Canadian Metals officially begins its Industrial Definitive Feasibility Study for the first commercial DC furnace in the world to produce silicon

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MONTREAL, Nov. 13, 2018 - Canadian Metals Inc. (The “Corporation”) (CSE: CME) officially begins the definitive feasibility study (DFS) on the Baie-Comeau Silicon industrial project, in partnership with Metix (Pty) Ltd of South Africa (“Metix”), being a business unit of the SMS Group. They will supply the basic design and costing to establish an EPS price for a 25MW DC furnace. Scope of Work includes the furnace feed, DC furnace, primary off-gas cleaning, secondary fume capture, off-gas dust handling, casting operations, product crushing, sizing and bagging. Mesar of Trois-Rivières will supply the preliminary engineering including all common services such as buildings and furnace and electrical services including the high voltage substation. WSP of Baie-Comeau will be in charge of the environmental study necessary to obtain the authorization certificate. We expect those mandates to be completed before summer 2019. Financing structure for the construction of the plant and the search for potential strategic investors is ongoing with our target for plant startup in Q3 2021.

Baie-Comeau Silicon Industrial Project Highlights

Production capacity
The Baie-Comeau plant will have a production capacity of 18,000 tons of silicon per year and will be equipped with one electric submerged arc furnace of 25 MW.

A Strategic location
Baie-Comeau is an industrial city and its population and business groups have demonstrated a strong signal of social acceptability of the project. The plant will be built in the Baie-Comeau industrial park, located approximately 4 km away from the nearest residential area. This location also benefits from the proximity of required raw materials and efficient infrastructures for maritime, rail and road transportation. In addition, a new 12 km power line will support the 120MW power allocation agreement with Hydro Québec which includes an advantageous industrial tariff.

Main customers and silicon usage
The main customers will be producers of aluminum-silicon alloys, silicone materials and silicon for photovoltaic applications (solar energy).

In the chemical industry, this high purity silicon metal is used for producing silicon compounds as well as silicon wafers used in photovoltaic solar cells and electronic semiconductors. Aluminum manufacturers use it to improve the properties of castability, hardness and strength of aluminum.

Aluminum demand has been growing steadily in recent years, as a reflection of the economic activity in both the developed and developing world. This demand of lighter and more economical material has triggered a growth in silicon metal consumption by aluminum manufacturers.

Silicon compounds are the raw material for a large and growing number of industrial and consumer products such as silicone rubber parts, urethane foam, sealants, adhesives and lubricants.

René Boisvert, President of CME stated: “This is a major step toward our goal of building the lowest operating cost silicon plant in the world. Metix, is the most internationally recognized supplier of furnaces and we are confident that with their input we will be successful building the first commercial DC furnace to

produce silicon. The DC technology combined with very low-cost Soderberg electrodes will give us a major competitive advantage as we establish our position in the silicon market. I believe that we have gathered an excellent group of experienced consultants to work with us and deliver this industrial feasibility study.”

Wynand Moolman, Projects Director of Metix stated: “After more than a century of building submerged arc furnaces for a variety of clients and processes, the SMS Group has a proud history of innovative designs and new technologies. Metix, who has been selected as the SMS Group’s center of excellence for submerged arc furnaces, is in the perfect position to execute this project. It will be a pleasure to work together with a knowledgeable and aspiring client team to grow this technology from the feasibility stage to successful operation.”

About Metix, SMS Group
Metix, as part of the SMS Group, is a leading global provider of process plants and engineering services for the pyrometallurgical industry spanning both the ferrous and non-ferrous sectors. Our team of passionate and skilled engineers have developed specialised patented equipment for all types of furnaces and is fully geared to incorporate this equipment into larger turnkey projects that include technical and commercial guarantees.

About Mesar
The region of La Mauricie is the birthplace of aluminum smelters and silicon carbide furnacing (Carborundum) in Canada. Since its founding in 1980, Consultants MESAR has provided new and developing companies with its expertise in the fields of light metals (aluminum and magnesium), ferrous and non-ferrous metals and the manufacture of silicon carbide, ferro silicium, silicium metal, metal powders, titanium slag, cast iron, etc.

About WSP
As one of the world's leading professional services firms, WSP provides technical expertise and strategic advice to clients in the Transportation & Infrastructure, Property & Buildings, Environment, Industry, Resources (including Mining and Oil & Gas) and Energy sectors, as well as offering project and program delivery and advisory services. Our experts include engineers, advisors, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals.

About Canadian Metals
Canadian Metals is a diversified resource company focused on creating shareholder value through the development of large-scale industrial mineral portfolios in specific commodities and jurisdictions that will fuel the new energy economy. The company is uniquely positioned to pursue this strategy in silicon, precious and base metal assets.

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Certain statements included herein may constitute “forward-looking statements”. All statements included in this press release that address future events, conditions, or results, including in connection with the prefeasibility study, its financing, job creation, the investments to complete the project and the potential performance, production, and environmental footprint of the ferrosilicon plant, are forward-looking

statements. These forward-looking statements can be identified by the use of words such as “may”, “must”, “plan”, “believe”, “expect”, “estimate”, “think”, “continue”, “should”, “will”, “could”, “intend”, “anticipate”, or “future”, or the negative forms thereof or similar variations. These forward-looking statements are based on certain assumptions and analyses made by management in light of their experiences and their perception of historical trends, current conditions, and expected future developments, as well as other factors they believe are appropriate in the circumstances. These statements are subject to risks, uncertainties, and assumptions, including those mentioned in the Corporation’s continuous disclosure documents, which can be found under its profile on SEDAR (www.sedar.com). Many of such risks and uncertainties are outside the control of the Corporation and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, on the basis of currently available information, for which there is no insurance that such information will prove accurate. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. The Corporation is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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