accessible throughout the year and in proximity to the Caribou mine and mill. From existing cash and the private placements in December 2020 and February 2021, the company has liquidity of over C\$2.5 Million and has an income stream from the Langis deposit. We are excited to start an in-depth exploration program immediately after finalizing the acquisition," added Mr. Leblanc.

Related Party Transaction

Completion of the Acquisition is subject to approval by CME shareholders at a special meeting to be held in June 2021 (the "**Meeting**"). The Agreement will require minority approval in accordance with Multilateral Instrument 61-101, for which the votes attached to the CME shares owned by Stéphane Leblanc, Beat Frei and Michel Gagnon will be excluded. These shares are excluded due to the fact that their owners are principals of both TM and CME. Mr. Gagnon has disclosed to the other directors of the Corporation (the "**Disinterested Directors**") his interest in TM and the Acquisition and as such, only the Disinterested Directors who are "independent" as such term is defined in MI 61-101 will be entitled to vote on any board resolutions, or make any decisions, to approve the Acquisition. The Agreement has been approved by only the independent Disinterested Directors.

The Acquisition is also subject to other customary closing conditions, including the approval of the Canadian Securities Exchange.

The Shares issued as consideration under the Acquisition will be subject to a statutory hold period of four months and one day from the date of issuance.

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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The statements in this news release that are not historical facts are "forward-looking statements". Readers are cautioned that any such statements are not guarantees of future performance, and that actual developments or results may vary materially from those described in such "forward-looking" statements.