



Canadian Metals Inc.

CSE: CME

Canadian Metals Appoints New CFO, Announces Closing of QNB Metals Private Placement and Court Approval of Arrangement

August 4, 2021, Montréal, Québec - Canadian Metals Inc. ("**CME**" or the "**Corporation**") (CSE: **CME**), is pleased to announce that Arnab De has been appointed as the new Chief Financial Officer ("CFO") of CME and QNB Metals Inc., replacing Patsie Ducharme who has stepped down as the CFO but remains as consultant.

Mr. De, CPA, CGMA, CMA, MBA, is a seasoned mining executive with nearly 20 years' experience in financial management, mine financial planning, business optimization and strategy development. He is the principal of Resurgent Montreal Inc., a financial management consulting firm. Prior to that he served Tata Steel for 19 years, last occupying the position of CFO at JCPCPL (a 50:50 JV of Tata Steel with Nippon Steel) producing automotive steels. Prior to that, he was appointed as the CFO for Tata Steel Minerals Canada in 2011, where he oversaw the DSO project from conception and gained +\$1.3B in investment funding.

Stéphane Leblanc, CEO of CME, commented: *"On behalf of the board, I would like to welcome Arnab De to the Canadian Metals team. Arnab brings with him significant industry and financial experience which will be vital as we continue our progress towards maximizing the value of our high potential mining assets."*

Plan of Arrangement - QNB Private Placement

CME is also pleased to announce that QNB Metals Inc. ("**Spinco**") has closed a tranche of its previously announced non-brokered private placement (the "**Private Placement**") in connection with its previously announced plan of arrangement (the "**Arrangement**").

Spinco issued a total of 5,000,000 units of Spinco (each a "**Spinco Unit**") at a price of \$0.10 per Spinco Unit for aggregate gross proceeds of \$500,000 under the Private Placement. Each Unit consists of one common shares of Spinco (each a "**Spinco Share**"), and one-half of one share purchase warrant of Spinco (each whole warrant, a "**Spinco Warrant**"), entitling the holder to purchase one Spinco Share at a price of \$0.18 for a period of 24 months from the date of issuance.

Spinco paid cash finder's fees of \$18,270 and issued 452,700 finders warrants of the Company, entitling the holder to purchase one Spinco Share at a price of \$0.18 for a period of 24 months from the date of issuance.

Certain insiders of CME and Spinco subscribed for a total of 1,790,000 Units under the Private Placement.

The securities issued pursuant to the Private Placement have a hold period of four months and one day after the later of: (i) December 1, 2021, and (ii) the date Spinco became a reporting issuer.

The net proceeds of the Private Placement will be used to advance the exploration and development

of Spinco's Lac Chesnaye property and pursue potential future acquisitions, as well as for working capital and general corporate purposes.

Lastly, the Company is pleased to confirm that it has received a final order from the Superior Court of Québec approving the Arrangement under the terms of the *Business Corporations Act* (Québec).

Under the Arrangement, CME will spin-out 4,300,000 Spinco shares to the CME shareholders on a pro rata basis. On a per share basis, CME shareholders will be entitled to receive, for every one common share of CME held by them, a fraction of a Spinco share equal to the quotient of 4,300,000 Spinco shares divided by the number of CME common shares outstanding on the close of business on the last trading day on the CSE immediately prior to the effective date of the Arrangement (the "**Effective Date**").

The last trading day on the CSE immediately prior to the Effective Date will be the record date for the distribution of Spinco shares (the "**Share Distribution Record Date**"). Notice of the actual Share Distribution Record Date and the Effective Date will be given to the CME shareholders through one or more press releases.

Completion of the Arrangement remains subject to a number of conditions including conditional approval of the Arrangement by the CSE. Assuming the timely completion of these conditions, the Company expects the Arrangement to close later this month to have Spinco Shares begin trading in September 2021.

There is no assurance that the Arrangement will be completed. An application for the listing of Spinco on CSE has been filed, however, listing is subject to CSE final acceptance.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or under any U.S. state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and applicable state securities laws.

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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President and CEO

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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 Arrangement, completion of the Spinco Financing, receipt of any required shareholder, court, stock exchange and regulatory approvals for the Arrangement, timing of disclosure of additional details concerning the Arrangement 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: receipt of all stock exchange and regulatory approvals for the Arrangement; changes in the value of the Lac Chesnaye property; sufficient market interest to complete the Spinco Financing; 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.