



Canadian Manganese Company Inc.

CANADIAN MANGANESE CLOSES ACQUISITION OF MAXIMOS AND \$5,950,000 FINANCING

Toronto, May 3, 2021 – Canadian Manganese Company Inc. (the “Company” or “CMC”), reports it closed the previously announced acquisition of **Maximos Metal Corp.** (“Maximos”), and its previously announced private placement of subscription receipts raising gross proceeds of \$5,947,500 (the “Financing”).

CMC's vision is to create a new technology metals company with an immediate strategic focus on the advancement of CMC's Woodstock manganese property in New Brunswick to produce high purity electrolytic manganese metal and/or high purity manganese sulphate monohydrate for the growing battery metals market.

The global evolution of electric vehicle (EV) and battery technologies combined with mounting geopolitical support provides what CMC believes is a unique opportunity to create a North American based leader in the production of battery-grade manganese.

CMC's mission is to create a diversified technology metals company through a disciplined growth strategy with an emphasis on stakeholder value creation and the development of industry-leading sustainability programs.

CMC plans to make application to list its shares on a Canadian stock exchange as soon as possible.

Acquisition of Maximos Metal Corp.

The acquisition of Maximos was completed by way of a three-cornered amalgamation between Maximos and a wholly owned subsidiary of CMC, which resulted in Maximos becoming a wholly owned subsidiary of CMC, and the shareholders of Maximos becoming shareholders of CMC. (see CMC news release March 26, 2021). The documentation to complete the amalgamation was filed on April 30, 2021.

In connection with the acquisition of Maximos, a total of 59,683,564 common shares in the capital of CMC (each a "CMC Share") were issued to holders of Maximos shares on the basis of 0.55562527 of a CMC Share for every common share of Maximos.

In connection with the completion of the transaction, 9,500,000 options of Maximos were adjusted such that they now entitle the holders thereof to acquire an aggregate of 5,278,440 CMC Shares with each such option being exercisable at a price of \$0.18 per share on or before June 30, 2025.

In addition, in connection with the completion of the transaction 8,000,000 common share purchase warrants of Maximos now entitle the holders thereof to acquire an aggregate of 4,445,002 CMC Shares with each such warrant being exercisable at a price of \$0.18 per share on or before March 17, 2024.

Following the closing, and the issue of 24,211,109 CMC Shares pursuant to the Financing, CMC now has 143,763,389 CMC Shares outstanding, of which the shareholders of CMC, including new investors, own approximately 58.5% and the former shareholders of Maximos own approximately 41.5%, each on an undiluted basis.

Certain of the larger former Maximos shareholders agreed to enter into escrow agreements with respect to the CMC Shares which they received pursuant to the transaction and as such 38,794,675 CMC Shares (approximately 65% of the shares issued to Maximos shareholders) are subject to a 24-month escrow, with one-quarter of such shares to be released from escrow on the 6, 12, 18 and 24-month anniversaries of the listing of the CMC Shares on a stock exchange.

In addition, 1,805,782 CMC Shares are subject to a 12-month escrow, with one-half of such shares to be released from escrow on the 6 and 12 month anniversaries of the listing of the CMC Shares on a stock exchange.

As a result of the completion of the transactions described in this news release, JMEC Holdings Inc. ("JMEC") acquired 16,049,311 CMC Shares which represent approximately 11.2% of the issued and outstanding CMC Shares as calculated in accordance with National Instrument 62-104 Take-Over Bids and Insider Bids ("NI 62-104"). Peter Steele, who controls JMEC, acquired control of 29,788,284 CMC Shares which represents approximately 20.7% of the issued and outstanding CMC Shares as calculated in accordance with NI 62-104.

JMEC acquired ownership of the CMC Shares as a result of the conversion of Maximos shares pursuant to the amalgamation. Mr. Steele acquired control of the CMC Shares as a result of the acquisition of CMC Shares by three entities which he controls (including JMEC). Such acquisitions occurred both through the completion of the amalgamation as well as pursuant to the Financing (3,091,111 HD Subscription Receipts (as defined below) and 2,833,333 FT Subscription Receipts (as defined below)).

Prior to the completion of the transaction and Financing neither JMEC nor Peter Steele owned or had direct or indirect control over any CMC Shares. JMEC, Peter Steele and the entities through which he controls the CMC Shares have a long-term view of their investment in CMC and may acquire additional securities of CMC including on the open market or through private acquisitions or sell the securities including on the open market or through private dispositions in the future depending on market conditions and other relevant factors.

The head office of JMEC and the other entities through which Peter Steele controls the CMC Shares is located at 1100- 1959 Upper Water St., Halifax, Nova Scotia B3J 3N2.

Following closing of the transactions Matthew Allas, President of Maximos, was appointed as a director of CMC. It is anticipated that at the next annual meeting of shareholders of CMC (expected to be held in June 2021), John Allan, a nominee of Maximos and two new independent directors will also be appointed to the Board of Directors of CMC.

Private Placement Financing \$5.95 Million

In connection with the acquisition of Maximos, CMC has closed a non-brokered private placement equity financing (the "**Financing**") through an offering of subscription receipts ("**Subscription Receipts**") at a price of \$0.30 per flow-through receipt ("**FT Subscription Receipt**") and \$0.225 per non-flow-through receipt ("**HD Subscription Receipt**"), led by key supporting investors, including certain Maximos insiders, Clarion Finance Pte Ltd., and Commodity Capital.

Pursuant to the Financing, CMC issued 17,544,443 HD Subscription Receipts at a price of \$0.225 each for gross proceeds of \$3,947,499.68 and 6,666,666 FT Subscription Receipts at a price of \$0.30 each, for gross proceeds of \$1,999,999.80. Each HD Subscription Receipt entitled the holder to receive one CMC Share, for no additional consideration, on completion of the amalgamation and each FT Subscription Receipt entitled the holder to receive one flow-through CMC Share, for no additional consideration, on completion of the amalgamation.

The gross proceeds of the Financing were deposited in escrow on closing and the Subscription Receipts automatically converted into CMC Shares and the funds released to CMC upon completion of the Maximos acquisition and the satisfaction of the other escrow release conditions.

Finders fees of \$224,000 in cash and 333,333 share purchase warrants were paid and issued to certain arms-length parties for assisting in the Financing. Each warrant entitles the holder to purchase one CMC Share at a price of \$0.27 per share for three years following the listing of the CMC Shares on a Canadian stock exchange.

John F. Kearney, an insider of CMC, subscribed for 444,444 HD Subscription Receipts for gross proceeds of \$100,000. The issue of HD Subscription Receipts to John F. Kearney, a 'Related Party' within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators (the "Instrument"), constituted a 'related party transaction' under the Instrument. However, the transaction is exempt from the formal valuation requirements of the Instrument by virtue of s. 5.5(a) – Fair Market Value Not More Than 25% of Market Capitalization; and from the minority shareholder approval requirements by virtue of s. 5.7(a) – Fair Market Value Not More Than 25% of Market Capitalization, and s. 5.7(b) - Fair Market Value Of Not More Than \$2,500,000.

All securities issued in connection with the Financing are subject to a four month hold period from the date of issuance of such securities, expiring on August 30, 2021.

The material change report to be filed in relation to the Financing was not filed at least 21 days prior to the closing of the Financing, as contemplated by the Instrument. CMC believes that this shorter period is reasonable and necessary in the circumstances as the completion of the Financing occurred shortly before the issuance of the news release and the upcoming filing of the material change report in relation to the Financing.

ABOUT CANADIAN MANGANESE

CMC is a Canadian mineral development company aiming to become a supplier of high-purity manganese metal products for the rechargeable battery industry.

CMC holds the Woodstock manganese property in New Brunswick containing the Plymouth manganese-iron deposit that hosts an Inferred Resource of 44,770,000 tonnes grading 9.85% manganese and on which a positive preliminary economic assessment, NI 43-101 technical report was completed in 2014.

Manganese is a key component in the formulations of the cathode material used in high-performance lithium-ion batteries, and in utility bulk energy storage facilities, which are expected to create strong demand for high-purity manganese products.

Manganese has been identified by the Canadian and US governments as a critical mineral and strategic metal that is essential for national defense, aerospace, technology, and energy that is highly susceptible to supply interruptions due to the lack of domestic production.

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Additional information on CMC Company Inc. is available at www.CanadianManganese.com

CAUTIONARY STATEMENTS

ANY SECURITIES REFERRED TO HEREIN WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.