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PRESS RELEASE

April 26<sup>th</sup>, 2018

## STRATEGIC INVESTMENT BY GOLDCORP TO CREATE A NEW GOLD EXPLORER IN THE EEYOU ISTCHEE JAMES BAY TERRITORY OF QUEBEC WITH CANADA STRATEGIC METALS, MATAMEC EXPLORATIONS AND SPHINX RESOURCES

- Investment of approximately \$3.7 million by Goldcorp Inc. to acquire a 14% interest
- Creation of Quebec Precious Metals Corporation, a new James Bay-focused gold exploration company controlling 942 km<sup>2</sup> (see [attached Figure 1](#)):
- Transaction combining proven team with access to capital, and gold assets
- Sphinx Resources focuses on zinc

**Montréal, April 26, 2018 - Canada Strategic Metals Inc.** (“Canada Strategic Metals” or “the Company”) (TSX.V: CJC; FSE: YXEN; OTC-BB: CJCFF), **Matamec Explorations Inc.** (“Matamec”, TSX-V: MAT) and **Sphinx Resources Ltd.** (“Sphinx”, TSX-V: SFX), are pleased to announce that Canada Strategic and Matamec have agreed to a business combination by way of court approved plan of arrangement (the “Arrangement”) to create a new James Bay-focused gold exploration company (to be named Quebec Precious Metals Corporation (the “Name Change”), herein referred to as “QPM”). In addition to and immediately prior to and conditional on the successful Arrangement, Canada Strategic will acquire Sphinx’s three (3) gold projects by way of an asset purchase, including the 50% interest of Sphinx in the Cheechoo-Éléonore Trend project and also the other 50% interest in such project held by Sirios Resources Inc. (“Sirios” TSX-V: SOI).

In connection with the Arrangement, Goldcorp Inc. (“Goldcorp”) will invest to acquire a 14% interest in QPM (Canada Strategic) under a subscription agreement executed as at the date hereof between Canada Strategic and Goldcorp whereby on or about June 18, 2018, Goldcorp will subscribe for 6,068,787 subscription receipts of Canada Strategic (the “Subscription Receipt”) at a price of \$0.61 per Subscription Receipt for gross proceeds of C\$ 3,701,960 (the “Goldcorp Investment”). Each Subscription Receipt shall automatically be converted upon the closing of the Arrangement, for no additional consideration and on a post-consolidation basis (see below for more details on the proposed consolidation of the share capital of Canada Strategic), into a unit of QPM (Canada Strategic) (the “Unit”) at a price of C\$0.61 per Unit representing a pre-share consolidation and share exchange premium of 41% to the 20-day volume weighted average price (“VWAP”) of Canada Strategic on the TSX Venture Exchange (“TSX-V”) prior to the announcement of the Arrangement. Each Unit will be comprised of one common share (on post-consolidation basis) of QPM (Canada Strategic) and one half of one common share purchase warrant, with each whole warrant (a “Warrant”) exercisable to acquire one additional post-consolidated common share of QPM (Canada Strategic) at a price of \$0.85 per common share for a period of two (2) years from closing of the transaction. The pricing of the Subscription Receipt of Canada Strategic on a pre-consolidation basis is equal to C\$0.1466 and to C\$0.2043 for the Warrant.

The closing of the Goldcorp Investment is conditional on numerous conditions customary to this type of transaction including, notably, the completion of the Arrangement, Canada Strategic raising gross

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proceeds of a minimum of \$5,000,000 under the Subscription Receipt offering (including the Goldcorp Investment) (the “Minimum Raise”), Canada Strategic acquiring a 100% in the Cheechoo-Éléonore Trend project, the execution of a subscription receipt agreement with Computershare Trust Company of Canada governing the issuance of the Subscription Receipts, any amounts owing to insiders of Canada Strategic and of Matamec by both companies, as applicable, being paid in common shares of QPM (Canada Strategic) (the “Shares for Debt”) and the execution of an investor rights agreement between Canada Strategic and Goldcorp (the “Investor Rights Agreement”) where, for as long as Goldcorp holds 7.5% or greater of the outstanding common shares of QPM (Canada Strategic), Goldcorp will have certain rights, including:

- the right to participate in any future equity financings undertaken by QPM in order to allow Goldcorp to maintain its then percentage ownership interest in QPM;
- the right to acquire such additional number of QPM Shares in future financings undertaken by QPM such that Goldcorp’s ownership percentage on closing of such financing would equal up to 19.9% (on a non-diluted basis);
- the right of first refusal to match any third party offers regarding non-equity financings, including, a tolling arrangement, streaming arrangement, royalty sale or other non-equity financing for the purpose of funding the future exploration and development of any of QPM’s projects now owned or after acquired; and
- the right to request that QPM form a technical committee and the right to appoint 50% of the members of such committee which shall be comprised of a minimum of four (4) members.

The above rights shall automatically terminate and be of no further force or effect upon Goldcorp ceasing to beneficially own more than 7.5% of the issued and outstanding QPM common shares (on an undiluted basis).

Accordingly, Goldcorp will be acquiring beneficial ownership of: (i) 6,068,787 Common Shares, representing approximately 14.0% of the issued and outstanding Common Shares following the completion of the Arrangement on a post-consolidation basis; and (ii) 3,034,393 Warrants representing approximately 5.2% of the issued and outstanding warrants of the Company. Should Goldcorp exercise all of the Warrants, Goldcorp would hold 8,560,183 Common Shares representing approximately 19.2% of the issued and outstanding Common Shares (on a partially diluted basis). Prior to this acquisition Goldcorp did not own any securities of Canada Strategic. Goldcorp is acquiring the beneficial interest in the securities for investment purposes. Goldcorp will evaluate its investment in QPM from time to time and may, based on such evaluation, market conditions and other circumstances, increase or decrease shareholdings as circumstances require. The exemption relied on by the Company for the sale of the Subscription Receipts to Goldcorp was Section 2.3 of National Instrument 45-106 - *Prospectus Exemptions*. Goldcorp will be filing an early warning report in connection with the acquisition which will be filed on Canada Strategic’s SEDAR profile. Goldcorp’s head office is located at Suite 3400 - 666 Burrard St. Vancouver, BC, V6C 2X8.

The Arrangement and the Goldcorp Investment are referred to as the “Transaction”.

### **Highlights of the Transaction**

The Transaction offers a number of positive benefits to the shareholders of Canada Strategic, Matamec and Sphinx, including, among others, the following:

- *Execution of a gold consolidation strategy with a highly prospective land package:* The business combination will result in QPM being a well-capitalized company with a large land position and

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significant holdings in the highly prospective Eeyou Istchee James Bay region, Quebec, near Goldcorp's Éléonore gold mine. The land package contains high quality early stage exploration gold targets.

- *Key shareholder support:* Goldcorp is expected to hold approximately 14% of QPM on an undiluted basis following completion of the Transaction. Pursuant to the Investor Rights Agreement, Goldcorp and QPM shall have the right to form a technical committee to allow QPM to benefit from Goldcorp's technical expertise and knowledge of the region.
- *Proven management team and Board with access to capital:* The QPM management team and Board have proven and extensive mine finding and development experience and demonstrated capabilities in the financing, acquisition, and development of mines. They have high visibility in the mining industry and significant relationships with key sector investors and analysts that should help to attract strong retail and institutional support. The ability of this team should be a catalyst for development of the QPM business.
- *Well-defined drill-ready targets:* QPM will own the Sakami gold project with recent drill intercepts showing significant gold mineralization up to 35 m in true thickness and grades ranging from 1 to 5 g/t gold which has been derived from exploration on a small portion of 700 m by 300 m and up to a down-plunge length of 450 m (see *press releases of Canada Strategic and Matamec of February 8, 2018*). Through further drilling, QPM intends to rapidly advance the Sakami project to mineral resource estimate and pursue additional identified exploration targets.
- *Premium to Canada Strategic and Matamec shareholders:* The Transaction provides Canada Strategic and Matamec shareholders with premiums of 41% and 32% respectively to the VWAP of the respective shares on the TSXV ending prior to the announcement of the Transaction. Canada Strategic, Matamec and Sphinx believe this platform provides a good basis for share price re-rating based on QPM's size, diversity of assets and broader shareholder base.
- *A platform for future consolidation:* QPM, with quality gold exploration assets and a key shareholder, will be in a good position to attract additional growth opportunities.

QPM will be headquartered in Montreal. Completion of the Transaction is subject to the approval of the Arrangement by the Québec Superior Court and the shareholders of Matamec, approval of the Canada Strategic Consolidation (as defined below) by the shareholders of Canada Strategic, and TSX-V approval.

Sphinx will become a pure-play zinc-focused exploration company where it is developing attractive zinc projects in the Grenville geological province located in southern Quebec. Management of QPM will seek to monetize non-gold assets following the completion of the Transaction.

## Team

The transaction brings together a highly experienced mining industry team composed of John W.W. Hick, as Chair of the new board of directors, François Biron, as Vice-Chair of the board, and Jean-François Meilleur, Normand Champigny, Jean-Sébastien Lavallée, Jean-Raymond Lavallée and Michel Gauthier as directors. Management changes will see Jean-François Meilleur, appointed President and Normand Champigny appointed Chief Executive Officer of QPM, respectively.

Jean-François Meilleur, President and Chief Executive Officer of Canada Strategic, stated: "We are very pleased to announce today's strategic combination of companies and exploration assets and the investment by Goldcorp. This transaction provides an excellent opportunity for Canada Strategic, Matamec and Sphinx shareholders to combine assets with strong access to capital, and our

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management groups experience and track record. With the successful conclusion of this deal, QPM will focus on gold exploration in the Eeyou Istchee James Bay territory.”

François Biron, Interim President and Chief Executive Officer of Matamec, stated: “We are enthusiastic to be joining forces with Canada Strategic, a critical step that will help move the Sakami project to the resource estimation stage. The combination of the teams and projects with Canada Strategic and Sphinx with the significant investment by Goldcorp will be beneficial for the shareholders of the three companies.”

Normand Champigny, President and Chief Executive Officer of Sphinx, commented that, “The transaction is expected to provide QPM with required funds to accelerate the drilling at Sakami and confirm what we believe to be its multi-million ounce potential, and to further explore the other projects of the Eeyou Istchee James Bay territory portfolio.”

### **Particulars of the Arrangement**

In connection with the Arrangement, Matamec shareholders will receive 0.267697315 of a common share of Canada Strategic (on a post-consolidation basis) in exchange for each common share of Matamec (on a post-consolidated basis as per the terms of the Arrangement). As part the Arrangement, the common shares of Canada Strategic and common shares of Matamec will each be consolidated on the basis of one post-consolidation share for each 4.16 pre-consolidation shares (the consolidation of the common shares of Canada Strategic is referred to as the “Canada Strategic Consolidation” and the consolidation of the common shares of Matamec is referred to as the “Matamec Consolidation”).

The Matamec Consolidation forms part of the Arrangement whereas the Canada Strategic Consolidation shall be approved by way of a special resolution of the shareholders of Canada Strategic at the Canada Strategic Meeting (as defined below). The approval and completion of the Canada Strategic Consolidation is a condition of the completion of the Arrangement. The Arrangement includes customary deal-protection provisions including a mutual \$250,000 termination fee in certain circumstances.

In relation to the Sphinx Asset Purchase, Canada Strategic has agreed to issue to Sphinx 1,200,000 common shares of QPM (on a post-consolidation basis) for the purchase of an undivided 100% interest in Sphinx’s Chemin Troilus and Somanike project and its 50% interest in the Cheechoo Éléonore Trend project. In relation to the Sirios Asset Purchase, Canada Strategic has agreed to offer Sirios 300,000 common shares of QPM (on a post-consolidation basis) for the purchase of its undivided 50% interest in the Cheechoo Éléonore Trend project.

Upon completion of the Arrangement, the Consolidation and the Minimum Raise, Goldcorp will hold approximately 14% of the issued and outstanding common shares of QPM on a non-diluted basis and 19.2% on a partially diluted basis, assuming full exercise of the Warrants issued to Goldcorp under the Goldcorp Investment.

On completion of the Transaction and the Minimum Raise, QPM (Canada Strategic) will have approximately 47.4 million common shares issued and outstanding, and Canada Strategic shareholders will own 57.1%, Matamec shareholders will own 20.5%, Goldcorp 14%, Sphinx 2.8% and Sirios 0.7% of such common shares on an undiluted basis, with the balance being held by additional participants to the Subscription Receipt offering.

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Canada Strategic's financial advisor is Canaccord Genuity Corp., and its legal counsel is Fasken Martineau DuMoulin S.E.N.C.R.L., s.r.l. Canaccord Genuity Corp., provided an opinion to Canada Strategic's Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set out therein, the Arrangement is fair, from a financial point of view, to the shareholders of Canada Strategic. The Board of Directors of Canada Strategic has unanimously approved the Transaction and recommend that Canada Strategic shareholders vote **in favour** of the resolution approving the Canada Strategic Consolidation and Name Change.

Matamec's financial advisor is Sprott Capital Partners, a division of Sprott Private Wealth LP, and its legal counsel is McCarthy Tétrault LLP. Sprott Capital Partners provided an opinion to Matamec's Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set out therein, the Arrangement is fair, from a financial point of view, to the shareholders of Matamec. The Board of Directors of Matamec has unanimously approved the Transaction and recommend that Matamec shareholders vote **in favour** of the resolution approving the Arrangement.

Sphinx's financial advisor is Paradigm Capital Inc., and its legal counsel is Osler Hoskin & Harcourt S.E.N.C.R.L., s.r.l. The Board of Directors of Sphinx, on the Arrangement recommendation of its independent Special Committee, has unanimously approved the sale of Sphinx's three (3) gold projects by way of the Sphinx Asset Purchase to Canada Strategic conditional on the completion of the Transaction.

## **Shareholders Approvals**

The closing of the Arrangement is subject to conditions customary to this type of transaction including a requirement to obtain 66 2/3% support from the shareholders of Canada Strategic and Matamec, present in person or represented by proxy at the Canada Strategic Meeting or the Matamec Meeting (as defined below), for the respective items submitted for approval as described below. As mentioned above, the closing of the Arrangement is a condition to the completion of the Goldcorp Investment.

At the Canada Strategic Meeting scheduled for on or about June 14, 2018, the shareholders of Canada Strategic will be asked to approve, by way of special resolutions: (i) the Canada Strategic Consolidation and (ii) the Name Change. The approval of the Name Change is not a condition precedent to the completion of the Transaction.

At the Matamec Meeting scheduled for on or about June 14, 2018 (the "Matamec Meeting"), Matamec shareholders will be asked to approve the Arrangement by way of special resolution.

Full details of the Arrangement (including the Matamec Share Consolidation forming part of the Arrangement), Goldcorp Investment, Name Change, Canada Strategic Consolidation, the Sphinx Asset Purchase, the Sirios Asset Purchase and Shares for Debt transaction will be included in the joint management information circular of Canada Strategic and Matamec describing the matters to be considered at the Canada Strategic Meeting and Matamec Meeting, respectively, which is expected to be mailed to the Canada Strategic shareholders and Matamec shareholders by mid-May 2018 and made available on SEDAR under the issuer profiles of each of Canada Strategic and Matamec at [www.sedar.com](http://www.sedar.com).

## **Offering Including Minimum Raise**

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In connection with the Transaction, an agreement has been entered into with Canaccord, Sprott Capital and Paradigm (the “Agents”) in connection with the completion, on a best efforts, of a private placement offering (the “Offering”), including the Minimum Raise and the Goldcorp Investment, of subscription receipts. The Offering may include the issuance of securities of Canada Strategic (QPM) issued on a super flow-through or flow-through basis and will include the Goldcorp Investment (the “Offered Securities”). In connection with the Offering, the Agents will be entitled to a cash fee in an amount equal to 6.0% of the gross proceeds of the Offering. As additional consideration, the Agents will receive common share purchase warrants (the “Broker Warrants”) entitling the Agents to subscribe for 6.0% of the aggregate number of Offered Securities placed in the Offering. Subject to regulatory approval, each Broker Warrant will be exercisable to acquire one Offered Security at a price equal to the issue price under the Offering for a period of 24 months following closing.

### **Conference Call Information**

Canada Strategic, Matamec and Sphinx will host a conference call on Thursday April 26, 2018 at 14:00 pm EDT, to discuss the details of the combination. Those interested in participating in the conference call (listening mode only) should dial in approximately five to ten minutes before the start of the conference to allow ample time to access at +1-888-527-2162 (North American toll free), or +1-416-620-2162 (international), access code 7826663.

The conference call replay will be available from 14:00 EDT on Friday April 27, 2018 until 23:59 EDT on May 11, 2018 with the following dial in number: +1-888-527-2162, access code 7826663.

### **Qualified Person**

Jean-Sébastien Lavallée (OGQ #773), geologist, shareholder, Executive Chairman and Exploration Manager of Canada Strategic and a Qualified Person under NI 43-101, has reviewed and approved the technical content of this release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

### **About Canada Strategic Metals Inc.**

Canada Strategic Metals is an emerging company focused on the exploration and development of a number of projects covering over 57,084 hectares in Quebec. With broad management experience in green technology and junior resource exploration and development, Canada Strategic Metals is well positioned to aggressively advance this promising property portfolio for its shareholders.

### **About Matamec Explorations Inc.**

Located in Montreal (Québec), Matamec Explorations Inc. is a junior mining exploration company in which primary activities are oriented on the development of gold assets. Matamec’s main focus is on the SAKAMI gold property (50%), in proximity to the Éléonore Mine (in James Bay, QC); Opinaca Gold West (100%), located in the Quebec Plan Nord region in similar geological settings as established gold-producing mines; and the Casa-Detour property (100%), located east of the Burntbush property of

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Detour Gold Corp. Matamec has two other gold projects in Ontario, Matheson JV (50%) and Pelangio (100%) located near the Hoyle Pond Mine in Timmins. Matamec's other mining projects include key elements for technologies related to energy containing, among others, lithium (Tansim-under option), Cobalt (Fabre-100% owned), nickel (Vulcain-100% owned) and rare earths (Kipawa-72% owned by Matamec). The Kipawa Heavy Rare Earth Elements (HREE) project is a joint venture owned at 72% by Matamec and 28% by Ressources Québec (acting as agent of the Government of Québec). Toyota Tsusho Corp. of Nagoya, Japan holds a 10% royalty on net profit from the deposit.

## About Québec and Sphinx

Quebec has established itself as one of the world's most attractive mining jurisdictions, ranking 6<sup>th</sup> globally (*Fraser Institute press release, February 22 2018*). The Quebec government has created market confidence by following a proactive approach to mining policy. Quebec's mining sector has also been encouraged by the clarity and certainty of the legal and regulatory framework adopted by its government. Sphinx is engaged in the generation and acquisition of exploration projects in Québec.

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*This news release contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the anticipated benefits of the Arrangement to Canada Strategic and Canada Strategic shareholders; the anticipated benefits of the*

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*Arrangement to Matamec and Matamec shareholders; the exchange ratio and value of the Canada Strategic Shares being delivered as arrangement consideration; the market capitalization of Canada Strategic following the completion of the Arrangement; the timing and receipt of the required shareholder, court, stock exchange and regulatory approvals for the Arrangement; the timing and ability of Canada Strategic and Matamec to satisfy the conditions precedent to completing the Arrangement; the anticipated timing for mailing the joint management information circular to the Canada Strategic shareholders and Matamec shareholders in respect of the matters to be considered by such shareholders at the Canada Strategic Meeting and Matamec Meeting, as the case may be, in respect of the Arrangement; the closing of the Arrangement; the Goldcorp Investment; the timing and receipt of the required stock exchange and regulatory approvals for the Arrangement; the length of the current market cycle and requirements for an issuer to survive in the current market cycle; future growth potential of Canada Strategic and their respective business; and future exploration plans.*

*These forward-looking statements are based on reasonable assumptions and estimates of management of Canada Strategic and Matamec, as the case may be, at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Canada Strategic or Matamec, as the case may be, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: satisfaction or waiver of all applicable conditions to closing of the Arrangement (including receipt of all necessary shareholder, court, stock exchange and regulatory approvals or consents and the absence of material changes with respect to the parties and their respective businesses, all as more particularly set forth in the Arrangement agreement); the synergies expected from the Arrangement not being realized; business integration risks; fluctuations in general macroeconomic conditions; fluctuations in securities markets and the market price of Canada Strategic and Matamec Shares; the satisfaction or waiver of all applicable conditions to closing of the transaction (including receipt of all necessary stock exchange and regulatory approvals or consents); fluctuations in spot and forward prices of gold, silver, base metals or certain other commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration; inability to obtain adequate insurance to cover risks and hazards; the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities and indigenous populations; availability of increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration (including the risks of obtaining necessary licenses, permits and approvals from government authorities); and title to properties or projects. In addition, the failure of a party to comply with the terms of the Arrangement agreement may result in that party being required to pay a non-completion or other fee to the other party, the result of which could have a material adverse effect on the paying party's financial position and results of operations and its ability to fund growth prospects and current operations. Although the forward-looking statements contained in this news release are based upon what management of Canada Strategic, Matamec and/or Sphinx, as the case may be, believes, or believed at the time, to be reasonable assumptions, Canada Strategic, Matamec and/or Sphinx, as the case may be, cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended.*

*Readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, Canada Strategic, Matamec and Sphinx assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.*

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