

**PRESS RELEASE**

**May 16, 2016**

## **STRATEGIC METALS MONETIZES GRAPHITE ASSET**

**Montreal, Quebec and Vancouver, British-Columbia – May 16, 2016 - Canada Strategic Metals Inc.** (“Canada Strategic Metals” or “the Company”) (TSX.V: CJC; FSE: YXEN; OTC-BB: CJCFF) and **Lomiko Metals Inc.** (TSX-V:LMR, OTC:LMRMF, FSE:DH8B) are pleased to announce the signature of an additional option Agreement on the La Loutre and Lac des Iles Property allowing Lomiko to acquire up to 100% interest in the project.

“The Properties are located close to the Imerys Carbon and Graphite Mine and benefits from similar infrastructure advantages and similar flake graphite grade, deposit size and near surface mineralization amenable to low cost, small footprint extraction. All of these elements make this an excellent candidate for a positive Pre-Economic Assessment.”, stated A. Paul Gill, CEO, Lomiko Metals Inc., “Additional resource definition in the Refractory Zone will bolster the PEA.”

Subject to Lomiko having exercised the Additional Option signed on February 6, 2015, Canada Strategic will also grants to Lomiko the exclusive right and option (the “**Third Option**”) to increase its undivided interest in and to the La Loutre Property and the Lac des Îles Property from 80% to 100% by paying to Canada Strategic an additional amount of \$10,000, by issuing to Canada Strategic an additional 7,500,000 common shares of Lomiko and by funding Exploration Expenditures for an additional amount of \$1,125,000 on Canada Strategic properties for a period commencing on the deemed exercise of the Additional Option and ending on December 31, 2018. Previous to this option, Lomiko owned 40% of the La Loutre and Lac des Iles Properties and had an option to increase ownership to 80% based on completing work and issuing shares

The La Loutre property consists of contiguous claim blocks totalling approximately 2,867.29 hectares (28.67 km<sup>2</sup>) situated approximately 53 km east of Imerys Carbon and Graphite, formerly known as the Timcal Graphite Mine, North America’s only operating graphite mine, and 117 km northwest of the International Port of Montreal, key to shipping to North America and Europe. The Lac des Iles Property is directly west of the Imerys Graphite Mine. Lomiko is currently completing the 2<sup>nd</sup> option to acquire 80% of the La Loutre and Lac des Iles properties which requires \$580,000 work expenditure between La Loutre property and others Canada Strategic properties.

The La Loutre Resource is constrained within a drilled area of approximately 900 m along the N150° striking trend of the graphitic paragneiss, 250 m across the strike and 225 m below surface. Geological interpretation and estimation were based on 62 NQ drill holes (totaling 8193.3 m) drilled by Lomiko and Canada Strategic Metals in 2014 and 2015.

On February 9<sup>th</sup>, 2016, Lomiko Metals and Canada Strategic announced resource for the La Loutre Flake Graphite Property of 18.4 M Tonnes of 3.19% Indicated and 16.7 M Tonnes at 3.75% Flake Graphite Inferred with a cut-off of 1.5%. The sensitivity table also features 4.1 M Tonnes of 6.5% Indicated and 6.2 M Tonnes at 6.1% Flake Graphite Inferred with a cut-off of 3%. The Resource is calculated on the Graphene-Battery Zone only and **does not** include recent high grade intercepts of 28.5 metres of 16.53% Cg and 21.5 metres of 11.53% Cg reported January 6, 2016 and 9% over 90.75 metres reported September 24<sup>th</sup> 2015 from the Refractory Zone.

## QUALIFIED PERSONS

Jean-Sebastien Lavallée (OGQ #773), Geologist, is a shareholder of both companies, President and Chief Executive Officer of the Canada Strategic and a Qualified Person under NI 43-101, has reviewed and approved the technical content of this release.

## ABOUT CANADA STRATEGIC METALS

Canada Strategic Metals is an emerging company focused on the exploration and development of a number of projects covering over 20,000 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.

For more information on the Company, please visit [www.csmetals.ca](http://www.csmetals.ca).

Jean-Sébastien Lavallée, P. Geo

President and Chief Executive Officer

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