

## FORM 5

### **QUARTERLY LISTING STATEMENT**

Name of Listed Issuer: Canadian Metals Inc (the "Issuer").

Trading Symbol: CME

Quarter ended : April 30, 2023

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

## **SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

### **1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

### **2. Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
No issues made in Q3								

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
No options were issued during the period						

### 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

### 4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Names	Position
Michel Gagnon	Executive Chairman
Yves Rougerie	Director
Jonathan Gagné	Director
Maxime Lemieux	Director
Arnab De	CFO

## SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

### Certificate Of Compliance

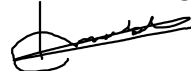
The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated 30<sup>th</sup> June 2023

Arnab De

Name of Director or Senior Officer

  
\_\_\_\_\_  
Signature

Chief Financial Officer

\_\_\_\_\_  
Official Capacity

<b>Issuer Details</b>		For Quarter Ended	Date of Report YY/MM/D
Name of Issuer		April 30, 2023	23/06/30
Canadian Metals Inc			
Issuer Address			
2700-1000 Sherbrooke O			
City/Province/Postal Code	Issuer Fax No. ( )	Issuer Telephone No.	
Montreal, Quebec, H3A 3G4		5146192400	
Contact Name	Contact Position	Contact Telephone No.	
Arnab De	CFO	5146192400	
Contact Email Address	Web Site Address		
arnabde@canadianmetalsinc.com	N/A		



## **CANADIAN METALS INC.**

### **UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT APRIL 30, 2023**

Condensed Interim Statements of Financial Position	2
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#### **Notice of No Auditor Review**

The accompanying unaudited condensed interim financial statements were prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

# CANADIAN METALS INC.

## Condensed Interim Consolidated Statements of Financial Position

As at April 30, 2023 and July 31, 2022

(in Canadian dollars)

	Note	30-Apr 2023	July 31, 2022
		\$	\$
<b>Assets</b>			
<b>Current assets:</b>			
Cash		2,514,688	929,663
Accounts receivable	6	85,917	33,205
Share subscription receivable	12	0	125,025
Advances to a related company		34,867	34,867
Prepaid expenses		4,015	3,019
Current portion of balance of purchase price receivable	7	450,000	462,074
<b>Total current assets</b>		<b>3,089,486</b>	<b>1,587,853</b>
<b>Non-current assets:</b>			
Mining properties	8	8,701,850	8,672,774
Exploration and evaluation assets	9	1,528,521	1,029,067
Balance of purchase price receivable	7	260,661	375,838
<b>Total non-current assets</b>		<b>10,491,031</b>	<b>10,077,679</b>
<b>Total assets</b>		<b>13,580,517</b>	<b>11,665,532</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Trade accounts payable and accrued liabilities		378,780	404,280
Grants refundable		337,320	337,320
Flow-through share liability	11	100,891	12,473
Current portion of convertible debentures	10	225,000	231,037
<b>Total current liabilities</b>		<b>1,041,991</b>	<b>985,109</b>
<b>Non-current liabilities:</b>			
Convertible debentures	10	750,067	781,778
<b>Total non-current liabilities</b>		<b>750,067</b>	<b>781,778</b>
<b>Total liabilities</b>		<b>1,792,058</b>	<b>1,766,887</b>
<b>Equity:</b>			
Share capital	11	18,608,891	17,640,824
Warrants	11	1,173,850	924,554
Share options	11	390,040	435,175
Equity component of the convertible debentures	11	562,455	562,455
Contributed surplus		4,229,022	3,128,626
Deficit		(13,175,798)	(12,792,989)
<b>Total equity</b>		<b>11,788,459</b>	<b>9,898,645</b>
<b>Total liabilities and equity</b>		<b>13,580,517</b>	<b>11,665,532</b>

Nature of operations and going concern, see Note 2.

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorized for issue by the Board of Directors on June 28, 2023.

(S) Maxime Lemieux  
Director

(S) Michel Gagnon  
Director and Chairman

# CANADIAN METALS INC.

## Condensed Interim Consolidated Statements of Comprehensive Loss

Nine-month periods ended April 30, 2023 and 2022

(in Canadian dollars)

	Note	Three month period ended		Nine months period ended	
		Apr 30,	Apr 30,	Apr 30,	Apr 30,
		2023	2022	2023	2022
		\$	\$	\$	\$
General and administrative expenses:					
Professional fees		58,054	10,036	138,353	146,311
Management and consulting fees		27,000	78,354	215,000	383,350
Share based compensation		-	221,000	-	221,000
Registration, listing fees and shareholders information		8,243	7,620	21,672	45,212
Insurance and office expenses		5,267	6,622	19,176	18,536
Travel and promotion		-	262	-	807
General exploration expenses (recovery)	9	28	-	28	(2,209)
<b>Loss from operating activities</b>		<b>98,592</b>	<b>323,894</b>	<b>394,229</b>	<b>813,007</b>
Finance income		(67,029)	(17,166)	(162,423)	(50,999)
Finance expense	15	49,148	48,133	151,003	152,402
<b>Total net finance expense (income)</b>		<b>(17,881)</b>	<b>30,967</b>	<b>(11,420)</b>	<b>101,403</b>
<b>Loss before income taxes</b>		<b>80,711</b>	<b>354,861</b>	<b>382,809</b>	<b>914,410</b>
<b>Net loss and comprehensive loss</b>		<b>80,771</b>	<b>354,861</b>	<b>382,809</b>	<b>914,410</b>
<b>Weighted average number of common shares outstanding</b>		<b>156,121,011</b>	<b>73,365,974</b>	<b>112,941,620</b>	<b>73,329,941</b>
<b>Basic and diluted loss per share</b>		<b>0.001</b>	<b>0.005</b>	<b>0.003</b>	<b>0.012</b>

The accompanying notes are an integral part of these financial statements.



# CANADIAN METALS INC.

## Condensed Interim Consolidated Statements of Changes in Equity

Nine-month periods ended April 30, 2023 and 2022

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital	Warrants	Share options	Equity component of the convertible debentures	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$	\$
<b>Balance as at July 31, 2022</b>		77,007,094	17,640,824	924,554	435,175	562,455	3,128,626	(12,792,989)	9,898,645
Shares issued:									
Private placements	13	23,852,556	878,741	-	-	-	-	-	878,741
Flow-through shares		55,261,361	1,532,841	-	-	-	-	-	1,532,841
Share issuance costs for private placement		-	(66,337)	-	-	-	-	-	(66,337)
Share issuance costs for flow through shares		-	(72,655)	-	-	-	-	-	(72,655)
Warrants issued		-	(1,304,523)	1,304,591	-	-	-	-	69
Issuance costs for warrants		-	-	(34)	-	-	-	-	(34)
Warrants expired	13	-	-	(1,055,261)	-	-	1,055,261	-	-
Share options expired		-	-	-	(45,135)	-	45,135	-	-
Net loss and comprehensive loss for the year		-	-	-	-	-	-	(382,809)	(382,809)
<b>Balance as at April 30, 2023</b>		156,121,011	18,608,891	1,173,850	390,040	562,455	4,229,022	(13,175,798)	11,788,459
<b>Balance as at July 31, 2021</b>		73,309,794	17,323,393	861,624	248,175	562,455	3,472,627	-11,705,286	10,762,988
Shares issued:									
As spin-off of Lac La Chesnaye Project				-	-	-	(344,000)	-	(344,000)
As payment of mining properties		500,000	50,000	-	-	-	-	-	50,000
Share options issued		-	-	-	221,000	-	-	-	221,000
Net loss and comprehensive loss for the year		-	-	-	-	-	-	(914,410)	(914,410)
<b>Balance as at April 30, 2022</b>		73,809,794	17,373,393	861,624	469,175	562,455	3,128,627	-12,619,696	9,775,578

The accompanying notes are an integral part of these financial statements.

# CANADIAN METALS INC.

## Condensed Interim Consolidated Statements of Cash Flows

Nine-month periods ended April 30, 2023 and 2022

(in Canadian dollars)

	Note	Three month period ended		Nine months ended	
		April 30 2023	April 30 2022	April 30 2023	April 30 2022
<b>Operating activities:</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net loss		(80,711)	(271,402)	(382,809)	(560,028)
Adjustments for:					
Effective interest costs on convertible debentures	12	48,803	53,584	150,129	104,269
Effective interest income on balance of purchase price receivable	10	(67,029)	(15,815)	(162,423)	(33,833)
Operating activities before changes in working capital items		(98,937)	(233,633)	(395,103)	(489,592)
Change in accounts receivable	7	(43,608)	95,578	(52,712)	65,737
Change in prepaid expenses		3,638	4,970	(996)	9,668
Change in trade accounts payable and accrued liabilities		(48,395)	(655)	11,692	(233,804)
Change in advances to related company		-	-	-	(5,039)
		(88,365)	99,893	(42,016)	(163,438)
<b>Cash flows used for operating activities</b>		<b>(187,302)</b>	<b>(133,740)</b>	<b>(437,119)</b>	<b>(653,030)</b>
<b>Financing activities:</b>					
Proceeds from issuance of shares and units	13	39,500	-	2,515,540	-
Share issuance costs	13	-	-	(29,473)	-
<b>Cash flows provided from (used for) financing activities</b>		<b>39,500</b>	<b>-</b>	<b>2,486,067</b>	<b>-</b>
<b>Investing activities:</b>					
Repayment of convertible debentures	12	(90,722)	(86,401)	(187,877)	(116,661)
Proceeds from balance of purchase price receivable	10	95,363	103,987	289,674	172,796
Tax credits applied against exploration and evaluation assets		-	-	-	1,730
Government grants applied against exploration and evaluation assets	11	-	-	9,600	-
Acquisition of mining properties	10	(17,776)	-	(29,076)	-
Increase in exploration and evaluation assets	11	(194,171)	(356,279)	(546,245)	(397,295)
<b>Cash flows provided from investing activities</b>		<b>(207,306)</b>	<b>(338,693)</b>	<b>(463,924)</b>	<b>(339,430)</b>
<b>Net change in cash</b>		<b>(355,107)</b>	<b>(472,433)</b>	<b>1,585,024</b>	<b>(992,460)</b>
<b>Cash, beginning of year</b>		<b>2,869,795</b>	<b>1,714,022</b>	<b>929,663</b>	<b>2,234,048</b>
<b>Cash, end of year</b>		<b>2,514,688</b>	<b>1,241,589</b>	<b>2,514,688</b>	<b>1,241,588</b>

Supplementary information

\$

Dec 29 2022	Pvt Placement - units	704,038
Dec 29 2022	Pvt Placement - Flow Through Shares	1,621,259
Jan 11 2023	Pvt Placement - units	174,702
		2,500,000
	Finder Fees paid by McMillan	(109,484)
	Change in Share subscription receivable	125,025
	<b>Proceeds from issuance of shares and units</b>	<b>2,515,540</b>
	Finders' fees paid by the Company	5,775
	Legal Fees	23,698
	<b>Total adjustment to Capital</b>	<b>29,473</b>

The accompanying notes are an integral part of these financial statements.

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Nine-month period ended April 30, 2023 and year ended July 31, 2022

(in Canadian dollars)

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### 1. Statutes of incorporation and nature of activities:

Canadian Metals Inc. (the "Company" or "Canadian Metals" or "CME") is a company domiciled in Canada. Canadian Metals was incorporated on August 17, 2012 under the *Québec Business Companies Act*. Canadian Metals is a public company listed on the Canadian Securities Exchange ("CSE") and its trading symbol is "CME".

The Company's head office, which is also the main establishment, is located at 2700-1000 rue Sherbrooke (O), Montreal, Quebec H3H 3G4.

The Company specializes in the acquisition, exploration, evaluation and development of mineral properties in Quebec and New Brunswick.

### 2. Nature of operations and going concern:

The Company has not yet determined whether its mining properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mining properties and exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development work of its mining properties, and upon future profitable production or proceeds from the disposal of mining properties.

Although management has taken actions to verify the ownership rights for mining properties in which the Company owns an interest and in accordance with industry standards for the current exploration phase of these properties, these procedures give no assurance to the Company as to title. The title to a mining property may be subject to unrecognized prior agreements and not compliant with regulatory requirements.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

As at April 30, 2023, the Company has working capital of \$2,047,495 including cash and cash equivalents of \$2,514,688 and a cumulative deficit of \$13,175,798 and incurred a loss of \$382,809 during the nine months then ended. Management believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

To continue the Company's exploration and evaluation programs on its properties and its operations, the Company will need to raise additional funds through the issuance of new equity instruments, the selling of mineral properties and the search for partners to sign option agreements on certain of its mineral properties. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms that are acceptable to the Company.

The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

### 3. Basis of preparation:

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended July 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

The unaudited condensed interim consolidated financial statements for the reporting period ended April 30, 2023 (including comparatives) were approved and authorized for issue by the Board of Directors on June 27, 2023.

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Nine-month period ended April 30, 2023 and year ended July 31, 2022

(in Canadian dollars)

### 3. Basis of preparation (Continued):

#### 3.1 Basis of measurement:

These unaudited and unreviewed condensed interim financial statements have been prepared on the historical cost basis except for certain assets at fair value.

#### 3.2 Consolidation:

The financial statements include the accounts of the Company and those of its subsidiary owned at 100%, Target Minerals Inc. The Company controls an entity when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns, through its power over the entity. Target Minerals Inc. is fully consolidated from the date on which control was obtained by the Company and is deconsolidated from the date that control ceases. All intercompany accounts and transactions are eliminated.

Management determines its ability to exercise control over an entity by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Company and the associate, interchange of managerial personnel, provision of essential technical information and operating involvement. Considering these factors, the Company is considered to have control over Target Minerals Inc.

#### 3.3 Functional and presentation currency:

These unaudited and unreviewed condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

### 4. Significant accounting policies:

These condensed interim financial statements were prepared in accordance with standard IAS 34 – Interim Financial Reporting and do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). They, however, include specific complimentary notes in order to provide information necessary to assess the financial situation of the Company at period end since its last annual financial statements dated July 31, 2022.

The accounting policies used to prepare these condensed interim unaudited financial statements are those described in the Company's audited financial statements for the year ended July 31, 2022, and have been applied throughout the period unless otherwise stated.

### 5. Critical accounting judgments and key sources of estimation uncertainty:

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

### 6. Non-current assets held for distribution:

On June 17, 2021, the Company entered into an arrangement agreement with QNB Metals Inc. (QNB), for the spinout of the Lac La Chesnaye Property owned by the Company. According to the agreement, the Lac La Chesnaye Property was to be spun out to QNB in exchange for the issuance of 4,300,000 Class A common shares of QNB to the Company. In accordance with the terms of the arrangement agreement, the Company was to then proceed with a reorganization of its share capital and distribute such QNB shares to the shareholders of the Company. The transaction was completed on September 9, 2021. Thus, pursuant to IFRS 5, the Lac La Chesnaye Property was classified as Non-current assets held for distribution at July 31, 2021. The fair value of the transaction was valued @ \$0.08 per share or \$344,000.

	July 31, 2021
	\$
Mining properties (Note 11b)	428,153
Exploration and evaluation assets	109,116
Carrying value	537,269

On September 9, 2021, the Company spun out its Lac La Chesnaye Property located in Quebec in exchange of 4,299,961 common shares of QNB Metals Inc., for a fair value of \$344,000. As a result, each shareholder has received such number of shares of QNB Metals Inc. equal to the number of the Company's shares held by such shareholder on September 8, 2021 multiplied by 0.05866. On September 9, 2021, the amount of \$344,000 was transferred to Contributed Surplus.

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Nine-month period ended April 30, 2023 and year ended July 31, 2022

(in Canadian dollars)

### 6. Accounts receivable:

	April 30, 2023	July 31, 2022
	\$	\$
Sales tax receivable	85,917	33,205
Accounts receivable	-	-
	85,917	33,205

### 7. Purchase price receivable:

On September 16, 2013, the Company acquired the mining rights on the Langis Property located in Matane area (Québec). It is subject to a 3% NSR Royalty.

On May 1, 2019, the Company sold all its rights, titles and interests in the property, in exchange of a long-term quartz price lock-in supply agreement (LTA) and \$2,250,000. The Disposition provided the Company with \$2,250,000, where \$500,000 was paid at closing and staged cash payments totaling \$1,750,000 modulated on the purchaser production on the Langis property, with the following deadlines:

(i) \$150,000 on or before December 31, 2019; (condition fulfilled) (ii) \$300,000 on before each of December 31, 2020, 2021, and 2022, (iii) \$450,000 on or before December 31, 2023, and (iv) a final \$250,000 over a maximum of 5 years after the previous payment. The LTA meeting its specific quartzite requirements at a currently favorable fixed price until January 1, 2024, after which date the original fixed price would be indexed every year until 2039.

#### Balance of purchase price receivable

The purchase price receivable of \$2,250,000 does not bear interest and has been discounted using 6.86% reflecting the estimated credit risk of the buyer and collateral against the balance of purchase price at time of disposal.

	April 30, 2023	July 31, 2022
		\$
Balance at the beginning	837,912	1,023,615
Effective interest income	162,423	50,020
Reimbursement	(289,674)	-235,723
Balance end of year	710,661	837,912
Current portion	450,000	462,074
Non-current portion	260,661	375,838

### 8. Mining properties:

Mining properties can be detailed as follows:

	Interest	July 31, 2021	Acquisition / Adjustment during the year ended Jul 31, 2022	July 31, 2022	Acquisition / Adjustment during the 9 months ended April 30, 2022	April 30, 2023
	%	\$	\$	\$	\$	\$
New Brunswick						
Blackshale <sup>(d)</sup>	100	840,866	1,911	842,777	-	842,777
Mountain Brook <sup>(d)</sup>	100	715,900	1,390	717,290	-	717,290
TV Tower <sup>(d)</sup>	100	272,954	-	272,954	-	272,954
Frenette <sup>(f)</sup>	100	10,180	-	10,180	-	10,180
Oxford Brook <sup>(g)</sup>	100	240,178	5,070	245,248	8,214	253,462
Nicholas-Denys <sup>(h)</sup>	100	6,065,422	19,560	6,084,982	-	6,084,982
Goldstrike and Millstream Gold <sup>(i)</sup>	100	403,353	95,990	499,343	20,862	520,205
		8,548,853	123,921	8,672,774	29,076	8,701,850

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Nine-month period ended April 30, 2023 and year ended July 31, 2022

(in Canadian dollars)

### 8. Mining properties (Continued):

#### d) TV Tower Property, Mountain Brook Property and Blackshale Property (zinc):

On March 16, 2018, the Company entered into an option agreement with NBZINC Inc., over which a company controlled by an officer and a director of the Company exercises a significant influence, to acquire an undivided 100% interest in the three following properties located in New Brunswick: TV Tower, Mountain Brook and Blackshale properties. The Blackshale Property is composed of 166 claims covering approximately 5,479 hectares, the Mountain Brook Property is composed of 139 claims covering approximately 4,233 hectares and the TV Tower Property is composed in 53 claims covering approximately 1,157 hectares. The claims are subject to a 2% NSR.

The Company shall be required to make a payment of US\$4,000,000 for each of the three properties for which it has acquired 100% of undivided interests, provided that the Company has made a public disclosure of a mineral resource estimate of 1,000,000 ounces of gold or gold-equivalent resources in the aggregate and in any and all categories for such property, for a total possible maximum payment of US\$12,000,000 for all three properties.

#### e) Silicate Brutus, Seignelay, Lac Robot, Baie-Trinité and Mouchalagane Properties:

On February 26, 2019, the Company entered into a related party subscription agreement with FeTiV Minerals Inc. ("FeTiV") to acquire a direct 20% interest in the Silicate Brutus, Seignelay, Lac Robot, Baie-Trinité and Mouchalagane properties for a consideration of \$440,000, subject to a 2% NSR.

During the year ended July 31, 2021, the Company wrote down to \$Nil the cost of the Silicate Brutus, Seignelay, Lac Robot, Baie-Trinité and Mouchalagane properties, as it no longer fits the Company's development strategy. Consequently, an impairment loss of \$42,175 on mining properties and \$25,780 on exploration and evaluation assets was recorded in net earnings.

#### f) Frenette Property (zinc):

On April 3, 2019 the Company entered into an arm's length option agreement to acquire an undivided 100% interest in 12 mining claims adjacent to its Blackshale property located west of the Brunswick 12 mine.

Pursuant to the terms and conditions of the option, the Company issued 45,000 common shares of the Company as follows:

- 15,000 Shares at \$0.55 per share for a total value of \$8,250 on the execution of the option (condition fulfilled); and
- 30,000 Shares at \$0.055 per share for a total value of \$1,650 on April 3, 2020 (condition fulfilled);

Upon exercise of the option, the Company will grant the optionees a 2% Net Smelter Returns (NSR) Royalty, subject to the right to purchase a 1% NSR royalty for \$1,000,000.

#### g) Oxford Brook Property (zinc):

On July 27, 2021 the Company completed the acquisition of Target Minerals Inc. for the acquisition of a 100% interest in 189 units located in Northwestern New-Brunswick in the Restigouche County. The value allocated to the property was \$240,178. The property is subject to a 2% NSR Royalty. (See Note 6)

#### h) Nicholas-Denys Property (polymetallic):

On July 27, 2021 the Company completed the acquisition of Target Minerals Inc. for the acquisition of a 100% interest in 356 units located in Northern New-Brunswick. The value allocated to the property was \$6,065,422. The property is subject to a 5% NSR Royalty, half of which is redeemable for \$1,000,000, a 3% NSR Royalty, half of which is redeemable for \$1,750,000 and an additional 1% NSR Royalty, half of which is redeemable for \$1,000,000. (See Note 6)

#### i) Goldstrike and Millstream Gold Property (gold-silver):

On July 27, 2021 the Company completed the acquisition of Target Minerals Inc. for the acquisition of a 100% interest in 208 units located in Northern New-Brunswick. The value allocated to the property was \$403,353. The property is subject to a 2% NSR Royalty, half of which is redeemable for \$1,000,000. (See Note 6)

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Nine-month period ended April 30, 2023 and year ended July 31, 2022

(in Canadian dollars)

### 9. Exploration and evaluation assets:

Exploration and evaluation assets by properties are detailed as follows:

	July 31, 2021	Exploration costs	Grant	July 31, 2022	Exploration costs	Grant	April 30, 2023
	\$	\$	\$	\$	\$	\$	\$
New Brunswick							
Blackshale	57,586	120,046	-	177,632	-	-	177,632
Mountain Brook	27,195	65,394	(15,000)	77,589	-	-	77,589
TV Tower	379,876	-	-	379,876	-	-	379,876
Frenette	8,050	-	-	8,050	-	-	8,050
Oxford Brook	-	23,332	8,000	31,332	115,860	-	147,192
Nicholas Denys	-	114,950	-	114,950	393,193	(9,600)	498,544
Goldstrike & Millstream	-	239,638	-	239,638	-	-	239,638
	472,707	563,360	(7,000)	1,029,067	509,053	(9,600)	1,528,521

### 10. Convertible debentures:

	30-April 2023	31-Jul 2022
	\$	\$
Convertible debentures bearing interest at 3% payable annually and maturing in March 2025. <sup>(a)</sup>	975,067	1,012,814
Current portion of convertible debentures	225,000	231,037
Non-current portion of convertible debentures	750,067	781,777
<i>(a) Debentures from related parties:</i>		
Directors	3,000	3,000
Company under control of a director	9,000	9,000
Company under control of an officer	12,600	12,600
	24,600	24,600

The changes in the Company's liabilities arising from financing activities are as follows:

	30-April 2023	31-Jul 2022
Balance at the beginning	1,012,814	1,005,018
Cash flows		
Reimbursement	(144,838)	(148,125)
Interest paid	(43,039)	(46,470)
Non-Cash:		
Effective interest costs on convertible debentures	31,133	44,824
Effective interest costs on convertible debentures	118,996	157,567
Balance end of year	975,067	1,012,814

On December 18, 2020, the Company announced that all outstanding debentures have been exchanged for new debentures in the same principal amount of \$1,675,000. The new debentures have an issue price of \$1,000 per new debentures, mature on March 31, 2025, bear interest at 3% per annum, payable on March 31 of each year, which interest may, at the option of the Company, be settled in common shares. The principal amount of the new debentures can be convertible into common shares of the Company at the price of \$0.40 per conversion share. Fifty percent (50%) of the amount that the Company receives from Les Minéraux Industriels du Québec Inc. will be used to reduce the principal amount of the new debentures. As this was an exchange of debentures, the Company recorded a gain of \$355,699 on the exchange date, considering the book value of exchanged debentures and the fair value of the liability component of the new debentures issued as the exchanged debentures are substantially different from the old debentures and the transaction must be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. On recognition, the liability component was measured using an effective interest rate of 22%, corresponding to the estimated market rate the Company would have received for a similar financing without the conversion right.

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Nine-month period ended April 30, 2023 and year ended July 31, 2022

(in Canadian dollars)

### 11. Share capital, warrants and options:

#### 11.1 Share capital:

##### 2022:

In April 2022, the Company issued 500,000 common shares as consideration for acquiring a claim adjoining to the new LG discovery at its Gold Strike Project. Pursuant to the terms and conditions of the option, the Company issued 500,000 common shares of the Company and a cash payment of \$35,000. The Company valued the shares at a fair market value of \$0.10 or \$50,000.

On July 25, 2022, the Company completed a non-brokered private placement pursuant to which it has issued 1,950,000 units of the Corporation (each a "Unit") at a price of \$0.10 per Unit for a gross proceeds of \$195,000. Each Unit being comprised of one (1) Share and one-half of one (1/2) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of \$0.20 per Share for a period of 24 months from the closing date. Fair value of these warrants was estimated to be \$58,500 using Black-Scholes pricing model.

Also on July 25, 2022, the Company completed a private placement pursuant to which it has issued 1,247,300 common shares of the Corporation (each a "Share"), issued on a flow-through basis, at a price of \$0.13 per Share for a gross proceeds of \$162,149. The difference between the nominal value of the shares issued and the market value of the shares as on the date of issue has been transferred to "Flow-through share liability" account amounting to \$12,473. The Corporation paid finder fee of \$9,599 in cash and issued 73,836 non-transferable Finder's warrants entitling the holder thereof to purchase one (1) Share at an exercise price of \$0.20 per Share for a period of 24 months from the closing date.

Fair value of these warrants was estimated to be \$4,430 using Black-Scholes pricing model.

On Dec 29, 2022, the Company completed a non-brokered private placement pursuant to which it has issued 18,324,000 units of the Corporation (each a "Unit") at a price of \$0.0316 per Unit for a gross proceeds of \$579,038. Each Unit being comprised of one (1) Share and one (1) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of \$0.048 per Share for a period of 24 months from the closing date. Fair value of these warrants was estimated to be \$356,475 using Black-Scholes pricing model.

Also on Dec 29, 2022, the Company completed a private placement pursuant to which it has issued 55,261,361 Flow Through Units of the Corporation (each a "FT Unit") at a price of \$0.0316 per FT Unit for a gross proceeds of \$1,746,259. Each Unit being comprised of one (1) Share and one (1) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of \$0.048 per Share for a period of 24 months from the closing date. The difference between the nominal value of the shares issued and the market value of the shares as on the date of issue has been transferred to "Flow-through share liability" account amounting to \$82,089. Fair value of these warrants was estimated to be \$820,891 using Black-Scholes pricing model.

On Jan 11, 2023, the Company completed a non-brokered private placement pursuant to which it has issued 5,528,556 units of the Corporation (each a "Unit") at a price of \$0.0316 per Unit for a gross proceeds of \$704,038.39. Each Unit being comprised of one (1) Share and one (1) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of \$0.048 per Share for a period of 24 months from the closing date. Fair value of these warrants was estimated to be \$127,157 using Black-Scholes pricing model.

In respect of the share issuance in December 2022 and January 2023, the Corporation paid finder fee of \$115,260 in cash and issued 2,143 non-transferable Finder's warrants (Fair Value: \$34) entitling the holder thereof to purchase one (1) Share at an exercise price of \$0.048 per Share for a period of 24 months from the closing date.

#### 11.2 Warrants:

During the nine months ended April 30, 2023, 18,089,500 warrants were expired and consequently an amount of \$1,055,261 has been credited to the contributed surplus account with a corresponding reduction in the warrant reserve. The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

	April 30, 2023		July 31, 2022	
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Weighted average exercise price
Outstanding at beginning	19,488,336	\$ 0.19	18,439,500	\$ 0.19
Granted	791,606	0.048	1,048,836	0.20
Expired	(18,089,500)	(0.15)	-	-
Outstanding at end	80,514,896	0.13	19,488,336	0.19



# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Nine-month period ended April 30, 2023 and year ended July 31, 2022

(in Canadian dollars)

### 11. Share capital, warrants and options (continued):

#### 11.2 Warrants(Continued):

The following table provides outstanding warrants information as at April 30, 2023:

Expiry date	Outstanding warrants		
	Number of outstanding warrants	Exercise price	Remaining life
		\$	(years)
28-Nov-23	350,000	1.15	0.58
22-Jul-24	1,048,836	2.15	1.23
29-Dec-24	73,585,361	0.048	1.67
11-Jan-25	5,530,699	0.048	1.70
	80,514,896	0.08	1.66

#### 11.3 Share option plan:

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

	April 30, 2023		July 31, 2022	
	Number of outstanding share options	Weighted average exercise price	Number of outstanding share options	Weighted average exercise price
		\$		\$
Outstanding at beginning	1,965,000	1.43	265,000	1.38
Issued			1,700,000	0.20
Expired	-55,000	-1.16		
Forfeited				
Outstanding at end	1,910,000	1.50	1,965,000	0.36
Exercisable at end	1,910,000	1.50	1,965,000	1.43

The following table provides outstanding share options information as at April 30, 2023:

Expiry date	Share options outstanding		
	Number of granted share options	Number of exercisable share options	Exercise price
			price
			\$
June 27, 2023	180,000	180,000	1.50
November 5, 2023	30,000	30,000	1.50
March 24, 2027	1,700,000	1,700,000	0.20
	1,910,000	1,910,000	0.34

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Nine-month period ended April 30, 2023 and year ended July 31, 2022

(in Canadian dollars)

### 12. Related party transactions:

Related parties include the Company's key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	9 months ended April 30, 2023	9 months ended April 30, 2022
	\$	\$
Management and consulting fees	215,000	383,350

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

As at April 30, 2023, trade accounts payable and accrued liabilities include \$13,500 payable to key management personnel. As at July 31, 2022, trade accounts payable and accrued liabilities include \$40,366 payable to key management personnel.

A director of the Company subscribed to 1,250,000 FT Units for a sum of \$39,500.

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.



## **CANADIAN METALS INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Nine-month period  
ended April 30, 2023  
(Third Quarter)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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This management discussion and analysis ("MD&A") of Canadian Metals Inc., ("Canadian Metals" or "CME" or the "Company") provides information that management believes is relevant to the assessment and understanding of the Company's results of operation and financial condition for the nine-month period ended April 30, 2023.

This MD&A complements the condensed interim unaudited financial statements for the nine-month period ended April 30, 2023 which were prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. This MD&A should be read in conjunction with the Company's audited financial statements and corresponding notes for the year ended July 31, 2022 and related MD&A. This MD&A is prepared as at June 27, 2023.

The unaudited condensed interim financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Board of Directors on June 27, 2023.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

The shares of Canadian Metals are listed on the Canadian Securities Exchange ("CSE") under the symbol "CME".

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Canadian Metals, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **NATURE OF ACTIVITIES:**

Canadian Metals, incorporated on August 17, 2012 under the *Québec Business Corporations Act*, specializes in the acquisition, exploration, evaluation and development of mineral properties in Quebec and New Brunswick.

## **BUSINESS DEVELOPMENT HIGHLIGHTS – INCLUDING SUBSEQUENT EVENTS:**

### **Board of Directors - Management:**

On May 17 2023, the Company announced that Yves Rougerie and Jonathan Gagne replaces Mr. Patrick Moryoussef and Mr. Guy Simard in the Board of the Company.

## **MINING PROPERTIES – DESCRIPTION:**

### **The Langis East Property (acquired from Osisko Metals Incorporated on August 1, 2018):**

The Colline Tortue Property consists of 10 designated claims (CDCs) covering a total area of 569.08 hectares located in the Matapedia region of the Gaspé peninsula of Quebec.

The property is located 2.5 kilometres west of the Langis Property owned by the Company.

Historical work done on the Colline Tortue Property consists of mapping sampling and diamond drilling. The historical diamond drilling was conducted by Uniquartz Inc. in 1983. The quartzite of the Val Brillant formation was intercepted with thickness of over 80 metres and remains open at depth and along strike. According to historical documents from Uniquartz and MERN (Ministry of Energy and Natural Resource of Quebec) data, the Val Brillant formation is subhorizontal, dipping up to 13 degrees. It appears as a large band approximately 450 metres wide and has a minimum strike length of 1,700 metres: with potential length of 3,300 metres within the property's boundaries. The property was fully impaired as at October.

### **The La Chesnaye Lake Silica Property:**

The La Chesnaye Lake Silica 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 10 claims that are in the process of being granted and one claim that was previously acquired from SiO<sub>2</sub> Canada Ltd. These claims are 100% held by the Company.

An exploration campaign consisting of 15 diamond drill holes (565 m) and 4 trenches was conducted by North Shore Paper Co. between 1952 and 1957. Ressources Vogues Inc. conducted another exploration campaign in 1994 and obtained an average grade of 99.18% SiO<sub>2</sub> for the property's silica. NI 43-101 non-compliant reserves of 3.5 Mt were published in the 20/10/1985 edition of the Northern Miner Magazine (GM #54172).

The historical drilling presents a zone of interest of 300 meters long by 60m by width by 30m depth. The quartzite is within a paragneiss in the geological province of Greenville of the Paleoproterozoic era and mapped as part of the de Bourdon complex. The quartzite grain size varies from medium to coarse and show colorless material with glass look and conchoidal fractures. In some places micas and hematite are observed. The silica deposit is oriented Nord 45.

### **The Brunswick Black Shale Property:**

The Brunswick Black Shale Property is composed of a total of 166 claim units covering approximately 5,479 hectares and is located 10 km west of the Brunswick No. 12. Property geology is composed of Ordovician sediments intruded by Silurian/Devonian gabbroic and diabase dikes. The property is situated on one of the largest gravity anomalies of the Bathurst mining camp and several conductivity anomalies. New Brunswick regional stream sediment sampling has identified anomalous zinc, manganese, nickel and cobalt values.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## MINING PROPERTIES – DESCRIPTION (CONTINUED):

### The Brunswick Black Shale Property (Continued):

Mineralization highlights for the Brunswick Black Shale Property include a quartz carbonate zone with assay results up to 15 grams per tonne Au coincident with a prominent magnetic anomaly. Noranda reported float containing 12,600 parts per million Zn and 2,320 ppm lead in the vicinity of a conductor. A local prospector later reported a brecciated boulder containing 4.1 g/t Au.

### The TV Tower Property:

The TV Tower Property is composed of a total of 53 claim units covering approximately 1,157 hectares. The TV Tower Property hosts a Zn-Cu-Au massive sulphide lens. A new target for mineral exploration, located only 14 km south of the Trevali Caribou mines. The geological unit comprises dacitic to rhyolitic quartz-feldspar crystal tuff, dark grey iron formation and massive sulphides of the Tetagouche group.

### The Mountain Brook Property:

The Mountain Brook Property is composed of a total of 139 claim units covering approximately 4,233 hectares. The Mountain Brook Property is located only seven km south of the Heath Steele mines. The geological unit comprises quartz-feldspar crystal tuff and mafic volcanic rocks of the Tetagouche group. Zn, Pb, Cu and Ag mineralization is disseminated along the contact of the mafic rock and felsic rock and it is closely associated with rich magnetite and siderite mineralization. New Brunswick provincial geologist R.R. Irrinki, in 1986, estimated that the mineralization may have a strike length of 4,000 metres. Mountain Brook's best drill intersects include results up to 4.6 per cent Zn, 4.9 per cent Pb and 13.37 g/t Ag.

### Qualified Person

John Langton, P.Geo., a Qualified Person as defined under NI 43-101, has reviewed and approved the scientific and technical content of the Iron Ore Properties summary.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXPLORATION HIGHLIGHTS:

### NEW BRUNSWICK

#### Exploration activities for the nine-month period ended April 30, 2023

During the nine-month period ended April 30, 2023, the Company invested \$499,453 in exploration and evaluation assets (\$473,705 in exploration and evaluation assets for the nine-month period ended April 30, 2022).

Exploration and evaluation assets For the nine months ended April 30, 2023								
	New Brunswick							
	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike & Millstream	Total
Exploration and evaluation costs:	\$	\$	\$	\$	\$	\$	\$	\$
Geology	-	-	-	-	26,510	-	338,416	364,926
Surveys	-	-	-	-	89,350	-	-	89,350
Analysis	-	-	-	-	-	-	54,778	54,778
	-	-	-	-	115,860	-	393,193	509,053
Other items:								
Grant received	-	-	-	-	-	-	(9,600)	(9,600)
Balance at the beginning	177,632	77,589	379,876	8,050	31,332	114,950	239,638	1,029,067
Balance at the end	177,632	77,589	379,876	8,050	147,192	114,950	623,231	1,528,521

During the three-month period ended April 30, 2023, the Company invested \$194,171 in exploration and evaluation assets (\$88,316 in exploration and evaluation assets for the three-month period ended April 30, 2022).

Exploration and evaluation assets For the three months ended April 30, 2023								
	New Brunswick							
	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike & Millstream	Total
Exploration and evaluation costs:	\$	\$	\$	\$	\$	\$	\$	\$
Geology	-	-	-	-	26,510	-	78,311	104,821
Surveys	-	-	-	-	89,350	-	-	89,350
	-	-	-	-	115,860	-	78,311	194,171
Other items:								
Grant received	-	-	-	-	-	-	-	-
Balance at the beginning	177,632	77,589	379,876	8,050	31,332	114,950	544,920	1,334,350
Balance at the end	177,632	77,589	379,876	8,050	147,192	114,950	623,231	1,528,521

The Company received results of the 42 assays conducted in the LG Discovery Zone of the Nicholas Denys Property, of which 30 samples reported more than 1 g/t Au. The LG Discovery Zone is located 800 meters NE of the Clarinda Zone and 2450 meters SW of the Arleau Zone where high-grade gold samples were collected and assayed during the 2020 exploration and trenching program. Historic bedrock samples grading up to 2.40 g/t Au at Clarinda have been observed in brecciated quartz veins at the contact between the sediments and the altered rhyolite. The contact sediment/rhyolite is hosting most of the high-grade gold samples collected along the Goldstrike Gold Trend (GGT) so far. Also, Silver-Antimony and bismuth mineralization were encountered in the trenches. When added to the geological model, they will be used as high-grade gold pathfinders. The GGT is

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXPLORATION HIGHLIGHTS (Continued):

represented as an altered and brecciated rhyolite unit hosting significant gold showings and occurrences followed by trenching over a strike length of about 3.0 km. The favourable unit (rhyolite) is similar and parallel to the structures hosting the Clarinda and Arleau Zones. The gold bearing quartz veins are mostly perpendicular to the major trend and contain the gold mineralization. The LG Discovery Zone and the surrounding area have never been drilled before.

The Goldstrike property which includes three (3) zones named Clarinda, Arleau and LG Discovery, is covering more than 6580 hectares. The project is located about 40 km NW of Bathurst with full road access and existing road crosscuttings the property. CME is currently focusing its field work on the LG Discovery Zone. These impressive new results together with data and interpretation from initial ground IP and aerial MAG-TDEM survey (close to completion) will lead to the drilling target definition for the first ever 2022/2023 drilling program along the Goldstrike Gold Trend (GGT). The first step is to proceed with a major stripping area on the GGT where the main objective will be to better define and locate the fertile contact between the sediments and rhyolite along the GGT. Also, the district-scale Airborne MAG-TDEM survey (1,352l-km) of the Goldstrike Gold Project is almost finalized and will help define the geophysical signature of gold-bearing rhyolite.

## FINANCIAL CONDITION

### SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2023

The following discussion of the Corporation's financial performance is based on the unaudited Condensed Interim Financial Statements as of April 30, 2023 ("Financial Statements") set forth herein.

Consolidated Statement of Loss and Comprehensive Loss	Nine month period ended	
	Apr 30, 2023	Apr 30, 2022
	\$	\$
General and administrative expenses:		
Professional fees	138,353	146,311
Management and consulting fees	215,000	383,350
Share based compensation	0	221,000
Registration, listing fees and shareholders information	21,672	45,212
Insurance and office expenses	19,176	18,536
<b>Loss from operating activities</b>	<b>394,229</b>	<b>813,007</b>
Finance income	-162,423	-50,999
Finance expense	151,003	152,402
<b>Net loss and comprehensive loss</b>	<b>382,809</b>	<b>914,410</b>
Weighted average number of common shares outstanding	112,941,620	73,329,941
Basic and diluted loss per share	0.003	0.012

Consolidated Statement of Cash Flow	9 months ended	
	April 30 2023	April 30 2022
	\$	\$
Cash flows used for operating activities	-437,119	-653,030
Cash flows provided from (used for) financing activities	2,486,067	0
Cash flows provided from investing activities	-463,924	-339,430
Net change in cash	1,585,024	-992,460
Cash, beginning of year	929,663	2,234,048
Cash, end of year	2,514,688	1,241,588



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2023 (CONTINUED)

	30-Apr 2023	July 31, 2022
	\$	\$
<b>Assets</b>		
<b>Current assets:</b>		
Cash	2,514,688	929,663
Accounts receivable	85,917	33,205
Share subscription receivable	0	125,025
Advances to a related company	34,867	34,867
Prepaid expenses	4,015	3,019
Current portion of balance of purchase price receivable	450,000	462,074
<b>Non-current assets:</b>		
Mining properties	8,701,850	8,672,774
Exploration and evaluation assets	1,528,521	1,029,067
Balance of purchase price receivable	260,661	375,838
<b>Total assets</b>	<b>13,580,517</b>	<b>11,665,532</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities:</b>		
Trade accounts payable and accrued liabilities	378,780	404,280
Grants refundable	337,320	337,320
Flow-through share liability	100,891	12,473
Current portion of convertible debentures	225,000	231,037
<b>Non-current liabilities:</b>		
Convertible debentures	750,067	781,778
<b>Total liabilities</b>	<b>1,792,058</b>	<b>1,766,887</b>
<b>Equity:</b>		
Share capital	18,608,891	17,640,824
Warrants	1,173,850	924,554
Share options	390,040	435,175
Equity component of the convertible debentures	562,455	562,455
Contributed surplus	4,229,022	3,128,626
Deficit	(13,175,798)	(12,792,989)
<b>Total equity</b>	<b>11,788,459</b>	<b>9,898,645</b>
<b>Total liabilities and equity</b>	<b>13,580,517</b>	<b>11,665,532</b>

The basic and diluted loss per share during the nine months ended April 30, 2023 is \$0.003 (\$0.012 in the nine months ended April 30, 2022). During the nine months ended April 30, 2023 the Company realized a net loss and comprehensive loss of \$382,809 as compared to a net loss and comprehensive loss of \$914,410 during the nine months ended April 30, 2022 (a decrease of \$531,601). The main reasons behind the increase are:

- Share-based compensation of \$221,000 incident during the previous period;
- Decrease in Management and consulting fees by \$168,350, which is a consequence of leaner senior management team during the current period;
- Decrease in Finance income by \$111,424;
- Filing fees and registration fees reduced by \$23,540 which was higher during the previous period due to the various regulatory filings that were required in relation to the Spin-off transaction (of Lac La Chesnaye property) and the acquisition of Target Minerals;

A detailed analysis of the profitability is provided in the next section.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2023 (CONTINUED)

The Financial Statements indicates Cash and Cash Equivalents of \$2,514,688 (July 31, 2022: \$929,663); Accounts Receivable of \$85,917 (July 31, 2022: \$33,205); Share subscription receivable of \$NIL (July 31, 2022: \$125,025); Advances to related parties amounting to \$34,867 (July 31, 2022: \$34,867); Prepaid Expenses of \$4,015 (July 31, 2022: \$3,019), and Current portion of balance of purchase consideration of \$450,000 (July 31, 2022: \$462,074) resulting in total current assets of \$3,089,486, an increase of \$1,501,634 from July 31, 2022 balance of \$1,587,853.

The non-current assets are comprised of mineral properties of \$8,701,850 which is an increase of \$29,076 from July 31, 2022 balance of \$8,672,774; Exploration and evaluation assets of \$1,528,521, which is an increase of \$499,453 from the July 31, 2022 balance of \$1,029,067; and Balance of the purchase consideration receivable amounting to \$260,661, a decrease of \$182,207 from the July 31, 2022 balance of \$375,838. The total assets are \$13,580,517 which is an increase of \$1,914,985 from July 31, 2022 balance of \$11,665,532.

The Company's current liabilities at April 30, 2023 comprises of its trade accounts payable and accrued liabilities of \$378,780 which is a decrease of \$25,500 from July 31, 2022 balance of \$404,280, the Grants refundable balances stayed at the same level of \$337,320; Flow through share liability increased by \$88,418 to \$100,891 from the July 31, 2022 balance of \$12,473; and the current portion of the convertible debentures amounting to \$225,000, a decrease of \$6,037 from the July 31, 2022 balance of \$231,037. The long term portion of the convertible debentures stood at \$750,067 as on April 30, 2023 (July 31, 2022: \$781,778).

Equity attributable to shareholders of the Company is \$11,788,459, an increase of \$1,889,814 from July 31, 2022 balance of \$9,898,645, and is comprised of share capital of \$18,608,891 (July 31, 2022: \$17,640,824), Warrants Reserve \$1,173,850 (July 31, 2022: \$924,554), Share options \$390,040 (July 31, 2022: \$435,175), Equity component of the convertible debentures \$562,455 (July 31, 2022: \$562,455), Contributed surplus \$4,229,022 (July 31, 2022: \$3,128,626) less the deficit of \$13,175,798 (July 31, 2022: 12,792,989).

The key movements in the Assets and Liabilities are as follows:

- a) The cash in the Company increased by \$1,585,024 during the year as explained under "Cash Flows" below;
- b) The balances for Purchase price receivable (short term and long term) reduced by \$127,251 on account recoveries.
- c) Mineral Properties increased by \$29,076 on account renewal of mining claims;
- d) The trade accounts payable and accrued liabilities decreased by \$25,500;
- e) Flow-through share liability increased by \$88,418;
- f) Exploration and evaluation assets increased by \$499,453. Details of exploration activities as are follows:

### Details of Exploration expenses:

	July 31, 2021	Exploration costs	Grant	July 31, 2022	Exploration costs	Grant	April 30, 2023
	\$	\$	\$	\$	\$	\$	\$
New Brunswick							
Blackshale	57,586	120,046	-	177,632	-	-	177,632
Mountain Brook	27,195	65,394	(15,000)	77,589	-	-	77,589
TV Tower	379,876	-	-	379,876	-	-	379,876
Frenette	8,050	-	-	8,050	-	-	8,050
Oxford Brook	-	23,332	8,000	31,332	115,860	-	147,192
Nicholas Denys	-	114,950	-	114,950	393,193	(9,600)	498,544
Goldstrike & Millstream	-	239,638	-	239,638	-	-	239,638
	472,707	563,360	(7,000)	1,029,067	509,053	(9,600)	1,528,521

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2023 (CONTINUED)

Exploration and evaluation assets								
For the nine months ended April 30, 2023								
	New Brunswick							
	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike & Millstream	Total
<b>Exploration and evaluation costs:</b>	\$	\$	\$	\$	\$	\$	\$	\$
Geology	-	-	-	-	26,510	-	338,416	364,926
Surveys	-	-	-	-	89,350	-	-	89,350
Analysis	-	-	-	-	-	-	54,778	54,778
	-	-	-	-	115,860	-	393,193	509,053
<b>Other items:</b>								
Grant received	-	-	-	-	-	-	(9,600)	(9,600)
<b>Balance at the beginning</b>	177,632	77,589	379,876	8,050	31,332	114,950	239,638	1,029,067
<b>Balance at the end</b>	177,632	77,589	379,876	8,050	147,192	114,950	623,231	1,528,521

## Statement of Loss and Comprehensive Loss for 9 months ended April 30, 2023:

Consolidated Statement of Loss and Comprehensive Loss	9 months ended		Remarks
	Apr 30, 2023	Apr 30, 2022	
	\$	\$	
General and administrative expenses:			
Professional fees	138,353	146,311	Higher incidence of legal fees during the previous year due to various corporate restructuring
Management and consulting fees	215,000	383,350	Lower management fees due to leaner senior management
Share based compensation	-	221,000	Stock options were issued during the previous year
Registration, listing fees and shareholders information	21,672	45,212	Higher corporate restructuring during the previous year
Insurance and office expenses	19,176	18,536	
<b>Loss from operating activities</b>	<b>295,636</b>	<b>489,592</b>	
Finance income	(95,394)	(33,833)	Impact of revaluation of Purchase price receivable
Finance expense	101,856	104,269	
<b>Loss before income taxes</b>	<b>302,098</b>	<b>560,028</b>	

## CASH FLOWS AND LIQUIDITY:

As at April 30, 2023 the Company had a working capital of \$2,047,495 (working capital of \$602,743 as at July 31, 2022) and cash of \$2,514,688 (\$929,663 as at July 31, 2022). During the 9 months ended April 30, 2022, the Corporation used \$437,119 (9 months ended April 30, 2022 / Previous Year (PY): \$653,030) of its cash and cash equivalents to meet the Operating Activities i.e., pay its trade and other payables, fund its operations, maintain its listing in the Canadian Stock Exchange (CSE) and pay for the corporate operating expenses. The Company's Investing Activities includes incurring an amount of \$463,924 (PY: a receipt of \$339,430) that included expenditure on exploration activities amounting to \$546,245 (PY: 397,295); repayment of convertible debentures amounting to \$187,877 (PY:116,661) and receipt of purchase price receivable amounting to \$289,674 (PY:\$ 172,796). The Company's Financing Activities proceeds from issuance of shares amounting to \$ 2,486,067 (Previous Year: \$ NIL).

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED FINANCIAL INFORMATION FOR SIX-MONTHS ENDED APRIL 30, 2023 (CONTINUED)

### SELECTED QUARTERLY FINANCIAL INFORMATION:

Canadian Metals anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts related to the development of the Company. Due to these fluctuations, the Company believes that the quarterly and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

The following selected quarterly financial information is derived from our unaudited condensed interim financial statements for each of the two most recently completed financial years.

	2023				2022			2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Statements of loss and comprehensive loss</b>								
Operating expenses	98,592	70,708	224,929	121,869	323,415	233,633	255,959	638,716
Net finance expense (income)	(17,881)	(13,006)	19,468	51,424	30,966	37,769	32,667	40,927
Net loss (income)	80,711	57,702	244,396	173,294	354,381	271,402	288,626	679,643
Loss per share	0.001	0.001	0.003	0.002	0.012	0.008	0.004	0.015
Basic and diluted								
<b>STATEMENTS OF FINANCIAL POSITION</b>								
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	2,514,688	2,869,795	605,425	929,663	1,019,033	1,241,589	1,714,022	2,234,048
Mining properties	8,701,850	8,684,073	8,673,045	8,672,774	8,664,730	8,559,030	8,548,854	8,548,853
Exploration and evaluation assets	1,528,521	1,334,350	1,178,706	1,029,067	946,712	858,096	677,878	472,707
Total assets	13,580,517	13,751,542	11,455,214	11,665,532	11,582,114	11,672,151	12,180,902	12,822,375
Total liabilities	1,792,058	1,876,042	1,800,965	1,766,887	967,842	1,813,193	2,050,541	2,059,388
Equity	11,788,459	11,875,499	9,654,248	9,898,645	9,775,577	11,672,151	12,180,902	10,762,987

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED QUARTERLY FINANCIAL INFORMATION (CONTINUED):

The net loss of \$80,711 for Q3-2023 is mostly attributable to management and consulting fees of \$27,000, and professional fees of \$58,054.

The net loss of \$57,702 for Q2-2023 is mostly attributable to management and consulting fees of \$27,000, and professional fees of \$31,319.

The net loss of \$244,396 for Q1-2023 is mostly attributable to management and consulting fees of \$161,000, professional fees of \$48,980 and net finance expenses of \$19,468.

The net loss of \$173,294 for Q4-2022 is mostly attributable to management and consulting fees of \$129,606 and general exploration expenses of \$45,337.

The net loss of \$354,860 for Q3-2022 is mostly attributable to share-based compensation of \$221,000 management and consulting fees of \$78,354, professional fees of \$10,036, net finance expenses of \$30,966; Registration, listing fees, etc., \$7,620 and Insurance and office expenses \$6,623.

The net loss of \$269,672 for Q2-2022 is mostly attributable to management and consulting fees of \$147,498, professional fees of \$52,210, net finance expenses of \$37,769 and Registration, listing fees, etc., \$27,617.

The net loss of \$288,626 for Q1-2022 is mostly attributable to management and consulting fees of \$157,498, professional fees of \$84,065 and net finance expenses of \$32,667.

The net loss of \$679,643 for Q4-2021 is mostly attributable to impairment of non-current assets held for distribution of \$193,269, professional fees of \$192,133, impairment of mining rights of \$132,175 and management and consulting fees of \$124,396.

The net loss of \$257,785 for Q3-2021 is mostly attributable to management and consulting fees of \$100,500, professional fees of \$67,293 and net finance expenses of \$81,909.

## RELATED PARTY TRANSACTIONS:

Related parties include the Company's key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

Management and consulting fees	9 months ended	9 months ended
	April 30,	April 30,
	2023	2022
	\$	\$
Paid to a company owned by the erstwhile CEO	134,000	148,000
Paid to a company owned by the CFO	81,000	81,000
Paid to a company owned by the erstwhile CFO	-	10,000
Paid to a company owned by Head Business Development	-	121,000
Paid to erstwhile VP Geological	-	41,260
Total	215,000	402,120

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## RELATED PARTY TRANSACTIONS (CONTINUED):

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

Included in Trade accounts payable and accrued liabilities	9 months ended	9 months ended
	April 30,	April 30,
	2023	2022
	\$	\$
Due to a company owned by Head Business Development	13,500	13,500
Total	13,500	13,500

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

A director of the Company subscribed to 1,250,000 FT Units for a sum of \$39,500.

## CONTINGENCIES:

Governmental laws and regulations regarding environmental protection regulate the Company's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

## FUNCTIONAL AND PRESENTATION CURRENCY:

The selected annual financial information selected quarterly financial information and other financial information are presented in Canadian dollars, the Company's functional currency.

## OFF-FINANCIAL POSITION ARRANGEMENTS:

As at April 30, 2023, the Company does not have any off-financial position arrangements.

## GOING CONCERN ASSUMPTION:

The accompanying financial statements have been prepared on the basis of the on-going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## GOING CONCERN ASSUMPTION (CONTINUED):

As at April 30, 2023, the Company has working capital of \$2,047,495 including cash and cash equivalents of \$2,514,688 and a cumulative deficit of \$13,175,798 and incurred a loss of \$382,809 during the nine months then ended. Management believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

To continue the Company's exploration and evaluation programs on its properties and its operations, the Company will need to raise additional funds through the issuance of new equity instruments, the selling of mineral properties and the search for partners to sign option agreements on certain of its mineral properties. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms that are acceptable to the Company.

The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

## CHANGES IN SIGNIFICANT ACCOUNTING POLICIES:

These condensed interim financial statements were prepared in accordance with standard IAS 34 – Interim Financial Reporting and do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). They, however, include specific complimentary notes in order to provide information necessary to assess the financial situation of the Company at period end since its last annual financial statements dated July 31, 2022.

The accounting policies used to prepare these condensed interim unaudited financial statements are those described in the Company's audited financial statements for the year ended July 31, 2022, and have been applied throughout the period unless otherwise stated.

## OUTSTANDING SHARE CAPITAL:

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT APRIL 30, 2023)	
Outstanding common shares:	100,859,650
Outstanding Flow through shares:	55,261,361
Outstanding share options:	1,910,000
Outstanding warrants:	80,514,896

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### WARRANTS:

During the nine months ended April 30, 2023, 18,089,500 warrants were expired and consequently an amount of \$1,055,261 has been credited to the contributed surplus account with a corresponding reduction in the warrant reserve. The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

		April 30, 2023		July 31, 2022
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Weighted average exercise price
		\$		\$
Outstanding at beginning	19,488,336	0.19	18,439,500	0.19
Granted	791,160	0.048	1,048,836	0.20
Expired	(18,089,500)	(0.15)	-	-
Outstanding at end	80,514,896	0.13	19,488,336	0.19

The following table provides outstanding warrants information as at April 30, 2023:

Expiry date	Outstanding warrants		
	Number of outstanding warrants	Exercise price	Remaining life
		\$	(years)
28-Nov-23	350,000	1.15	0.58
22-Jul-24	1,048,836	2.15	1.23
29-Dec-24	73,585,361	0.048	1.67
11-Jan-25	5,530,699	0.048	1.70
	80,514,896	0.08	1.66

### SHARE OPTION PLAN:

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

		April 30, 2023		July 31, 2022
	Number of outstanding share options	Weighted average exercise price	Number of outstanding share options	Weighted average exercise price
		\$		\$
Outstanding at beginning	1,965,000	1.43	265,000	1.38
Issued			1,700,000	0.20
Expired	-55,000	-1.16		
Forfeited				
Outstanding at end	1,910,000	1.50	1,965,000	0.36
Exercisable at end	1,910,000	1.50	1,965,000	1.43



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SHARE OPTION PLAN (CONTINUED):

The following table provides outstanding share options information as at April 30, 2023:

Expiry date	Number of granted share options	Share options outstanding		
		Number of exercisable share options	Exercise price	Remaining life
			\$	(years)
June 27, 2023	180,000	180,000	1.50	0.16
November 5, 2023	30,000	30,000	1.50	0.52
March 24, 2027	1,700,000	1,700,000	0.20	3.90
	1,910,000	1,910,000	0.34	3.50

## USE OF ESTIMATES AND JUDGEMENTS: CRITICAL ESTIMATES:

The preparation of the financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 3 of the Company's annual audited financial statements for the year ended July 31, 2022 for a more detailed discussion of the critical accounting estimates and judgments.

## RISK AND UNCERTAINTIES:

An investment in the common shares of the CME should be considered highly speculative. Canadian Metals is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

### Credit risk

Credit risk is the risk that the other party to a financial instrument fails to honour one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Credit risk of cash and is considered negligible, since the counterparty is a reputable bank with excellent external credit rating.

None of the Company's financial assets is secured by collateral or other credit enhancements.

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the past and during the year, the Company has financed its acquisitions of mining rights, exploration costs and working capital needs through private financings (issuance of shares and convertible debentures).

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## RISK AND UNCERTAINTIES (CONTINUED):

### Convertible Debentures:

	30-April 2023	31-Jul 2022
	\$	\$
Convertible debentures bearing interest at 3% payable annually and maturing in March 2025. <sup>(a)</sup>	975,067	1,012,814
Current portion of convertible debentures	225,000	231,037
Non-current portion of convertible debentures	750,067	781,777
<i>(a) Debentures from related parties:</i>		
Directors	3,000	3,000
Company under control of a director	9,000	9,000
Company under control of an officer	12,600	12,600
	24,600	24,600

### Exploration and mining risks

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and evaluation stage only. The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. Currently, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

### Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

According to the mining law and regulations of the Province of Québec, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the Québec government, a rent per claim, for every 2 years renewal period. Between the date of this MD&A and April 30, 2023, no claim will need to be renewed for a negligible amount and will not require additional exploration expenditures because the Company has met the requirement.

According to the mining law and regulations of the Province of New Brunswick, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the New Brunswick government, a rent per claim of \$20.00 and \$200.00 of expenditures, for every one-year renewal period. Between the date of this MD&A and April 30, 2023, no claim will need to be renewed for a negligible amount and will not require additional exploration expenditures because the Company has met the requirement.

## RISK AND UNCERTAINTIES (CONTINUED):

### Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

### Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

### Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

### Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

### Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## RISK AND UNCERTAINTIES (CONTINUED)

### Stage of development

The Company's properties are in the exploration stage and to date none of them has a proven ore body, except as disclosed for the Langis Property. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

### Industry conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

### Uninsured risks

The Company's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

### Capital needs

The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position.

In addition, any future equity financings by the Company may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Company's properties or even a loss of property interest.

### Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

### Canada Revenue Agency

No assurance can be made that Canada Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **CERTIFICATION OF INTERIM FILINGS:**

The President and the Chief Financial Officer have signed the Basic Certifications of Interim Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the interim filings.

- The President and the Chief Financial Officer confirm to have reviewed the interim financial report and the interim MD&A (together, the “interim filings”) of the Company for the nine-month period ended April 30, 2023.
- Based on their knowledge, having exercised reasonable diligence, the President and the Chief Financial Officer confirm that the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
- Based on their knowledge, having exercised reasonable diligence, the President and the Chief Financial Officer confirm that the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the period presented in the interim filings.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **ADDITIONAL INFORMATION:**

The additional information on the Company is available through regular filings of quarterly financial statements and press releases on Sedar ([www.sedar.com](http://www.sedar.com)) and on the Company's web site [www.canadianmetalsinc.com](http://www.canadianmetalsinc.com).

### **Officers**

Michel Gagnon  
Chairman

Beat Frei

Interim President and CEO

Arnab De  
CFO

### **Directors**

Michel Gagnon (Audit chair)

Maxime Lemieux

Yves Rougerie

Jonathan Gagné

### **Transfer agent**

Computershare Canada  
Montréal (Quebec)

### **Head office**

2700-1000 rue Sherbrooke (O)

Montreal, Quebec H3A 3G4

Tél : 819-825-0001

### **Auditor**

PwC

Montréal (Quebec)