



Canadian Metals Inc.

CSE: CME

Canadian Metals Provides Update on Spin-Out of Lac La Chesnaye Property

June 21, 2021, Montréal, Québec. - Canadian Metals Inc. ("**CME**" or the "**Corporation**") (CSE: **CME**), further to its news release dated May 20, 2021, is please to provide an update on its proposed spin-out of its Lac La Chesnaye property (the "**Lac Chesnaye Property**") located in Québec.

On June 17, 2021, the Corporation entered into an arrangement agreement (the "**Arrangement Agreement**") with its wholly-owned subsidiary QNB Metals Inc. ("**Spinco**"). The Arrangement Agreement, a copy of which will be available under the Corporation's profile on SEDAR, sets out the terms on which the Corporation will complete a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Québec) with Spinco whereby the Lac Chesnaye Property will be spun out to Spinco in exchange for the issuance of 4,300,000 Class A common shares of Spinco ("**Spinco Shares**") to the Corporation. In accordance with the terms of the Arrangement Agreement, the Corporation will then effect a reorganization of its share capital and distribute such Spinco Shares to the shareholders of the Corporation on a pro rata basis.

The Lac Chesnaye Property is located 11km north of Baie-Comeau, in the province of Québec, Canada. The property covers a total area of 448 Ha and comprises of 8 claims that are in the process of being granted and one claim that was previously acquired from SiO2 Canada Ltd.

Spinco intends to seek a listing of the Spinco Shares on the Canadian Securities Exchange (the "**CSE**") following the completion of the Arrangement. In connection with the Arrangement and the listing, Spinco is completing a private placement of a minimum of 5,000,000 units of Spinco ("**Spinco Units**") and maximum of 15,000,000 Spinco Units at a price of \$0.10 per Spinco Unit for minimum aggregate gross proceeds of \$500,000 and maximum aggregate gross proceeds of \$1,500,000 (the "**Spinco Financing**"). Each Unit will be comprised of one Spinco Share and one-half of one share purchase warrant of Spinco (each whole warrant, a "**Spinco Warrant**"). Each Spinco Warrant will entitle the holder to purchase one Spinco Share at a price of \$0.18 for a period of 24 months from the date of issuance.

The directors of Spinco on closing of the Arrangement are anticipated to be Stephane Leblanc, Michel Gagnon and Maxime Lemieux. Michel Gagnon is currently also a director of the Corporation.

The Corporation will be seeking shareholder approval of the Arrangement at the upcoming annual general and special meeting of shareholders scheduled to be held on July 27, 2021, in accordance with the terms of the Arrangement and the *Business Corporations Act* (Québec).

Completion of the Arrangement is subject to a number of conditions including approval of the Arrangement by the Corporation's shareholders and approval of the Superior Court of Québec. There is no assurance that the Arrangement will be completed or that, even if such Arrangement

is completed, that Spinco will be successful in completing the Spinco Financing or obtaining a stock exchange listing.

Full details of the proposed Arrangement, the business of Spinco and the Lac Chesnaye Property will be contained in a notice of meeting and information circular of the Corporation, which will be mailed to shareholders and filed on SEDAR in due course

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 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 required shareholder, court, 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.