



## **NEW AGE METALS INC.**

### **Condensed Consolidated Interim Financial Statements** **Nine months ended 31 January 2021 and 2020** **(An Exploration Stage Company)** **(Expressed in Canadian dollars)**

## NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of New Age Metals Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimates and judgment based on information currently available.

The Company’s independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity’s auditor.

# New Age Metals Inc.

## Condensed Consolidated Interim Statements of Financial Position

As at 31 January 2021 and 30 April 2020

(Unaudited)

(Expressed in Canadian dollars)

	Notes	As at 31 January 2021	As at 30 April 2020 (Audited)
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,129,907	1,821,706
Amounts receivable	6	69,744	63,871
Short-term investments	7	221,167	109,414
Prepaid expenses		31,821	61,722
		1,452,639	2,056,713
Exploration and evaluation properties	8	2,980,239	2,621,241
Right-of-use asset	9	19,099	43,654
<b>Total assets</b>		<b>4,451,977</b>	<b>4,721,608</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	10	46,179	63,039
Due to related parties	16	-	4,867
Lease liability – current portion	9	20,488	33,574
		66,667	101,480
Lease liability – non current portion	9	-	11,831
<b>Total liabilities</b>		<b>66,667</b>	<b>113,311</b>
<b>Equity</b>			
Share capital	11	37,794,499	37,662,819
Reserves	11	14,527,315	14,495,175
Deficit		(47,936,504)	(47,549,697)
<b>Total equity</b>		<b>4,385,310</b>	<b>4,608,297</b>
<b>Total equity and liabilities</b>		<b>4,451,977</b>	<b>4,721,608</b>

Corporate Information and Going Concern (Note 1), Commitments and Contingencies (Note 18)  
and Subsequent Events (Note 19)

### APPROVED BY THE BOARD:

*“Harry Barr”*

Director

*“John Londry”*

Director

The accompanying notes are an integral part of these consolidated financial statements.

# New Age Metals Inc.

## Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the nine months ended 31 January 2021 and 2020

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended 31 January 2021	Three months ended 31 January 2020	Nine months ended 31 January 2021	Nine months ended 31 January 2020
<b>Expenses</b>		\$	\$	\$	\$
Accounting and audit		-	1,900	2,107	2,107
Bank charges and interest		649	427	1,408	1,315
Consulting fees	16	50,904	45,880	128,779	32,416
Depreciation of right-of-use asset	9	8,185	-	24,555	-
Insurance, license & fees		9,939	7,636	24,357	20,406
Legal		-	-	905	-
Management fees	16	31,878	31,715	102,382	103,858
Marketing and communications		50,220	46,921	118,138	61,652
Office and miscellaneous		4,208	9,110	19,766	26,770
Rent		-	5,190	-	18,129
Share-based payments	12, 16	-	53,214	32,140	53,214
Telephone and utilities		2,130	3,102	7,271	6,302
Transfer agent and regulatory fees		24,202	20,128	38,730	38,546
Travel, lodging and food		2,375	9,903	11,569	17,822
<b>Loss before other items</b>		<b>(184,690)</b>	<b>(235,126)</b>	<b>(512,107)</b>	<b>(382,537)</b>
<b>Other items</b>					
Foreign exchange loss		(283)	-	(382)	-
Interest income		5,162	1,297	16,014	6,253
Finance costs		(527)	-	(2,084)	-
Unrealized gain on short term investments	7	76,306	65,034	111,753	35,202
<b>Net loss and comprehensive loss</b>		<b>(104,032)</b>	<b>(168,795)</b>	<b>(386,806)</b>	<b>(341,082)</b>
<b>Loss per share</b>					
Basic	13	(0.0007)	(0.0020)	(0.0028)	(0.0040)
Diluted	14	(0.0007)	(0.0020)	(0.002)	(0.0040)

The accompanying notes are an integral part of these consolidated financial statements.

# New Age Metals Inc.

## Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended 31 January 2021 and 2020

(Unaudited)

(Expressed in Canadian dollars)

		Nine months ended	
	Notes	31 January 2021	31 January 2020
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Loss before tax		(386,806)	(341,082)
Adjustments for:			
Depreciation	9	24,555	-
Share-based payments	12	32,140	53,214
Share issued for services		40,680	-
Unrealized gain on short term investments	7	(111,753)	(35,202)
Non cash interest		2,084	-
Operating cash flows before movements in working capital			
(Increase) decrease in amounts receivable		(5,873)	22,685
(Increase) decrease in prepaid expenses		29,901	(48,234)
Increase (decrease) in current liabilities		(34,813)	(216,016)
<b>Cash used in operating activities</b>		<b>(409,885)</b>	<b>(564,635)</b>
<b>INVESTING ACTIVITIES</b>			
Cash spent on exploration and evaluation properties	8	(372,914)	(274,815)
<b>Cash used in investing activities</b>		<b>(372,914)</b>	<b>(274,815)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of common shares	11	-	418,020
Exercise of warrants		91,000	3,300
Share issued costs		-	(12,330)
<b>Cash from financing activities</b>		<b>91,000</b>	<b>408,990</b>
<b>Decrease in cash and cash equivalents</b>		<b>(691,799)</b>	<b>(430,460)</b>
<b>Cash and cash equivalents – beginning of period</b>		<b>1,821,706</b>	<b>832,932</b>
<b>Cash and cash equivalents – end of period</b>		<b>1,129,907</b>	<b>402,472</b>

Supplemental cash flow information (Note 17)

The accompanying notes are an integral part of these consolidated financial statements.

# New Age Metals Inc.

## Condensed Consolidated Interim Statements of Changes in Equity

For the nine months ended 31 January 2021 and 2020

(Unaudited) (Expressed in Canadian dollars)

	Number of shares	Share capital	Share- based payments reserve	Warrant reserve	Deficit	Total
		\$	\$	\$	\$	\$
Balances, 30 April 2019	<b>89,010,100</b>	<b>36,491,640</b>	<b>4,226,128</b>	<b>9,096,629</b>	<b>(46,918,222)</b>	<b>2,896,175</b>
Shares issued for						
Cash	7,833,666	418,020	-	-	-	418,020
Exercise of warrants	33,000	3,300	-	-	-	3,300
Value assigned to warrants	-	(148,810)	-	148,810	-	-
Share-based payments	-	-	53,214	-	-	53,214
Share issue costs	-	(12,330)	-	-	-	(12,330)
Net loss for the period	-	-	-	-	(341,082)	(341,082)
<b>Balances, 31 January 2020</b>	<b>96,876,766</b>	<b>36,751,820</b>	<b>4,279,342</b>	<b>9,245,439</b>	<b>(47,259,304)</b>	<b>3,017,297</b>
Shares issued for						
Cash	39,967,000	2,009,030	-	-	-	2,009,030
Mineral properties	200,000	12,000	-	-	-	12,000
Services	271,200	13,560	-	-	-	13,560
Exercise of warrants	33,000	3,300	-	-	-	3,300
Value assigned to warrants	-	(970,394)	-	970,394	-	-
Flow-through premium liability	-	(12,167)	-	-	-	(12,167)
Share-based payments	-	-	-	-	-	-
Share issue costs	-	(144,330)	-	-	-	(144,330)
Net loss for the period	-	-	-	-	(290,393)	(290,393)
<b>Balances, 30 April 2020</b>	<b>137,347,966</b>	<b>37,662,819</b>	<b>4,279,342</b>	<b>10,215,833</b>	<b>(47,549,697)</b>	<b>4,608,297</b>
Shares issued for						
Services	608,145	40,680	-	-	-	40,680
Exercise of warrants	1,260,000	91,000	-	-	-	91,000
Share-based payments	-	-	32,140	-	-	32,140
Net loss for the period	-	-	-	-	(386,806)	(386,806)
<b>Balances, 31 January 2021</b>	<b>139,216,111</b>	<b>37,794,499</b>	<b>4,311,482</b>	<b>10,215,833</b>	<b>(47,936,504)</b>	<b>4,385,310</b>

The accompanying notes are an integral part of these consolidated financial statements.

# **New Age Metals Inc.**

## **Notes to the Consolidated Financial Statements**

For the nine months ended 31 January 2021

(Unaudited)

(Expressed in Canadian dollars)

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### **1. CORPORATE INFORMATION AND GOING CONCERN**

New Age Metals Inc. (the “Company”) was incorporated under the Business Corporations Act (Alberta) on 29 May 1996 and on 13 July 2004, the Company continued out of the Province of Alberta and into the Province of British Columbia. The Company’s stock is trading on the TSX Venture Exchange (“TSXV”) under the symbol of “NAM”. The Company is in the process of acquiring, exploring and developing platinum group metals (“PGMs”), precious and base metals mineral properties and green metals lithium. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties, or sell the properties outright. The Company has not yet determined whether these properties contain ore reserves which are economically recoverable and the Company is considered to be in the exploration stage.

The Company’s head office, principal address and records office are located at Suite 101 - 2148 West 38th Avenue, Vancouver, British Columbia, V6M 1R9.

#### **1.1 Going concern**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities.

The Company had a comprehensive loss of \$386,806 for the nine months ended 31 January 2021 (2020: \$341,082). The Company has not yet achieved profitable operations, the Company has, since inception, accumulated a deficit to 31 January 2021 of \$47,936,504 (30 April 2020: \$47,549,697) and management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital.

As at 31 January 2021, the Company had \$1,129,907 (30 April 2020: \$1,821,706) in cash and cash equivalents.

The Company does not currently have revenue-generating properties.

The Company will require additional funding to be able to meet ongoing requirements for general operations and to advance and retain mineral exploration and evaluation property interests. The Company’s continuing operations and the underlying value and recoverability of the amounts shown for mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, and on future profitable production from or proceeds from the disposition of its mineral property interests. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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(Unaudited)

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Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

## 2. BASIS OF PREPARATION

### 2.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

The subsidiaries of the Company as at 31 January 2021 and 30 April 2020 are listed below:

Name	Country of incorporation	% equity interest as at	
		31 January 2021	30 April 2020
<b>Subsidiaries</b>			
Pacific North West Capital Corp. USA <sup>(1)</sup>	United States	100%	100%
Lithium Canada Development Inc. <sup>(1)</sup>	Canada	100%	100%

(1) Inactive entities.

### 2.2 Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 15, and are presented in Canadian dollars, except where otherwise indicated.

### 2.3 Statement of compliance



# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2021

(Unaudited)

(Expressed in Canadian dollars)

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The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Accounting Standards (“IAS”) 34, ‘*Interim Financial Reporting*’ using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

### 2.4 Adoption of new and revised standards and interpretations

Effective 1 May 2019, the Company adopted IFRS 16, Leases, which specifies how to recognize, measure, present and disclose leases. The standard introduces a single lease accounting model and requires a lessee to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company applied IFRS 16 at the start of the fiscal year beginning 1 May, 2019 and applied the simplified transition approach which does not require restatement of comparative periods, as permitted under the specific transitional provisions in the standard. The right-of-use asset was measured on transition as if the new standard had been applied since the respective lease’s commencement date but using the Company’s incremental borrowing rate of 8% as at 1 May, 2019. The reclassification and the adjustments arising from the new leasing rules are therefore recognized on the opening balance sheet on 1 May 2019. On adoption of IFRS 16, the Company recognized a lease liability in relation to an office lease which had previously been classified as “operating lease” under the principles of IAS 17 Leases. The Company has elected to exclude leases with terms less than 12 months or leases with low value. This office lease has a five year term to 31 August 2021. The Company recognized a right-of-use asset of \$76,395 on 1 May 2019 and a lease liability of \$76,395.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2021

(Unaudited)

(Expressed in Canadian dollars)

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

##### *Exploration and evaluation expenditures*

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining the point at which a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized into development assets. The determination may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of loss and comprehensive loss in the year when new information becomes available.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable

# **New Age Metals Inc.**

## **Notes to the Consolidated Financial Statements**

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amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

### *Decommissioning and restoration costs*

Management is not aware of any material restoration, rehabilitation and environmental provisions as at 31 January 2021 and 2020. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value and these estimates are updated annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the exploration and evaluation property. Such estimates are subject to change based on changes in laws, regulations and negotiations with regulatory authorities.

### *Impairment of financial assets*

At each reporting date the Company assesses financial assets not carried at fair value through profit or loss to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that one or more events occurred during the period that negatively affected the estimated future cash flows of the financial asset.

Objective evidence that financial assets are impaired can include significant financial difficulty of the issuer or debtor, default or the disappearance of an active market for a security. If the Company determines that a financial asset is impaired, judgment is required in assessing the available information in regards to the amount of impairment; however the final outcome may be materially different than the amount recorded as a financial asset.

### *Share based payments*

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3.7. The fair value of stock options is measured using the Black-Scholes Option Pricing Model. The fair value of stock options granted using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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(Unaudited)

(Expressed in Canadian dollars)

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The Company has adopted a relative fair value method with respect to the measurement of shares and warrants issued as private placement units. The proceeds from private placements are allocated on a relative fair value between the common shares and warrants. The fair value attributed warrants is recorded in warrant reserve within equity. If the warrants are converted, the consideration paid, along with the amount previously recognized in warrant reserve, is recorded as an increase to share capital.

### *Deferred income taxes*

Judgement is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future periods.

### *Going concern*

These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions (Note 1.1).

### *Determination of Functional Currency*

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgements to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. The functional currencies of the Company and its subsidiaries were determined to be the Canadian dollar.

## **3.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand, and short-term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

# **New Age Metals Inc.**

## **Notes to the Consolidated Financial Statements**

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(Unaudited)

(Expressed in Canadian dollars)

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### **3.3 Foreign currencies**

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

### **3.4 Exploration and evaluation properties**

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time, they are credited to income. Option payments are at the discretion of the Optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

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### **3.5 Decommissioning, restoration and similar liabilities**

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties.

### **3.6 Share-based payments**

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payments reserve.

The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

### **3.7 Financial Instruments**

#### ***Classification***

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments

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that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

### ***Measurement***

#### ***Financial assets and liabilities at amortized cost***

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Cash, amounts receivable and accounts payable are recognize at amortized cost.

#### ***Financial assets and liabilities at FVTPL***

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

#### ***Debt investments at FVTOCI***

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

#### ***Equity investments at FVTOCI***

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

#### ***Impairment of financial assets at amortized cost***

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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***Derecognition***

***Financial assets***

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition of assets are recognized in profit and loss.

***Financial liabilities***

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

**3.8 Impairment of non-financial assets**

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

**3.9 Flow-through shares**



# **New Age Metals Inc.**

## **Notes to the Consolidated Financial Statements**

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Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through share premium liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

### **3.10 Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### **3.11 Taxation**

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

## **4. SEGMENTED INFORMATION**

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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The Company's only business activity is exploration and development of exploration and evaluation properties carried out in Canada and the United States.

The breakdown of geographic area as at and for the period ended 31 January 2021 and year ended 30 April 2020 are as follows:

<b>31 January 2021</b>	<b>Canada</b>	<b>USA</b>	<b>Total</b>
<b>Total expenses</b>	512,107	-	512,107
Current assets	1,452,639	-	1,452,639
Exploration and evaluation properties	2,700,086	280,153	2,980,239
Right-of-use asset	19,099	-	19,099
<b>Total assets</b>	<b>4,171,824</b>	<b>280,153</b>	<b>4,451,977</b>

<b>30 April 2020</b>	<b>Canada</b>	<b>USA</b>	<b>Total</b>
<b>Total expenses</b>	631,475	-	631,475
Current assets	2,056,713	-	2,056,713
Exploration and evaluation properties	2,358,587	262,654	2,621,241
Right-of-use asset	43,654	-	43,654
<b>Total assets</b>	<b>4,458,954</b>	<b>262,654</b>	<b>4,721,608</b>

## 5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies:

	<b>As at 31 January 2021</b>	<b>As at 30 April 2020</b>
	\$	\$
Denominated in Canadian dollars	1,123,167	1,811,285
Denominated in U.S. dollars	6,740	10,421
<b>Total cash and cash equivalents</b>	<b>1,129,907</b>	<b>1,821,706</b>

During the period ended 31 January 2021, the Company issued a total of Nil flow-through shares (30 April 2020: 2,633,666) for a total of \$Nil (30 April 2020: \$158,020) and 45,200,000 non-flow through shares (30 April 2020: 45,200,000) for a total of \$Nil (30 April 2020: \$2,260,000) (Notes 10 and 11). As at 31 January 2021, the Company has \$Nil remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 19).

## 6. AMOUNTS RECEIVABLE

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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The Company's amounts receivable are as follows:

	As at 31 January 2021	As at 30 April 2020
	\$	\$
Goods and Services Tax /Harmonized Sales Tax receivable ("GST/HST")	16,292	37,250
Shared office costs receivable (Note 16)	23,557	21,867
Advances	10,000	-
Interest receivable	19,895	4,754
<b>Total amounts receivable</b>	<b>69,744</b>	<b>63,871</b>

Included in amounts receivable of the Company are amounts due from related parties which are disclosed in Note 16. The amounts are unsecured, interest-free and repayable upon written notice given from the Company.

## 7. SHORT-TERM INVESTMENTS

The Company's available-for-sale investments and share purchase warrants are as follows:

	As at 31 January 2021		As at 30 April 2020	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
El Nino Ventures Inc. 4,335,601 shares (30 April 2020: 4,335,601 shares)	712,203	195,102	712,203	86,712
Azincourt Energy Corp. 400,000 shares (30 April 2020: 400,000 shares)	55,800	18,000	55,800	18,000
Calais Resources Inc. 2,083,000 shares (30 April 2020: 2,083,000 shares)	125,000	-	125,000	-
Idaho Champion Gold Mines 16,267 shares (30 April 2020: 16,267 shares)	29,280	3,985	29,280	3,172
Others	49,535	4,080	49,535	1,530
<b>Total short-term investments</b>	<b>971,818</b>	<b>221,167</b>	<b>971,818</b>	<b>109,414</b>

During the period ended 31 January 2021, the Company recognized an unrealized gain on short-term investments of \$111,753 (2020: \$35,202).

During the previous year ended 30 April 2020, the Company recognized loss on short-term investments of \$58,026.

## 8. EXPLORATION AND EVALUATION PROPERTIES

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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The Company's exploration and evaluation properties expenditures for the period ended 31 January 2021 are as follows:

	River Valley	Lithium One	Alaska	Total
	\$	\$	\$	\$
<b>ACQUISITION COSTS</b>				
Balance, 30 April 2020	114,713	16,270	84,762	215,745
Additions	-	-	-	-
<b>Balance, 31 January 2021</b>	<b>114,713</b>	<b>16,270</b>	<b>84,762</b>	<b>215,745</b>
<b>EXPLORATION AND EVALUATION COSTS</b>				
Balance, 30 April 2020	2,204,215	23,389	177,892	2,405,496
Assaying	29,176	6,224	-	35,400
Drilling	70,026	-	-	70,026
Engineering and consulting	91,775	39,450	-	131,225
Field expenses	17,405	12,510	-	29,915
Geology	-	2,670	-	2,670
Geophysics	55,226	-	-	55,226
Maintenance fees	25,271	-	17,499	42,770
Grant	-	(33,250)	-	(33,250)
Recoveries	(2,607)	-	-	(2,607)
<b>Balance, 31 January 2021</b>	<b>2,518,110</b>	<b>50,993</b>	<b>195,391</b>	<b>2,764,494</b>
<b>Total costs</b>	<b>2,632,823</b>	<b>67,263</b>	<b>280,153</b>	<b>2,980,239</b>

The Company's exploration and evaluation properties expenditures for the year ended 30 April 2020 are as follows:

	River Valley	Lithium One	Alaska	Total
	\$	\$	\$	\$
<b>ACQUISITION COSTS</b>				
Balance, 30 April 2019	114,713	16,270	72,762	203,745
Additions	-	-	12,000	12,000
<b>Balance, 30 April 2020</b>	<b>114,713</b>	<b>16,270</b>	<b>84,762</b>	<b>215,745</b>
<b>EXPLORATION AND EVALUATION COSTS</b>				
Balance, 30 April 2019	1,767,112	-	89,491	1,856,603
Drilling	144,737	-	-	144,737
Engineering and consulting	66,422	13,044	35,004	114,470
Field expenses	20,099	5,507	-	25,606
Geophysics	6,029	2,500	-	8,529
Maintenance fees	36,485	2,338	53,397	92,220
Preliminary Economic Assessment	164,831	-	-	164,831
Recoveries	(1,500)	-	-	(1,500)
<b>Balance, 30 April 2020</b>	<b>2,204,215</b>	<b>23,389</b>	<b>177,892</b>	<b>2,405,496</b>
<b>Total costs</b>	<b>2,318,928</b>	<b>39,659</b>	<b>262,654</b>	<b>2,621,241</b>

### Project Overview:

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**River Valley, Ontario**

Included in the River Valley Project are the following:

**(i) River Valley Property, Ontario**

By agreement dated 15 January 1999 and amended 11 March 1999, the Company acquired a 100% interest in 226 claim units, known as the River Valley Property, located in the Dana and Pardo Townships, Sudbury Mining District, Ontario. The property is subject to a 3% Net Smelter Return (“NSR”). The Company, at its option, can purchase up to 2% of the NSR for \$2,000,000.

By agreement dated 27 June 2016, the Company entered into an option agreement to acquire 100% interest in certain mineral claims located in River Valley, Ontario in the McWilliams Townships, Sudbury Mining District, Ontario.

**(ii) Goldwright Property, Ontario**

By agreement dated 30 June 1998 and subsequently amended, the Company earned a 25% interest in certain mineral claims known as the Janes property, located in the Janes Township, Sudbury Mining District, Ontario.

On 30 October 2015, the Company signed a Net Smelter Returns Royalty Agreement (“NSR”) whereby a Production Royalty equal to 1% will be paid based on minerals produced, saved and sold from the properties on the terms and subject to the conditions specified in the NSR Agreement.

**(iii) Razor Property, Ontario**

The Company acquired a 100% interest in certain mineral claims located in the Dana Township, Sudbury Mining District, Ontario.

The property is subject to a 2% NSR.

**(iv) Western Front Property, Ontario**

By agreement dated 16 November 2001, the Company earned a 70% interest in certain mineral claims known as the Western Front property from a company (the “Optionor”). The Company has the right to purchase an additional 30% interest in the property by paying \$750,000 to the Optionor.

The property is subject to a 3% NSR, the first 1% of which the Company can purchase for \$1,000,000; the second 1% can be purchased for \$2,000,000. The Company and the Optionor will share the NSR buyout privileges in proportion to their respective interests.

During the period ended 31 January 2021, the Company received assistance payments of

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\$Nil. (30 April 2020: \$1,500) from the Ontario Prospectors Association under its Junior Exploration Assistance Program.

**Lithium One Project, Manitoba**

The Company, through its subsidiary, Lithium Canada Development Inc., acquired 100% interest in the Lithium One Project on 31 July 2017 by completing the option payments and exploration requirements in the option agreement dated 18 April 2016.

Included in Lithium One Project is:

**(i) CAT 3 Properties, Manitoba**

By agreement dated 27 June 2016, the Company entered into an option agreement with Mustang Minerals Corp. and acquired certain mineral claims located in Winnipeg, Manitoba.

The property is subject to a 1% NSR.

**(ii) Five Lithium Projects, South East Manitoba**

On 11 January 2018, the Company entered into an option agreement with Azincourt Energy Corp. ("Azincourt") amended on 10 July 2018 which allows for Azincourt to acquire either 50%, 60% or 100% interest in the Five Lithium Projects. Once Azincourt has acquired 60% interest in the Five Lithium Projects, the Company has a period of 90 days to enter into a joint venture arrangement with Azincourt for the development of the Five Lithium Projects. If the Company does not elect to form a joint venture, Azincourt has the right to acquire the remaining 40% interest in the Five Lithium Projects.

As consideration for the initial 50% interest, Azincourt will make cash payments and issue shares to the Company per the following schedule:

**Cash payments**

- (i) \$50,000 on the closing date (received);
- (ii) \$50,000 on or before 6 months from the closing date (received);
- (iii) \$50,000 on or before the 1-year anniversary of the closing date; and
- (iv) \$50,000 on or before 18 months from the closing date.

**Share payments**

- (i) 250,000 shares of Azincourt on the closing date (received);
- (ii) 750,000 shares of Azincourt on or before 15 August 2018 (received);
- (iii) 250,000 shares of Azincourt on or before the 1-year anniversary of the closing date;
- (iv) 250,000 shares of Azincourt on or before the 2-year anniversary of the closing date; and
- (v) 250,000 shares of Azincourt on or before the 3-year anniversary of the closing date.

Azincourt will expend a minimum of \$2,850,000 of exploration expenditures per the following schedule:

# **New Age Metals Inc.**

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- (i) \$600,000 on or before the 1-year anniversary of the closing date (\$362,659 received);
- (ii) \$600,000 on or before the 2-year anniversary of the closing date; and
- (iii) \$1,650,000 on or before the 3-year anniversary of the closing date.

The closing date is five business days following TSX approval on 23 January 2018.

Under the terms of the agreement Azincourt has agreed to pay the Company a 2% NSR on each one of the Five Lithium Properties. The parties acknowledge the existing 1% royalty on Lithium One to a cap of \$250,000.

At any time following the initial option being exercised, Azincourt has the right to acquire an additional 10% in the Five Lithium Projects by issuing 1,000,000 shares to the Company within 10 business days of committing to earn the additional 10%, for a total of 60% interest; and incur additional exploration expenditure of \$750,000 on or before 31 October 2021. Once Azincourt has earned their 60%, it will provide a 90-day notice to the Company in regards to the Company's option to enter into a joint venture agreement to fund 40% of the project. In the event the Company declines to exercise its option, Azincourt has a final option to acquire 100% interest in the Five Lithium Projects by issuing 1,000,000 shares to the Company within 10 business days of its commitment, and incur additional exploration expenditures of \$1,000,000 on or before 31 October 2022.

All securities issued in connection with the property option will be subject to a four-month-and one-day statutory hold period. The eight Lithium Projects option remains subject to a number of conditions, including negotiation of definitive agreements, approval of the TSX Venture Exchange, and such other conditions as are customary in transactions of this nature.

The Company will serve as the Field Manager of the technical program during the Option Period.

During the year ended 30 April 2019, the Company recorded a recovery of \$232,513 as a reduction to the costs of the project as a result of the option payments received from Azincourt.

During the year ended 30 April 2020, Azincourt defaulted on the option agreement and as a result the option agreement was terminated.

### **(iii) Lithman East Extension Project, South East Manitoba**

During the year ended 30 April 2018, the Company acquired 100% of certain mineral claims by way of staking for consideration of \$19,968.

### **Alaska Genesis Project, Alaska**

# **New Age Metals Inc.**

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On 17 April 2018, the Company entered into an option agreement with Anglo Alaska Gold Corp. (“Anglo”) to acquire 100% interest in certain mineral claims in the State of Alaska.

The Company will pay the following cash consideration to Anglo:

- (i) \$30,000 on the closing date (paid);
- (ii) \$30,000 on or before the 1-year anniversary of the closing date (paid);
- (iii) \$30,000 on or before the 2-year anniversary of the closing date (paid); and
- (iv) \$30,000 on or before the 3-year anniversary of the closing date.

The Company will also issue commons shares of the Company to Anglo per the following schedule:

- (i) 200,000 shares on the closing date (issued);
- (ii) 200,000 shares on or before the 1-year anniversary of the closing date (issued) (Note 11 and 17);
- (iii) 200,000 shares on or before the 2-year anniversary of the closing date (issued) (Note 11 and 17); and
- (iv) 200,000 shares on or before the 3-year anniversary of the closing date.

The Company completed the following filings and payments:

- (i) Annual payment to the State of Alaska for mining claim rentals of \$10,560 USD (\$8,960 – 2018), due the year between 1 September and 30 November during which the agreement is in effect.
- (ii) Filing annual Affidavits of Annual Labor with the State of Alaska Recorder’s office for the Valdez and Chitina Recording Districts.
- (iii) Filing, maintaining, and closing any and all permits required by the State of Alaska and /or Federal regulatory agencies.
- (iv) Conduct qualifies on-ground work as require by the State of Alaska.

In year one of the agreement, the Company has the obligation to complete either (i) or (ii) as follows:

- (i) Spend a maximum of \$10,000 to have Avalon Development Corp. update all previous data and geological information and reports on the property before 15 July 2018 (incurred).
- (ii) Spend a minimum of \$25,000 to upgrade current property information and complete confirmation sampling on the property, resulting in a final report.

Upon commencement of commercial production the Company is required to pay Anglo 3% Net Smelter Royalties. The Company has the right to purchase one half of the Royalties by paying \$500,000 for each half percentage point to a maximum of \$1,500,000.

## **9. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

The Company leases an office under non-cancellable operating lease with a term to 31 August 2021. Upon transition to IFRS 16, the Company recognized \$76,395 of right-of-use assets and \$76,395 of lease liabilities.



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The lease liability and operating lease obligations as at 31 January 2021 is as follows:

Operating lease obligations as at 30 April 2020	\$ 45,405
Discounting using the incremental borrowing rate	(24,916)
<b>Operating lease obligations as at 31 January 2021</b>	<b>20,488</b>

The lease liability was discounted using an incremental borrowing rate as at 1 May 2019 of 8% per annum.

Lease liability – 30 April 2020	\$ 45,405
Less: lease payments	(27,000)
Interest expense	2,084
	20,488
Less: current portion of lease liability – 31 January 2021	20,488
Long-term portion of lease liability – 31 January 2021	-

The continuity of right-of-use asset for period ended 31 January 2021 is as follows:

<b>Cost</b>	
Balance, 30 April 2020	\$ 76,395
Addition	-
Balance, 31 January 2021	76,395
<b>Accumulated amortization</b>	
Balance, 30 April 2020	\$ 32,741
Amortization	24,555
Balance, 31 January 2021	57,296
Net book value, 30 April 2020	\$ 43,654
<b>Net book value, 31 January 2021</b>	<b>\$ 19,099</b>

During the period ended 31 January 2021, the Company recognized amortization of right-of-use asset of \$24,555 and interest expense on the lease liability of \$2,084.

#### 10. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company's trade and other payables are broken down as follows:

# New Age Metals Inc.

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	As at 31 January 2021	As at 30 April 2020
	\$	\$
Trade payables	46,179	46,039
Accrued liabilities	-	17,000
<b>Total trade payables and accrued liabilities</b>	<b>46,179</b>	<b>63,039</b>

During the period ended 31 January 2021, the Company issued Nil (30 April 2020: 2,633,666) flow-through shares for total proceeds of \$Nil (30 April 2020: \$158,020). As at 31 January 2021, the Company has \$Nil remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements.

## 11. SHARE CAPITAL

### 11.1 Authorized share capital

The Company is authorized to issue unlimited common shares without par value. As at 31 January 2021, there were 139,216,111 common shares issued and outstanding (30 April 2020: 137,347,966).

### 11.2 Share issuances

During the period ended 31 January 2021 and year 30 April 2020, the Company issued common shares as follows:

#### Private Placements

On 3 February 2020, the Company issued 40,000,000 units at \$0.05 per unit for gross proceeds of \$2,000,000. Each unit consists of one common share and one share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years. The Company paid share issuance costs of \$132,000 in cash and 4,000,000 warrants with a fair value of \$266,440.

On 31 December 2019, the Company issued 1,417,000 flow-through units at \$0.06 per unit for gross proceeds of \$85,020. Each flow-through unit consists of one flow-through share and one half non-transferrable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 for a period of two years. The Company paid share issuance costs of \$5,250 in cash and 87,500 warrants with a fair value of \$1,922.

On 4 September 2019, the Company issued 5,200,000 non flow-through units at a price of \$0.05 per unit and 1,216,666 flow-through units at \$0.06 per unit for gross proceeds of \$333,000. Each non flow-through and flow-through unit consists of one non flow-through or flow-through common share and one half non-transferrable non flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non flow-through common share of the Company at

# **New Age Metals Inc.**

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a price of \$0.10 per share during the first year and \$0.12 per share during the second year. All warrants issued in connection with this financing are subject to an acceleration clause. If the closing price of the Company's shares is at or above \$0.20 per share for a period of ten (10) consecutive trading days during the exercise period, the Company may accelerate the expiry date of the warrants to 30 calendar days from the date express written notice is given by the Company to the holder. The Company paid share issuance costs of \$7,080 in cash and 175,000 warrants with a fair value of \$3,323.

### **Other**

On 21 December 2020, the Company issued 135,600 common shares valued at \$13,560, related to internet relation services.

On 4 November 2020, the Company issued 226,000 common shares valued at \$13,560, related to internet relation services.

On 24 June 2020, the Company issued 246,545 common shares valued at \$13,560, related to internet relation services.

On 4 June 2020, the Company issued 1,260,000 common shares related to the exercise of 1,260,000 brokers warrant at an exercise price between \$0.05 to \$0.10 per share.

On 25 March 2020, the Company issued 271,200 common shares valued at \$13,560, related to internet relation services.

On 14 March 2020, the Company issued 200,000 common shares valued at \$12,000, pursuant to the Alaska Genesis Project option agreement (Notes 8 and 17).

On 28 January 2020, the Company issued 33,000 common shares related to the exercise of 33,000 brokers warrant at an exercise of \$0.10 per share.

## **11.3 Share purchase warrants**

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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The following is a summary of the changes in the Company's share purchase warrants for the period ended 31 January 2021 and the year 30 April 2020.

	31 January 2021		30 April 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning	95,998,445	0.14	57,309,998	0.18
Granted	-	-	48,179,333	0.10
Exercised	-	-	(33,000)	0.10
Expired	(13,580,871)	-	(9,457,886)	0.23
<b>Outstanding, end of period</b>	<b>82,417,574</b>	<b>0.14</b>	<b>95,998,445</b>	<b>0.14</b>

The following table summarizes information regarding share purchase warrants outstanding as at 31 January 2021:

Number of warrants	Exercise price	Expiry date
34,271,241	\$0.15	27 April 2022
2,600,000	\$0.10/\$0.12	04 September 2021
575,333	\$0.10/\$0.12	04 September 2021
175,000	\$0.10/\$0.12	04 September 2021
708,500	\$0.10	30 December 2021
87,500	\$0.10	30 December 2021
40,000,000	\$0.10	03 February 2022
4,000,000	\$0.05	03 February 2022
<b>82,417,574</b>		

## 11.4 Stock options

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2021

(Unaudited)

(Expressed in Canadian dollars)

The Company has adopted a stock option plan whereby the Company may grant stock options to employees, directors and/or consultants of the Company. The exercise price of any options granted under the plan will be determined by the Board of Directors, at its sole discretion, but is subject to the Discounted Market Price policies of the TSXV. The aggregate number of common shares issuable pursuant to options granted under the plan cannot be more than 10% of the Company's issued common shares under the plan. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued common shares of the Company.

The following is a summary of the changes in the Company's stock option plan for period ended 31 January 2021 and year 30 April 2020:

	31 January 2021		30 April 2020	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Outstanding, beginning	5,883,333	\$ 0.13	4,783,333	\$ 0.16
Granted	2,000,000	0.10	1,400,000	0.05
Exercised	-	-	-	-
Expired	(333,333)	0.15	-	-
Cancelled	(400,000)	0.13	(300,000)	0.12
<b>Outstanding, end of period</b>	<b>7,150,000</b>	<b>0.12</b>	<b>5,883,333</b>	<b>0.13</b>

The fair value of the options granted during the period ended 31 January 2021 was estimated at \$128,560 (2019: \$Nil) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	31 January 2021	30 April 2020
Risk free interest rate	1.53%	-
Expected life	5 years	-
Expected volatility	161.38%	-
Expected dividend per share	-	-
Expected forfeiture	-	-

The following table summarizes information regarding stock options outstanding and exercisable as at 31 January 2021:

# New Age Metals Inc.

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(Unaudited)

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Exercise price	Number of options outstanding	Weighted-average remaining contractual life (years)	Weighted- average exercise price
<b>Options outstanding and exercisable</b>			
\$0.05	1,300,000	1.05	\$0.05
\$0.10	2,000,000	5.00	\$0.10
\$0.12 - \$0.15	2,825,000	1.12	\$0.13
\$0.21	1,025,000	0.23	\$0.21
<b>Total options outstanding</b>	<b>7,150,000</b>		<b>\$0.15</b>
<b>Total options exercisable</b>	<b>7,150,000</b>		<b>\$0.16</b>

## 12. SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which \$32,140 was recognized in the period ended 31 January 2021:

Grant date of stock options	Fair value of options granted	Amount vested for period ended 31 January 2021	Amount vested for year ended 30 April 2020
30 July 2020	\$ 128,560	\$ 32,140	\$ -
<b>Total</b>		<b>32,140</b>	<b>-</b>

## 13. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended 31 January 2021	Three months ended 31 January 2020	Nine months ended 31 January 2021	Nine months ended 31 January 2020
Net loss for the period	\$ (104,032)	\$ (168,795)	\$ (386,806)	\$ (341,082)
Weighted average number of shares – basic and diluted	141,517,167	99,201,663	138,737,800	92,407,288
<b>Loss per share, basic and diluted</b>	<b>\$ (0.0007)</b>	<b>\$ (0.0020)</b>	<b>\$ (0.0028)</b>	<b>\$ (0.0040)</b>

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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(Unaudited)

(Expressed in Canadian dollars)

dilutive. All of the stock options and the share purchase warrants were anti-dilutive for the periods ended 31 January 2021 and 2020.

### 14. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its exploration and evaluation properties.

The Company is dependent upon external financing to fund its activities. In order to carry out the planned exploration and to pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

### 15. FINANCIAL INSTRUMENTS

#### 15.1 Categories of financial instruments

	As at 31 January 2021	As at 30 April 2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
<b>FVTPL, at fair value</b>		
Cash and cash equivalents	1,129,907	1,821,706
Short-term investments - shares	221,167	109,414
<b>Amortized cost</b>		
Amounts receivable	69,744	63,871
<b>Total financial assets</b>	<b>1,420,818</b>	<b>1,994,991</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Amortized cost</b>		
Trade payables	46,179	46,039
Due to related parties	-	4,867
<b>Total financial liabilities</b>	<b>46,179</b>	<b>50,906</b>

#### 15.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly. As at 31 January 2021 and 30 April 2020, the Company does not have any Level 2 financial instruments.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 January 2021 and 30 April 2020, the Company does not have any Level 3 financial instruments.

As at 31 January 2021	Level 1	Level 2	Level 3	Total
	\$	\$		\$
<b>Financial assets at fair value</b>				
Cash and cash equivalents	1,129,907	-	-	1,129,907
Short-term investments – Shares	221,167	-	-	221,167
<b>Total financial assets at fair value</b>	<b>1,351,074</b>	<b>-</b>	<b>-</b>	<b>1,351,074</b>

There were no transfers between Levels 1, 2 and 3 in the period ended 31 January 2021 and 30 April 2020.

As at 30 April 2020	Level 1	Level 2	Level 3	Total
	\$	\$		\$
<b>Financial assets at fair value</b>				
Cash and cash equivalents	1,821,706	-	-	1,821,706
Short-term investments – Shares	109,414	-	-	109,414
<b>Total financial assets at fair value</b>	<b>1,931,120</b>	<b>-</b>	<b>-</b>	<b>1,931,120</b>

### 15.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.



# **New Age Metals Inc.**

## **Notes to the Consolidated Financial Statements**

For the nine months ended 31 January 2021

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(Expressed in Canadian dollars)

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### **Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. As at January 2021, amounts receivable was mainly comprised of GST/HST receivable and amounts receivable from related entities for shared office and administrative costs (Notes 6 and 16).

### **Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 January 2021, the Company had working capital of \$1,358,972 (30 April 2020: \$1,955,233).

### **Currency risk**

For the period ended 31 January 2021, the Company's operations were mainly in Canada (Note 4). The Company considers its currency risk to be insignificant.

### **Other risks**

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

## **16. RELATED PARTY TRANSACTIONS**

For the period ended 31 January 2021, the Company had related party transactions with the following companies related by way of directors or shareholders in common:

- El Nino Ventures Inc. ("El Nino"), a company with management and certain directors in common with the Company. El Nino pays shared office costs to the Company on a month-to-month basis (Note 6).
- Canadian Gravity Recovery Inc. ("CGR"), a company owned by the Chief Executive Officer ("CEO") of the Company. CGR provides management services on a month-to-month basis (Note 19).
- 3699030 Canada Inc., a company owned by the CEO of the Company. 3699030 Canada Inc. provides rental services on a month-to-month basis (Note 19).
- 873285 BC Ltd., a company owned by the Corporate Secretary of the Company. 873285 BC Ltd. provides consulting services on a month-to-month basis.

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

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### 16.1 Related party expenses

Period ended 31 January	2021	2020
	\$	\$
Shared office and consulting fees recoveries from El Nino	(70,855)	(155,781)
Rent expense before shared office recoveries to the CEO	5,643	5,643
Rent expense before shared office recoveries to 3699030 Canada Inc. (Note 19)	27,000	31,619
Consulting fees to the Chief Financial Officer ("CFO")	31,500	31,500
Management fees to Canadian Gravity Recovery Inc. ("CGR") (Note 19)	90,000	90,000
Consulting fees to 873285 BC Ltd.	18,000	18,000
<b>Total related party expenditures</b>	<b>101,288</b>	<b>20,981</b>

### 16.2 Due from/to related parties

The assets and liabilities of the Company include the following amounts due from/to related parties:

	31 January 2021	30 April 2020
	\$	\$
El Nino	23,557	10,592
<b>Total amount due from related parties (Note 6)</b>	<b>23,557</b>	<b>10,592</b>
Chief Executive Officer	-	4,354
CFO	-	513
<b>Total amount due to related parties</b>	<b>-</b>	<b>4,867</b>

### 16.3 Key management personnel compensation

The remuneration of directors and other members of key management for the periods ended 31 January 2021 and 2020 were as follows:

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2021

(Unaudited)

(Expressed in Canadian dollars)

	31 January 2021	31 January 2020
	\$	\$
Short-term benefits – management and consulting fees	139,500	150,000
Share-based payments	18,481	26,207
<b>Total key management personnel compensation</b>	<b>157,981</b>	<b>176,207</b>

## 17. SUPPLEMENTAL CASH FLOW INFORMATION

### 17.1 Non-cash financing and investing activities

The Company incurred the following non-cash investing and financing transactions:

During the previous year ended 30 April 2020, the Company issued 200,000 common shares related to the acquisition of exploration and evaluation properties (2019: 200,000) (Notes 8 and 11).

## 18. COMMITMENTS AND CONTINGENCIES

As at 31 January 2021, the Company had the following commitments and contingent liabilities:

	< 1 year	2-5 years	Total
	\$	\$	\$
Office lease (Note 9)	36,000	3,000	39,000
Management fees	120,000	250,000	370,000
<b>Total commitments</b>	<b>156,000</b>	<b>253,000</b>	<b>409,000</b>

- Effective 1 April 2016, the Company is committed to paying a monthly management fee of \$5,000 per month to a related party for a term of five years terminating on 31 March 2021 which was amended on 1 June 2018 to pay \$10,000 per month. (Note 16). In the event that the amended agreement is terminated or fails to renew due to failure of agreement after the issuance of a non-renewal notice, the related party shall receive a termination fee specified by the terms of the amended agreement.
- As at 31 January 2021, the Company has \$Nil remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 5).
- The Company has indemnified the subscribers of flow-through shares of the Company issued in the current and prior years against any tax related amounts that may become payable as a result of the Company not making eligible expenditures.
- The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the government. These laws

# New Age Metals Inc.

## Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2021

(Unaudited)

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and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

- e) As at 31 January 2021, the Company owns various exploration and evaluation properties (Note 8). Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.
- f) The Company entered into an advertising agreement with AGORA Internet Relations Corp. ("Agora") where the Company will pay Agora a total of \$60,000 in shares for services beginning 10 March, 2020 and ending 31 March, 2021 per the following schedule:
  - \$12,000 in shares for services upon commencement 10 March, 2020 for initial setup (issued) (Note 11)
  - \$12,000 in shares for services by 10 June, 2020 (issued)
  - \$12,000 in shares for services by 10 September, 2020 (issued)
  - \$12,000 in shares for services by 10 December, 2020 (issued)
  - \$12,000 in shares for services by 10 March, 2020

## 19. SUBSEQUENT EVENTS

Since 31 January 2021, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Subsequent to the period end 31 January 2021, the Company issued 4,616,750 common shares valued at \$638,338, related to exercise of warrants at price from \$0.10 to \$0.15.

**18 March 2021**, the Company completed a first tranche closing of its non-brokered private placement offering raising gross proceeds of \$3,621,680.

The Company has issued an aggregate of 22,260,500 units consisting of 20,760,500 non-flow through units at a price of \$0.16 per unit and 1,500,000 flow-through units at a price of \$0.20 per unit.

# **New Age Metals Inc.**

## **Notes to the Consolidated Financial Statements**

For the nine months ended 31 January 2021

(Unaudited)

(Expressed in Canadian dollars)

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### **20. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of the Company for the period ended 31 January 2021 were approved and authorized for issue by the Board of Directors on the 15<sup>th</sup> day of March 2021.



**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR**  
**NEW AGE METALS INC.**

**FOR THE NINE MONTHS ENDED 31 JANUARY 2021**

## **1. MANAGEMENT DISCUSSION AND ANALYSIS**

The following discussion and analysis is management's assessment of the results and financial condition of New Age Metals Inc. (the "Company" or "NAM") for the period ended 31 January 2021 and should be read in conjunction with the corresponding consolidated financial statements and related notes. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts presented are Canadian dollars ("CAD") unless otherwise stated. The date of this Management Discussion and Analysis is 14 day of December 2020. Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **2. BUSINESS OF NEW AGE METALS INC.**

NAM is a mineral exploration company focused on the acquisition, exploration and development of Platinum Group Metals (PGMs), precious and base metals properties. Management's corporate philosophy is to be a project generator, explorer and project operator with the objective of forming options and/or joint ventures with major mining companies through to production. NAM has begun the evaluation of several potential property acquisitions, including precious and base metal production opportunities. A wholly-owned US and Pacific North West Capital Corp. USA, and Lithium Canada Development Inc., respectively, are being maintained for future property acquisitions.

## **3. FORWARD LOOKING STATEMENTS**

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

## **4. OUTLOOK**

Due to the current downtrend in the financial markets and adverse economic conditions, the Company has implemented a program of economic controls aimed at reducing current consumption. Even though current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, there can be no assurance it will be able to do so in the future. Because of these uncertainties, there is substantial doubt about the ability of the Company to continue as going concern. These financial results and discussion do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On 1 February 2017, the Company changed its name to New Age Metals Inc. and consolidated its share capital on one (1) new common share without par value for every three (3) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

On 14 April 2016, the formed a wholly owned subsidiary called Lithium Canada Inc. A new Lithium and Rare Earth Division, the Company's management believes that adding an additional "green metal" to its existing Platinum group metals (PGM's) division is warranted. These new age metals, Lithium, PGM's and Rare Earths, have robust macro trends with surging demands and limited supply. Going forward, this new division will explore for the minerals needed to fuel the demand for energy storage and other core 21st Century Technologies. This new direction will involve the acquisition of new projects and adding to our existing technical team.

The company's new Lithium Division will focus on the acquisition, exploration and development of Lithium Projects in Canada. In the United States the company will use its wholly owned U.S.A subsidiary to acquire and develop projects in active mining camps in Nevada, Arizona and California.

Lithium and Platinum group metal prices have improved dramatically in recent months. Lithium supplies remain in deficit relative to their demand. Both metals groups are used for the expanding worldwide automobile industry (conventional and electric). In the case of PGM's, demand is increasing for auto catalysts, a key component for reducing toxic emissions for automotive, gasoline and diesel engines. In regards to Lithium, there is an ever increasing demand for batteries in cellphones, laptops, electric cars, solar storage, wireless charging and renewable energy products.

## **5. PROJECT OVERVIEW:**

### **5.1. 1 RIVER VALLEY, ONTARIO**

The River Valley mineral claims are located in the Sudbury Region of Ontario (Figure 1). NAM optioned the River Valley claims following the discovery of highly anomalous PGM values in grab samples in the Dana Lake and Azen Creek areas. By an agreement dated 15 January 1999 and amended 11 March 1999 (collectively, the "Agreement"), the Company acquired a 100% interest in the River Valley claims from Bailey Resources Ltd., Luhta Resources Ltd., and Pardo Resources Ltd. by issuing 66,667 common shares of NAM and \$265,000 cash (paid). The River Valley claims are subject to a total 3% Net Smelter Return Royalty ("NSR"), of which NAM can purchase up to 2% of the NSR from the vendors for \$2,000,000.

On 14 July 1999, NAM entered into an unincorporated 50/50 joint venture agreement ("JV") over the River Valley property ("River Valley PGM Project") with Kaymin Resources Ltd. ("Kaymin"), a wholly-owned subsidiary of Anglo Platinum Limited ("Anglo"), whereby Kaymin was responsible for funding all exploration to completion of a feasibility study, which would give Kaymin an additional 10% interest. In addition, if Kaymin arranged financing for a mine, it would receive another 5% interest, for a total interest of 65%.

Kaymin continued to fund exploration under the terms of JV until 2007 and invested over \$22,000,000 in the exploration of the River Valley PGM Project; however, as a result of capital expenditure reductions during the global financial crisis in 2008, no new funds were allocated to the River Valley PGM Project, above and beyond the minimal holding costs.



Included in the River Valley PGM Project are the following:

*i) River Valley Property, Ontario*

By agreement dated 15 January 1999 and amended 11 March 1999, the Company acquired a 100% interest in 226 claim units, known as the River Valley claims, located in the Dana and Pardo Townships, Sudbury Mining District, Ontario. As consideration, the Company paid \$265,000 and issued 66,667 common shares to the optionors. In addition, minimum annual exploration expenditures of \$100,000 were completed. The River Valley claims are subject to a 3% NSR. The Company, at its option, can purchase up to 2% of the NSR from the vendors for \$2,000,000.

On 7 February 2012, NAM received River Valley's Mining Leases. The Mining Leases give NAM security of title on the land and the exclusive right to mine the River Valley deposit. The Mining Leases include surface rights that allow for siting of project infrastructure and processing facilities. The Mining Leases are for a period of 21 years (commencing on 1 November 2011) and are renewable.

The Mining Leases covering the River Valley claims as set out in Table 1.

**Table 1.** NAM mining leases covering the River Valley claims

Mining Lease/ Claims	Size (Hectares ("ha"))	Township	Recorded	Current expiry date
CLM450	4777.181	Dana	1-Nov-11	31-Oct-32
CLM451	570.308	Pardo	11-Jan-12	28-Feb-33

*ii) Goldwright Property, Ontario*

By agreement dated 30 June 1998 and subsequently amended, the Company earned a 25% interest in certain mineral claims known as the Janes property, located in the Janes Township, Sudbury Mining District, Ontario.

On 30 October 2015, the Company signed a Net Smelter Returns Royalty Agreement ("NSR") whereby a Production Royalty equal to 1% will be paid based on minerals produced, saved and sold from the properties on the terms and subject to the conditions specified in the NSR Agreement.

*iii) Razor Property, Ontario*

The Company acquired a 100% interest in certain mineral claims located in the Dana Township, Sudbury Mining District, Ontario for consideration of \$30,000. The property is subject to a 2% NSR.

*iv) Western Front Property, Ontario*

By agreement dated 16 November 2001, the Company earned a 70% interest in certain mineral claims known as the Western Front property from a company (the "Optionor") with certain directors in common, for consideration of \$55,000 and issuance of 2,222 shares. In addition, an exploration expenditure of \$50,000 was completed.

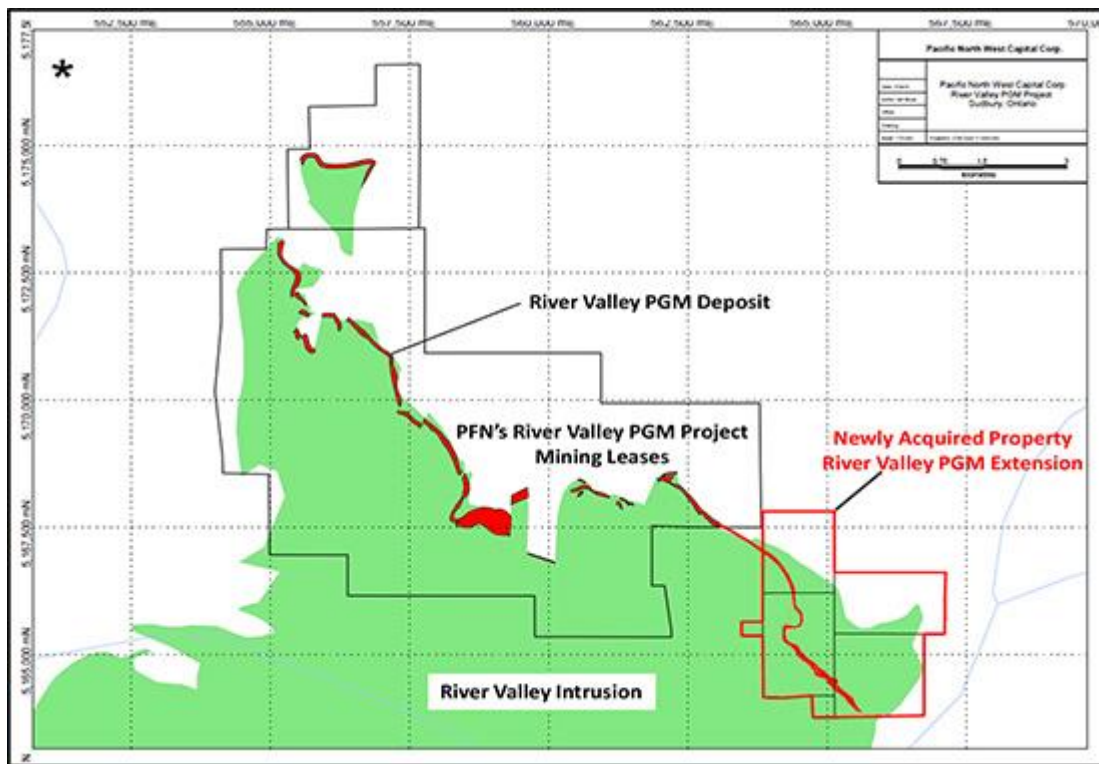
The Company has the right to purchase an additional 30% interest in the property by paying \$750,000 to the Optionor.

The property is subject to a 3% NSR, the first 1% of which the Company can purchase for \$1,000,000; the second 1% can be purchased for \$2,000,000. The Company and the Optionor will share the NSR buyout privileges in proportion to their respective interests.

In the beginning of 2017 a notice via email was given to Freegold Ventures. The intention of the notice was to terminate the agreement between the parties due to market conditions. Freegold Ventures management did not respond to the email but a meeting was set up and held in Toronto in March 2017. The CEO of New Age Metals and the CEO of Freegold Ventures agreed to finalize the transaction and the negotiations are ongoing.

On 27 June 2016 the Company signed an agreement with Mustang Minerals Corp. to acquire 100% interest in 6, Strategic, Mineralized Claims, of Mustang's River Valley PGM property, near Sudbury, Ontario. The River Valley PGM Extension Claims are adjacent to, and south of, NAM's current River Valley PGM Project mining leases. The acquisition increases the size of NAMS's project footprint to more than 64 km<sup>2</sup> (16,000 acres), mainly on the highly PGM mineralized River Valley Intrusion. The six acquired claims overlay a 4-km long PGM mineralized trend, which is the southward continuation of the River Valley PGM Deposit, on NAM's mining leases to the north. With the acquisition, the total strike length of the River Valley PGM Deposit increases to 16 km, on NAM's property.

The six claims were acquired from Mustang Minerals Corp., for \$50,000 cash and shares of NAM. The shares are subject to a regulatory hold of 4 months and 1 day, and TSX Venture Exchange approval of the Transaction. Mustang Minerals Corp. retains a 1% NSR on any production from the six claims. The NSR can be purchased by NAM at any time for \$500,000.



**Figure 1 - Location of newly acquired property-River Valley Extension**

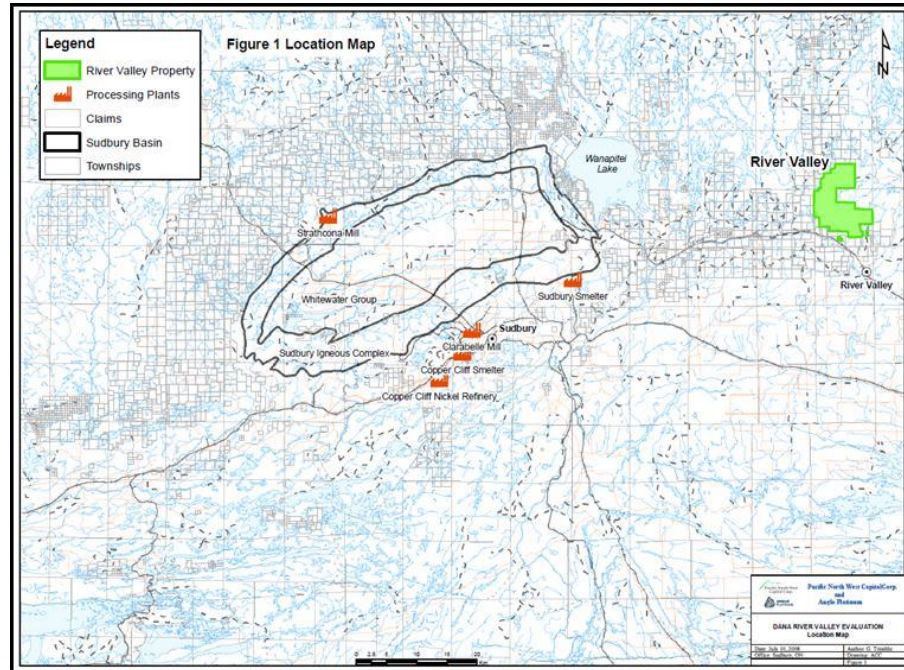
### **5.1.2. History of the River Valley PGM Project**

The exploration history of the region dated back to the 1960s, with work on the River Valley PGM Property starting in earnest in 1999. The River Valley PGM deposit (Figure 2) was discovered by prospectors in early 1998. NAM became involved in late 1998 and Kaymin entered into the JV on the River Valley PGM Property in 1999 and had earned its 50% interest by January 2002. Between 1999 and 2008, NAM, as operator of the project, in conjunction with Kaymin, carried out several phases of trenching, surface sampling and mapping, and completed eight diamond drilling programs. During this period of time Kaymin ultimately invested a total of \$22,000,000 in exploration programs, including more than 110,000 metres ("m") drilled in 550 holes.

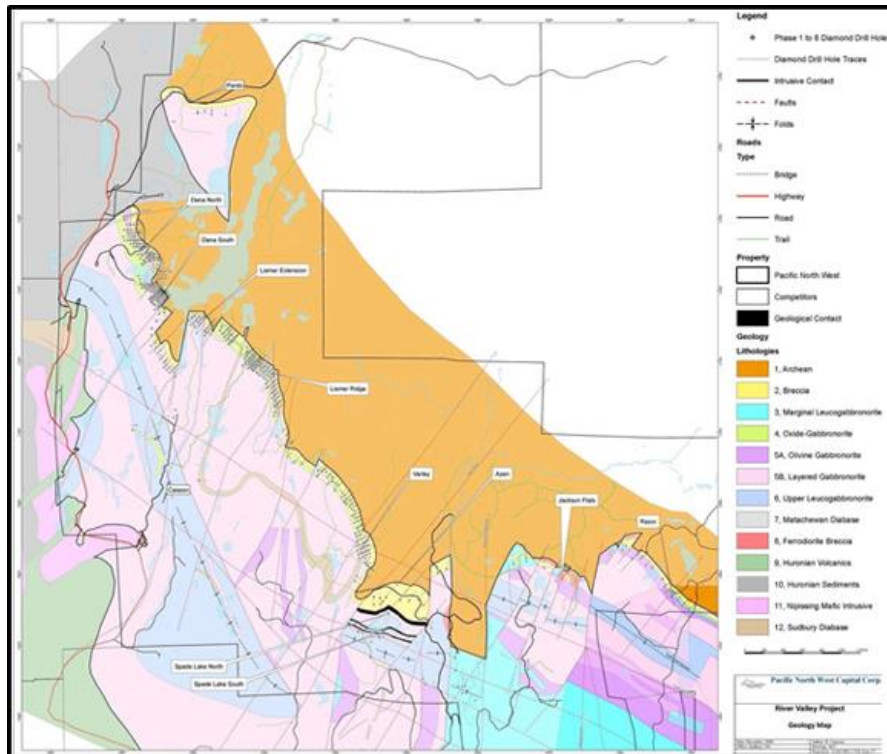
With the global financial crash and changes in Anglo's management and exploration focus in 2008, Kaymin's funding of the River Valley PGM Project was placed on hold. NAM successfully negotiated the purchase of Kaymin's 50% interest under a Mineral Interest Assignment Agreement dated 13 December 2010 and, on 6 April 2011, signed the Amendment to Mineral Interest Agreement ("Amending Agreement") closing the purchase by NAM of Kaymin's 50% JV interest in the River Valley PGM Project. Pursuant to the terms of the Amending Agreement a total of 2,705,720 fully paid and non-assessable common shares of NAM (reflecting a 12% interest in NAM based upon the issued and outstanding common shares of NAM as of 30 November 2010 (7,504,779) and three-year warrants to purchase up to 33,333 common shares of NAM at a price of Cdn\$2.70 per common share were issued to Kaymin for its 50% interest in the JV. The transaction provided NAM with an undivided 100% interest in the River Valley PGM Project.

### 5.1.3 2011-to 2015 Exploration Programs

In 2011, NAM commenced a \$5,000,000 exploration program on the River Valley PGM Project. The program involved 15,500 m of drilling, 140 line kilometres ("km") of three-dimensional induced-polarization surveys ("3D-IP"), and a new National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI43-101"), compliant mineral resource estimate. Figure 3 illustrates a simplified geology map of River Valley PGM Project.



**Figure 2.** Location Map of River Valley PGM Project relative to the metallurgical facilities in the greater Sudbury region.



**Figure 3.** Geology Map of River Valley PGM Project

In September 2012 two diamond drill holes were drilled inside the River Valley PGM Project for collecting metallurgical samples;

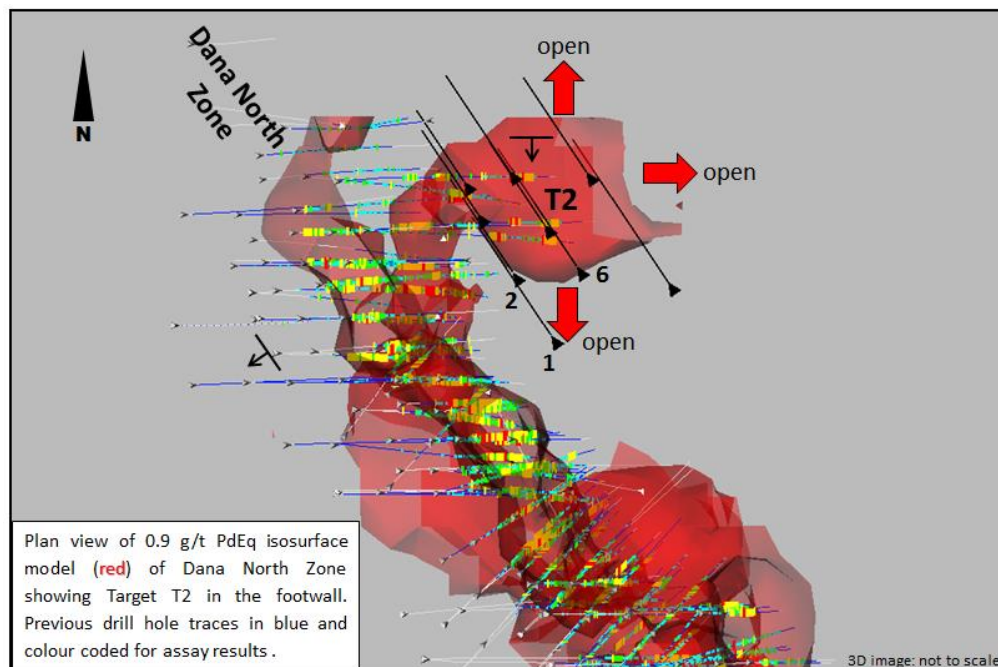
Mr. Al Hayden, P.Eng. and Associate of NordPro Mine & Project Management Services (Thunder Bay) was hired by NAM as its metallurgical consultant to supervise the study and review results.

The testwork completed by SGS Lakefield and involved Bond grindability and abrasion studies, sample compositing, physical and chemical analyses, and bench scale flotation tests to make high-grade sulphide concentrate. Results show that the PGMs float with Cu-Ni sulphides, and therefore demonstrate potential for a sulphide concentrator to effectively process River Valley deposit material. Table 2 illustrates 2012 Metallurgical Testwork Results.

**Table 2.** Metallurgical results for the Locked Cycle Test by SGS.

Product	Weight%	Assays				Distribution			
		Cu%	Ni%	S%	PGM g/t	Cu%	Ni%	S%	PGM%
Head Grade*	100	0.11	0.043	0.25	1.58	100	100	100	100
Rough Conc	6.6	1.44	0.230	3.30	18.70	89.3	35.1	87.4	77.5
Rougher Tail	93.4	0.012	0.030	0.03	0.38	10.7	64.9	12.6	22.5
1st Cleaner Scav Tail	6.0	0.09	0.093	0.81	2.32	4.9	12.9	19.6	8.8
<b>3rd Cleaner Conc</b>	<b>0.6</b>	<b>15.50</b>	<b>1.670</b>	<b>29.10</b>	<b>189.00</b>	<b>84.4</b>	<b>22.2</b>	<b>67.7</b>	<b>68.7</b>
*Head grade of the Overall Composite for the Dana North and Dana South Zones									

2015 Program were two-fold: 1) drill test for the presence of high-grade mineralization that was previously drilled obliquely down-dip; and 2) drill test a new geological model for this part of the host River Valley Intrusion. Three-dimensional modelling results for the exploration database suggested that the T2 portion of the River Valley Intrusion rotated during movement along Grenville age faults. Such deformation-related rotations have not previously been recognized at River Valley and present new opportunities for targeting high grade PGM mineralization.



**Figure 4.** Location and plan for drill testing Target T2 at Dana North Zone, River Valley PGM deposit near Sudbury, Ontario.

## 2016 Exploration Program



NAM's key objective for 2016 was to follow-up drilling at the high-grade T2 discovery, in order to confirm that it has the potential to warrant resource delineation drilling. To that end, the 2016 Exploration Program consisted of two components:

- A) Surface Exploration Program for the summer field season. The Surface Exploration Program consisted of geological mapping, mineral prospecting, sampling, assaying, litho-structural studies, drill core review and 3D modelling. The program focused on areas with indications of higher-grade mineralization that remain under-explored.

This program was successfully performed during summer 2016 and the samples were sent to SGS Minerals, Lakefield ON.

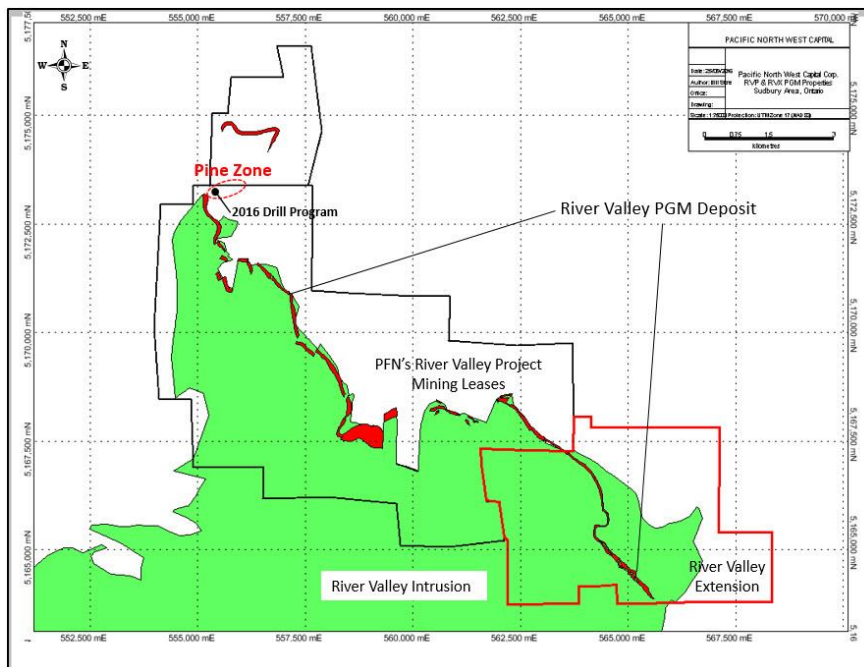
- B) Follow-up Diamond Drill Program.

Each of the components was carried out under Exploration Permit PR-13-10095R and with financial support from the Junior Exploration Assistance Program (JEAP) (see NAM press release dated 15 June 2016).

### 2016 Drill Program

The 2016 drill program successfully expanded mineralization down-dip and along strike of the 2015 intersections at Target T2 and corroborated the geological model. The drill results reported herein confirm the discovery of a new PGM mineralized zone at River Valley, hereafter named the Pine Zone.

The Pine Zone drill program consisted of five holes for 1367 metres, of which four intersected significant PGM mineralization



**Figure 5.** Location of the Pine Zone at the north end of the River Valley PGM Project.

The Pine Zone discovery demonstrates the continued success of drill hole targeting based on IP geophysical surveys and 3D geological modelling. The drill results highlight the potential for discovery of similar mineralized zones in other previously overlooked areas at River Valley, and are an additional indication of the camp scale potential in the under explored region east of Sudbury.”

### **2017 Drill Program**

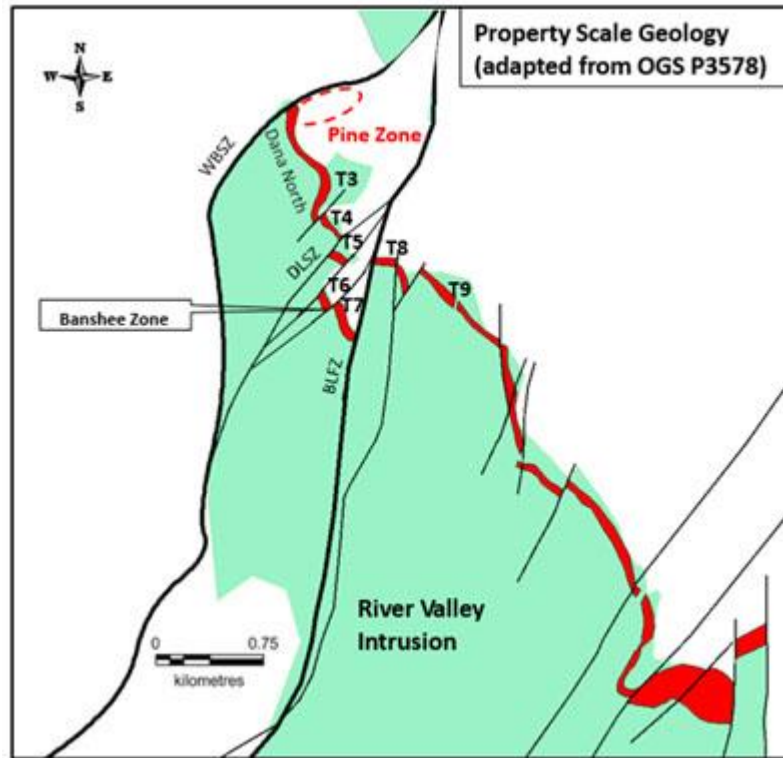
The exploration focus was on drilling priority PGM targets generated from modelling of previous exploration data and of new data from geophysical surveys to be conducted over the Pine Zone-Dana North Zone-Pardo Zone area of the vast River Valley PGM deposit (Figure 6).

Three-dimensional geological and structural modelling of the available drilling data, particularly from the 2015 and 2016 programs that discovered the Pine Zone highlights the potential to expand the PGM mineralization in three directions (Figure 7): 1) down-dip towards Target T3, 2) east along strike towards Pardo Zone 2 km away, and 3) up-dip 100 metres to surface. The Pine Zone as currently defined is located under the main access road into the north part of the River Valley PGM deposit, in the immediate footwall to measured and indicated PGM resources at the Dana North Zone (see NI43-101 Technical Report dated 1 May 2012), and is overlain by mineral leases owned 100% by NAM.

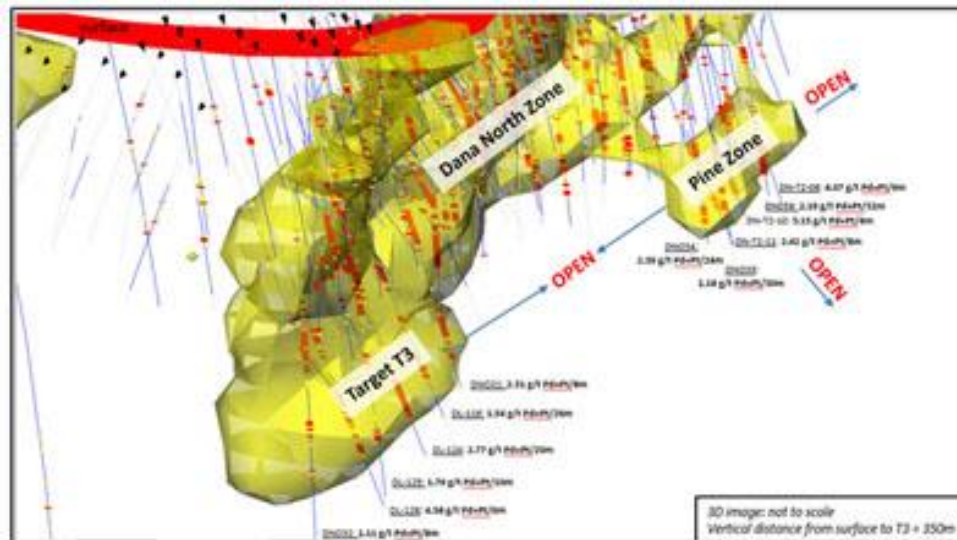
As for geophysics, a study was conducted by Allan King, PGeo consulting geophysicist to recover and review the historic surface and borehole induced polarization (IP) survey results for the Dana North and Pardo Zones. The PGM mineralization occurs closely associated with disseminated chalcopyrite-pyrrhotite mineralization with a strong positive IP chargeability response. The review study resulted in planning of the 2017 surface and borehole IP geophysical surveys of the Pine Zone-Pardo Zone-Target T3 area.. A total of up to about 50 line-km was proposed to be IP surveyed in the spring/summer 2017, prior to drilling.

The 2017 drill program focused on expansion of the Pine Zone up- and down-dip and laterally, based on the results of the geological and geophysical modelling activities as outlined above. A total of up to about 5000 metres was proposed to be drilled in about 20 holes, beginning in the summer/fall 2017.

The apparent gap between the Dana North and Pardo Zones is attributed to offset along the Grenville Front fault system. The Pine Zone is interpreted from the 3D modelling to have been part of Dana North that has been transposed into parallelism with the Grenville Fault during movement and deformation along the latter structure.



**Figure 6.** Location of the Pine-Dana North-Pardo Zones at the north end of the River Valley PGM deposit.



**Figure 7.** River Valley Project Pine Zone-Target T3 drill intersects. View looking west from above the horizontal.

The Company completed the Induced Polarization (IP) geophysical survey on the Pine Zone and extended to the Banshee Zone at the River Valley PGM Project in northwest Ontario.

The Pine Zone is one of numerous prospective PGM zones within the district-scale River Valley PGM Project and was most recently drilled in the fall of 2016 (press release 13 December 2016). The 2016 drill program confirmed the higher-grade, near-surface PGM discovery made in the 2015 drill program (press release 11 March 2015) and highlighted the continuity of the



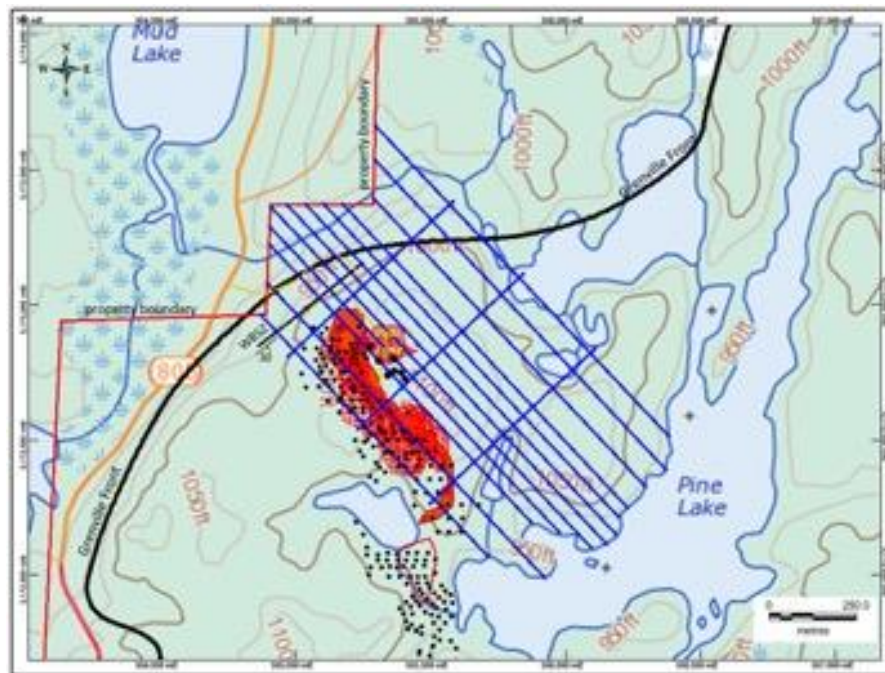
mineralization for 200 metres along strike and 100-200 metres depth at the Pine Zone. The Pine Zone remains open along strike and at depth. This re-interpretation of the River Valley Deposit and its mineralization has the potential of advancing the project to a strong economic stage.

The surface IP geophysical survey tested the potential for eastwards and southwards extension of the Pine Zone as well as the adjacent Dana North Zone. The survey will aid in the generation of new targets for follow up drill testing.

Approximately 2 km of untested potential for the discovery of additional mineralization presently exists along the trend between the current drilled extent of the Pine Zone and the underexplored Pardo Zone to the northwest. The Banshee Zone is approximately 2 km to the southeast along the trend of the River Valley PGM Zone.

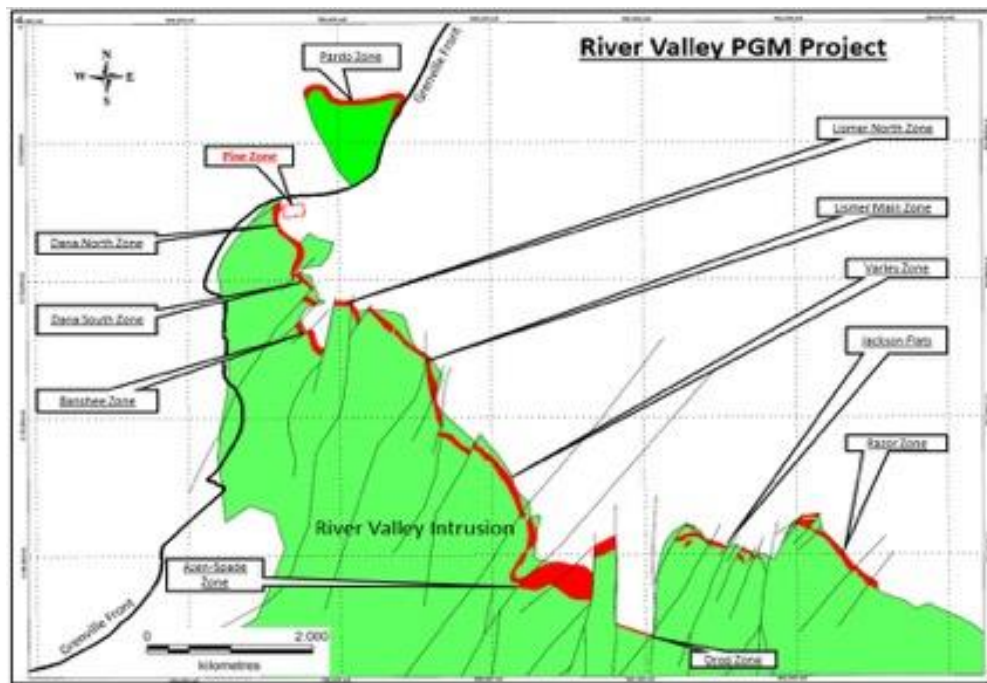
The Banshee was drilled with 25 holes in 2003 as well with accompanied surface exploration and geophysics. Surface work outlined a zone over 600 metres. Metallurgical work from SGS in 2012 defined the Banshee Zone to be an inferred resource (cut off a 0.8 g/t PdEq) of 3,320,000 tonnes with a contained metal content of 62,000 oz of PGM+Au and 103,000 oz of PdEq.

The geophysical survey being used is a high-resolution OreVision®IP survey performed by Abitibi Geophysics. OreVision®IP can reveal targets at four times the depth of conventional IP without compromising near-surface resolution.

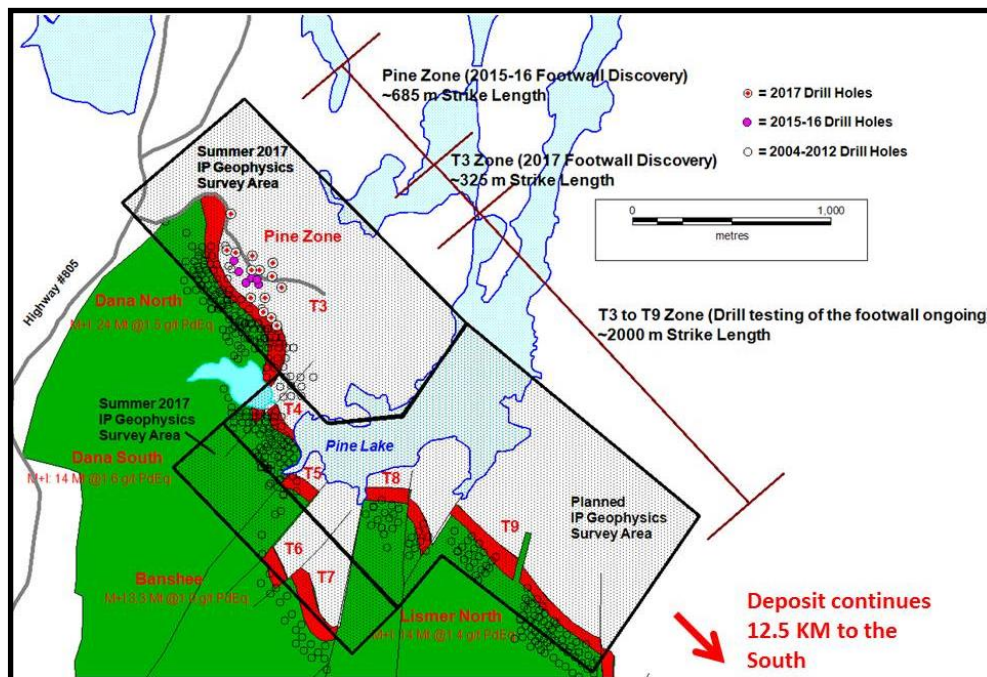


**Figure 8.** Design map grid for the OreVision® IP surface survey in the Pine Zone-Dana North Zone (DNZ) area of the River Valley PGM Project. Solid black circles = diamond drill hole collar locations.

The Pine Zone survey was performed along NW-SE trending, 50m to 100m spaced cut-lines across the apparent strike direction of the geological and structural features controlling the Pine Zone. The depth of investigation was 440m, which is 40m below the maximum predicted depth of the Pine Zone in this area.



**Figure 9.** Property scale geological map showing the location of the Pine Zone discovery relative to the Dana North Zone immediately to the west and the Pardo Zone 2 km to the northeast.



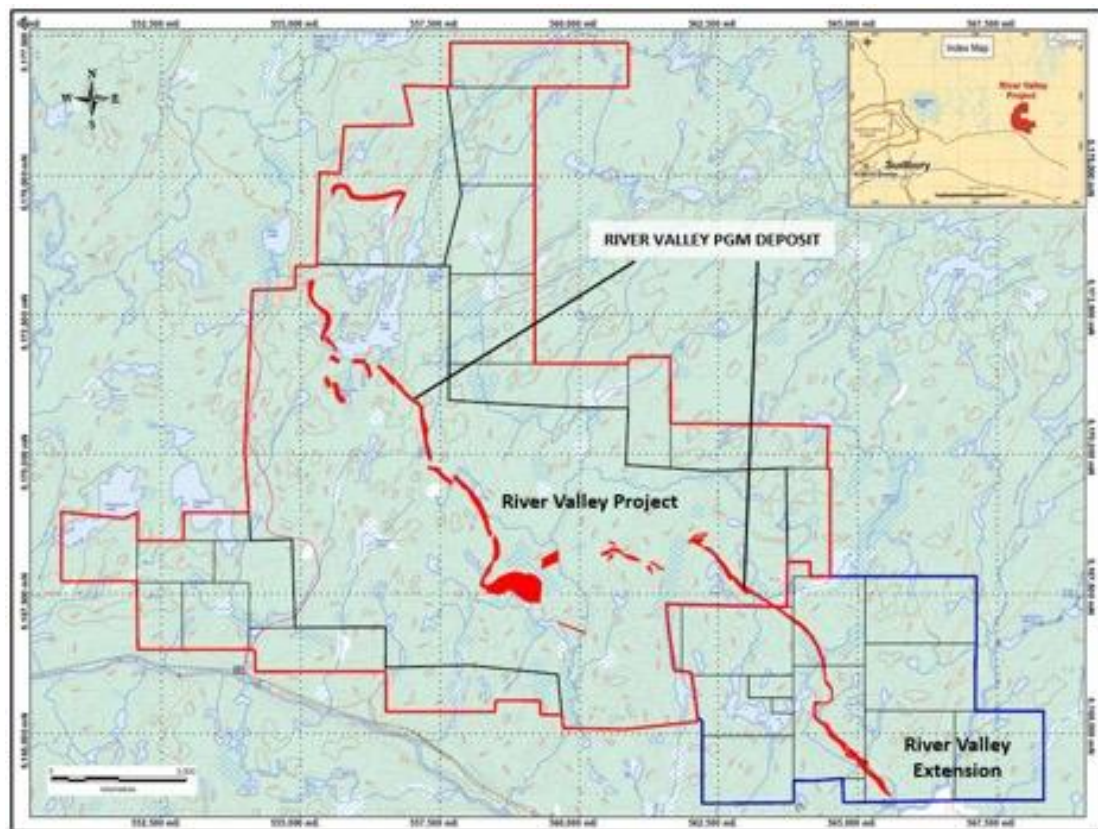
**Figure 10:** Drill Hole Distribution Map in the Northern Portion of the River Valley PGM Deposit (Image only represents approximately 3.5 km of the overall strike length of the deposit)

**Table 3: 2017 Drill Activity at the River Valley PGM Deposit – Footwall/Main Zone Mineralization**

Drill Hole	Year	Meterage (m)	Interval (m)	Au g/t	Pt g/t	Pd g/t	3E g/t	Cu %	Ni %	Zone Location	Zone	News Release
2015-DN001	2015	153 to 155 and	2 m	0.12	0.61	2.19	2.91	N/A	N/A	Footwall	T2/Pine	Mar 2016
		184 to 187 and	3 m	0.07	0.43	1.25	1.74	N/A	N/A	Footwall	T2/Pine	
		192 to 209 including	17 m	0.10	0.70	2.21	3.00	N/A	N/A	Footwall	T2/Pine	
		203 to 207	4 m	0.17	1.17	3.79	5.12	N/A	N/A	Footwall	T2/Pine	
2015-DN002	2015	138 to 154 including	16 m	0.10	0.66	2.07	2.83	N/A	N/A	Footwall	T2/Pine	Mar 2016
		146 to 152	6 m	0.13	0.97	3.13	4.23	N/A	N/A	Footwall	T2/Pine	
DN-T2-03	2016	86 to 102	16 m	0.03	0.15	0.34	0.51	0.06	0.02	Footwall	T2/Pine	Dec 2016
DN-T2-06	2016	172 to 187 including	15 m	0.13	0.77	2.20	3.10	0.21	0.04	Footwall	T2/Pine	Dec 2016
		178 to 184	6 m	0.22	1.28	3.78	5.29	0.34	0.05	Footwall	T2/Pine	
DN-T2-10	2016	202 to 222 including	20 m	0.07	0.48	1.44	1.99	0.14	0.03	Footwall	T2/Pine	Dec 2016
		203 to 205	2 m	0.09	1.05	3.46	4.60	0.24	0.05	Footwall	T2/Pine	
DN-T2-11	2016	219 to 235 including	16 m	0.07	0.46	1.34	1.87	0.14	0.04	Footwall	T2/Pine	Dec 2016
		219 to 221	2 m	0.11	0.89	3.05	4.05	0.24	0.04	Footwall	T2/Pine	
DN-T2-13	2016	181 to 184 and	3 m	0.09	0.60	1.59	2.28	0.16	0.03	Footwall	T2/Pine	Dec 2016
		188 to 190 and	2 m	0.03	0.36	0.81	1.20	0.09	0.03	Footwall	T2/Pine	
		196 to 202	6 m	0.08	0.40	1.14	1.62	0.16	0.03	Footwall	T2/Pine	
T3-17-01	2017	193 to 202 including	9 m	0.08	0.37	1.11	1.56	0.14	0.32	Footwall	T3	Sept 2017
		196 to 200	4 m	0.10	0.47	1.47	2.04	0.15	0.35			
T3-17-02	2017	288 to 299 including	8 m	0.07	0.33	1.00	1.41	0.17	0.39	Footwall	T3	Sept 2017
		290 to 292	2 m	0.15	0.54	1.83	2.52	0.26	0.64			
T3-17-03	2017	262 to 279 including	17 m	0.05	0.26	0.81	1.12	0.11	0.03	Footwall	T3	Sept 2017
		265 to 267	2 m	0.07	0.57	1.96	2.60	0.20	0.04			
T3-17-04	2017	4 to 32 including	28 m	0.11	0.57	1.77	2.45	0.11	0.02	Main Zone	T3	Sept 2017
		4 to 7	3 m	0.26	1.55	5.32	7.12	0.15	0.03	Main Zone	T3	
		Including 24 to 30 and	6 m	0.17	0.96	2.93	4.06	0.20	0.04	Main Zone	T3	
		37 to 41 and	4 m	0.13	0.83	2.35	3.30	0.19	0.04	Main Zone	T3	
		348 to 355 including	7 m	0.09	0.39	1.15	1.64	0.11	0.02	Footwall	T3	
		182 to 192 including	10 m	0.10	0.60	1.87	2.58	0.15	0.03	Footwall	Pine	
		183 to 185	3 m	0.14	0.89	2.92	3.95	0.16	0.04	Footwall	Pine	
PZ-17-07	2017	77 to 84	7 m	0.04	0.25	0.77	1.06	0.06	0.02	Footwall	Pine	Oct 2017
PZ-17-08	2017	56 to 70 including	14 m	0.08	0.48	1.30	2.01	0.15	0.03	Footwall	Pine	Nov 2017
		66 to 70	4 m	0.09	0.70	2.19	2.98	0.17	0.04	Footwall	Pine	
T3-17-06	2017	331 to 334	3 m	0.02	0.11	0.21	0.34	0.02	0.02	Footwall	T3	Nov 2017

In preparation for Preliminary Economic Assessment (PEA) Report and any development work. Mineralogical studies of the ore have commenced with XPS. XPS is based in Falconbridge, Ontario and provides metallurgical technology services and test work for orebody characterization, operational support, growth initiatives, and project development. The company feels that a better understanding and characterization of the River Valley PGM mineralization will be a guide in future endeavors and development work.





**Figure 11.** Location of NAM's 100% owned River Valley PGM Project.

In August 2018 NAM commissioned both P&E Mining Consultants (P&E) and DRA Americas (DRA) to complete the Project's first economic study, a Preliminary Economic Assessment (PEA).

### **2018 Drill Program;**

1. A second phase of ground IP geophysics was completed on an area south of the Pine Zone and over the T4 to T9 target anomalies. The new survey area represents a strike length of approximately 2000 metres. The final report from Abitibi Geophysics is being compiled. The company will outline a series of drill programs to test the new geophysical anomalies generated from the survey and outline additional drilling in the Pine Zone area.
2. Winter ground IP geophysics report was interpreted by Alan King to help identify further drilling in the northern portion of the project and the new targets from T3-T9.
3. Completed geological interpretation of March 2018 NI 43-101 geophysical report. This generated new drilling targets and better defined the future drill programs.
4. Advanced stage mineralogical testing was completed in Sudbury at Expert Process Solutions (XPS);

The work focused on both Platinum Group Metals (PGM) and base metals mineralogy. QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscope), EPMA (Electron Probe Micro

Analysis) and LA-ICP-MS (Laser Ablation-Inductively Coupled Plasma-Mass Spectrometry) were utilized to characterize the samples.

The results from this Mineralogical program added to our previous conclusive and positive studies. This study gave us much more detailed mineralogical analysis which will help provide and to better understand the River Valley Intrusion moving towards more detailed metallurgical studies, recovery analysis.

- *Palladium (Pd) occurs as both discrete PGM minerals (described above) and in solid solution within the crystal structure of pentlandite. Pd that occurs as solid solution within pentlandite accounts for 16% (Dana) and 21% (Pine) of the total Pd in the samples;*
  - *Total Nickel (Ni) that occurs in Ni sulphide (pentlandite and trace siegenite) range from 40% (Dana) to 50% (High Grade Pine), with the remaining occurring in Fe sulphide and Mg silicates. Future flotation testing focusing on recovery of Ni sulphide has the potential to increase Pd recoveries by 2-3% over previous testing, based on Pd in solid solution alone.*
  - *The main PGM minerals are Kotulskite, Pd(Bi,Te), Isomertieite, Pd<sub>11</sub>Sb<sub>2</sub>As<sub>2</sub> and Sperrylite, PtAs<sub>2</sub>. Kotulskite is more common in the Pine Zone than in the Dana Zone whilst Isomertieite was identified in higher quantities in the Dana Zone. Based on a grind target of 75µm, PGMs are well liberated: 75% in the Dana Zone and 51% in the Pine Zone with grain sizes ranging from 2µm up to a maximum of 50µm. Grain sizes of PGMs locked in silicate gangue range in size from 1µm to 15µm.*
  - *Silicate mineralogy in all samples consists of actinolite, feldspar, chlorite, biotite, quartz and epidote. Pine Zone samples contain higher levels of epidote and biotite compared to the Dana Zone. Epidote, which occurs as an alteration in Sudbury ores, is often associated with Cu mineralization.*
5. Footwall PGM mineralization, “The Pine Zone/T3”, a new discovery and additional source of PGMs at the River Valley Project (RVP), was included in the new resource model.
  6. New NI 43-101 Compliant Resource Estimation

**Table 4: The results of the 2018 resource estimation are tabulated in Table 4 below (0.4 PdEq cut-off).**

Class	Tonnes '000	Pd (g/t)	Pt (g/t)	Rh (g/t)	Au (g/t)	Cu (%)	Ni (%)	Co (%)	PdEq (g/t)
Total Measured	62,877.5	0.49	0.19	0.02	0.03	0.05	0.01	0.002	0.99
Total Indicated	97,855.2	0.40	0.16	0.02	0.03	0.05	0.01	0.002	0.83
Total Meas +Ind	160,732.7	0.44	0.17	0.02	0.03	0.05	0.01	0.002	0.90
Inferred	127,662.0	0.27	0.12	0.01	0.02	0.05	0.02	0.002	0.66

Class	PGM + Au (oz)	PdEq (oz)	PtEq (oz)	AuEq (oz)
Total Measured	1,440,248	1,999,575	1,999,575	1,136,930
Total Indicated	1,856,925	2,626,675	2,626,675	1,463,793
Total Meas +Ind	3,297,173	4,626,250	4,626,250	2,600,724
Inferred	1,578,367	2,713,933	2,713,933	1,323,809

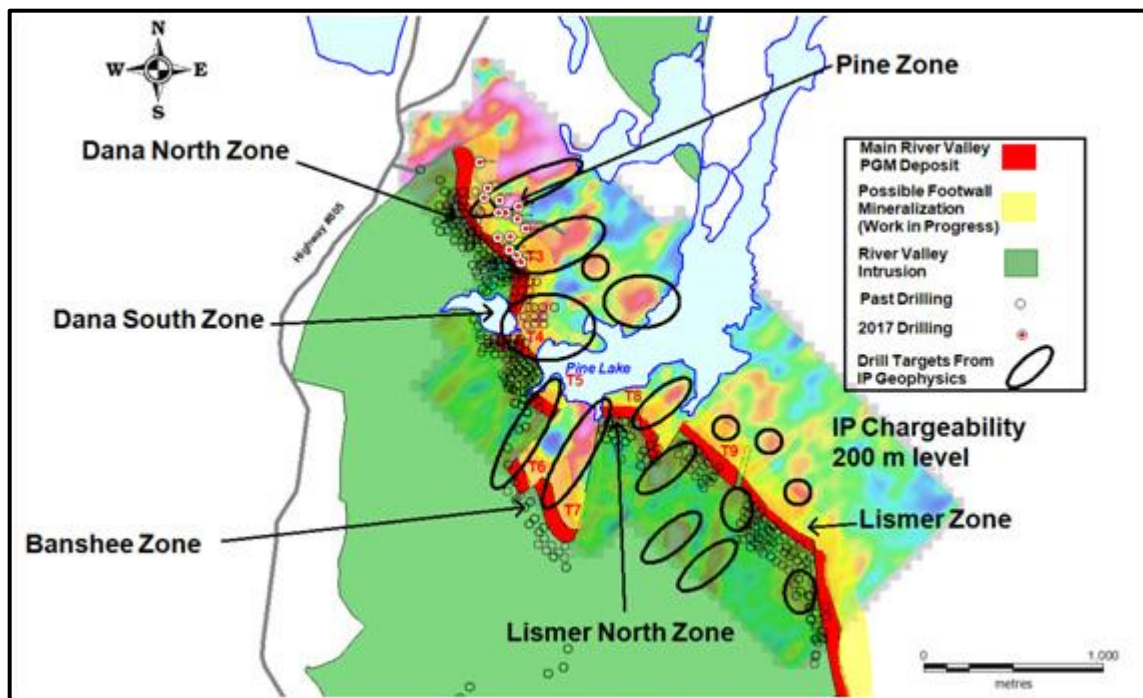
Notes:

1. CIM definition standards were followed for the resource estimation.
2. The 2018 resource models used Ordinary Krig grade estimation within a three-dimensional block model with mineralized zones defined by wireframed solids.
3. A base cut-off grade of 0.4 % g/t PdEq was used for reporting resources.
4. Palladium Equivalent (PdEq) calculated using (US\$): \$1,000/oz Pd, \$1,000/oz Pt, \$1,350/oz Au, \$1750/oz Rh, \$3.20/lb Cu, \$5.50/lb Ni, \$36/lb Co.
5. Numbers may not add exactly due to rounding.
6. Mineral Resources that are not mineral reserves do not have economic viability
7. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

## 2019 River Valley PGM Project Exploration Program

To date an approximate 160,441 metres (481,323 feet) in 710 drill holes have been conducted by the company as operator on the River Valley Project. Several independent 43-101 compliant resource estimates have previously been generated for the deposit through the exploration and development phases. The River Valley Deposit's present resource, with approximately 2.9M PdEq ounces in Measured Plus Indicated mineral resources and near-surface mineralization, covers a total of 16 kilometers of strike. The company continues to explore and enhance the River Valley PGM Deposit.

After the ground profiling and surface exploration program conducted in Summer 2018 which followed up on the most recent induced polarization survey by Abitibi, NAM management has designed a 5000 metre drill programs to test the new geophysical anomalies. See Figure 12 below which shows these new geophysical anomalies and potential targets for the next stage of drilling at River Valley superimposed over the upper 4 kilometres of the project map.



**Figure 12:** Northern portion of the project with superimposed 2018 merged IP at -100 level. Retrieved from River Valley Geophysical review by Geoscience North (Alan King, P. Geo., M.Sc.)

## 2019 Mineral Resource Update

WSP Canada, under the supervision of Todd McCracken, P. Geo (Manager-Mining at WSP Canada) amended the 2018 NI 43-101 Mineral Resource estimation of the River Valley PGM Deposit in the Sudbury Mining District of Ontario, Canada. The new Mineral Resource Estimate has incorporated all the past data, geophysics, new drilling since 2015 and the River Valley Extension (RVE), including the additional drilling in the new footwall discoveries Pine Zone and T3.

The results of the updated Mineral Resource Estimate are tabulated in table below (0.35 g/t PdEq open pit and 2.0 g/t PdEq underground cut-off). This 43-101 Technical Report is available on SEDAR.

**Table 5:** Results from the amended NI 43-101 Mineral Resource Estimate.

Class	Tonnes '000	Pd (g/t)	Pt (g/t)	Rh (g/t)	Au (g/t)	Cu (%)	Ni (%)	Co (%)	PdEq (g/t)
Measured	56,096.7	0.54	0.20	0.013	0.03	0.06	0.02	0.006	0.94
Indicated	43,158.5	0.49	0.19	0.003	0.03	0.05	0.02	0.006	0.84
Meas + Ind	99,255.2	0.52	0.20	0.009	0.03	0.06	0.02	0.006	0.90
Inferred	52,306.0	0.31	0.15	0.012	0.04	0.04	0.02	0.001	0.63
Class	PGM + Au (oz)			PdEq (oz)		PtEq (oz)			
Measured	1,394,000			1,701,000		1,701,000			
Indicated	983,000			1,166,000		1,166,000			
Meas + Ind	2,377,000			2,867,000		2,867,000			
Inferred	841,000			1,059,000		1,059,000			

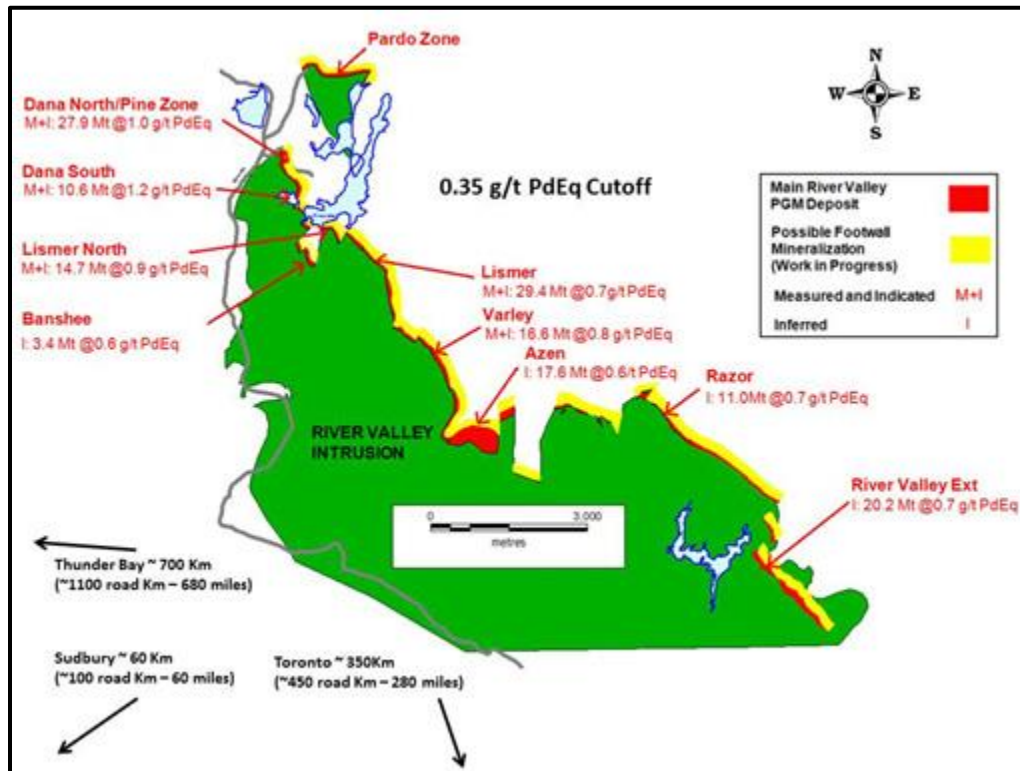
### Notes:

1. CIM definition standards were followed for the Mineral Resource Estimate.
2. The 2018 Mineral Resource models used Ordinary Kriging grade estimation within a three-dimensional block model with mineralized zones defined by wireframed solids.
3. A base cut-off grade of 0.35 g/t PdEq was used for reporting Mineral Resources in a constrained pit and 2.00 g/t PdEq was used for reporting the Mineral Resources under the pit.
4. Palladium Equivalent (PdEq) calculated using (US\$): \$950/oz Pd, \$950/oz Pt, \$1,275/oz Au, \$1500/oz Rh, \$2.75/lb Cu, \$5.25/lb Ni, \$36/lb Co.
5. Numbers may not add exactly due to rounding.
6. Mineral Resources that are not Mineral Reserves do not have economic viability



7. *The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.*

This stated resource will closely relate to the resource that will be reported in the PEA. See Figure 13 which shows the mineral resource reported in each area of the River Valley Project.

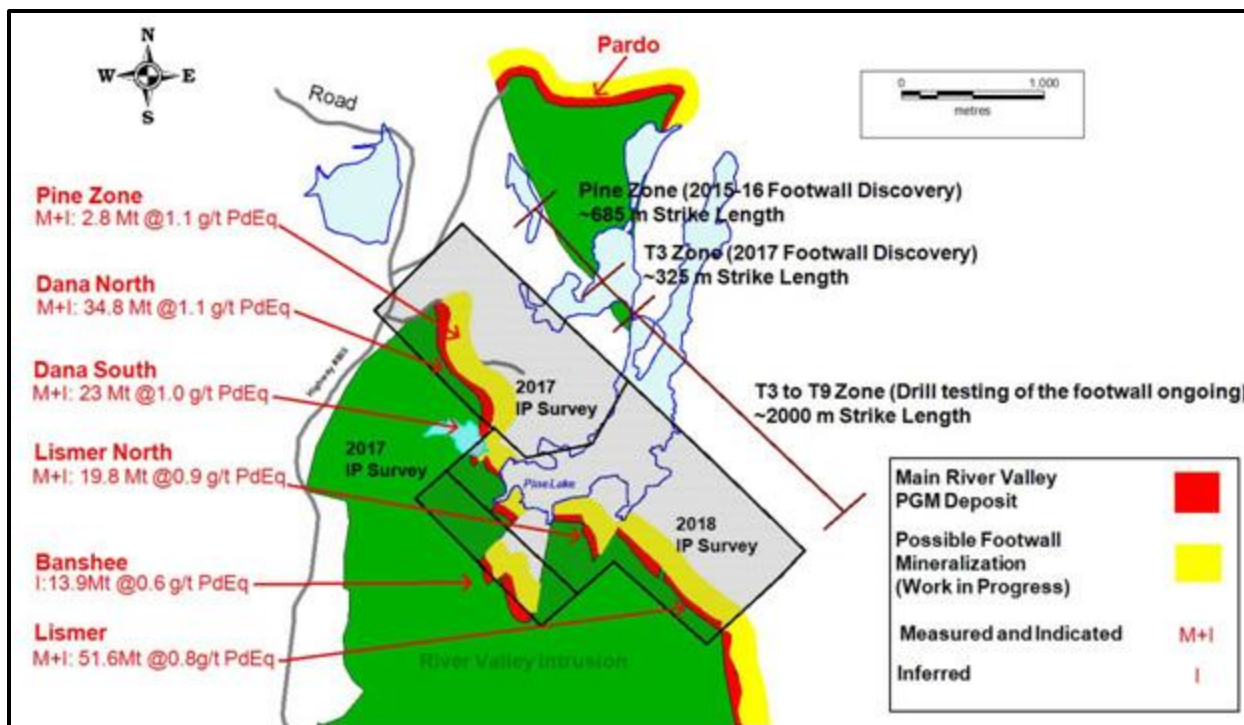


**Figure 13:** The Yellow Band represents the footwall potential area of the River Valley Deposit based on the results of the Pine Zone where footwall mineralization was noted to extend 150 metres eastward from the Pine Zone/ T3 main deposit. At present the only area that has confirmed footwall mineralization is in the Pine Zone (defined from 2015 to 2017 drilling). Geophysics and exploration are in progress to test other areas of the Deposit. Management's specific focus is to outline a sufficient potentially economic Mineral Resource in the northern portion of the Project, and subsequently develop a series of open pits (bulk mining), crush, and concentrate on site, and ship the concentrates to Sudbury for metallurgical extraction.

### Ground IP Geophysics

Second phase of ground IP geophysics completed on an area south of the Pine Zone and over the T4 to T9 target anomalies. The new survey area represents a strike length of approximately 2000 metres. Based on the senior geophysicist's recommendations, the company will outline a series of drill programs to test the new geophysical anomalies generated from the survey and outline additional drilling in the Pine Zone through to the T9 areas. The geophysical survey was a high-resolution OreVision® IP survey, which can reveal targets at four times the depth of conventional IP without compromising near-surface resolution.





**Figure 14:** Northern Portion of the River Valley PGM Deposit Showing Regions of Current IP Geophysics. NOTE: Image only represents approximately 3.5 km of the overall strike length of the River Valley PGM deposit.

#### NI 43-101 Technical Report for Preliminary Economic Assessment on the River Valley PGE Project;

NAM files NI 43-101 Technical Report for Preliminary Economic Assessment on the River Valley PGE Project titled “Technical Report, Updated Mineral Resource Estimate and Preliminary Economic Assessment of the River Valley Project” with an Effective Date of June 27, 2019, on SEDAR at [www.sedar.com](http://www.sedar.com). **The PEA demonstrates positive economics for a large-scale open pit mining operation, with 14 years of Palladium and Platinum production.”**

#### PEA Highlights (CDN\$ unless otherwise noted):

- Life of mine (LOM) of 14 years, with 6 million tonnes annually of potential process plant feed at an average grade of 0.88 g/t Palladium Equivalent (PdEq) and process recovery rate of 80%, resulting in an annual average payable PdEq production of 119,000 ounces.
- Pre-Production capital requirements: \$495 M
- Undiscounted cash flow before income and mining taxes of \$586M
- Undiscounted cash flow after income and mining taxes of \$384M
- Average unit operating cost of \$19.50/tonne over the life-of-mine
- LOM average operating cash cost of \$971 per ounce (US\$709/oz) and all-in sustaining cash cost of \$972 per ounce (US\$709/oz) at a 1.37 CDN: USD exchange rate.
- A mining contractor will be engaged for the open pit mining
- Pre-tax NPV (5%): \$261M, After-tax NPV (5%): \$138 M

- Pre-tax IRR: 13%, After-tax IRR: 10%
- Assumed metal prices of US\$1,200/oz Pd, US\$1,050/oz Pt, US\$1,350/oz Au, US\$3.25/lb Cu, US\$8.00/lb Ni, US\$35/lb Co
- Using a + 20% Pd price sensitivity (to the base case of US\$1,200/oz Pd) US\$1,440 /oz Pd returns a pre-tax IRR of 19% and an after tax-IRR of 15%.
- River Valley process plant feed will be treated by a conventional sulphide flotation process plant to produce a single saleable PGE concentrate that will be transported to the Sudbury area for smelting/refining
- Potential for up to 325 jobs at the peak of production

### Project Economics and Sensitivities

The economic results of the PEA are summarized in Table 6 on an after-tax basis. The sensitivities and the impact of cash flows have been calculated for +/- 20% variations against the base case.

**Table 6: Project Economics Sensitivity. All values shown are on an after-tax basis.**

Project Sensitivity Analysis									
Pd Price Sensitivity									
%	-20%	-15%	-10%	-5%	Base Case	+5%	+10%	+15%	+20%
US\$/oz	960	1,020	1,080	1,140	1,200	1,260	1,320	1,380	1,440
NPV (CDN\$ M)	-23	16	59	98	138	179	220	260	300
IRR (%)	4	6	7	8	10	11	12	13	15
OPEX Sensitivity									
%	-20%	-15%	-10%	-5%	Base Case	+5%	+10%	+15%	+20%
Cost Per Tonne	16	17	18	18	19	20	21	22	23
NPV (CDN\$ M)	212	194	175	157	138	120	102	83	68
IRR (%)	14	12	11	10	10	9	8	7	7
CAPEX Sensitivity									
%	-20%	-15%	-10%	-5%	Base Case	+5%	+10%	+15%	+20%
CAPEX (CDN\$ M)	397	422	446	471	496	521	546	570	595
NPV (CDN\$ M)	284	248	212	175	138	102	64	28	-6
IRR (%)	14	13	12	11	10	8	7	6	5

## River Valley PGM Exploration Plan Going Forward

To date an approximate 140,659 meters (461,480 feet) in 628 drill holes have been conducted by the company and its past major joint venture partners to test the PGM mineralization of the River Valley PGM Deposit. Several independent 43-101 compliant resource estimates have previously been generated for the deposit through the development phases. The River Valley Deposit's present resource, with approximately 4,626,250 PdEq ounces M+I and 2,713,933 PdEq ounces in inferred and near-surface mineralization covers over 16 kilometres of continuous strike length.

### 2020 River Valley PGM Project Exploration Programs;

**2020 Phase 1 Drill Program;** 2020 River Valley Phase 1 drilling program commenced in May 2020.

This Program consisted of drilling 8 holes with a total of 1,685.5 meters and was successful in extending the known limits of the Pine Zone Palladium mineralization 50 metres up-dip to the north and 50 metres along strike to the east. The Palladium mineralization is still open to expansion by drilling to the east, particularly testing a strong IP chargeability high located about 400 metres along strike, and also by drilling down-dip to the south (see Figure 15). The 2020 drilling was also successful at broadly establishing the presence of Palladium mineralization at the connection of the Pine Zone to the Dana North Zone."

### 2020 Phase 1 Highlights;

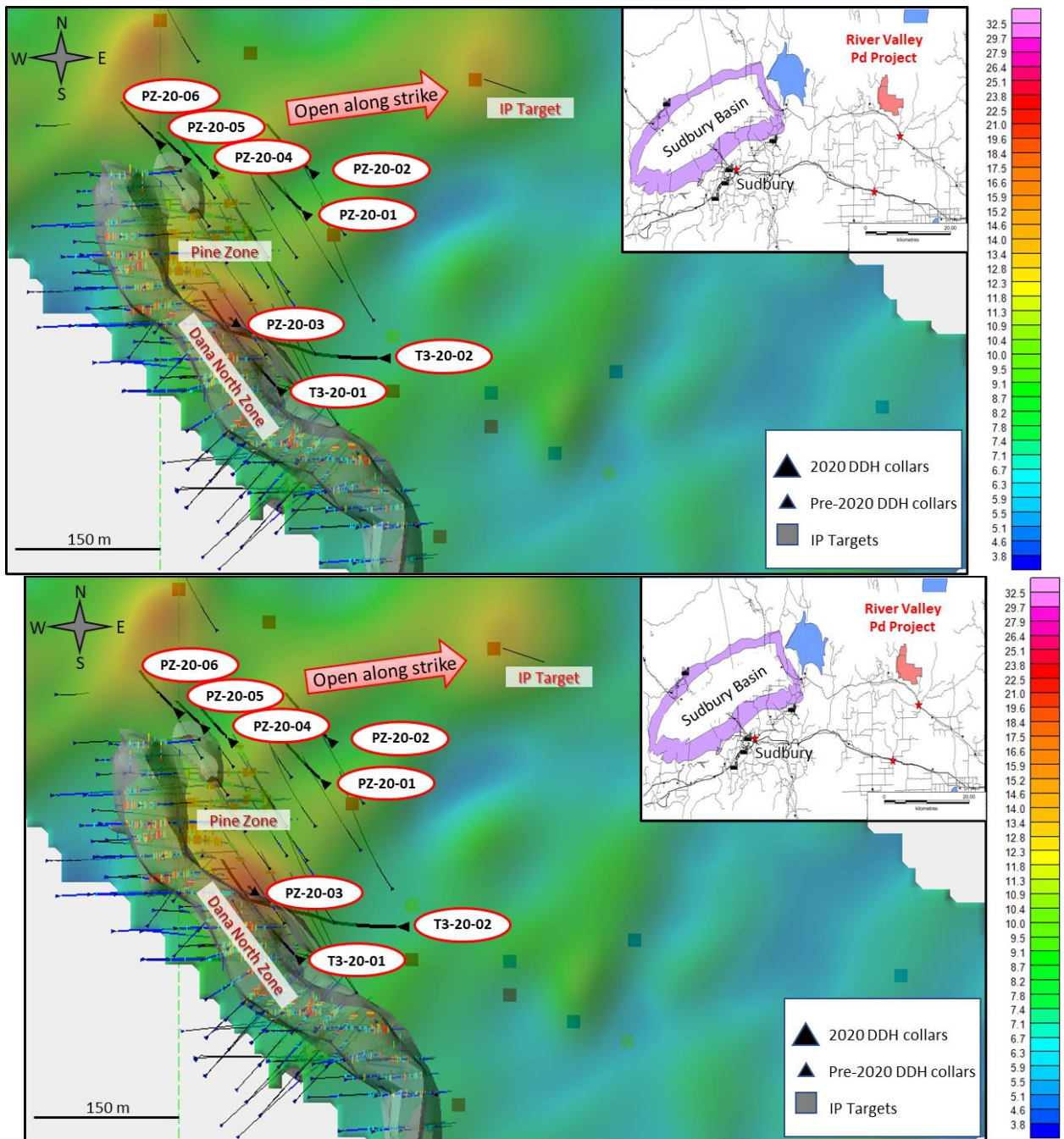
**Highlights of the Phase 1 2020 drill program are as follows:**

- Hole PZ-20-04 intersected 1101 ppb Pd+Pt+Au (1.250 g/t PdEq) over 12 metres from 50 metres downhole, including 1361 ppb Pd+Pt+Au over 8 metres in the Pine Zone; and
- Hole PZ-20-01 intersects 1287 ppb Pd+Pt+Au (1.477 g/t PdEq) over 3 metres from 168 metres downhole in the Pine Zone
- Hole T3-20-01 intersected 17 metres grading 0.744 g/t PdEq from 248 metres downhole;
- T3-20-02 intersected 17 metres of 0.622 g/t PdEq from 318 metres downhole; and 3) PZ-20-03 intersected 0.412 g/t PdEq from 197 metres downhole.
- 

The details of the Phase 1 2020 drill program are presented in Tables 7 and 8 and Figure 15.

Table 7. Collar Information for 2020 Phase 1 Drill Holes at River Valley								
Hole ID	Easting (m)*	Northing (m)*	Elevation (m)	Azimuth (°)	Dip (°)	Length (m)	Zone	Purpose/Target
PZ-20-01	555416	5127856	323.5	315	-60	215	Pine	confirm block model
PZ-20-02	555424	5172912	316.8	315	-60	170	Pine	expand zone
PZ-20-04	555281	5172924	314.2	315	-60	116	Pine	expand zone
PZ-20-05	555235	5172949	312.0	315	-60	92	Pine	expand zone
PZ-20-06	555203	5172972	310.3	315	-45	102	Pine	expand zone
PZ-20-03	555318	5172698	320.4	0	-90	283	Dana North	Pine-Dana linkage
T3-20-01	555383	5172602	325.9	315	-60	314	Dana North	Pine-Dana linkage
T3-20-02	555523	5172645	331.0	270	-50	394	Dana North	Pine-Dana linkage

Table8 . Palladium Assay Highlights in 2020 Phase 1 Drilling at River Valley											
HoleID	From (m)	To (m)	Length (m)	Pd (ppb)	Pt (ppb)	Au (ppb)	Pd+Pt+Au (ppb)	Cu (ppm)	Ni (ppm)	Co (ppm)	PdEq (g/t)
PZ-20-01	168	171	3	939	287	61	1287	920	205	38	1.477
PZ-20-02	125	129	4	308	115	24	447	697	149	30	0.597
PZ-20-03	197	209	12	195	73	17	285	388	195	34	0.412
PZ-20-04	50	62	12	778	291	32	1101	679	205	35	1.250
incl	54	62	8	974	346	41	1361	900	230	35	1.542
and	66	71	5	279	164	10	454	143	89	22	0.499
PZ-20-05	50	53	3	282	253	68	603	1349	179	46	0.857
PZ-20-06	nsa	nsa	nsa	nsa	nsa	nsa	nsa	nsa	nsa	nsa	nsa
T3-20-01	248	265	17	383	146	30	559	724	231	43	0.744
T3-20-02	318	335	17	331	134	23	488	422	193	42	0.622





**Figure 15:** Location of 2020 Phase 1 drill holes (labelled) and previously drilled holes plotted on an inverted IP chargeability image (coloured) and 3-D wireframe model of the Dana North Zone and Pine Zone (covered), River Valley Palladium Project near Sudbury (Ontario, Canada).

Following completion of NAM's successful Phase 1 drill program in May 2020 (see press release dated June 2, 2020), Phase 2 of the 2020 field season commenced in June 2020.

In September 2020 New Age Metals announced results from the Phase 2 exploration drill program and surface prospecting activities at its 100% owned River Valley Palladium Project.

### 2020 Phase 2 Highlights;

**2020 Phase 2 Drill Program;** Holes T3-20-03, T3-20-04 and PZ-20-07 were drilled during 2020 Phase 2 exploration program. A total of 792 metres was drilled during this phase (Figure 16; Table 9).

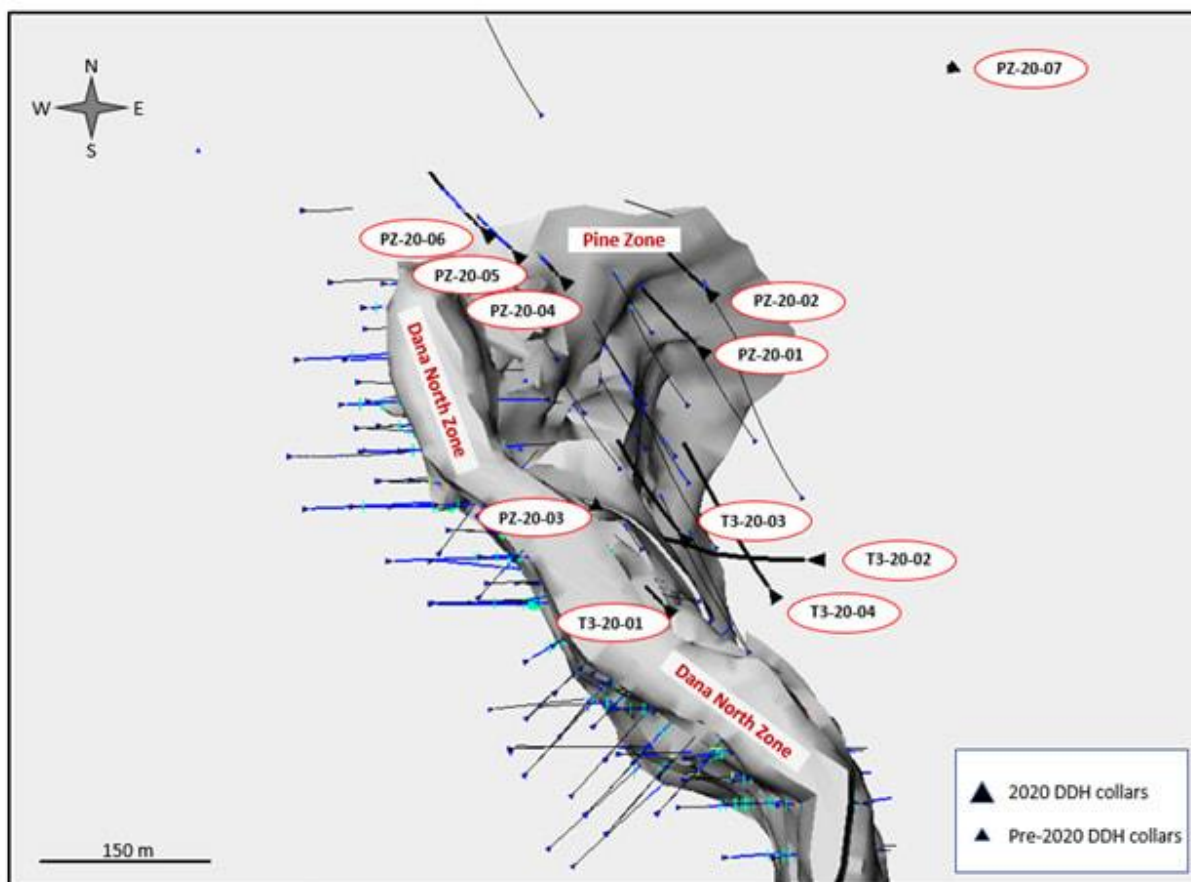
Hole T3-20-03 was drilled as an infill hole within the Pine Zone-T3 Target. The hole intersected three mineralized intervals:

- 1) 5 metres grading 0.21 g/t Pd+Pt+Au and 0.05% Cu or 0.30 g/t PdEq from 236 metres down hole;
- 2) 9 metres grading 0.27 g/t Pd+Pt+Au and 0.02% Cu or 0.32 g/t PdEq from 247 metres downhole; and 3) 6 metres grading 0.30 g/t Pd+Pt+Au and 0.02% Cu or 0.37 g/t PdEq from 259 metres downhole. The results confirm presence of the Pine Zone mineralization.

Hole T3-20-04 was drilled to expand the boundaries of the Pine Zone-T3 Target eastwards and southwards. The hole intersected the favorable Breccia Unit, but failed to intersect significant intervals of mineralization. Best assay result is 1 metre grading 0.64 g/t Pd+Pt+Au and 0.02% Cu from 307 metres downhole.

PZ-20-07 was drilled to test an IP chargeability feature 250 m east along strike from the Pine Zone. The hole was abandoned at 166 metres depth, due to the presence of lengthy intersections of heavy pyrite coatings on fractures in core of the Archean basement. No assays were generated, but the IP chargeability feature is explained.

HoleID	Cut-off 3E (g/t)	Interval (m)	from (m)	Pd (g/t)	Pt (g/t)	Au (g/t)	3E (g/t)	Ni%	Cu%	Co%	PdEq (g/t)
T3-20-03	0.100	5	236	0.155	0.046	0.012	0.213	0.006	0.045	0.001	0.299
T3-20-03	0.100	9	247	0.192	0.073	0.008	0.273	0.006	0.015	0.002	0.319
T3-20-03	0.100	6	259	0.179	0.103	0.014	0.296	0.011	0.019	0.003	0.369
T3-20-04	0.100	1	307	0.413	0.200	0.030	0.643	0.018	0.021	0.004	0.866
PZ-20-07	not assayed	-	-	-	-	-	-	-	-	-	-



**Figure 16:** Location of 2020 Phases 1 and 2 drill holes (labelled) and previously drill holes plotted on 3-D wireframe model of the Dana North Zone (exposed) and Pine Zone (covered), River Valley Palladium Project near Sudbury, Ontario.

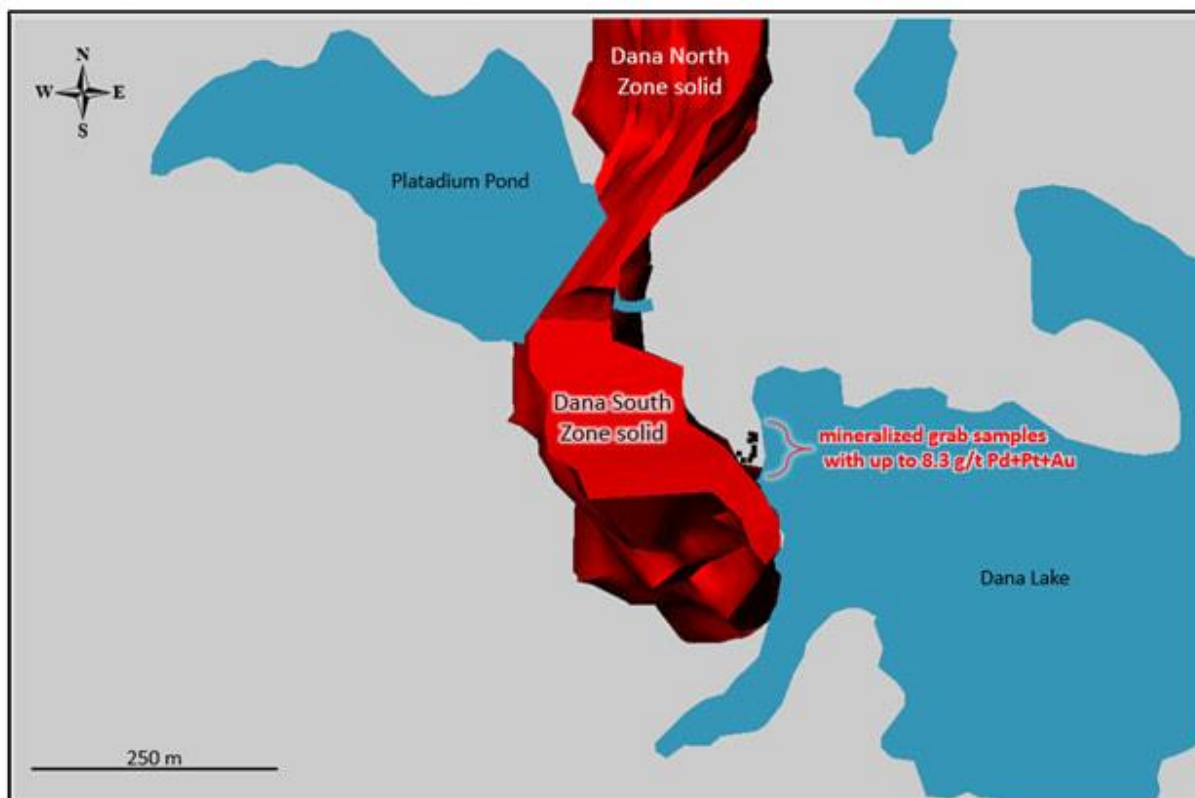
**2020 Phase 2 Mineral Prospecting;**

Mineral prospecting activities in Q3 2020 focused on Dana South and Pardo Zones (Figure 17). At the Dana South Zone, the covered area between the eastern boundary of the mineral resources and the western shoreline of Dana Lake was prospected and sampled. Samples collected from here previously returned assays of up to 4.91 g/t Pd+Pt+Au and 0.25% Cu (see press released dated December 6, 2016). The purpose of returning was to confirm the presence of the favourable River Valley Breccia Unit and Cu-Fe sulphide mineralization in outcrop.

Significant assays were returned for seven of the 14 outcrop samples (Table 10). The highest assay result is a remarkable 8.29 g/t Pd+Pt+Au and 0.24% Cu. Evidently, the confirmed surface mineralization means that either the footprint of the Dana South Zone is larger than the modelled mineral resources or it represents discovery of a potential new zone located approximately 50 m to 100 m to the east of Dana South. The surface mineralized area is planned to be stripped and drilled when conditions allow in 2021.

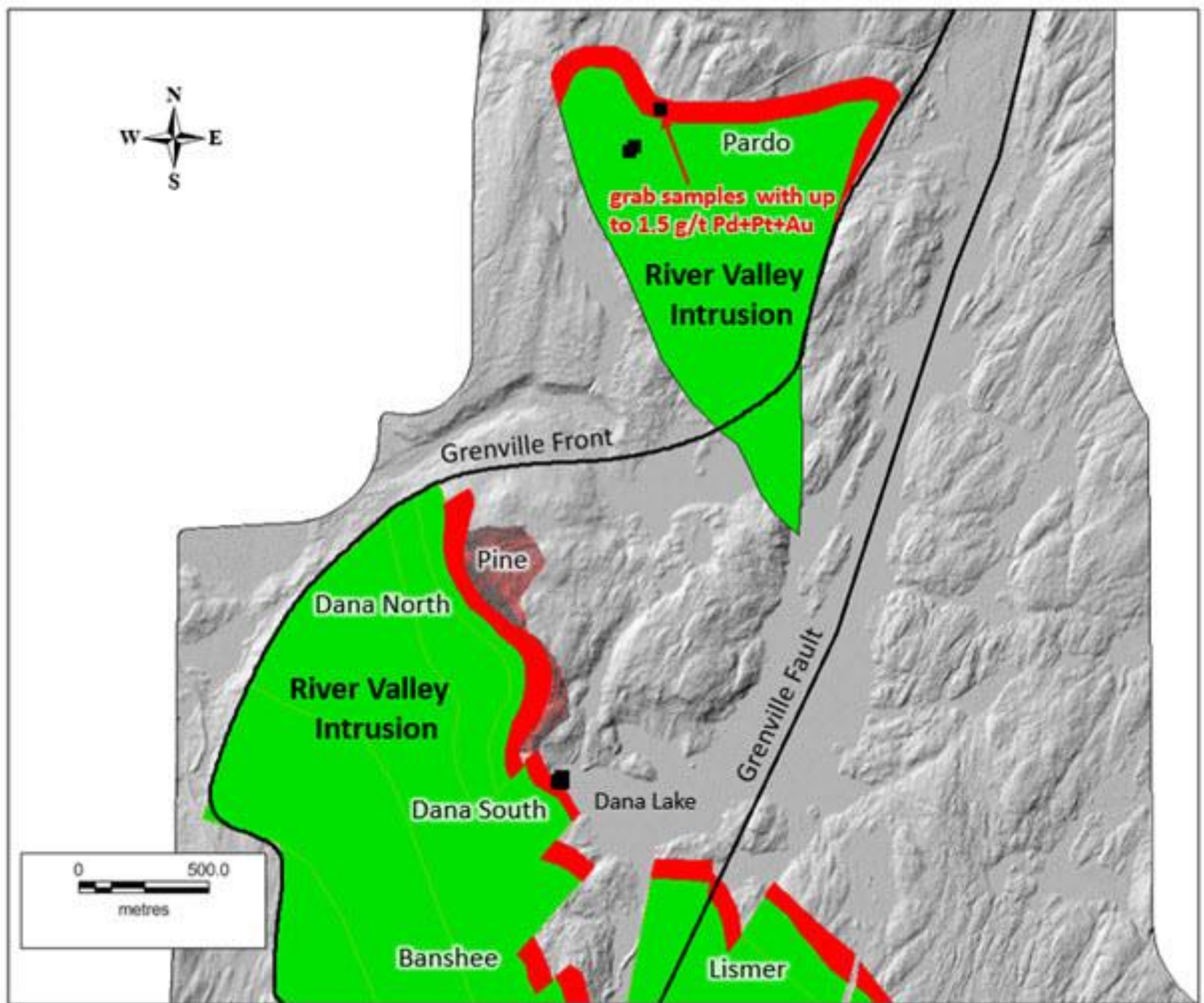
At Pardo, the northernmost mineralized zone of the River Valley Deposit (2 km north-northeast of Dana North; Figure 18), four samples were taken to confirm the presence of surface mineralization indicated in historic sampling. Three of the four samples returned assays indicative of palladium mineralization. The highest assay result was 1.46 g/t Pd+Pt+Au and 0.12% Cu. With such confirmed indications of palladium mineralization on surface, and in historic drilling (eleven holes drilled in 2004), Pardo Zone is under consideration for additional mineral prospecting and mapping surveys and trenching and drilling, in order to ultimately support an NI 43-1010 compliant Mineral Resource Estimate.





**Figure 17:** Mineralized surface grab sample locations outside to the east of the 2019 mineral resources model (red) at Dana South Zone.

Zone	Sample	Date	Easting	Northing	Au (g/t)	Pd (g/t)	Pt (g/t)	3E (g/t)	Ni%	Cu%	Co%	S%
Dana South	RZ-005DS	Jul-20	555584	5172012	0.289	6.210	1.790	8.289	0.013	0.242	0.003	0.33
Dana South	RZ-006DS	Jul-20	555580	5172017	0.080	1.470	0.360	1.910	0.013	0.087	0.002	0.14
Dana South	RZ-002DS	Jul-20	555583	5172021	0.058	1.110	0.290	1.458	0.018	0.078	0.003	0.10
Dana South	RZ-003DS	Jul-20	555584	5172018	0.045	0.813	0.230	1.088	0.015	0.044	0.003	0.06
Dana South	RZ-001DS	Jul-20	555584	5172022	0.060	0.416	0.120	0.596	0.014	0.108	0.003	0.15
Dana South	RZ-004DS	Jul-20	555581	5172023	0.011	0.208	0.090	0.309	0.008	0.012	0.002	0.02
Dana South	RZ-011DS	Jul-20	555571	5172007	0.001	0.068	0.050	0.119	0.006	0.001	0.002	<0.01
Dana South	RZ-008DS	Jul-20	555582	5172005	0.001	0.046	0.050	0.097	0.005	0.002	0.002	<0.01
Dana South	RZ-009DS	Jul-20	555582	5172005	0.001	0.045	0.020	0.066	0.006	0.001	0.002	<0.01
Dana South	RZ-007DS	Jul-20	555584	5172006	0.003	0.026	0.030	0.059	0.003	0.005	0.001	0.02
Dana South	RZ-014DS	Jul-20	555565	5172002	0.001	0.048	0.010	0.059	0.004	0.001	0.002	<0.01
Dana South	RZ-013DS	Jul-20	555575	5172001	0.001	0.011	0.010	0.022	0.002	0.002	0.001	<0.01
Dana South	RZ-012DS	Jul-20	555580	5172001	0.001	0.008	0.010	0.019	0.002	0.002	0.001	<0.01
Dana South	RZ-010DS	Jul-20	555584	5172008	0.001	0.007	0.010	0.018	0.007	0.000	0.002	<0.01
Pardo	RZ2020-01	Jul-20	555963	5174603	0.057	0.921	0.480	1.458	0.020	0.116	0.006	0.42
Pardo	RZ2020-04	Jul-20	555862	5174462	0.009	0.227	0.130	0.366	0.006	0.016	0.003	0.13
Pardo	RZ2020-02	Jul-20	555963	5174603	0.012	0.118	0.040	0.170	0.009	0.045	0.004	0.10
Pardo	RZ2020-03	Jul-20	555844	5174445	0.002	0.018	0.020	0.040	0.004	0.008	0.003	0.02



**Figure 18:** Location of the Pardo mineralized zone (red), 2 km north-northeast of the Dana North and Pine Zones.

On September 29, 2020 the Company announced its plans for the third phase of exploration and development work at the flagship River Valley Palladium Project which includes the initiation of a project wide rhodium evaluation program and the second round of environmental baseline work. Story Environmental have scheduled the delivery of a final report presenting their work for the end of January 2021. The stated objective of the rhodium evaluation program is to ultimately evaluate the feasibility of including rhodium as a payable metal as part of the River Valley Project's payable metal suite, that includes palladium, platinum, gold, copper, and nickel. The work in the final quarter of 2020 was focused on assaying historical River Valley samples for rhodium and other metals. This work will require follow-up metallurgical test work to prove rhodium recoverability.

### **Platinum Group Metal Prices & Performance**

Palladium (Pd) has thus far, been a shining star in terms of commodities in 2019 and we expect the supporting fundamentals to contribute to escalating prices. Most recently the price of Pd, our primary metal at River Valley, has hit an all-time high price of over \$1,500 USD per oz. There are various reasons why this price movement has occurred and more to suggest that Pd price may continue to rise. First, there are continued supply deficits forecasted for Pd and in 2019 alone it is expected to be an estimated 615,000 ounces. It is also worthwhile to note the possibility of supply disruptions in South Africa, which provides the majority of the Pd supply. Next, according to SFA Oxford, the allowable limits of carbon monoxide (CO) and hydrocarbon (HC) from gasoline passenger vehicles in China will be reduced by 60% by 2025 (SFA Oxford, 2019). Pd is the metal which reduces both CO and HC and therefore we can expect increased Pd loadings in all gasoline passenger vehicles to successfully meet these limits. The Chinese emission standard story tends itself to the increase in Pd demand to grow by 500,000 ounces by 2021. To summarize, the Palladium fundamentals and forecasts align well with the timeline for development of our River Valley Project.

Recently the World Platinum Investment Council forecasted a deficit in Platinum production for the next 5 consecutive years. Palladium for the 10 years from 2008-2017, has averaged 21.5% per annum while Gold averaged only 5.8% per annum over that same period. Both Platinum and Palladium, (outside of their extensive uses in catalytic converters which convert harmful gasses from hydrocarbon emissions into less harmful substances in vehicles), are considered precious metals, like Gold and are seen as a store of value.

## **5.2 LITHIUM ONE PROJECT, MANITOBA**

The company entered into an option agreement dated 18 April 2016, acquiring claims in southeast Manitoba with historical pegmatite lithium mineralization and assays from spodumene returning values of 2.90 to 8.20% Li<sub>2</sub>O (from Manitoba Inventory File No 190). The historic assays have not been confirmed in the field. These claims will be a part of the company's Lithium One Project.

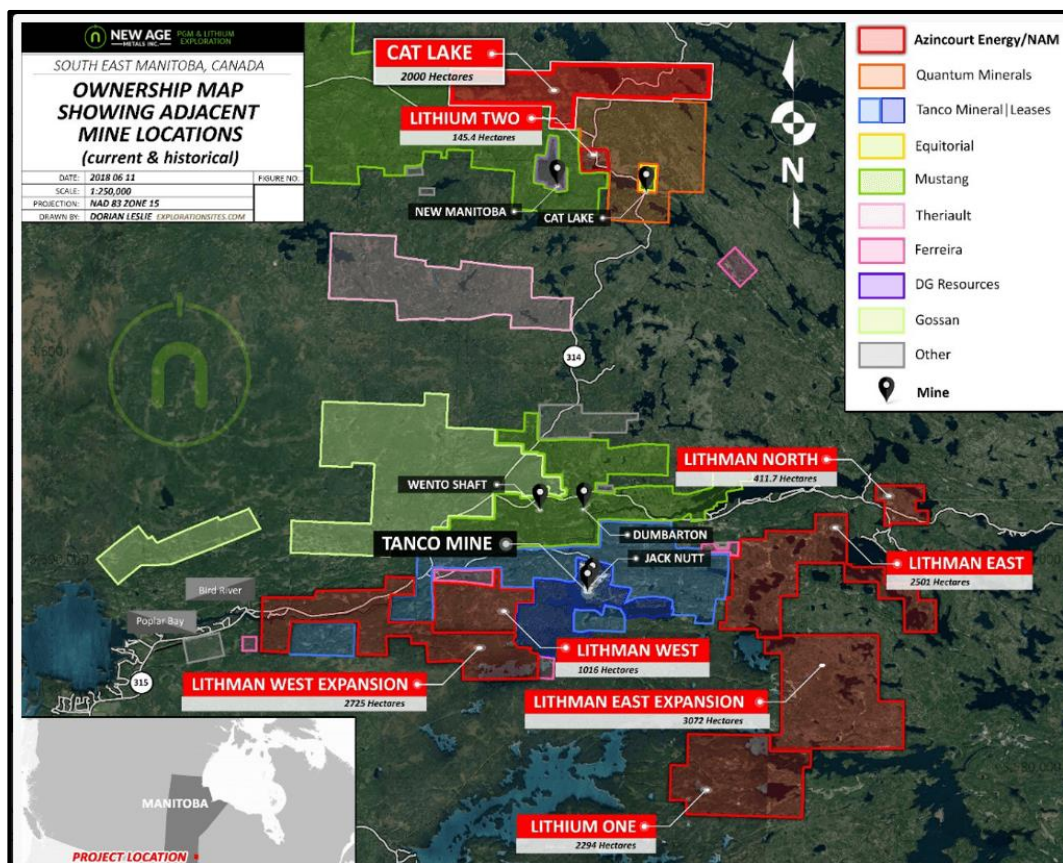


The Company is developing a Lithium and Rare Earth Division, management believes that adding an additional “green metal” to its existing Platinum group metals (PGM’s) division is warranted. These new age metals, Lithium, PGM’s and Rare Earths, have robust macro trends with surging demands and limited supply. Going forward, this new division will explore for the minerals needed to fuel the demand for energy storage and other core 21st Century Technologies.

The option on the Lithium One Project was acquired from Cliff Allbutt of Winnipeg, Manitoba, the optionor. The project area is part of the Winnipeg River Pegmatite Field. This pegmatite field is host to the world-class Tanco Mine, which has been one of the world’s richest mines for tantalum, cesium and spodumene (a major source of lithium). The mine began operations in 1969 and is still producing today.

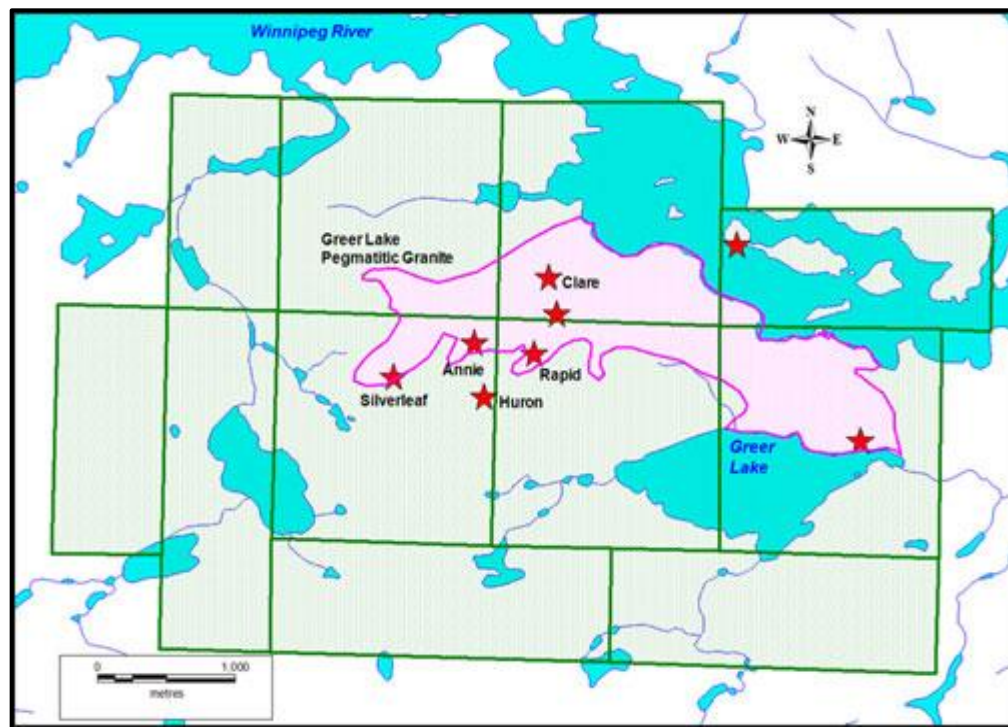
The Company has a two year option to purchase 100% interest in the 11 unpatented contiguous mining claims. The claim area is 2,272 hectares (5,614 acres) and is situated 8.5 kilometres southeast of the Tanco Mine Site. Management believes that from the historic work on the surface pegmatites and the reported assays from that time period, that there is economic potential for further lithium (Li) mineralization.

The Lithium One Project is located 125 kilometres northeast of Winnipeg, Manitoba and is geologically characterized as being a part of the Cat Lake-Winnipeg River Pegmatite Field.



**Figure 19:** Claim Map of the Bird River Area Showing the Joint Venture Project Locations

This Pegmatite Field is host to the world-class Tanco Pegmatite, which has been mined since 1969 for Tantalum, Cesium, and Spodumene (a Lithium bearing ore). Historically the Lithium One Project area is known for the presence of numerous surface Pegmatites of various dimensions and compositions. The Silverleaf Pegmatite is a zoned complex Lithium-bearing Pegmatite with a surface exposure of approximately 80 metres x 45 metres. The Pegmatite is exposed in the northeast and strikes under cover to the southwest. Samples taken from the Lepidolite-Spodumene Zone yielded assays from 1.81% to 4.09% Li<sub>2</sub>O and 0.63% to 6.11% Rb<sub>2</sub>O.



**Figure**  
Historical  
Pegmatite

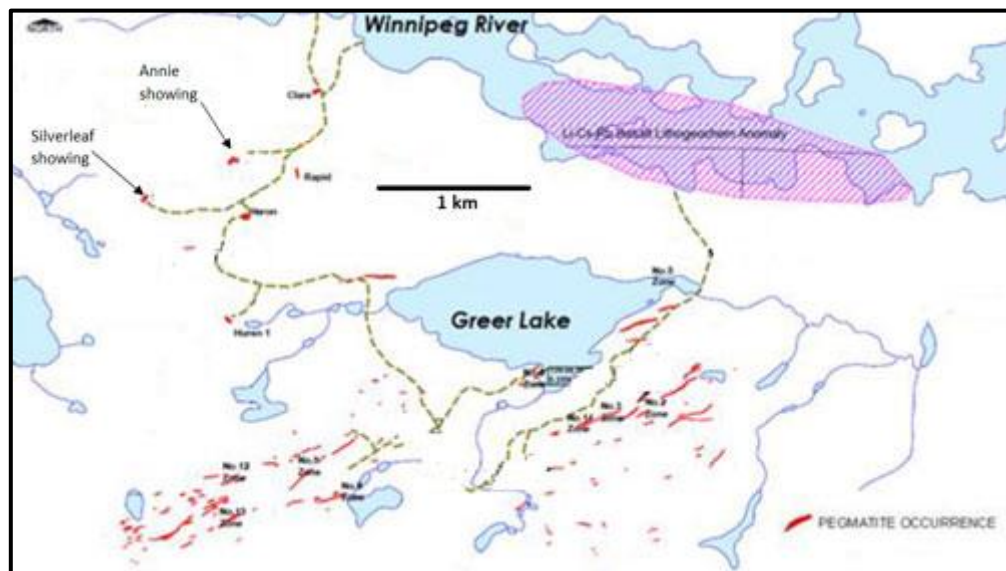
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Location Map – Northern Portion, Lithium One Project

This zone is approximately 50 metres x 20 metres in size and extends into a historic excavated open pit. The historic open pit area originates from the late 1920s, when a bulk sample of Spodumene was mined from the southwest side of the Silverleaf Pegmatite. Large scale mining operations were not undertaken at that time. The area has seen sporadic exploration activity with focus on base metals and tantalum with minor exploration for Lithium.

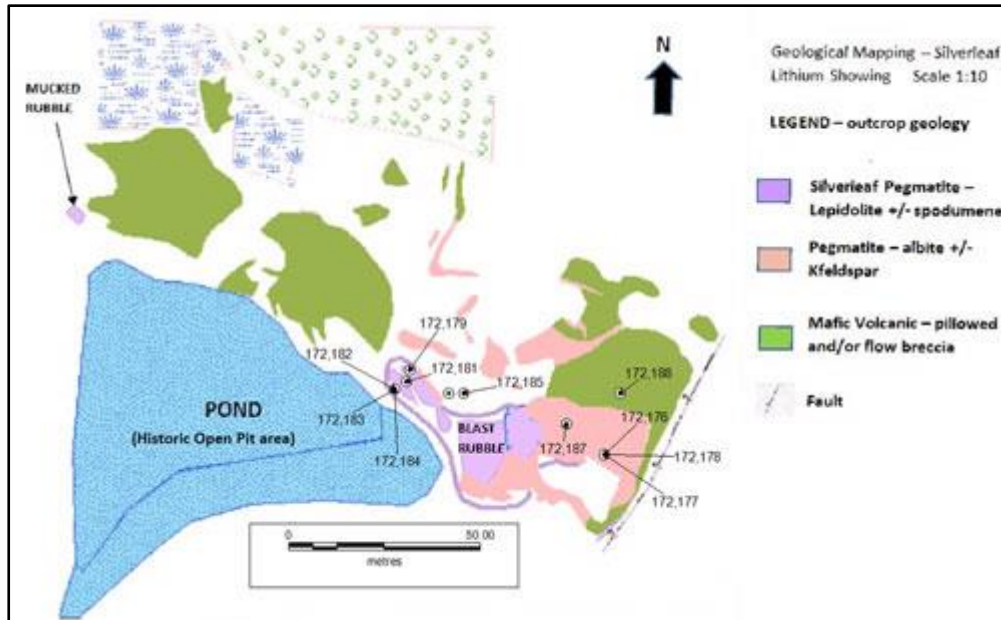
In an effort to check the purity of the Spodumene, a sample of Spodumene blades was sampled from the Silverleaf Pegmatite. This sample yielded an assay of 8.76 % Li<sub>2</sub>O. A review of Spodumene mineral data at the Webmineral website indicates that Spodumene crystal can (<http://webmineral.com/data/Spodumene.shtml#.W-ShltVKipo>) have a Lithium content from 3.73 to 8.03% Li<sub>2</sub>O. This would tend to indicate that the Spodumene crystals present at the Silverleaf Pegmatite are of a very high Lithium content.

The Spodumene blades at the surface of the Silverleaf Pegmatite can reach a length of up to 40 centimeters and a width of 10 centimeters. The Spodumene blades are surrounded by Lithium bearing purple micas (Lepidolite).



**Figure 21:** Pegmatite map of the Lithium One Project





**Figure 22:** Geological mapping of the Silverleaf Pegmatite, Lithium One Project

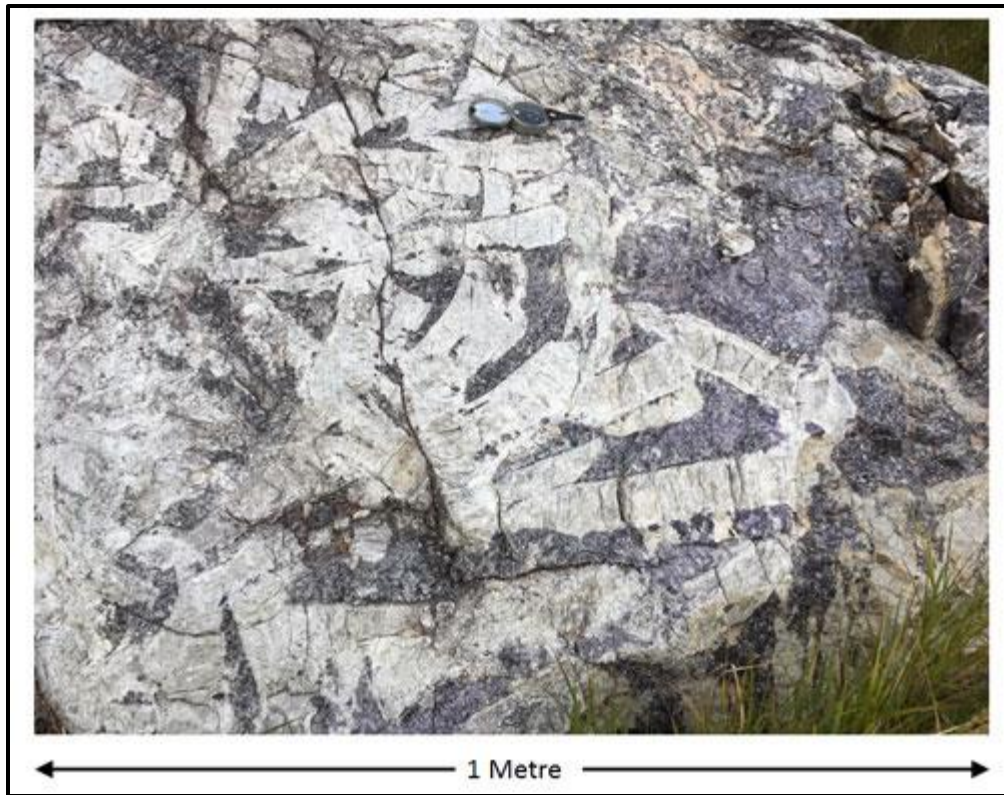
In geological terms, the Silverleaf Pegmatites encountered on the Lithium One Project is a LCT Type (Lithium-Cesium-Tantalum) Pegmatites

**Table 11:** 2018 Samples from the Silverleaf Pegmatite

Sample	UTM East	UTM North	Type	Rock Type & General Description	Li2O %	Cs2O %	Rb2O %	Ta2O5 %
172176	332224	5580074	Assay	Silverleaf showing, 25% pink to pink white albite, 25% fg-cg lepidolite, 10% fg-mg columnar spodumene, 30% cg albite, 5% fg rubellite	2.56	0.14	5.07	0.01
172177	332224	5580074	Assay	Silverleaf showing, 90% pink to pink white columnar albite, 5% fg-cg lepidolite, 10% fg-mg quartz	0.06	0.05	1.13	0.00
172178	332224	5580074	Assay	Silverleaf showing, 30% pink to pink white columnar albite, 50% fg-cg lepidolite, 10% fg-mg quartz, 10% fg-mg acicular, columnar spodumene	2.63	0.17	5.26	0.01
172179	332173	5580096	Assay	Silverleaf showing, 25% pink to pink white feldspar, 25% fg-cg lepidolite, 10% fg-mg columnar spodumene, 30% fg-mg albite	2.71	0.02	0.13	0.01
172181	332172	5580093	Assay	Silverleaf chip sample 1 meter across Spodumene-lepidolite showing	1.81	0.05	0.63	0.00
172182	332169	5580091	Assay	Spodumene Zone grab samples	4.09	0.00	0.03	0.00
172183	332169	5580091	Assay	Spodumene Zone grab samples	3.90	0.00	0.03	0.00
172184	332169	5580091	Fractionation	Silverleaf fractionated sample of albitic albite - feldspar	0.04	0.00	0.01	0.00
172185	332187	5580090	Fractionation	Silverleaf sample of spodumene crystal	8.76	0.01	0.05	0.01
172186	332183	5580090	Assay	Lepidolite Zone	3.04	0.18	5.56	0.02
172187	332214	5580082	Assay	Silver Mica Zone	2.54	0.15	5.54	0.01
172188	332228	5580090	Assay	Lepidolite Zone	3.37	0.14	6.11	0.01

#### QA/QC Protocol

All samples were analyzed at the Activation Laboratories facility, in Ancaster, Ontario. Samples were prepared, using the lab's Code RX1 procedure. Samples are crushed, up to 95% passing through a 10 mesh, riffle split, and then pulverized, with mild steel, to 95%, passing 105 µm. Analyses were completed, using the lab's Ultratrace 7 Package; a Sodium Peroxide Fusion which allows for total metal recovery and is effective for analysis of Sulphides and refractory minerals. Assay analyses are carried out, using ICP-OES and ICP-MS instrumentation. New Age Metals implemented a QA/QC field program with insertion of blanks at regular intervals. Activation Laboratories has their own internal QA/QC procedures that it carries out for all sample batches.



**Figure 23:** Spodumene – Lepidolite Zone, Silverleaf Pegmatite, Lithium One Project





**Figure 24:** Spodumene Blades – Lithium One Project – Silverleaf Pegmatite

#### **2020 Lithium One Exploration Program;**

NAM's field crews completed a first round of sampling and mapping on the Company's Lithium One Project. Favourable seasonal weather in Manitoba have allowed our team to identify expanded mineralized outcrop exposures with visible concentrations of spodumene mineralization. A follow-up phase of work has begun this week to conduct in-fill surface sampling to test lateral extensions of the Silverleaf pegmatite

The Company's new Lithium Division will focus on the acquisition, exploration and development of Lithium Projects in Canada. In the United States the company will use its wholly owned U.S.A subsidiary to acquire and develop projects in active mining camps in Nevada, Arizona and California.

Lithium and Platinum group metal prices have improved dramatically in recent months. Lithium supplies remain in deficit relative to their demand. Both metals groups are used for the expanding worldwide automobile industry (conventional and electric). In the case of PGM's, demand is increasing for autocatalysts, a key component for reducing toxic emissions for automotive, gasoline and diesel engines. In regards to Lithium, there is an ever increasing demand for batteries in cellphones, laptops, electric cars, solar storage, wireless charging and renewable energy products.

The five Lithium Pegmatite projects, which the company holds, are situated in the Winnipeg River-Cat Lake Pegmatite Field of SE Manitoba. This pegmatite field is host to the world-class Tanco Pegmatite, which is a highly-fractionated, Lithium-Cesium-Tantalum (LCT)-type pegmatite that has been mined at the Tanco Mine, in various capacities, since 1969 for Lithium-bearing minerals (Spodumene), Tantalum, Beryllium, Rubidium and Cesium. The Tanco Mine is presently owned by the Cabot Corporation. There are no current NI 43-101 compliant resources, but academic reports suggest that the Tanco Pegmatite, prior to the start of mining, was approximately 1520 metres long, 1060 metres wide and up to ~100 metres thick, with a volume of ~21,850,000 m<sup>3</sup> and a mass of about 57,430,000 tonnes.

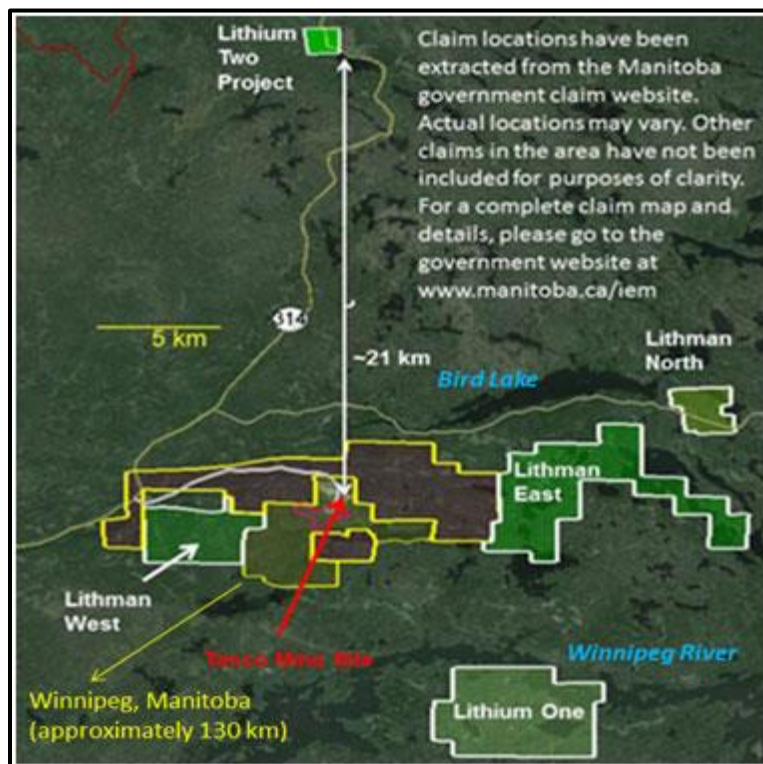
Field work carried out by NAM in 2016 was focused on ground proofing many of the historically reported pegmatites in the project region. Four out of five projects were examined. The best results from surface sampling came from the Lithium One and Lithium Two Projects.

The Company examined and sampled several of the known Lithium-bearing Pegmatites. Numerous Pegmatites and Pegmatite swarms were not sampled, due to access difficulties and will be prospected at a later time. The Silverleaf and Annie Pegmatites yielded the best Lithium assays.

The Silverleaf Pegmatite is a zoned complex Lithium-bearing Pegmatite, with a surface exposure of approximately 80 metres x 45 metres. It was the largest pegmatite reviewed. Samples taken from the Lepidolite-Spodumene Zone yielded assays from 1.30% to 2.43% Li<sub>2</sub>O, 0.15% to 2.08% Rb<sub>2</sub>O and 104 ppm to 447 ppm Ta<sub>2</sub>O<sub>5</sub>. This zone is approximately 50 metres x 20 metres in size and extends into a historic excavated open pit. The open pit originates from the late 1920s, when a bulk sample of Spodumene was mined, from the southwest side of the Silverleaf Pegmatite. Large scale mining operations were not undertaken at the time, due to changes in the market conditions and commodity prices. A sample from the historically mined Spodumene rock pile, returned values up to 4.33% Li<sub>2</sub>O.

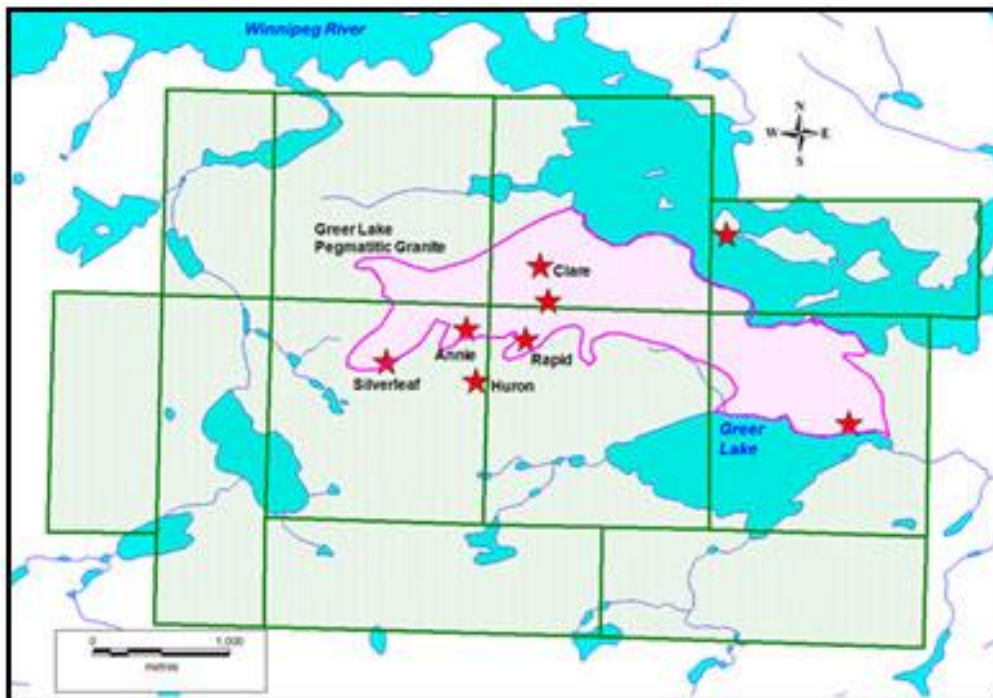


**Figure 25:** Approximate Outline of the Winnipeg River-Cat Lake Pegmatite Field (Lithium Canada claim locations in green and the Tanco Mine Leases in red)



**Figure 26:** Lithium Projects in SE Manitoba





**Figure 27:** Lithium One Project Pegmatites Examined in 2016

The Annie Pegmatite is exposed on surface, for an approximate area of 15 metres x 90 metres. Samples returned assays of 0.10% to 0.64%  $\text{Li}_2\text{O}$  and 0.21% to 0.81%  $\text{Rb}_2\text{O}$ . Other Pegmatites returned elevated levels of Lithium. Due to the zoned nature of some of the Pegmatites, additional Lithium-rich zones may exist that are not exposed on surface.

A drill program of 3500 metres is proposed for 2017, to test several of the surface exposed Pegmatites. To date, the company has approximately 6,318 hectares (15,612 acres) of mineral claims, with Lithium Mineral Potential in the Cat Lake-Winnipeg River Pegmatite Field of SE Manitoba. NAM is the largest mineral claim holder in the Pegmatite Field. As part of the Company's Prospector Generator Model, negotiations are currently ongoing with interested 3rd parties, for possible Option/Joint Ventures and other Exploration Initiatives.

On 29 November 2016, the Company acquired additional ground from Mustang Minerals Corp. (Mustang), increasing the size of the Lithium Two Project. Following up on the Lithium grades previously released on the Lithium Two Project from surface sampling of the Eagle and F.D. No. 5 Pegmatites, the company decided to enact a clause in their agreement with Mustang and acquire additional ground. This ground has been acquired at no additional cost and the size of the project area has doubled. The company considers the Cat Lake Area to be highly prospective for potentially economic lithium deposits. Numerous pegmatites in the region are Spodumene-Bearing and of the Lithium-Cesium-Tantalum (LCT) type of pegmatites, which are ideal for lithium potential.

The Lithium Two Project is located north of Cat Lake, approximately 145 kilometers (90 miles) northeast of Winnipeg, Manitoba (Canada) and 22 kilometers north of the Tanco Mine Site. Geologically, the project is situated in the Cat Lake portion of the Cat Lake Winnipeg River Pegmatite Field.

The Winnipeg River Pegmatite Field hosts the World Class Tanco Pegmatite, which has been mined since 1969 at the Tanco Mine Site. At one time, the Tanco Mine was North America's

only producer of Spodumene (a primary lithium mineral). The project has excellent access via a major gravel covered provincial highway in the project area.

### **Phase One Exploration Review**

The Company carried out a Phase One Exploration Program, whereby several of the known Lithium bearing Pegmatite were prospected and sampled, including the Greer Lake Pegmatitic Granite. The purpose of the exploration program was to obtain modern-day assay analyses of the Pegmatites and to ground proof the historic Pegmatite locations. Numerous Pegmatites and Pegmatite swarms were not sampled, due to access difficulties and will be prospected at a later time.

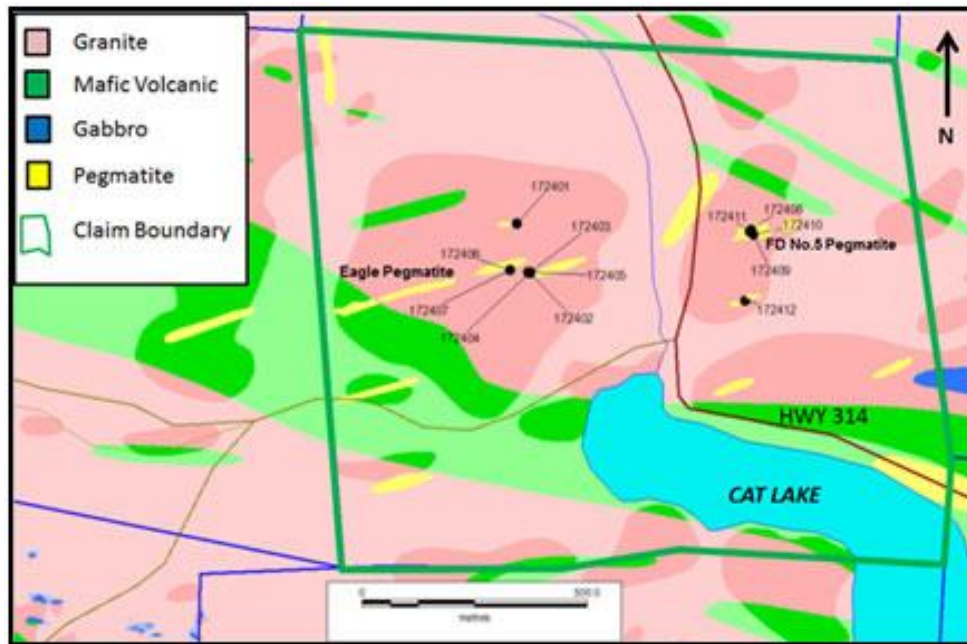
The Silverleaf Pegmatite is a zoned complex Lithium-bearing Pegmatite, with a surface exposure of approximately 80 metres x 45 metres. It was the largest Pegmatite reviewed. Samples taken from the Lepidolite-Spodumene Zone yielded assays from 1.30% to 2.43% Li<sub>2</sub>O, 0.15% to 2.08% Rb<sub>2</sub>O and 104 ppm to 447 ppm Ta<sub>2</sub>O<sub>5</sub>. This zone is approximately 50 metres x 20 metres in size and extends into a historic excavated open pit. The open pit originates from the late 1920s, when a bulk sample of Spodumene was mined from the southwest side of the Silverleaf Pegmatite. Large scale mining operations were not undertaken at the time, due to changes in the market conditions and commodity prices. A sample from the historically mined Spodumene rock pile returned values up to 4.33% Li<sub>2</sub>O.

Two Spodumene-bearing pegmatites were examined during the 2016 summer field season; the Eagle and the FD 5 Pegmatites.

The Eagle Pegmatite has been reported to be exposed at surface as a series of lenticular Spodumene-bearing Dykes, over a distance of about 823 metres. Approximately 200 metres of the exposure area was examined in the 2016 field program. In 1947, drilling of the Eagle Pegmatite estimated that there was 545,000 tonnes (600 000 tons) of Spodumene, with an average content of 1.4% Li<sub>2</sub>O, to a depth of 60 metres (200 feet). This is a historic estimation and is not NI 43-101 compliant. The Eagle Pegmatite remains open to depth. The 2016 surface sampling yielded chip samples, across the pegmatite, up to 3.04% Li<sub>2</sub>O.

The F.D. No. 5 Pegmatite is exposed over an area of 15 metres. The best surface assay was 2.08% Li<sub>2</sub>O, over a 1.5 m chip sample. The Pegmatite has not previously been drill tested.

The Lithium content over each of the sampled Pegmatites is extremely positive. In addition, Tantalum, Cesium and Rubidium contents are enriched, as expected, for a Lithium-Cesium-Tantalum (LCT) Type Pegmatite. LCT Type Pegmatites are the deposit types sought after, in Lithium Exploration. The Tanco Pegmatite is a LCT Type Pegmatite.



**Figure 28:**

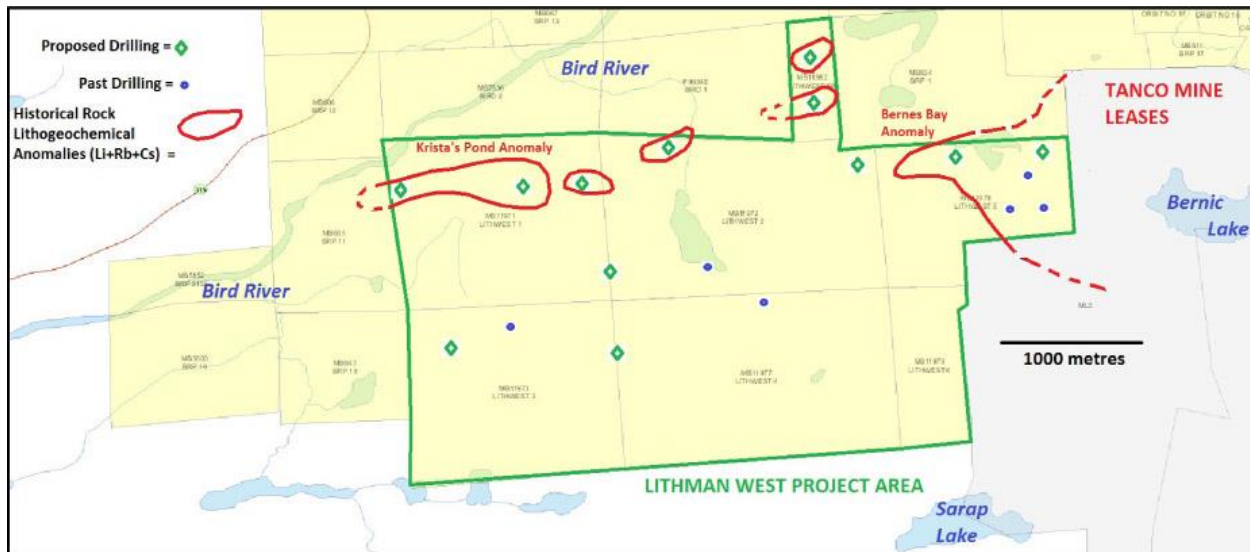
#### Geology of the Lithium Two Project, SE Manitoba

While compiling the historic geological data for the project areas, several untested geochemical targets were identified. None of the historic work has been verified with a NI-43-101, and therefore is considered non-compliant. The mineral claims were previously held by the Tantalum Mining Corporation of Canada (Tanco), which carried out rock and soil geochemistry in 1977 and between 1999 and 2007. Soil and rock samples were collected at 25 metre intervals on grid-lines 100 metres apart. Most of the historic work focused on the northern portion of the Lithman West Project area, with soil geochemistry completed over most of the project area. Soil samples were analyzed using the Enzyme Leach technique at Activation Laboratory. The litho-geochemistry targets are identified based on enrichment of Lithium, Rubidium and Cesium in host rocks. When pegmatites are emplaced, metasomatic fluids enrich the host country rocks in Lithium, Rubidium and Cesium. The metasomatic enrichment of the host rocks in the case of Lithium can occur up to 100 metres away from the pegmatites, whereas Rubidium and Cesium have smaller metasomatic aureoles. Using the three elements (Li+Rb+Cs) in conjunction and statistically determining background based on rock type, the identification of anomalous and highly anomalous rock types can be used to generate the litho-geochemical targets. This was Tanco's procedure with regards to litho-geochemistry and all their historical exploration data are available in assessment files at the Manitoba Mines Branch.

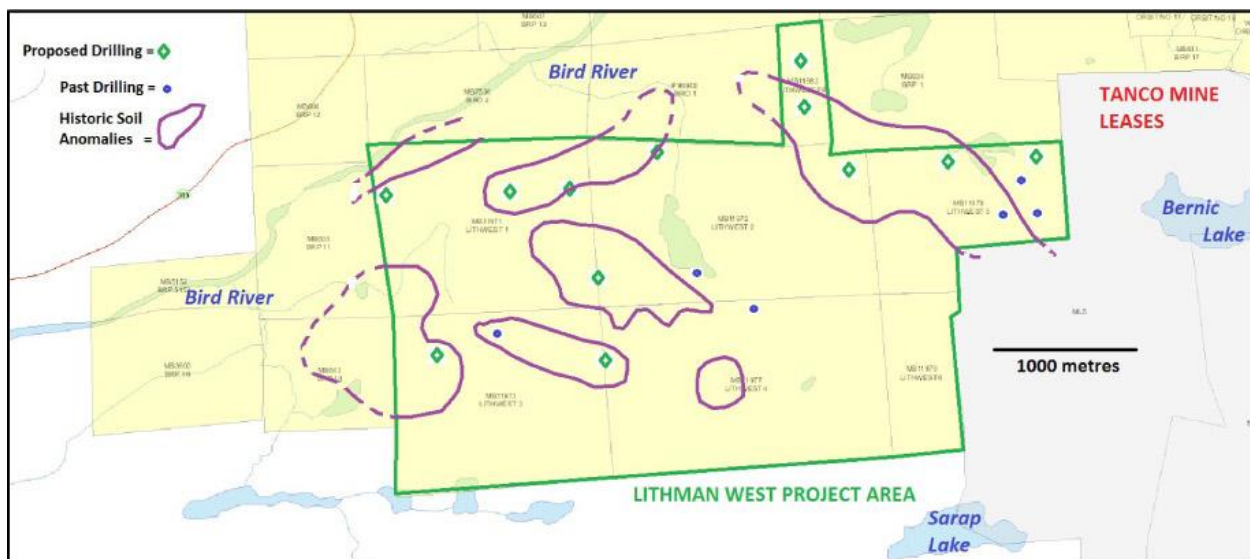
All litho-geochemical anomalies appear to be oriented East-West, which is the general orientation of other lithium-bearing pegmatites in the Winnipeg River-Cat Lake Pegmatite Field. Six Li+Rb+Cs litho-geochemical anomalies are recognized from compilation of historical assessment files on the Lithman West Project. Litho-geochemistry has only been carried out on the northern portion of the project area by previous explorers. Four of the litho-geochemical anomaly targets have been defined to be approximately 150 metres to 200 metres long and 25 metres to 50 metres wide. These targets appear not to have been drill tested. The two largest of the litho-geochemical anomalies is the Krista's Pond Anomaly and Bernes Bay Anomaly. The Krista's Pond Anomaly is tear-drop shaped and approximately 1200 metres long and 150 metres maximum width. This anomaly has not been drill tested, even though it appears to be a moderate to strong litho-geochemical target. The Bernes Bay anomaly on the project area is approximately

1000 metres long by 1500 metres wide. Previous work indicates that this anomaly extends eastward to the westernmost bay of Bernic Lake. This anomaly was considered to be a high priority target in 1977 and was tested with three shallow drill holes.

Seven soil Enzyme Leach anomalies have been defined from compilation of past Tanco exploration work (Figure 29). These anomalies are varying shapes and sizes. Areas where the soil and rock geochemistry overlap or nearly overlap are considered to be the highest priorities for follow-up drilling.



**Figure 29:** Historic Rock (Li+Rb+Cs) Geochemical Anomalies – Lithman West Project



**Figure 30:** Historic Soil (Enzyme Leach) Geochemical Anomalies – Lithman West Project

It is recommended that a diamond drill program be carried out in order to drill test the soil and rock geochemical anomalies (Figures 29 and 30). These are drill ready targets based on the historic geological exploration. In addition, it is recommended that follow-up geological work be

carried out over the anomalies and that rock litho-geochemistry be completed on the southern portion of the project area. The Company has five Lithium Pegmatite projects in the Winnipeg River-Cat Lake Pegmatite Field of Southeast Manitoba. This pegmatite field (Figure 31) is host to the world-class Tanco Pegmatite, a highly fractionated Lithium-Cesium-Tantalum (LCT)-type pegmatite, which has been mined at the Tanco Mine for Lithium-bearing minerals (Spodumene), Tantalum, Beryllium, Rubidium and Cesium since 1969. There are no current NI43-101 compliant reports, but academic reports suggest that the Tanco Pegmatite prior to the start of mining was approximately 1520 metres long, 1060 metres wide, and up to ~100 metres thick with a volume of ~21,850,000 m<sup>3</sup> and a mass of ~57,430,000 tonnes. Numerous other lithium-bearing pegmatites exist within the pegmatite field.

The Company has two other drill ready targets for lithium-bearing pegmatites in the Pegmatite Field to date, the Company has approximately 6,318 hectares (15,612 acres) of mineral claims, with Lithium Mineral Potential in the Winnipeg River-Cat Lake Pegmatite Field of southeast Manitoba. NAM is the largest mineral claim holder in the Pegmatite Field.

On 11 January 2018, the Company entered into an option agreement with Azincourt Energy Corp. ("Azincourt") amended on 10 July 2018 which allows for Azincourt to acquire either 50%, 60% or 100% interest in the Five Lithium Projects. Once Azincourt has acquired 60% interest in the Five Lithium Projects, the Company has a period of 90 days to enter into a joint venture arrangement with Azincourt for the development of the Five Lithium Projects. If the Company does not elect to form a joint venture, Azincourt has the right to acquire the remaining 40% interest in the Five Lithium Projects.

As consideration for the initial 50% interest, Azincourt will make cash payments and issue shares to the Company per the following schedule:

Cash payments

- (i) \$50,000 on the closing date (received);
- (ii) \$50,000 on or before 6 months from the closing date (received);
- (iii) \$50,000 on or before the 1-year anniversary of the closing date; and
- (iv) \$50,000 on or before 18 months from the closing date.

Share payments

- (i) 250,000 shares of Azincourt on the closing date (received);
- (ii) 750,000 shares of Azincourt on or before 15 August 2018 (received);
- (iii) 250,000 shares of Azincourt on or before the 1-year anniversary of the closing date (received);
- (iv) 250,000 shares of Azincourt on or before the 2-year anniversary of the closing date; and
- (v) 250,000 shares of Azincourt on or before the 3-year anniversary of the closing date.

Azincourt will expend a minimum of \$2,850,000 of exploration expenditures per the following schedule:

- (i) \$600,000 on or before the 1-year anniversary of the closing date (\$210,000 received);
- (ii) \$600,000 on or before the 2-year anniversary of the closing date; and
- (iii) \$1,650,000 on or before the 3-year anniversary of the closing date.

The closing date is five business days following TSX approval on 23 January 2018.



Under the terms of the agreement Azincourt has agreed to pay the Company a 2% net smelter royalty return on each one of the Five Lithium Properties. The parties acknowledge the existing 1% royalty on lithium 1 to a cap of 250,000 Canadian dollars.

At any time following the initial option being exercised, Azincourt has the right to acquire an additional 10% in the Five Lithium Projects by issuing 1,000,000 shares to the Company within 10 business days of committing to earn the additional 10%, for a total of 60% interest; and incur additional exploration expenditure of \$750,000 on or before 31 October 2021.

Once Azincourt has earned their 60%, it will provide a 90-day notice to the Company in regards to the Company's option to enter into a joint venture agreement to fund 40% of the project. In the event the Company declines to exercise its option, Azincourt has a final option to acquire 100% interest in the Five Lithium Projects by issuing 1,000,000 shares to the Company within 10 business days of its commitment, and incur additional exploration expenditures of \$1,000,000 on or before 31 October 2022.

All securities issued in connection with the property option will be subject to a four-month-and-one-day statutory hold period. The Five Lithium Projects option remains subject to a number of conditions, including negotiation of definitive agreements, approval of the TSX Venture Exchange, and such other conditions as are customary in transactions of this nature.

The Company will serve as the Field Manager of the technical program during the Option Period.

The agreement covers the Lithium One, Lithium Two, Lithman West, Lithman East and Lithman North projects. The land package included in this agreement represents one of the largest mineral claim holdings for Lithium Projects in the Winnipeg River Pegmatite Field with claims covering over 6000 hectares. This represents approximately 64 square kilometres of mineral claim coverage.

During the year ended 30 April 2020, Azincourt defaulted on the option agreement and as a result the option agreement was terminated.



**Figure 31: Projects Location Map**

The Winnipeg River Pegmatite Field is host to numerous Lithium-rich Pegmatites in addition to the world-class Tanco Pegmatite, a highly fractionated lithium-cesium-tantalum (LCT) type pegmatite that has been mined at the Tanco Mine as an underground operation since 1969 for Tantalum, Spodumene (a lithium mineral) and cesium (Cs).

### **Alaska Genesis Project, Alaska**

On 17 April 2018, the Company entered into an option agreement with Anglo Alaska Gold Corp. (“Anglo”) to acquire 100% interest in certain mineral claims in the State of Alaska.

The Company will pay the following cash consideration to Anglo:

- (i) \$30,000 on the closing date (paid);
- (ii) \$30,000 on or before the 1-year anniversary of the closing date (paid);
- (iii) \$30,000 on or before the 2-year anniversary of the closing date (paid); and
- (iv) \$30,000 on or before the 3-year anniversary of the closing date.

The Company will also issue commons shares of the Company to Anglo per the following schedule:

- (i) 200,000 shares on the closing date (issued) (Notes 11 and 17);
- (ii) 200,000 shares on or before the 1-year (issued) anniversary of the closing date;
- (iii) 200,000 shares on or before the 2-year (issued) anniversary of the closing date; and
- (iv) 200,000 shares on or before the 3-year anniversary of the closing date.

The closing date is five business days following TSX approval on 20 April 2018.

The Company must complete the following filings and payments:

- (i) Annual payment to the State of Alaska for mining claim rentals of \$8,960, due each year between 1 September and 30 November during which the agreement is in effect.
- (ii) Filing annual Affidavits of Annual Labor with the State of Alaska Recorder's office for the Valdez and Chitina Recording Districts.
- (iii) Filing, maintaining, and closing any and all permits required by the State of Alaska and /or Federal regulatory agencies.
- (iv) Conduct qualifies on-ground work as require by the State of Alaska.

In year one of the agreement, the Company has the obligation to complete either (i) or (ii) as follows:

- (i) Spend a maximum of \$10,000 to have Avalon Development Corp. update all previous data and geological information and reports on the property before 15 July 2018 (incurred).
- (ii) Spend a minimum of \$25,000 to upgrade current property information and complete confirmation sampling on the property, resulting in a final report.



**Figure 32: Projects Location Map**

## QUALIFIED PERSON STATEMENT

“Project Overview” section of this report has been reviewed and approved for technical content by Ali Alizadeh MSc. P.Geo, Senior Geologist Advisor of NAM and a Qualified Person under the provisions of NI 43-101.

## SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company. The figures have been prepared in accordance with IFRS.

	For the Quarters Ended (unaudited)							
	31 Jan	31 Oct	31 Jul	30 Apr	31 Jan	31 Oct	31 Jul	30 Apr
	2021	2020	2020	2020	2020	2019	2019	2019
Total	-	-	-	-	-	-	-	-

revenues								
Net income (loss)	(104,032)	(321,526)	38,752	(315,027)	(168,795)	(17,631)	(154,655)	(198,311)
Net income (loss) per share	(0.000)	(0.002)	0.000	(0.003)	(0.002)	(0.000)	(0.002)	(0.002)
Total assets	4,451,977	4,544,656	4,902,229	4,721,608	3,040,498	3,059,348	2,866,118	3,135,392

## 6. RESULTS OF OPERATIONS

The nine months ended 31 January 2021 resulted in loss from operations of \$386,806 which compares to \$341,082 for the same period in 2020. The increase in loss of \$110,787 was mainly attributable to net effect of the following:

- Increase of \$96,393 in Consulting fees. \$128,779 for the nine months ended 31 January 2021 compared to \$32,416 for the same period in 2020.
- Increase of \$24,555 in Depreciation of right-of-use asset, \$24,555 for the nine months ended 31 January 2021 compared to \$Nil for the same period in 2020.
- Increase of \$3,951 in Insurance, licenses and fees, \$24,357 for the nine months ended 31 January 2021 compared to \$20,406 for the same period in 2020.
- Decrease of \$1,476 in Management fees, \$102,382 for the nine months ended 31 January 2021 compared to \$103,858 for the same period in 2020.
- Increase of \$56,486 in Marketing and communications, \$118,138 for the nine months ended 31 January 2021 compared to \$61,652 for the same period in 2020.
- Decrease of \$7,004 in Office and miscellaneous, \$19,766 for the nine months ended 31 January 2021 compared to \$26,770 for the same period in 2020.
- Decrease of \$18,129 in Rent, \$Nil for the nine months ended 31 January 2021 compared to \$18,129 for the same period in 2020.
- Decrease of \$21,074 in Share-based payments, \$32,140 for the nine months ended 31 January 2021 compared to \$53,214 for the same period in 2020.
- Increase of \$969 in Telephone and utilities, \$7,271 for the nine months ended 31 January 2021 compared to \$6,302 for the same period in 2020.
- Decrease of \$6,253 in Travel, lodging and food, \$11,569 for the nine months ended 31 January 2021 compared to \$17,822 for the same period in 2020.
- Increase of \$9,761 in Interest income, \$16,014 for the nine months ended 31 January 2021 compared to \$6,253 for the same period in 2020.
- Increase of \$2,084 in Finance cost, \$2,084 for the nine months ended 31 January 2021 compared to \$Nil for the same period in 2020.
- Increase of \$76,551 in Unrealized gain on short term investments, \$111,753 for the nine months ended 31 January 2021 compared to \$35,202 for the same period in 2020.

## 7. LIQUIDITY, CAPITAL RESOURCES AND CAPITAL RISK MANAGEMENT

During the period ended 31 January 2021, the Company's working capital, defined as current assets less current liabilities, was \$1,358,972 compared with working capital of \$1,955,233 as at 30 April 2020. The

Company has a total of 139,216,111 common shares issued and outstanding as at 31 January 2021 (30 April 2020: 137,347,966). The Company has a portfolio of investments with a book value of \$971,817 and a market value of \$221,167 as at 31 January.

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

## **8. CONTRACTUAL COMMITMENTS**

Effective 1 April 2016, the Company is committed to paying a monthly management fee of \$5,000 per month to a related party for a term of five years termination on 31 March 2021 amended on 1 June 2018 to pay \$10,000 per month.

Effective 1 September 2016, the Company is committed to paying monthly rent of \$3,000 per month to a related party for a term of 60 months terminating on 31 August 2021.

As at 31 January 2021, the Company has \$Nil remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements.

The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company owns various exploration and evaluation properties. Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.

The Company entered into an advertising agreement with AGORA Internet Relations Corp. ("Agora") where the Company will pay Agora a total of \$60,000 in shares for services beginning 10 March, 2020 and ending 31 March, 2021 per the following schedule:

- \$12,000 in shares for services upon commencement 10 March, 2020 for initial setup (issued)
- \$12,000 in shares for services by 10 June, 2020 (issued)
- \$12,000 in shares for services by 10 September, 2020 (issued)
- \$12,000 in shares for services by 10 December, 2020 (issued)
- \$12,000 in shares for services by 10 March, 2021

## **9. CONTINGENCIES**

As at 31 January 2021 the Company owns various exploration and evaluation properties. Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.

The Company has indemnified the subscribers of flow-through shares of the Company issued in the current and prior years against any tax related amounts that may become payable as a result of the Company not making eligible expenditures.

## **10. OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **11. CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses are a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount

of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when the two are issued together as a unit. The Company uses the binomial valuation model to determine the fair value of warrants issued.

These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the consolidated financial statements for the period ended 31 January 2021.

## **12. GOVERNMENT LAWS, REGULATION & PERMITTING**

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

## **13. ESTIMATES OF MINERAL RESOURCES**

The mineral resource estimates contained in this MD&A are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially



exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligation or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

#### **14. KEY MANAGEMENT AND COMPETITION**

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

#### **15. TITLE TO PROPERTIES**

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

#### **16. COMMODITY PRICES**

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold.

#### **17. FINANCIAL INSTRUMENTS**

The Company adopted all of the requirements of IFRS 9 Financial Instruments on May 1, 2019. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

#### Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, advances and deposits, available-for-sale securities, share purchase warrants, trade payables and due to related parties.

#### Fair Values

<b>As at 31 January 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$		\$
<b>Financial assets at fair value</b>				
Cash and cash equivalents	1,129,907	-	-	1,129,907
Short-term investments – Shares	221,167	-	-	221,167
<b>Total financial assets at fair value</b>	<b>1,351,074</b>	<b>-</b>	<b>-</b>	<b>1,351,074</b>

#### Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. For the period ended 31 January 2021, amounts receivable was mainly comprised of Goods and Services Tax/Harmonized Sales Tax receivable and other receivables from related parties.

#### Currency Risk

For the period ended 31 January 2021, the Company's operations were mainly in Canada. The Company considers its currency risk to be insignificant.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no

assurance that it will be able to do so in the future. As at 31 January 2021, the Company had working capital of \$1,358,972 (30 April 2020: \$1,955,233).

#### Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

## **18. RELATED PARTY TRANSACTIONS**

The remuneration of directors and other members of key management were as follows:

	<b>31 January 2021</b>	31 January 2020
	\$	\$
Short-term benefits – management and consulting fees	<b>139,500</b>	150,000
Share-based payments	<b>18,481</b>	26,207
<b>Total key management personnel compensation</b>	<b>157,981</b>	176,607

The assets and liabilities of the Company include the following amounts due from/to related parties:

	<b>31 January 2021</b>	30 April 2020
	\$	\$
El Nino	<b>23,557</b>	10,592
<b>Total amount due from related parties (Note 6)</b>	<b>23,557</b>	10,592
Chief Executive Officer	-	4,354
CFO	-	513
<b>Total amount due to related parties</b>	<b>-</b>	4,867

Related party expenses are summarized as follows:

	<b>31 January 2021</b>	31 January 2020
	\$	\$
Shared office and consulting fees recoveries from El Nino	<b>(70,855)</b>	<b>(155,781)</b>
Rent expense before shared office recoveries to the CEO	<b>5,643</b>	<b>5,643</b>
Rent expense before shared office recoveries to 3699030 Canada Inc. (Note 19)	<b>27,000</b>	<b>31,619</b>
Consulting fees to the Chief Financial Officer ("CFO")	<b>31,500</b>	<b>31,500</b>
Management fees to Canadian Gravity Recovery Inc. ("CGR") (Note 19)	<b>90,000</b>	<b>90,000</b>
Consulting fees to 873285 BC Ltd.	<b>18,000</b>	<b>18,000</b>

<b>Total related party expenditures</b>	<b>101,288</b>	<b>20,981</b>

All related party transactions are in the normal course of operations and measured at the exchange amount agreed to between the related parties.

## 19. OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at 31 January 2021, there were 137,347,966 issued and outstanding common shares (30 April 2020: 137,347,966).

### Share Purchase Options

Directors, officers, employees and contractors are granted options to purchase common shares under the Company stock option plan. The terms and outstanding balance are disclosed in the table below:

<b>Number outstanding 30 April 2020</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Cancelled</b>	<b>Number outstanding 31 January 2021</b>	<b>Exercise price per share</b>	<b>Expiry date</b>
333,333	-	-	333,333	-	-	\$0.15	18 September 2020
1,125,000	-	-	-	100,000	1,025,000	\$0.21	15 July 2021
2,675,000	-	-	-	200,000	2,475,000	\$0.14	19 June 2022
150,000	-	-	-	-	150,000	\$0.14	11 April 2023
100,000	-	-	-	-	100,000	\$0.12	20 June 2023
100,000	-	-	-	-	100,000	\$0.12	30 October 2023
1,400,000	-	-	-	100,000	1,300,000	\$0.05	24 October 2024
-	2,000,000	-	-	-	2,000,000	\$0.10	30 July 2025
<b>5,883,333</b>	<b>2,000,000</b>	<b>-</b>	<b>333,333</b>	<b>400,000</b>	<b>7,150,000</b>		

## 20. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management has evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on the evaluation of the disclosure controls performed to date, the Company is determined to strengthen internal controls over financial reporting. Management has engaged the services of an additional external accounting firm to obtain more specific and detailed advice as to increasing the effectiveness of the Company's internal control.

## 21. INTERNAL CONTROLS AND PROCEDURES

Internal controls and procedures are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with the IFRS. As at the end of the period covered by this management's discussion and analysis, management had designed and implemented internal controls and procedures as required by Canadian securities laws.

The Company has evaluated the design of its internal controls and procedures over financial reporting for the period ended 31 January 2021. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management continues to review and refine its internal controls and procedures.

## **22. RISKS AND UNCERTAINTIES**

The mineral industry is intensely competitive in all its phases. The Company competes with many other companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled. Exploration for minerals is a speculative venture. There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body.

The Company's activities outside of Canada make it subject to foreign currency fluctuations and this may materially affect its financial position and results.

The Company has limited financial resources, no source of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements. If the Company's generative exploration programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties.

## **23. NEW PROJECT ACQUISITION PROGRAM**

The current downturn in the metals market provides an excellent opportunity to acquire high quality projects under agreeable terms. The Company is reviewing properties for acquisition on an ongoing basis.

## **24. SUBSEQUENT EVENTS**

Since 31 January 2021, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Subsequent to the period end 31 January 2021, the Company issued 4,616,750 common shares valued at \$638,338, related to exercise of warrants at price from \$0.10 to \$0.15.

18 March 2021, the Company completed a first tranche closing of it's non-brokered private placement offering raising gross proceeds of \$3,621,680.

The Company has issued an aggregate of 22,260,500 units consisting of 20,760,500 non-flow through units at a price of \$0.16 per unit and 1,500,000 flow-through units at a price of \$0.20 per unit.