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Canadian Metals Inc.

CSE: CME

## Canadian Metals Announces Proposed Spin-Out of Lac Chesnaye Property

May 20, 2021, Montréal, Québec. - Canadian Metals Inc. ("**CME**" or the "**Corporation**") (CSE: **CME**) is pleased to announce that its Board of Directors has approved a strategic restructuring of the Corporation's assets pursuant to which CME would spin off its existing Lac Chesnaye property, located in Québec, into a separate entity ("**Spinco**").

It is proposed that the transaction will be carried out by way of statutory plan of arrangement (the "**Spin-Out**") pursuant to the *Business Corporations Act* (Québec). Through the Spin-Out, shareholders of the Corporation will exchange all of the existing issued and outstanding CME common shares for the same number of new common shares of the Corporation (the "**New CME Shares**") (having identical terms as the existing common shares) and an aggregate of 4,300,000 common shares in the capital of Spinco ("**Spinco Shares**"). There will be no change in CME shareholders' holdings in the Corporation as a result of the Spin-Out.

In connection with the Spin-Out, Spinco intends to complete a non-brokered private placement of a minimum of 5,000,000 units of Spinco ("**Units**") and a maximum of 15,000,000 Units at a price of \$0.10 per Unit for minimum aggregate gross proceeds of \$500,000 and maximum aggregate gross proceeds of \$1,500,000. Each Unit will be comprised of one Spinco Share and one-half of one common share purchase warrant of Spinco (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Spinco Share at an exercise price of \$0.18 for a period of 24 months from the date of issuance.

The proposed Spin-Out will be subject to the terms of agreements to be entered between CME and Spinco, and approval of CME shareholders at an annual general and special meeting of shareholders to be held in July 2021. The Spin-Out will also require the approval of the Superior Court of Québec.

Following the Spin-Out, CME intends to seek a listing of the Spinco Shares on the Canadian Securities Exchange (the "**CSE**"), but no assurance can be provided that such a listing will be completed. Any such listing will be subject to Spinco meeting and satisfying all of the requirements of the CSE.

Further details of the Spin-Out will be announced in a future press release of the Corporation. The particulars of the Spin-Out are not yet final and there is no certainty that the Spin-Out will be completed on the terms currently proposed or at all.

### 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.*

**Forward-Looking Information**

*This press release includes certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact included herein including, without limitation, statements relating to the future operating or financial performance of the Corporation, are forward-looking statements.*

*Forward-looking statements are generally, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", "plans" and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. Forward-looking statements in this press release relate to, among other things: completion of the proposed Spin-Out, completion of the proposed private placement of Spinco, receipt of any required shareholder, court, stock exchange and regulatory approvals for the Spin-Out, timing of disclosure of additional details concerning the Spin-Out and listing of the Spinco Shares on the CSE. Although CME believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct or accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: determination of acceptable terms for the proposed Spin-Out, receipt of all required shareholder, court, stock exchange and regulatory approvals for the Spin-Out; changes in the value of the Lac Chesnaye property; sufficient market interest to complete the proposed private placement of Spinco; fluctuations in the securities markets and the market price of the Corporation's common shares and applicable CSE approval for listing of the Spinco Shares. Readers should not place undue reliance on the forward-looking statements and information contained in this press release. The statements in this press release are made as of the date of this release. Except as required by law, the Corporation expressly disclaims any obligation and does not intend to update any forward-looking statements or forward-looking information in this press release.*