

Canadian Metals signs agreement to acquire FeTiV Minerals' interest on 5 iron projects in Quebec, and appoints Gérald Panneton as Chairman & CEO

08.07.2019 | [GlobeNewswire](#)

MONTRÉAL, July 08, 2019 - [Canadian Metals Inc.](#) ("CME" or the "Company") (CSE: CME) is pleased to announce that it has entered into an option agreement (the "Option Agreement") with FeTiV Minerals Inc. ("FMI"), a private exploration company, to acquire a 100% interest in the Mouchalagane, Silicates Lake, Seignelay, Lac Robot and Baie-Trinité iron projects (the "Iron Projects"), located in the Province of Québec.

Principal Terms of the Option Agreement

Under the terms of the Option Agreement, CME has the right to acquire FMI's 80% interest in the Iron Ore Projects by way of acquiring 100% of the outstanding securities of FMI (the "Acquisition"). Each of the Iron Projects is subject to a 2% Net Smelter Return (NSR) royalty, half of which can be bought back for \$5M.

In order to complete the Acquisition, CME must pay: (i) \$5M in common shares (each a "Share") of the Company and \$5M in cash on or before December 31, 2019; and (ii) an additional \$5M in Shares and \$5M in cash on or before December 31, 2020, subject to the total number of Shares issued being less than 100% of the number of Shares outstanding prior to the Option Agreement. The first \$5,000,000 in Shares will be subject to a voluntary escrow, with an initial 20% release upon issuance and 40% releases on each of 6 and 12 months thereafter.

Pursuant to the Option Agreement, CME will immediately become the operator of the Iron Projects.

Project Summaries

Three of five properties being acquired, have been drilled in the past, and have a combined conceptual estimated resource of 2,430 – 3,940 Mt at an average grade of approximately 30% (Table 1). The other two Iron Projects are new discoveries with no resources.

The conceptual estimates show the exploration potential and allow for the prioritizing of iron resource targets in preparation for an initial drilling program to be conducted on the Property. The Company is planning to carry out diamond-drilling, followed by a Mineral Resource Estimate, on priority targets by 2020.

Table 1

Iron Project	Conceptual Estimate* (Mt)
Mouchalagane	1315 - 2,440
Silicates Lake	400 - 500
Seignelay	715 - 1,000
Total	2,430 - 3,940

**Conceptual estimates, as defined by the National Instrument 43-101 Standards of Disclosure for Mineral Projects, are intended to demonstrate the potential tonnage and grade, expressed as ranges, of mineralized iron formations underlying the Iron Projects.*

The Mouchalagane Property incorporates 98 claims covering a total of 52.17 km² that are locally underlain by iron formation horizons of the Sokoman Formation. The Property is located in the northwestern part of the Gagnon Terrane in the southern part of the Labrador Trough and comprises the South Mountain Block (29 claims), Crazy Lake Block (47 claims), and the South Parr Block (22 claims). Conceptual resource estimates, based on shallow drilling in the early 1960's, are summarized in *Table 2*.

Table 2

Area	Dimensions (km)	Volume Range (million m ³)	Conceptual Tonnage Range* (Mt)
South Mountain	2.5 x 1.4 x 0.15 (depth)	135-250	430-800
Crazy Lake (east & west)	2.5 x 1.4 x 0.50 (depth)	100-190	325-600
South Parr	3.7 x 0.6 x 0.25 (depth)	210-390	560-1,040
	Total:	445-830	1,315-2,440

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The Silicates Lake Property comprises 173 claims covering 91.85 km² in the south-central part of the Gagnon Terrane. The western part of the Property is transected by the Trans-Québec Labrador Road (Highway 389). The Silicates Lake Property is underlain by approximately 40 km (aggregate strike length) of narrow, sinuous synforms of iron formation horizons that host several deposits with historic resources (*Table 3*).

Table 3

Occurrence	Historic Resource* Fe %	Based on:	Year Reference
Lac Athol North	5.08 Mt 30.20 %	3 holes	1961 GM12097, GM13035
Lac Hoares East/West	19.3 Mt 30.00 %	Geophysics	1961 GM12097, GM13035
Lac Silicates West	35.56 Mt 31.00 %	5 holes	1961 GM12097, GM13035
Lac Silicates East (Brutus)	305 Mt 29.40 %	18 holes	1961 GM12097, GM13035
Lac Silicates East (Brutus)	165 - 353 Mt 29.40 %	18 historic holes (1961)	2013 GM67717
Totals:	225-413 Mt	26 holes	

**Historic resources are not NI 43-101 compliant and have no demonstrated economic viability. The grade and tonnage of the so-called resources are considered uncertain at best, as there has been insufficient exploration to categorize them as a Mineral Resource as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves. Furthermore, it is uncertain whether further exploration will result in classification of the resources to Inferred, Indicated or Measured Mineral Resource categories.*

The Seignelay Property comprises five separate but localized blocks of claims (112 claims in total, covering 59.14 km²) in the northwestern part of the Gagnon Terrane. The claims cover parts of a 25 km, northeast-southwest stretch of ground underlain by narrow, poly-deformed synforms of iron formation that host seven (7) occurrences with historic estimated resources (*Table 4*).

Table 4

Occurrence	Historic Resource* (Mt)	Fe Grade	Based on:	Drilled in:	Reference
Group 4B	126	31.0 %	19 holes	1959	GM10541
Group 4D	18.1	34.6 %	8 holes	1959	GM34295
Group 5N	140	31.5 %	12 holes	1958	GM10540
Group 5S	46.8	32.2 %	23 holes	1961	GM11827
Group 6N	76.6	32.3 %	8 holes	1960	GM11812
Group 6S	26.2	36.0 %	3 holes	1961	GM34296

Group 7	33.1	34.9	%	18 holes	1959-1962 GM34297
Totals:	466.8			91 holes	

**Historic resources are not NI 43-101 compliant and have no demonstrated economic viability. The grade and tonnage of the so-called resources are considered uncertain at best, as there has been insufficient exploration to categorize them as a Mineral Resource as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves. Furthermore, it is uncertain whether further exploration will result in classification of the resources to Inferred, Indicated or Measured Mineral Resource categories.*

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 this press release.

Related Party Transaction

The independent member of the Board of CME reviewed the terms of the Acquisition and determined that it is in the best interest of CME to acquire the FETIV iron ore deposits considering, among other things, their conceptual values and the upside they represent in a very good market for Iron ore.

The Acquisition will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protections of Minority Security Holders in Special Transactions* ("MI 61-101"). However, due to CME's current financial situation, the Company is relying on the exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(g) and Section 5.7(1)(e) of MI 61-101, respectively, on the basis of the "financial hardship" exemption therein. The independent members of the Board, acting in good faith, has determined that due to CME's current financial situation, that the Acquisition is designed to improve the Company's situation, and that the terms of the Acquisition are reasonable in CME's circumstances. As Stéphane Leblanc and Gérald Panneton disclosed an interest in the Acquisition, the Acquisition was approved unilaterally by the independent members.

CME expects to file a material change report in respect of the related party transaction less than 21 days prior to the closing of the Acquisition, which CME deems reasonable in the circumstances so as to be able to proceed in an expeditious manner.

The Option Agreement remains subject to approval of the Canadian Securities Exchange. The Shares issued as consideration under this Option Agreement will be subject to a statutory hold period of four months and one day from the date of issuance.

Management Change

CME is also pleased to announce the appointment of Gerald Panneton as the new Chairman & CEO of the Company, effective immediately. Mr. Panneton replaces Michel Gagnon and Stéphane Leblanc, who respectively held the roles of Chairman & CEO of the Company. The appointment of Mr. Panneton is aligned with the Company's long-term commitment to its current projects and has been done in anticipation of advancing the Company's interests in the new Iron Projects.

Mr. Panneton is a geologist with over 30 years of experience in mineral exploration and development, and was the founder, President and CEO of Detour Gold Corporation ("Detour Gold") from its incorporation in July 2006 until November 2013. Under his leadership, the Detour Lake project grew over tenfold from 1.5 million ounces in resources to over 16 million ounces in reserves and into production. Today, the Detour Lake mine ranks as one of the largest gold mines in Canada. Mr. Panneton helped raise approximately \$2.6 billion in capital while at Detour Gold. Mr. Panneton and his Detour Gold team were the recipients of the PDAC 2011 Bill Dennis Award for Canadian mineral discoveries and prospecting success of the year.

From 1994 to 2006, Mr. Panneton was with Barrick Gold Corporation ("Barrick Gold") where for the last six years of his tenure, he was Director of Advanced Projects and Evaluations for the exploration and

corporate development group. He was very instrumental in bringing the Tulawaka and Buzwagi projects in Tanzania into production after the [Pangea Goldfields Inc.](#) acquisition in 2000. Prior to Barrick Gold, he worked for Lac Minerals Ltd., [Placer Dome Inc.](#) and Vior-Mazarin Group. Mr. Panneton received his Bachelor of Science in Geology from the University of Montreal and his Master of Science in Geology from McGill University.

Mr. Panneton is also the Executive Chairman of a private development exploration Company, Gold Matter Corporation, which focus solely in the Gold space.

In connection with Mr. Panneton's appointment, Stéphane Leblanc remains a Director of the Board and will focus his activities as the Vice President of Corporate Development, whereas Michel Gagnon will also remain a Director of the Board and President of the Audit and Governance Committee.

About Canadian Metals Inc.

Canadian Metals is a diversified resource company focused on creating shareholder value through the development of large-scale mineral deposits in specific commodities and safe jurisdictions.

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Cautionary Statements Regarding Forward-Looking Information

Certain statements in this news release constitute "forward-looking" statements. These statements relate to future events or our future performance. Forward-looking statements include the closing of the Acquisition and the statement that the Acquisition will permit CME to maximize the value of the Iron Ore Projects. All such statements involve substantial known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to vary from those expressed or implied by such forward-looking statements. Forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date of this news release. Forward-looking statements involve significant risks and uncertainties, they should not be read as guarantees of future performance or results, and they will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, that the closing will not occur. Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions on the date of this news release, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties and other risks detailed from time-to-time in CME's ongoing filings with the securities regulatory authorities, which filings can be found at www.sedar.com. These forward-looking statements are made as of the date of this news release and CME disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, unless required by applicable securities laws..

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<https://www.rohstoff-welt.de/news/329697--Canadian-Metals-signs-agreement-to-acquire-FeTiV-Minerals-interest-on-5-iron-projects-in-Quebec-and-appoints-0>

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