



## **NEW AGE METALS INC.**

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

## NOTICE OF NO AUDITOR REVIEW OF 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 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 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.

## Consolidated Interim Statements of Financial Position

As at 31 July 2020 and 30 April 2020

(Unaudited)

(Expressed in Canadian dollars)

	Notes	As at 31 July 2021	As at 30 April 2021 (Audited)
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	7,870,717	8,644,623
Amounts receivable	6	230,361	100,249
Short-term investments	7	180,191	237,197
Prepaid expenses		97,220	570,452
		8,378,489	9,552,521
Exploration and evaluation properties	8	4,260,508	3,220,300
Equipment	9	72,439	78,312
Right-of-use asset	10	2,729	10,914
<b>Total assets</b>		<b>12,714,165</b>	<b>12,862,047</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	11	265,869	62,600
Flow-through share liability		263,017	263,017
Lease liability – current portion	10	3,010	11,831
		531,896	337,448
<b>Total liabilities</b>		<b>531,896</b>	<b>337,448</b>
<b>Equity</b>			
Share capital	12	43,669,307	43,669,307
Reserves	12	17,132,782	17,124,390
Deficit		(48,619,820)	(48,269,098)
<b>Total equity</b>		<b>12,182,269</b>	<b>12,524,599</b>
<b>Total equity and liabilities</b>		<b>12,714,165</b>	<b>12,862,047</b>

Corporate Information and Going Concern (Note 1), Commitments and Contingencies (Note 19)  
and Subsequent Events (Note 20)

### 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.

## Consolidated Interim Statements of Loss and Comprehensive Loss

For the three months ended 31 July 2021 and 2020

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended	
		31 July 2021	31 July 2020
		\$	\$
<b>Expenses</b>			
Accounting and audit		3,244	-
Bank charges and interest		908	951
Consulting fees	17	46,866	34,566
Depreciation	9	14,058	8,185
Insurance, licenses and fees		10,734	7,190
Legal		5,717	-
Management fees	17	32,453	38,626
Marketing and communications		130,058	57,803
Office and miscellaneous		12,214	5,016
Rent	17	3,908	-
Share-based payments	13	8,392	-
Telephone and utilities		3,118	1,654
Transfer agent and regulatory fees		21,967	5,601
Travel, lodging and food		3,437	2,394
<b>Loss before other items</b>		<b>(297,091)</b>	<b>(161,986)</b>
<b>Other items</b>			
Foreign exchange loss		531	(368)
Interest income		3,025	5,824
Finance cost	10	(180)	(861)
Unrealized gain (loss) on short term investments	7	(57,006)	196,143
<b>Net income (loss) and comprehensive income (loss) for the period</b>		<b>(350,721)</b>	<b>38,752</b>
<b>Loss per share</b>			
Basic and diluted	14	<b>(0.002)</b>	0.000

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

**New Age Metals Inc.**  
**Consolidated Interim Statements of Cash Flows**  
**For the three months ended 31 July 2021 and 2020**  
**(Unaudited)**  
(Expressed in Canadian dollars)

		<b>Three months ended</b>	
	<b>Notes</b>	<b>31 July 2021</b>	<b>31 July 2020</b>
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Income (loss) for the period before tax		(350,721)	38,752
Adjustments for:			
Depreciation of right-of-use of asset		14,058	8,185
Share-based payments	13	8,392	-
Share issued for services	12	-	13,560
Unrealized (gain) loss on short-term investment	7	57,006	(196,143)
Non cash interest		180	831
Operating cash flows before movements in working capital			
(Increase) decrease in amounts receivable		(130,112)	(2,619)
(Increase) decrease in prepaid expenses		473,232	22,313
Increase (decrease) in current liabilities		203,267	36,448
<b>Cash from (used) in operating activities</b>		<b>275,302</b>	<b>(78,643)</b>
<b>INVESTING ACTIVITIES</b>			
Cash spent on exploration and evaluation properties	8	(1,040,208)	(128,653)
<b>Cash used in investing activities</b>		<b>(1,040,208)</b>	<b>(152,468)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from exercise of warrants		-	91,000
Payment of lease liability		(9,000)	-
<b>Cash from financing activities</b>		<b>(9,000)</b>	<b>91,000</b>
<b>Decrease in cash and cash equivalents</b>		<b>(773,906)</b>	<b>(116,296)</b>
<b>Cash and cash equivalents – beginning of period</b>		<b>8,644,623</b>	<b>1,821,706</b>
<b>Cash and cash equivalents – end of period</b>		<b>7,871,717</b>	<b>1,705,410</b>

**Supplemental cash flow information (Note 18)**

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

# New Age Metals Inc.

## Consolidated Interim Statements of Changes in Equity

For the three months ended 31 July 2021 and 2020

(Unaudited)

(Expressed in Canadian dollars)

	Number of shares	Share capital	Share- based payments reserve	Warrant reserve	Deficit	Total
		\$	\$	\$	\$	\$
Balances, 30 April 2020	137,347,966	37,662,819	4,279,342	10,215,833	(47,549,697)	4,608,297
Shares issued for						
Exercise of warrants	1,260,000	91,000	-	-	-	91,000
Services	246,545	13,560	-	-	-	13,560
Share-based payments	-	-	-	-	-	-
Net loss for the period	-	-	-	-	38,752	38,752
Balances, 31 July 2020	138,854,511	37,767,379	4,279,342	10,215,833	(47,510,945)	4,751,609
Shares issued for						
Cash	49,264,594	8,232,335	-	-	-	8,232,335
Mineral properties	200,000	34,000	-	-	-	34,000
Services	434,897	67,800	-	-	-	67,800
Exercise of warrants	8,006,750	968,218	-	-	-	968,218
Exercise of options	350,000	27,000	-	-	-	27,000
Value assigned to warrants	-	(2,502,962)	-	2,502,962	-	-
Flow-through premium liability	-	(350,000)	-	-	-	(350,000)
Share-based payments	-	-	126,253	-	-	126,253
Share issue costs	-	(574,463)	-	-	-	(574,463)
Net loss for the period	-	-	-	-	(758,153)	(758,153)
Balances, 30 April 2021	197,110,752	43,669,307	4,405,595	12,718,795	(48,269,098)	12,524,599
Shares issued for						
Services	-	-	-	-	-	-
Exercise of warrants	-	-	-	-	-	-
Share-based payments	-	-	8,392	-	-	8,392
Net income for the period	-	-	-	-	(350,721)	(350,721)
<b>Balances, 31 July 2021</b>	<b>197,110,752</b>	<b>43,669,307</b>	<b>4,413,987</b>	<b>12,718,795</b>	<b>(48,619,820)</b>	<b>12,182,269</b>

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

# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### **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.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 on business operations cannot be reasonably estimated at the time, the Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows.

#### **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 \$350,721 for the three months ended 31 July 2021 (2020: \$38,752 - income). The Company has not yet achieved profitable operations, the Company has, since inception, accumulated a deficit to 31 July 2021 of \$48,619,820 (30 April 2021: \$48,269,098) 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 July 2021, the Company had \$7,870,717 (30 April 2021: \$8,644,623) 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

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

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.

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 July 2021 and 30 April 2021 are listed below:

Name	Country of incorporation	% equity interest as at	
		31 July 2021	30 April 2021
<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.



# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### **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 16, and are presented in Canadian dollars, except where otherwise indicated.

### **2.3 Statement of compliance**

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 Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### 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.

# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

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.

### *Decommissioning and restoration costs*

Management is not aware of any material restoration, rehabilitation and environmental provisions as at 31 July 2021. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measure 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 Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

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 Interim Financial Statements**

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### **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.

# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### **3.5 Equipment**

Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the declining balance method using the following rate:

- Automobile 20%

### **3.6 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.

### **3.7 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.

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

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.

### 3.8 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 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 and cash equivalents, 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.

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### *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 credit risk of 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.

### *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.

## **3.9 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



# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

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.

### **3.10 Flow-through shares**

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.

### **3.11 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.

### **3.12 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.

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

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

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 31 July 2021 and 30 April 2021 as follows:

<b>31 July 2021</b>	<b>Canada</b>	<b>USA</b>	<b>Total</b>
<b>Total expenses</b>	350,721	-	350,721
Current assets	8,378,489	-	8,378,489
Exploration and evaluation properties	3,908,698	351,810	4,260,508
Equipment	72,439	-	72,439
Right-of-use asset	2,729	-	2,729
<b>Total assets</b>	<b>12,362,355</b>	<b>351,810</b>	<b>12,714,165</b>

<b>30 April 2021</b>	<b>Canada</b>	<b>USA</b>	<b>Total</b>
<b>Total expenses</b>	719,401	-	719,401
Current assets	9,552,521	-	9,552,521
Exploration and evaluation properties	2,868,490	351,810	3,220,300
Equipment	78,312	-	78,312
Right-of-use asset	10,914	-	10,914
<b>Total assets</b>	<b>12,510,237</b>	<b>351,810</b>	<b>12,862,047</b>

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

### 5. CASH AND CASH EQUIVALENTS

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

	As at 31 July 2021	As at 30 April 2021
	\$	\$
Denominated in Canadian dollars – cash at bank	3,041,621	3,810,231
Denominated in Canadian dollars – guaranteed investment certificates	4,800,000	4,800,000
Denominated in U.S. dollars – cash at bank	29,096	34,392
<b>Total cash and cash equivalents</b>	<b>7,870,717</b>	<b>8,644,623</b>

\$1,200,000 of the guaranteed investments certificates were issued on 12 February 2021 and will mature on 11 February 2022 with an interest rate equal to prime rate less 2%. \$3,600,000 of the guaranteed investment certificates were issued on 7 April 2021 will mature on 6 April 2022 with an interest rate equal to prime rate less 2%.

During the period ended 31 July 2021, the Company issued a total of Nil flow-through shares (30 April 2021: 8,750,000) for a total of \$Nil (30 April 2021: \$1,750,000) and Nil non-flow through shares (30 April 2021: 40,514,594) for a total of \$Nil (30 April 2021: \$6,482,335) (Notes 11 and 12). As at 31 July 2021, the Company has \$1,301,706 (30 April 2021: \$1,315,087) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 19).

### 6. AMOUNTS RECEIVABLE

The Company's amounts receivable are as follows:

	As at 31 July 2021	As at 30 April 2021
	\$	\$
Goods and Services Tax /Harmonized Sales Tax receivable ("GST/HST")	216,780	76,049
Shared office costs receivable (Note 17)	9,357	
Grant receivable	-	23,000
Interest receivable	4,224	1,200
<b>Total amounts receivable</b>	<b>230,361</b>	<b>100,249</b>

Included in amounts receivable of the Company are amounts due from related parties which are disclosed in Note 17. The amounts are unsecured, interest-free and repayable upon written notice given from the Company.

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

### 7. SHORT-TERM INVESTMENTS

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

	As at 31 July 2021		As at 30 April 2021	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
El Nino Ventures Inc. 4,335,534 shares (30 April 2021: 4,335,534 shares)	712,203	151,746	712,203	195,102
Azincourt Energy Corp. 390,000 shares (30 April 2021: 390,000 shares)	54,404	21,450	54,404	35,100
Calais Resources Inc. 2,083,000 shares (30 April 2021: 2,083,000 shares)	125,000	-	125,000	-
Idaho Champion Gold Mines 16,267 shares (30 April 2021: 16,267 shares)	29,280	2,765	29,280	2,765
Others	49,535	4,230	49,535	4,230
<b>Total short-term investments</b>	<b>970,422</b>	<b>180,191</b>	970,422	237,197

During the year ended 31 July 2021, the Company recognized an unrealized loss on short-term investments of \$57,006 (2020: \$196,143 - gain).

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

### 8. EXPLORATION AND EVALUATION PROPERTIES

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

	<b>River Valley</b>	<b>Lithium One</b>	<b>Alaska</b>	<b>Total</b>
	\$	\$	\$	\$
<b>ACQUISITION COSTS</b>				
Balance, 30 April 2021	114,713	21,120	156,419	292,252
Additions	-	-	-	-
<b>Balance, 31 July 2021</b>	<b>114,713</b>	<b>21,120</b>	<b>156,419</b>	<b>292,252</b>
<b>EXPLORATION AND EVALUATION COSTS</b>				
Balance, 30 April 2021	2,726,505	6,152	195,391	2,928,048
Assaying	82,000	-	-	82,000
Drilling	213,910	75,000	-	288,910
Engineering and consulting	75,930	15,525	-	91,155
Field expenses	45,910	86	-	45,996
Geophysics	133,688	88,517	-	222,205
Preliminary Economic Assessment	25,000	-	-	25,000
Pre-Feasibility Study	295,606	-	-	295,606
Recoveries	(14,807)	-	-	(14,807)
Claims and fees	-	4,143	-	4,143
<b>Balance, 31 July 2021</b>	<b>3,580,441</b>	<b>192,424</b>	<b>195,391</b>	<b>3,968,256</b>
<b>Total costs</b>	<b>3,695,154</b>	<b>213,544</b>	<b>351,810</b>	<b>4,260,508</b>

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

The Company's exploration and evaluation properties expenditures for the year ended 30 April 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	-	4,850	71,657	76,507
Balance, 30 April 2021	114,713	21,120	156,419	292,252
<b>EXPLORATION AND EVALUATION COSTS</b>				
Balance, 30 April 2020	2,204,215	23,389	177,892	2,405,496
Assaying	91,833	6,224	-	98,057
Drilling	70,026	-	-	70,026
Engineering and consulting	134,560	51,334	-	185,894
Field expenses	29,689	15,264	-	44,953
Geology	13,114	-	-	13,114
Geophysics	125,007	-	-	125,007
Maintenance fees	25,271	-	17,499	42,770
Preliminary Economic Assessment	15,133	-	-	15,133
Pre-Feasibility Study	20,264	2,670	-	22,934
Grant	-	(79,250)	-	(79,250)
Recoveries	(2,607)	-	-	(2,607)
Write off	-	(13,479)	-	(13,479)
Balance, 30 April 2021	2,726,505	6,152	195,391	2,928,048
<b>Total costs</b>	<b>2,841,218</b>	<b>27,272</b>	<b>351,810</b>	<b>3,220,300</b>

### Project Overview:

#### 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.

# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### **(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 year ended 30 April 2021, the Company received assistance payments of \$Nil. (2020: \$1,500) from the Ontario Prospectors Association under its Junior Exploration Assistance Program.

## **Lithium Division, Manitoba**

### **(i) Lithium One**

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.

# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### **(ii) Lithium Two Project**

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.

### **(iii) Lithium West**

This project is situated on strike and to the west of the Tanco Pegmatite deposit. Project consists of 3,385 hectares located 12.5 kilometers west of the Tanco Pegmatite. Project is 100% owned by New Age Metals and was previously explored by the Tantalum Mining Corp of Canada in their exploration for Tantalum.

During the year ended 30 April, 2021, a write off of \$13,479 (2020: \$Nil) was recognized as the Company decided not to continue with certain claims of the property.

### **(iv) Lithman East Extension, East Extension, & Lithman North Projects**

During the year ended 30 April 2018, the Company acquired 100% of certain mineral claims by way of staking for consideration of \$37,336.

### **(v) 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.

### **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 (paid).

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);
- (iii) 200,000 shares on or before the 2-year anniversary of the closing date (issued) (Note 12 and 18); and



# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

- (iv) 200,000 shares on or before the 3-year anniversary of the closing date (issued) (Note 12 and 18.

The Company completed the following filings and payments:

- (i) Annual payment to the State of Alaska for mining claim rentals of \$10,560 USD, 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. EQUIPMENT

A summary of changes in the Company's equipment for the period ended 31 July 2021 as follows:

<b>Cost</b>	
Balance, 30 April 2021	\$ 92,132
Addition	-
Balance, 31 July 2021	\$ 92,132
<b>Accumulated amortization</b>	
Balance, 30 April 2021	\$ 13,820
Amortization	5,873
Balance, 31 July 2021	\$ 19,693
Net book value, 30 April 2021	\$ 78,312
<b>Net book value, 31 July 2021</b>	<b>\$ 72,439</b>

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

### 10. 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.

The lease liability at 1 May 2019 can be reconciled to the operating lease obligations as of 30 April 2019 as follows:

Operating lease obligations as at 30 April 2019	\$ 84,000
Discounting using the 1 May 2019 incremental borrowing rate	(7,605)
Operating lease obligations as at 01 May 2019	76,395

The lease liability was discounted using an incremental borrowing rate as at 1 May 2019 of 8% per annum for the period ended 31 July 2021 and the year ended 30 April 2021 are as follows:

Lease liability – 1 May, 2020	\$ 45,405
Less: lease payments	(36,000)
Interest expense	2,426
	11,831
Less: current portion of lease liability – 30 April, 2021	11,831
Long-term portion of lease liability – 30 April, 2021	-

Lease liability – 30 April 2021	\$ 11,831
Less: lease payments	(9,000)
Interest expense	180
	\$ 3,010
Less: current portion of lease liability – 31 July 2021	\$ 3,010
Long-term portion of lease liability – 31 July 2021	\$ -

The continuity of right-of-use asset for period ended 31 July 2021 and year ended 30 April 2021 is as follows:

<b>Cost</b>	
Balance, 30 April 2020	\$ 76,395
Balance, 30 April 2021	\$ 76,395
Addition	-
Balance, 31 July 2021	\$ 76,395

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

<b>Accumulated amortization</b>	
Balance, 30 April 2020	\$ 32,741
Amortization	32,740
Balance, 30 April 2021	\$ 65,481
Amortization	8,185
Balance, 31 July 2021	\$ 73,666
Net book value, 30 April 2021	\$ 10,914
<b>Net book value, 31 July 2021</b>	<b>\$ 2,729</b>

During the period ended 31 July 2021, the Company recognized amortization of right-of-use asset of \$8,185 (30 April 2021: \$32,740) and interest expense on the lease liability of \$180 (30 April 2021: \$2,426).

### 11. TRADE PAYABLES AND ACCRUED LIABILITIES

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

	<b>As at 31 July 2021</b>	As at 30 April 2021
Trade payables	\$ 265,869	\$ 45,600
Accrued liabilities	-	17,000
<b>Total trade payables and accrued liabilities</b>	<b>265,869</b>	62,600

During the period ended 31 July 2021, the Company issued a total of Nil flow-through shares (30 April 2021: 8,750,000) for a total of \$Nil (30 April 2021: \$1,750,000). As at 31 July 2021, the Company has \$1,301,706 (30 April 2021: \$1,315,087) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 19).

During the period ended 31 July 2021, the Company incurred approximately \$744,602 (30 April 2021: \$434,913) in qualifying Canadian exploration expenditures.

### 12. SHARE CAPITAL

#### 12.1 Authorized share capital

The Company is authorized to issue unlimited common shares without par value. As at 31 July 2021, there were 197,110,752 common shares issued and outstanding (30 April 2021: 197,110,752).

# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

### **12.2 Share issuances**

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

#### **Private Placements**

On 31 March 2021, the Company issued 18,593,750 non flow-through units at \$0.16 per unit for gross proceeds of \$2,975,000. Each non flow-through unit consists of 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 \$0.20 per share for a period of two years. The Company paid share issuance costs of \$193,695 in cash and 1,208,594 warrants with a fair value of \$160,393.

On 23 March 2021, the Company issued 7,250,000 flow-through units at \$0.20 per unit for gross proceeds of \$1,450,000. Each flow-through unit consists of one flow-through share and one half non-transferrable flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.25 per share for a period of two years. The Company paid share issuance costs of \$130,588 in cash and 725,000 warrants with a fair value of \$79,315.

On 23 March 2021, the Company issued 1,160,344 non flow-through units at \$0.16 per unit for gross proceeds of \$185,655. Each non flow-through unit consists of 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 \$0.20 for a period of two years. The Company paid share issuance costs of \$28,614 in cash and 112,080 warrants with a fair value of \$12,970.

On 18 March 2021, the Company issued 1,500,000 flow-through units at \$0.20 per unit for gross proceeds of \$300,000. Each flow-through unit consists of one flow-through share and one half non-transferrable flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.25 per share for a period of two years. The Company paid share issuance costs of \$18,750 in cash and 101,750 warrants with a fair value of \$10,308.

On 18 March 2021, the Company issued 20,760,500 non flow-through units at \$0.16 per unit for gross proceeds of \$3,321,680. Each non flow-through unit consists of 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 \$0.20 per for a period of two years. The Company paid share issuance costs of \$202,816 in cash and 1,300,652 warrants with a fair value of \$139,612.

#### **Others**

On 27 April 2021, the Company issued 100,000 common shares related to the exercise of 100,000 options at an exercise price between of \$0.12 per share.

# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

On 22 April 2021, the Company issued 940,000 common shares related to the exercise of 940,000 warrants at an exercise price between of \$0.10 per share.

On 15 April 2021, the Company issued 200,000 common shares valued at \$34,000, pursuant to the Alaska Genesis Project option agreement (Notes 8 and 18).

On 12 April 2021, the Company issued 73,297 common shares valued at \$13,560, related to internet relation services.

On 1 April 2021, the Company issued 50,000 common shares related to the exercise of 50,000 options at an exercise price of \$0.10 per share.

On 30 March 2021, the Company issued 2,000,000 common shares related to the exercise of 2,000,000 warrants at an exercise price of \$0.10 per share.

On 25 March 2021, the Company issued 150,000 common shares related to the exercise of 150,000 warrants at an exercise price of \$0.12 per share.

On 23 March 2021, the Company issued 300,000 common shares related to the exercise of 300,000 warrants at an exercise price of \$0.15 per share.

On 22 March 2021, the Company issued 100,000 common shares related to the exercise of 100,000 options at an exercise price of \$0.05 per share.

On 19 February 2021, the Company issued 850,000 common shares related to the exercise of 850,000 warrants at an exercise price of \$0.15 per share.

On 17 February 2021, the Company issued 358,250 common shares related to the exercise of 358,250 warrants at an exercise price between of \$0.15 per share. The Company issued 100,000 common shares related to the exercise of 100,000 options at an exercise price of \$0.05 per share.

On 16 February 2021, the Company issued 1,158,500 common shares related to the exercise of 1,158,500 warrants at an exercise price between \$0.10 to \$0.15 per share.

On 12 February 2021, the Company issued 250,000 common shares related to the exercise of 250,000 warrants at an exercise price of \$0.15 per share.

On 10 February 2021, the Company issued 2,000,000 common shares related to the exercise of 2,000,000 warrants at an exercise price of \$0.15 per share.

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.

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

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.

### 12.3 Share purchase warrants

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

	31 July 2021		30 April 2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning	101,931,200	0.14	95,998,445	0.14
Granted	-	-	28,780,376	0.20
Exercised	-	-	(9,266,750)	0.12
Expired	-	-	(13,580,871)	0.29
<b>Outstanding, end of period</b>	<b>101,931,200</b>	<b>0.14</b>	101,931,200	0.14

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

Number of warrants	Exercise price	Expiry date
1,208,594	\$0.16	31 March 2023
9,296,875	\$0.20	31 March 2023
3,625,002	\$0.25	23 March 2023
1,305,172	\$0.20	23 March 2023
112,080	\$0.16	23 March 2023
750,000	\$0.25	18 March 2023
10,482,001	\$0.20	18 March 2023
1,300,652	\$0.16	18 March 2023
30,437,991	\$0.15	27 April 2022
35,500,000	\$0.10	03 February 2022
3,300,000	\$0.05	03 February 2022
700,000	\$0.10	02 February 2022
712,500	\$0.10	30 December 2021
3,200,333	\$0.12	04 September 2021
<b>101,931,200</b>		

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

The fair value assigned to the warrants granted during the period ended 31 July 2021 was estimated at \$Nil (30 April 2021: \$2,502,962) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	31 July 2021	30 April 2021
Risk free interest rate	-	0.25-0.32%
Expected life	-	2 years
Expected volatility	-	137.75%
Expected dividend per share	-	-
Expected forfeiture	-	-

### 12.4 Stock options

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 the period ended 31 July 2021 and year ended 30 April 2021:

	31 July 2021		30 April 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted- average exercise price
Outstanding, beginning	6,800,000	\$ 0.13	5,883,333	\$ 0.16
Granted	1,900,000	0.18	2,000,000	0.05
Exercised	-	-	(350,000)	-
Expired	(50,000)	0.10	(333,333)	-
Cancelled	(41,667)	0.21	(400,000)	0.12
<b>Outstanding, end of period</b>	<b>8,608,333</b>	<b>0.12</b>	<b>6,800,000</b>	<b>0.13</b>

The fair value of the options granted during the period ended 31 July 2021 and year ended 30 April 2021 was estimated at \$Nil (30 April 2021: \$134,645) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

	31 July 2021	30 April 2021
Risk free interest rate	1.00%	0.31%
Expected life	5 years	5 years
Expected volatility	175.82%	191.43%
Expected dividend per share	-	-
Expected forfeiture	-	-

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

Exercise price	Number of options outstanding	Number of options exercisable	Weighted-average remaining contractual life (years)	Weighted- average exercise price
<b>Options outstanding and exercisable</b>				
\$0.21	983,333	983,333	4.96	\$0.21
\$0.14	2,625,000	2,625,000	1.34	\$0.14
\$0.12	100,000	100,000	1.89	\$0.12
\$0.10	3,800,000	1,900,000	4.44	\$0.10
\$0.05	1,100,000	1,100,000	3.24	\$0.05
	<b>8,608,333</b>	<b>6,708,333</b>	<b>3.09</b>	<b>\$0.12</b>

### 13. SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which \$8,392 was recognized in the periods ended 31 July 2021 and 2020:

Grant date of stock options	Fair value of options granted	Amount vested for period ended 31 July 2021	Amount vested for year ended 31 July 2020
	\$	\$	\$
30 July 2020	134,645	8,392	-
14 June 2021	288,488	-	-
<b>Total</b>	423,133	<b>8,392</b>	-



# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

### 14. LOSS PER SHARE

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

<b>Period ended 31 July</b>	<b>2020</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Net income (loss) for the period	<b>(350,721)</b>	38,752
Weighted average number of shares – basic and diluted	<b>194,968,244</b>	137,893,799
<b>Loss per share, basic and diluted</b>	<b>(0.002)</b>	0.000

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

### 15. 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.

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

### 16. FINANCIAL INSTRUMENTS

#### 16.1 Categories of financial instruments

	As at 31 July 2021	As at 30 April 2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
<b>FVTPL, at fair value</b>		
Cash and cash equivalents	7,870,717	8,644,623
Short-term investments - shares	180,191	237,197
<b>Amortized cost</b>		
Amounts receivable	230,361	100,249
<b>Total financial assets</b>	<b>8,281,269</b>	8,982,069
<b>FINANCIAL LIABILITIES</b>		
<b>Amortized cost</b>		
Trade payables	265,869	62,600
<b>Total financial liabilities</b>	<b>265,869</b>	62,600

#### 16.2 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 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 July 2021 and 30 April 2021, 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 July 2021 and 30 April 2021, the Company does not have any Level 3 financial instruments.

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

As at 31 July 2021	Level 1	Level 2	Level 3	Total
	\$	\$		\$
<b>Financial assets at fair value</b>				
Cash and cash equivalents	7,870,717	-	-	7,870,717
Short-term investments – Shares	180,191	-	-	180,191
<b>Total financial assets at fair value</b>	<b>8,050,908</b>	<b>-</b>	<b>-</b>	<b>8,050,908</b>

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

As at 30 April 2021	Level 1	Level 2	Level 3	Total
	\$	\$		\$
<b>Financial assets at fair value</b>				
Cash and cash equivalents	8,644,623	-	-	8,644,623
Short-term investments – Shares	237,197	-	-	237,197
<b>Total financial assets at fair value</b>	<b>8,881,820</b>	<b>-</b>	<b>-</b>	<b>8,881,820</b>

### 16.3 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.

#### 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 31 July 2021, amounts receivable was mainly comprised of GST/HST receivable, interest receivable and receivable from related party (Notes 6 and 8).

#### 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

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

able to do so in the future. As at 31 July 2021, the Company had working capital of \$7,846,593 (30 April 2021: \$9,215,073).

### Currency risk

For the period ended 31 July 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.

## 17. RELATED PARTY TRANSACTIONS

For the period ended 31 July 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.

### 17.1 Related party expenses

Period ended 31 July	2021	2020
	\$	\$
Shared office and consulting fees recoveries from El Nino	(9,357)	(23,195)
Rent expense before shared office recoveries to the CEO	1,998	1,880
Rent expense before shared office recoveries to 3699030 Canada Inc. (Note 19)	9,000	9,000
Consulting fees to VP Business Development	14,400	12,265
Consulting fees to the Chief Financial Officer ("CFO")	10,500	10,500
Management fees to Canadian Gravity Recovery Inc. ("CGR") (Note 19)	30,000	30,000
Consulting fees to 873285 BC Ltd.	6,000	6,000
<b>Total related party expenditures</b>	<b>62,541</b>	<b>46,450</b>

# New Age Metals Inc.

## Notes to the Consolidated Interim Financial Statements

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

### 17.2 Due from/to related parties

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

	31 July 2021	30 April 2021
	\$	\$
El Nino	9,357	-
<b>Total amount due from related parties (Note 17)</b>	<b>9,357</b>	<b>-</b>

### 17.3 Key management personnel compensation

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

31 July	2021	2020
	\$	\$
Short-term benefits – management and consulting fees	63,600	60,900
Share-based payments	-	-
<b>Total key management personnel compensation</b>	<b>63,600</b>	<b>60,900</b>

## 18. SUPPLEMENTAL CASH FLOW INFORMATION

### 18.1 Non-cash financing and investing activities

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

During the previous year ended 30 April 2021, the Company issued 200,000 common shares related to the acquisition of exploration and evaluation properties (Notes 8 and 12).

## 19. COMMITMENTS AND CONTINGENCIES

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

	< 1 year	2-5 years	Total
	\$	\$	\$
Office lease (Note 10)	12,000	-	12,000
Management fees	120,000	130,000	250,000
<b>Total commitments</b>	<b>132,000</b>	<b>130,000</b>	<b>262,000</b>

# **New Age Metals Inc.**

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

For the three months ended 31 July 2021

(Unaudited)

(Expressed in Canadian dollars)

---

- a) 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 17). 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.
- b) As at 31 July 2021, the Company has \$1,315,087 (30 April 2021: \$1,315,087) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 5).
- c) 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.
- d) 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 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 July 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.

## **20. SUBSEQUENT EVENTS**

On 25 August 2021, the Company received approval from 97.85% of disinterested Shareholders further to news release dated 26 and 31 March 2021, 2176423 Ontario Ltd., a corporation beneficially owned by Eric Sprott, as a new control person of the Company and completed the second tranche of its private placement raising additional proceeds of \$2,075,000. The Company has issued 12,968,750 units at a purchase price of \$0.16 per unit for proceeds of \$2,075,000. Each unit consisted of one common share and one half of one share purchase warrant at a purchase price of \$0.20 per share at any time up to 25 August 2023.

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

The consolidated financial statements of the Company for the period ended 31 July 2021 were approved and authorized for issue by the Board of Directors on the 17 day of September 2021.



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

**FOR THE PERIOD ENDED 31 JULY 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 July 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 dated 17 September 2021. 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 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.

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.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 on business operations cannot be reasonably estimated at the time, the Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows.

## **5. PROJECT OVERVIEW:**

### **5.1. RIVER VALLEY PROJECT, 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.

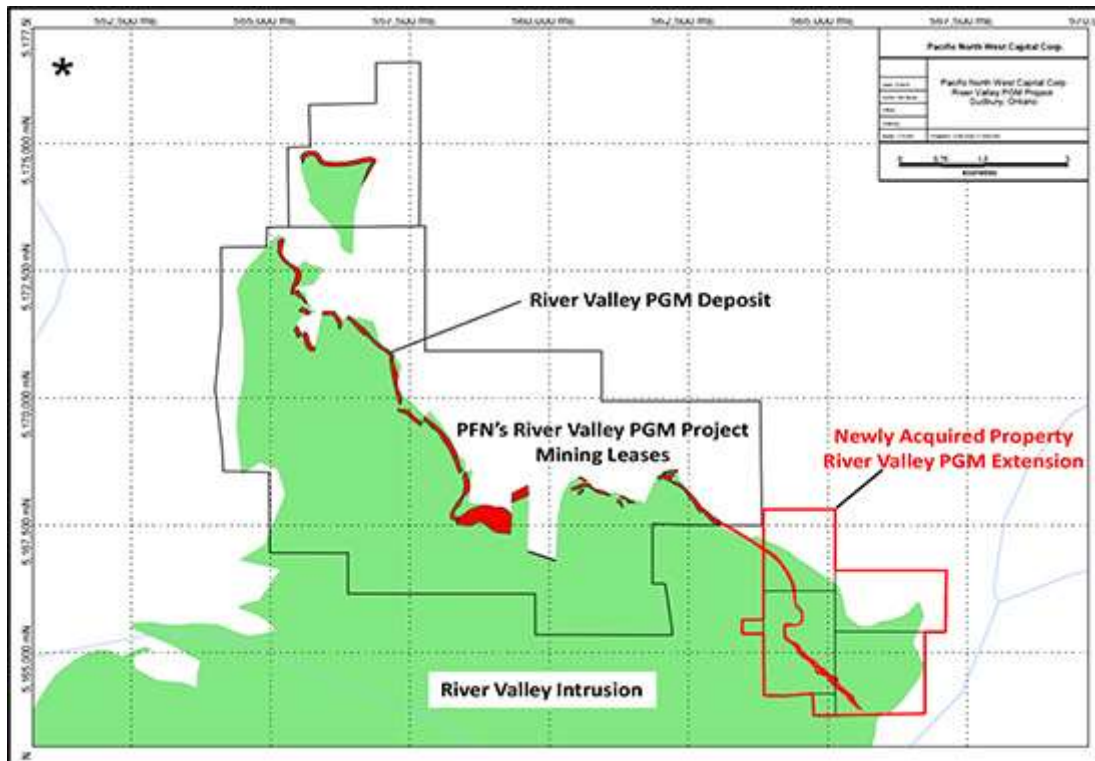


Figure 1: River Valley PGM Project Map

### 5.1.1. 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.

### 5.1.2 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.

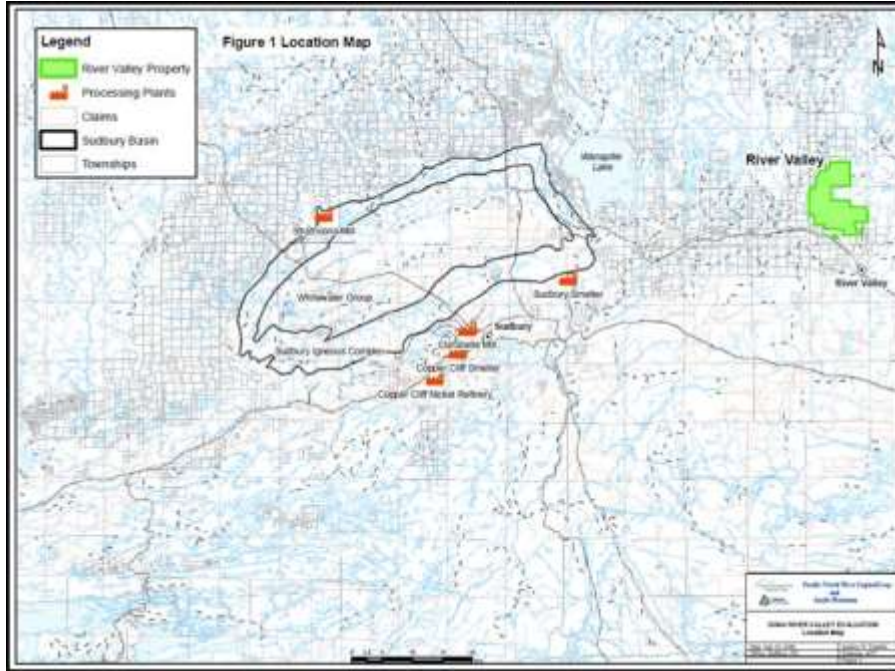


Figure 2: Location Map of River Valley PGM Project relative to the metallurgical facilities in the greater Sudbury region.

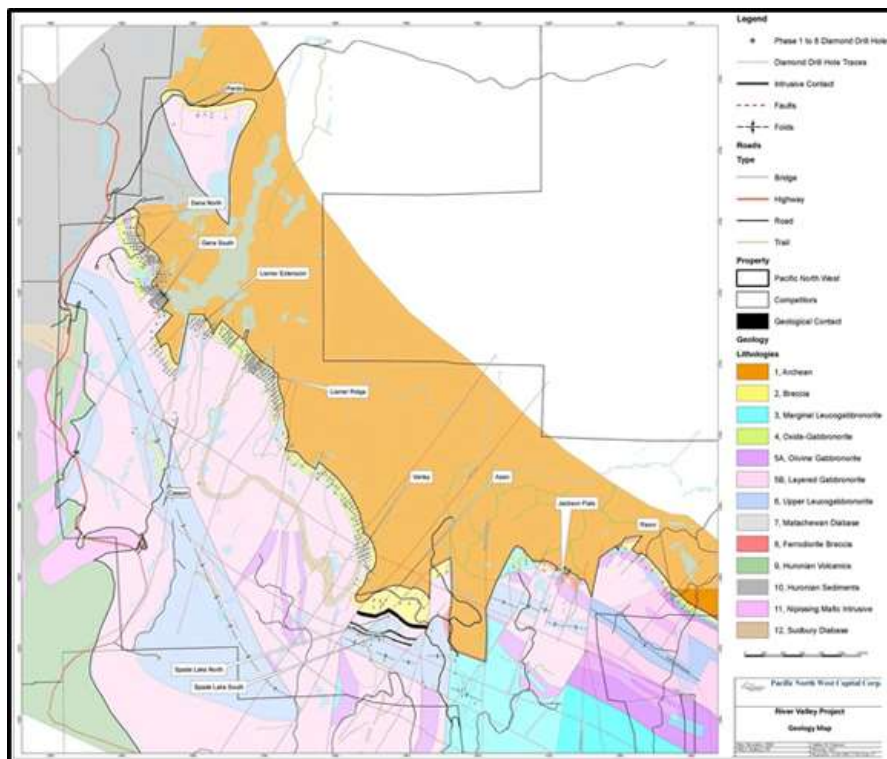


Figure 3: Geology Map of River Valley PGM Project

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

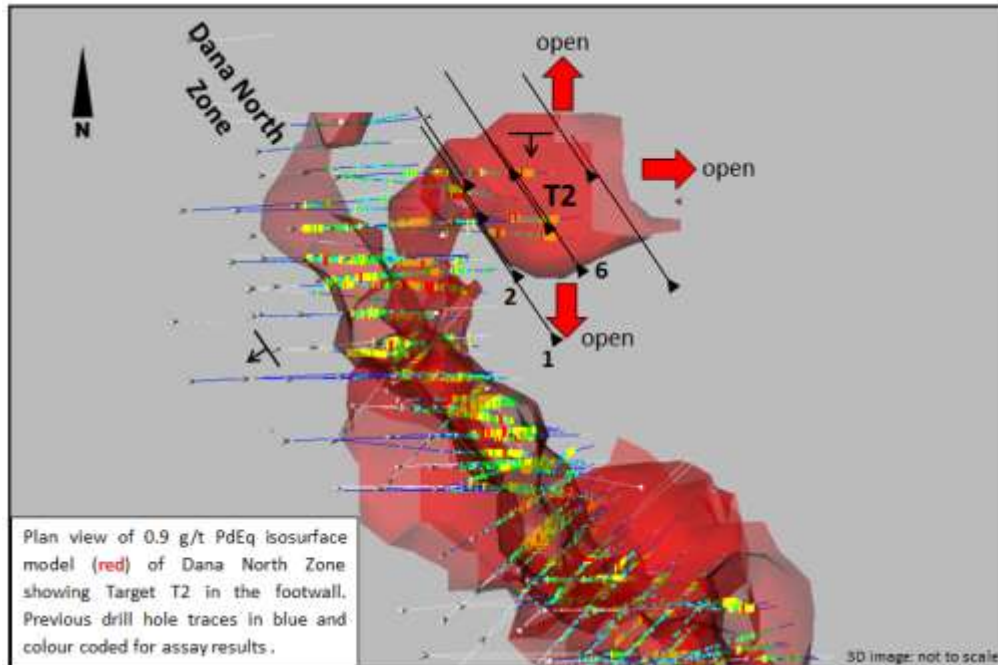
Product	Weight%	Assays				Distribution			
		Cu%	Ni%	S%	PGM g/t	Cu%	Ni%	S%	PGM%
Head Grade*	100	0.11	0.043	0.25	1.58	100	100	100	100
Rough Conc	6.6	1.44	0.230	3.30	18.70	89.3	35.1	87.4	77.5
Rougher Tail	93.4	0.012	0.030	0.03	0.38	10.7	64.9	12.6	22.5
1st Cleaner Scav Tail	6.0	0.09	0.093	0.81	2.32	4.9	12.9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

\*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.*

### **5.1.3. 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.

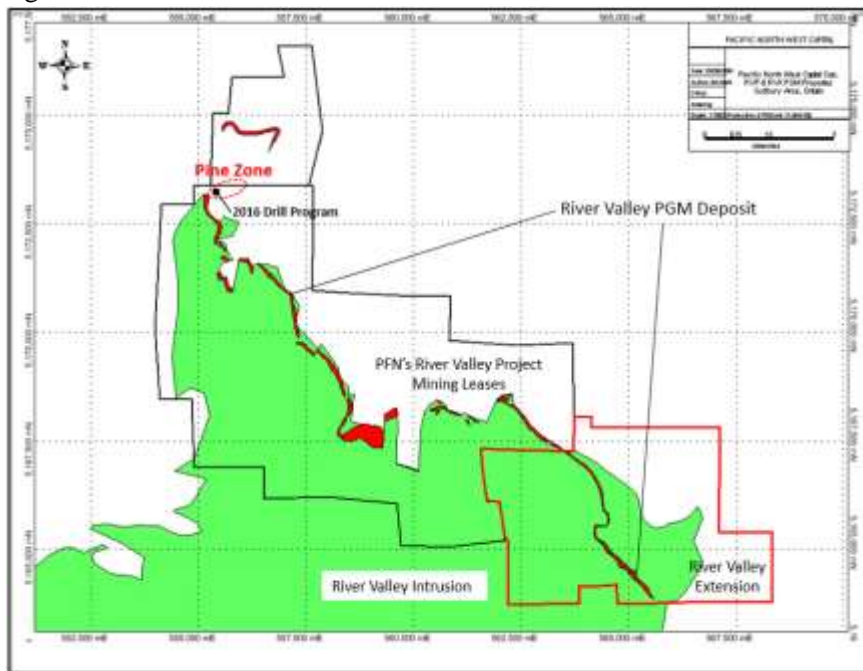
Each of the components was carried out under Exploration Permit PR-13-10095R and with financial support from the Junior Exploration Assistance Program (JEAP) (see NAM press release dated 15 June 2016).

### **5.1.4. 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.”

#### **5.1.5. 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).

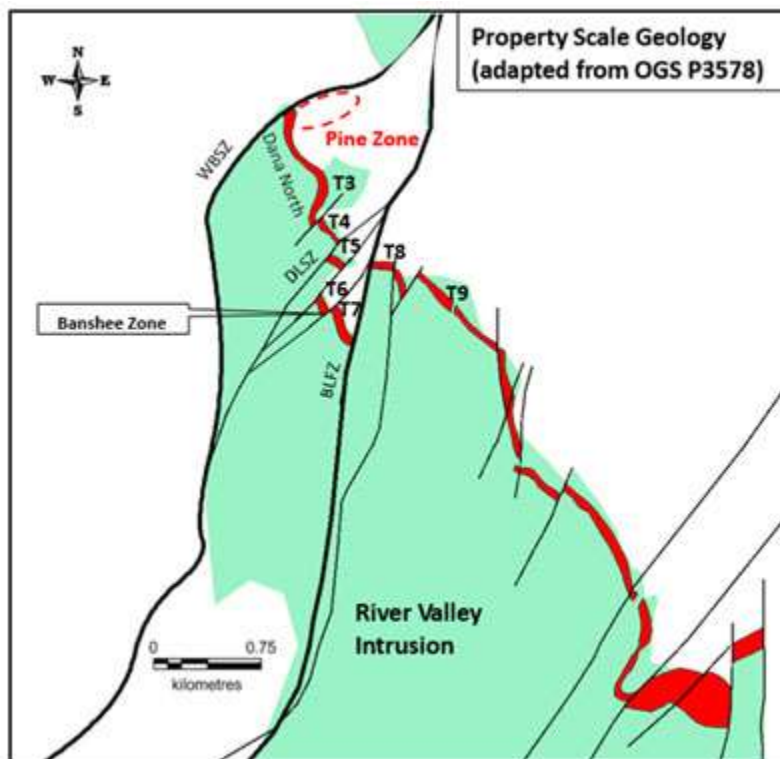
Three-dimensional geological and structural modelling of the available drilling data, particularly from the 2015 and 2016 programs that discovered the Pine Zone highlights the potential to expand the PGM mineralization in three directions (Figure 7): 1) down-dip towards Target T3, 2) east along strike 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.



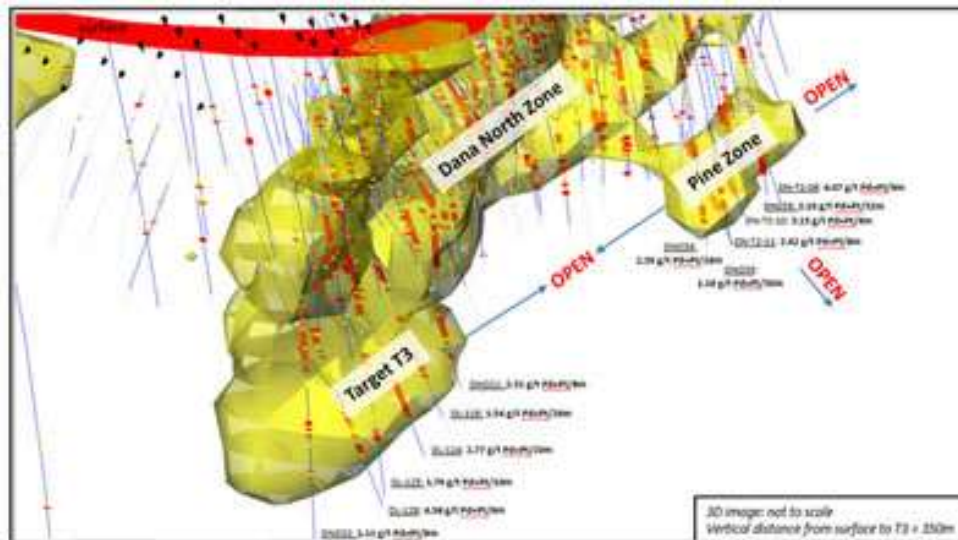
As for geophysics, a study was conducted by Allan King, PGeo consulting geophysicist to recover and review the historic surface and borehole induced polarization (IP) survey results for the Dana North and Pardo Zones. The PGM mineralization occurs closely associated with disseminated chalcopyrite-pyrrhotite 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.

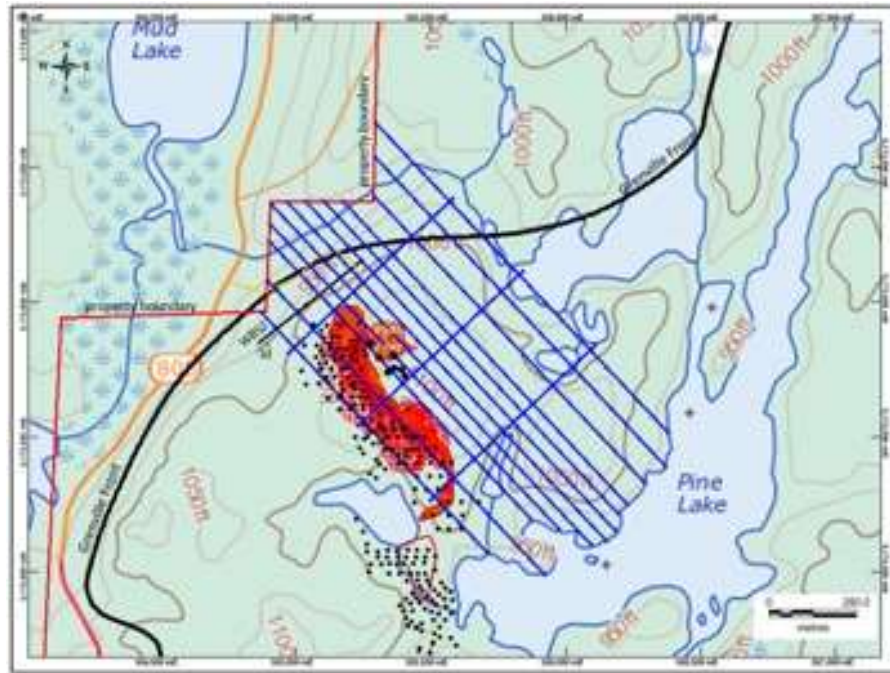
The surface IP geophysical survey tested the potential for eastwards and southwards extension of the Pine Zone as well as the adjacent Dana North Zone. The survey will aid in the generation of new targets for follow up drill testing.

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 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.

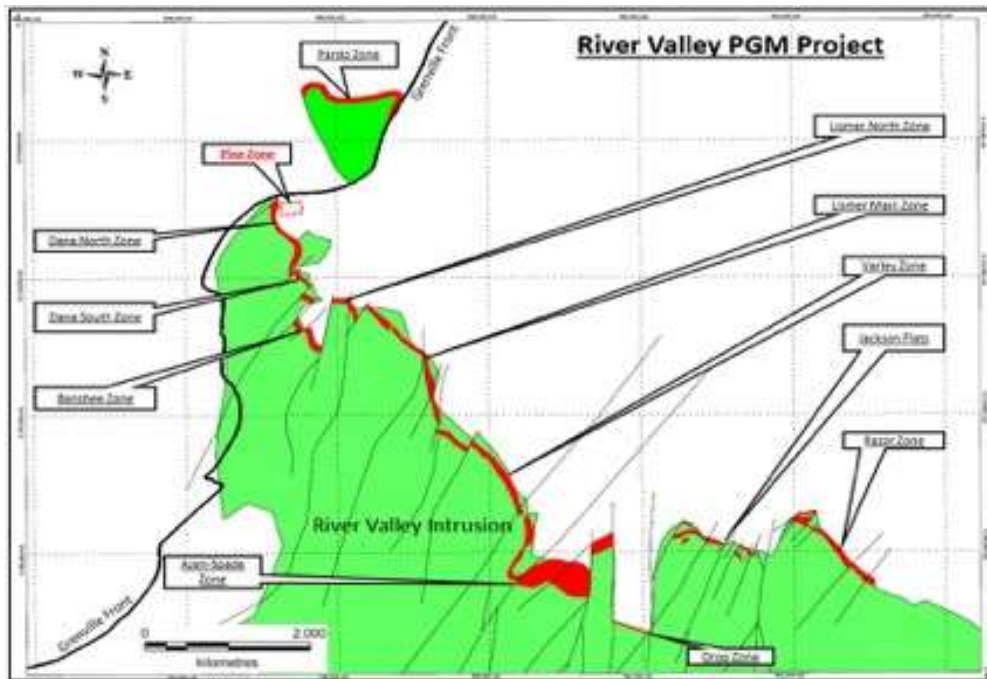


Figure 9: Property scale geological map showing the location of the Pine Zone discovery relative to the Dana North Zone immediately to the west and the Pardo Zone 2 km to the northeast.

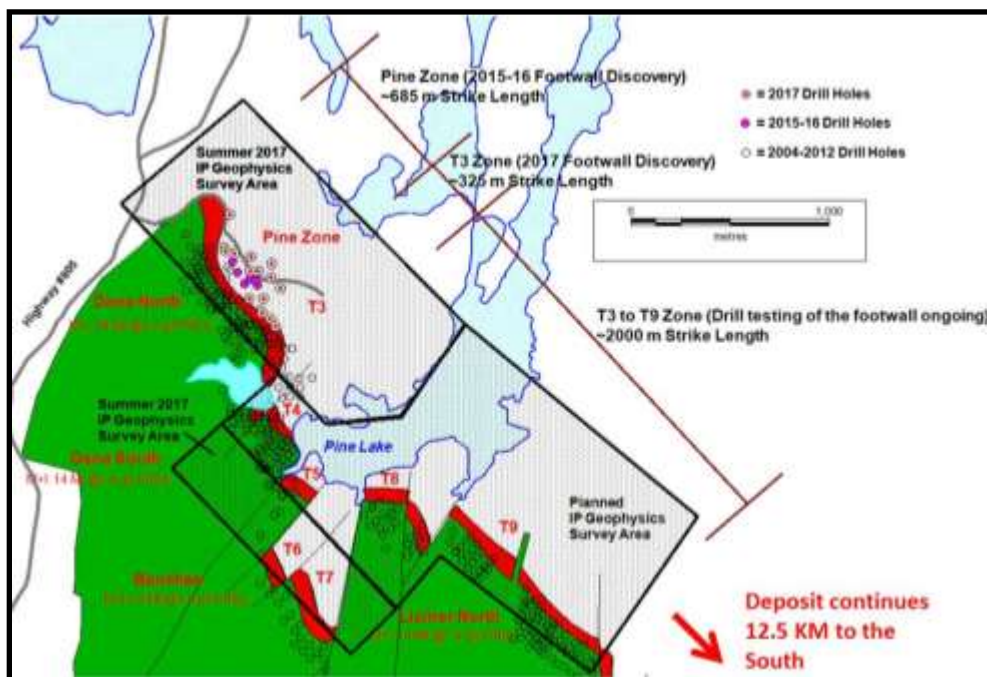


Figure 10: Drill Hole Distribution Map in the Northern Portion of the River Valley PGM Deposit (Image only represents approximately 3.5 km of the overall strike length of the deposit)

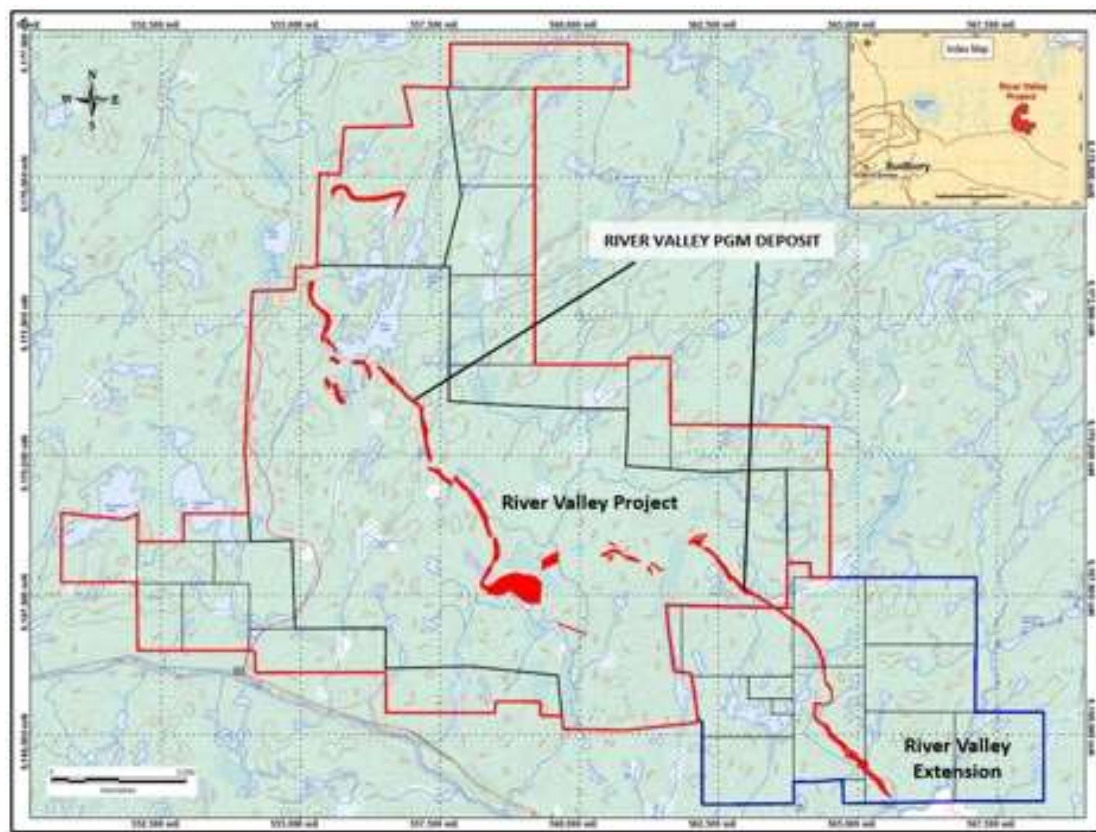
Table 3: 2017 Drill Activity at the River Valley PGM Deposit – Footwall/Main Zone Mineralization

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.



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).

#### 5.1.6. 2018 Exploration 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.

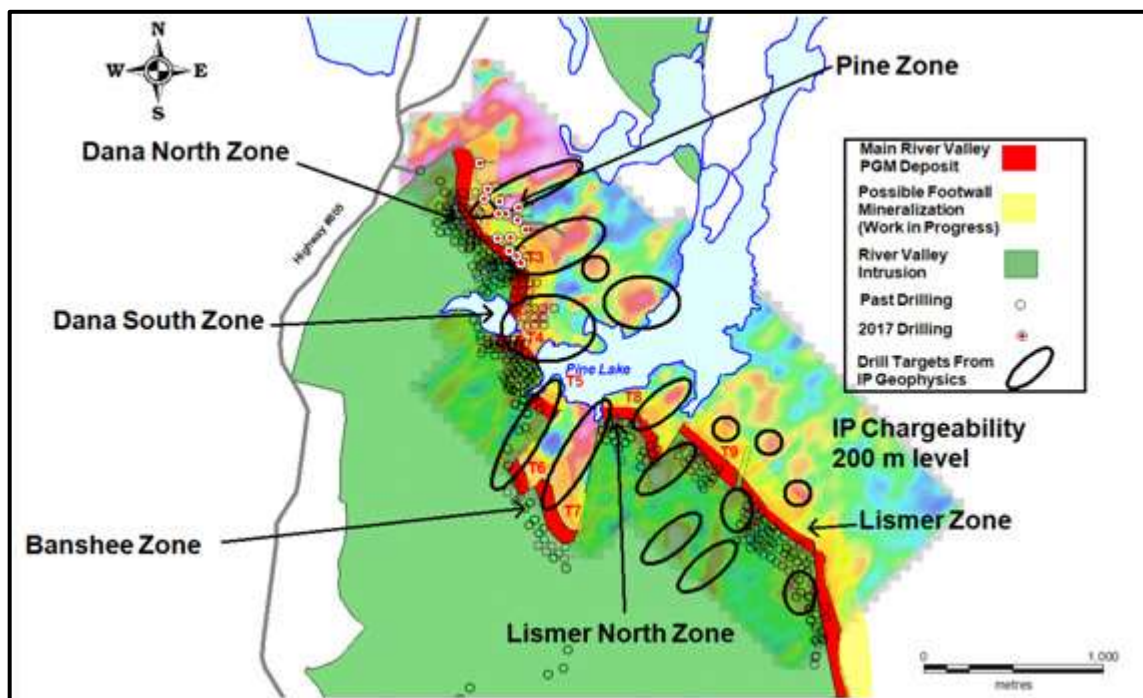
- *Palladium (Pd) occurs as both discrete PGM minerals (described above) and in solid solution within the crystal structure of pentlandite. Pd that occurs as solid solution within pentlandite accounts for 16% (Dana) and 21% (Pine) of the total Pd in the samples;*
- *Total Nickel (Ni) that occurs in Ni 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 Sperryllite, 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.

#### **5.1.7. 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 proofing 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.)*

#### 5.1.8. 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 4: 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.

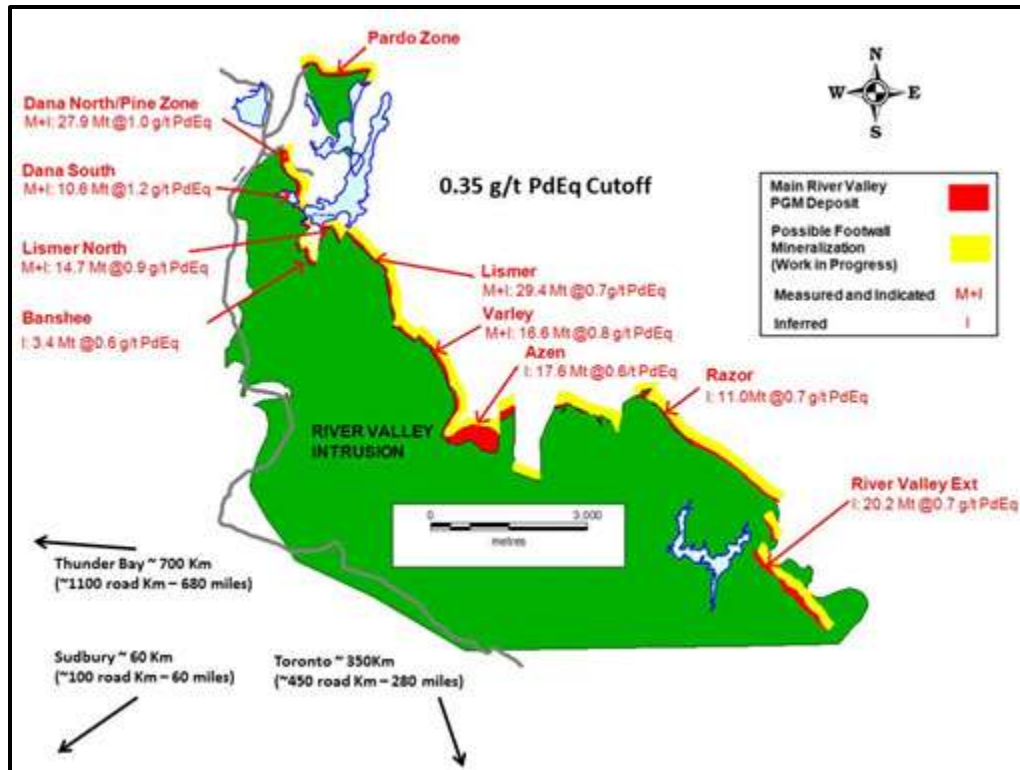


Figure 13: River Valley PGM Project Map showing the Mineral Resource as reported by mineralized zone on the Project.

### 5.1.9. 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.

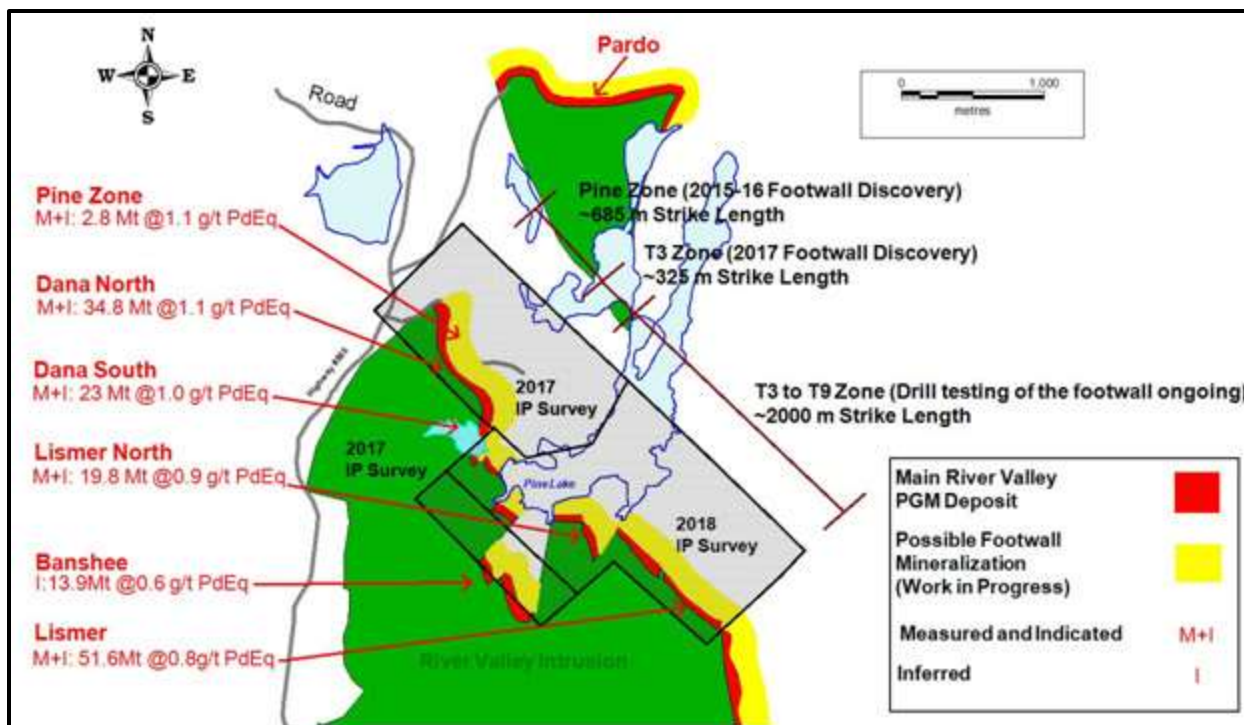


Figure 14: Northern Portion of the River Valley PGM Deposit Showing Regions of Current IP Geophysics. NOTE: Image only represents approximately 3.5 km of the overall strike length of the River Valley PGM deposit.

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

NAM files NI 43-101 Technical Report for Preliminary Economic Assessment on the River Valley PGM 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 5 on an after-tax basis. The sensitivities and the impact of cash flows have been calculated for +/- 20% variations against the base case.

*Table 5: 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

### 5.1.11. 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.

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

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



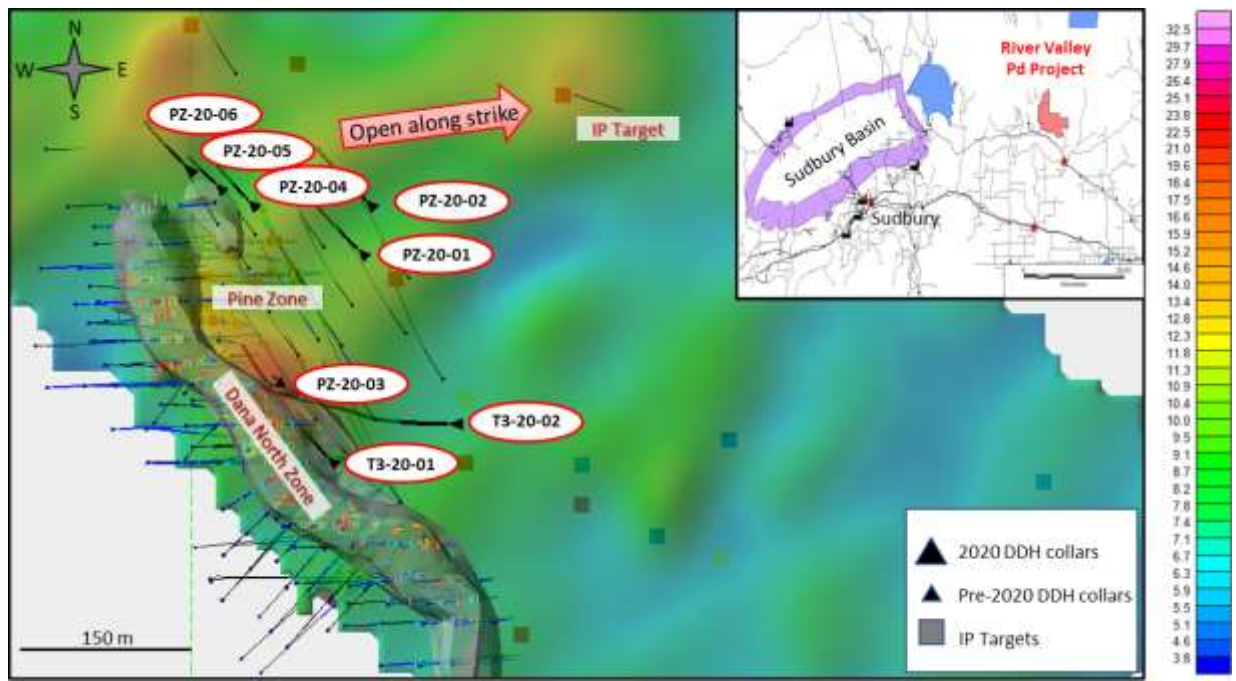


Figure 15: Location of 2020 Phase 1 drill holes (labelled) and previously drilled holes plotted on an inverted IP chargeability image (coloured) and 3-D wireframe model of the Dana North Zone and Pine Zone (covered), River Valley Palladium Project near Sudbury (Ontario, Canada).

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.

Table 9 Core Assay Intervals from Phase 2 2020 Drill Program											
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 release 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.

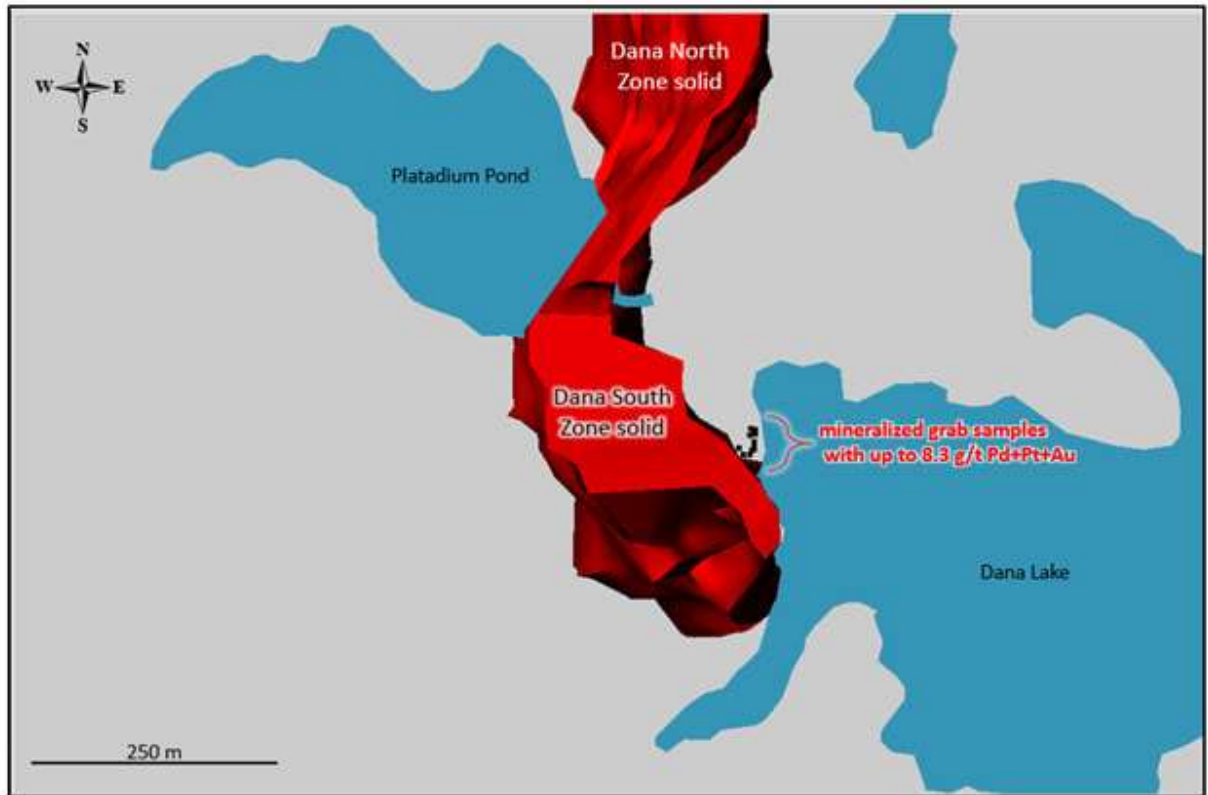


Figure 17: Mineralized surface grab sample locations outside to the east of the 2019 mineral resources model (red) at Dana South Zone.

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



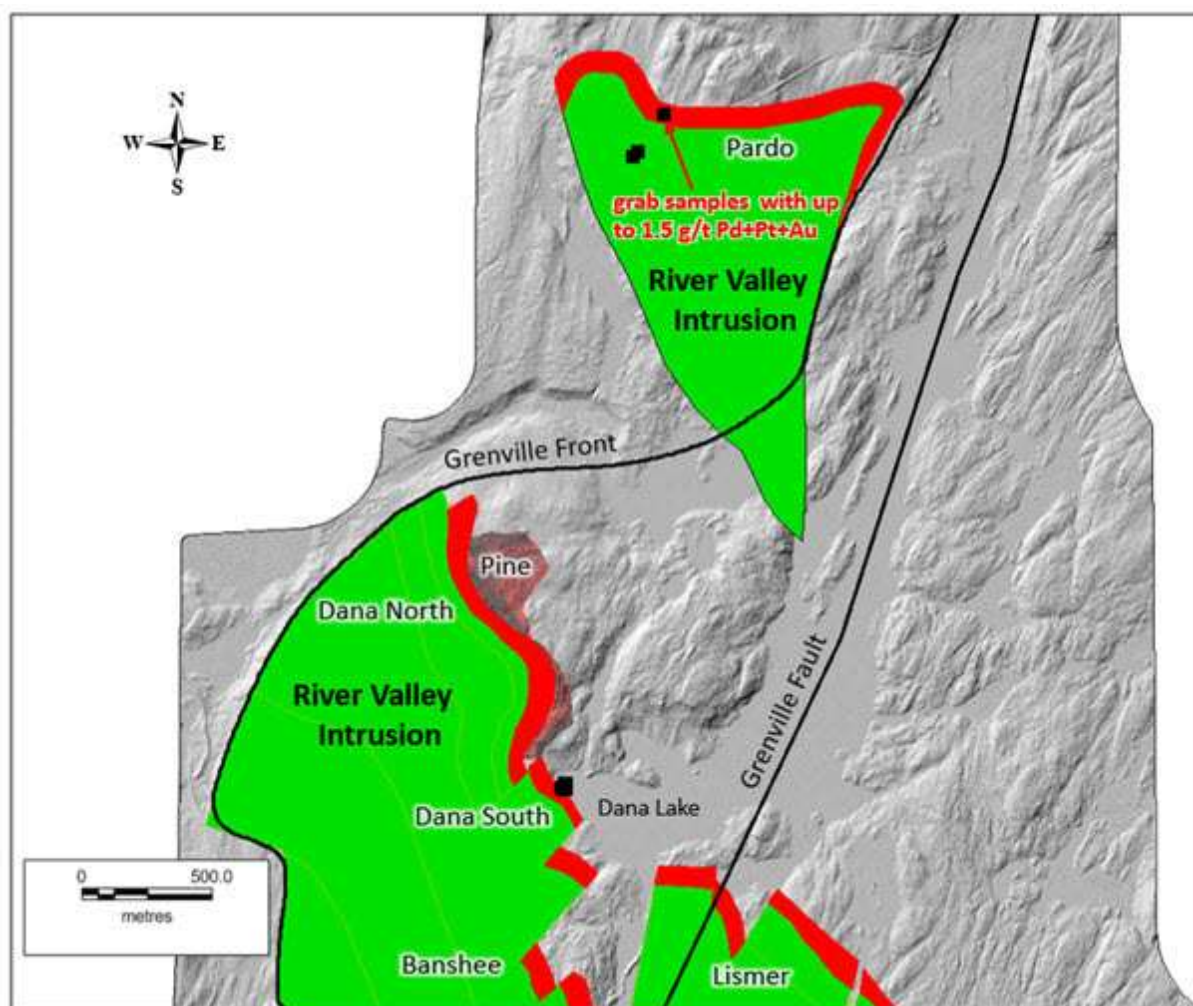


Figure 18: Location of the Pardo mineralized zone (red), 2 km north-northeast of the Dana North and Pine Zones.

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.

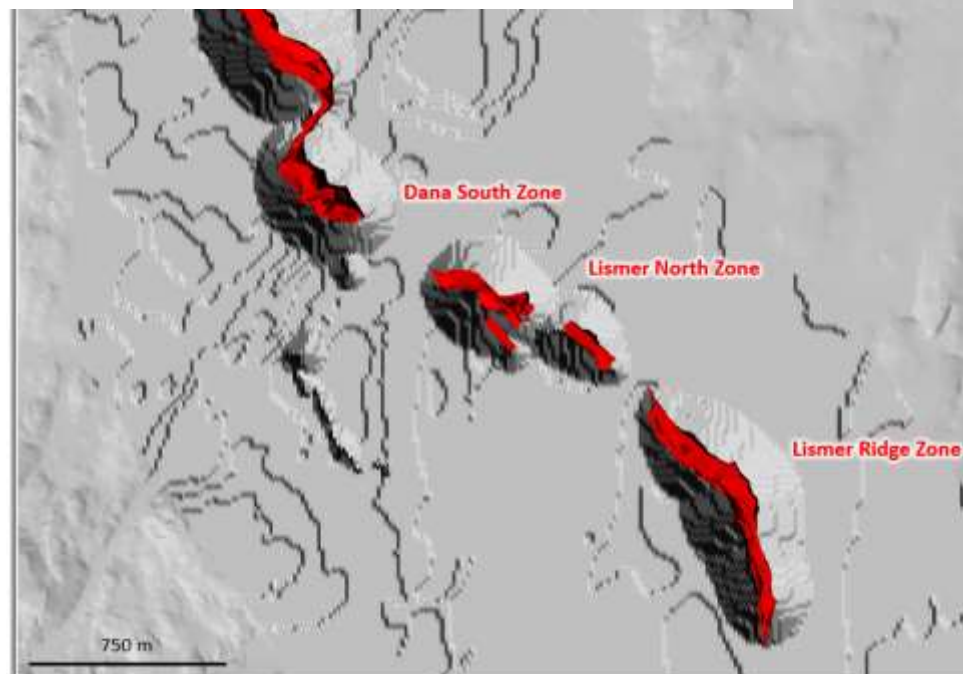
### 5.1.12. River Valley PGM Project Pre-Feasibility Study

On April 12, 2021 NAM announced agreements with leading engineering firms to complete a Pre-Feasibility Study of its 100% owned River Valley Palladium Project near Sudbury, Ontario (Canada). The Pre-Feasibility Study will be undertaken over the next 8 to 12 months, with completion slated for early 2022.

The Pre-Feasibility Study will be completed by four engineering firms: P&E Mining Consultants Inc. for Initial Mineral Reserve estimation, mine planning, economic analysis and Project Lead; SGS Canada Inc. and D.E.N.M. Engineering Ltd. for mineral processing and metallurgical test work; Knight-Piésold Consulting for design of the tailings facility and open pit geotechnical engineering; and Story Environmental for environmental and community impact interactions and permitting. P&E Mining Consultants Inc. will be updating the Mineral Resource Estimate and leading the preparation of the Pre-Feasibility Study NI 43-101 Technical Report.

Overall, the Pre-Feasibility Study as led by P&E will consider optimized mine production and mineral processing rates based on a potentially more valuable Updated Mineral Resource Estimate than that which underpinned the 2019 PEA. The 2019 PEA had a positive economic outcome. For the Pre-Feasibility Study, however, River Valley Project economics are expected to benefit markedly from historically high palladium and rhodium metal prices, new more tightly constrained domain models of the mineralized zones, and a shift to Net Smelter Return-based reporting. In tandem with the Pre-Feasibility Study, NAM plans to continue exploration geophysical and drilling programs to add, expand and upgrade Mineral Resources and investigate the grades and distribution of rhodium in the priority mineralized zones of the River Valley Palladium Project.

*Figure 19: Four of the northwestern most mineralized zones and design open pits from the 2019 Preliminary Economic Assessment of the River Valley Palladium Project. The mineralized zones and design open pits models will be updated as part of the Pre-Feasibility Study.*



## **5.2 LITHIUM DIVISION, MANITOBA**

The Company's Lithium Division is focused on the acquisition, exploration and development of Lithium Projects in Canada. The seven Lithium Pegmatite projects which the company holds, are situated in the Winnipeg River-Cat Lake Pegmatite Field of Southeast 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.

### **5.2.1. LITHIUM ONE PROJECT**

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.

The Project consists of 2272 hectares located 12 kilometers south of the Tanco Pegmatite and it is 100% owned by New Age Metals. Lithium One Project contains over 40 pegmatites with the southern portion of the project containing numerous underexplored pegmatites.

Exploration at Lithium One is focused on the Annie and Silverleaf Pegmatites. Silverleaf Pegmatite has zones of spodumene and lepidolite exposed on surface with samples up to 4.1% Li<sub>2</sub>O. Annie Pegmatite returned values up to 0.6% Li<sub>2</sub>O and 0.37% Ta<sub>2</sub>O<sub>5</sub>.

The project is geologically situated in the southern extension of the Bird River Greenstone Belt. The pegmatites are associated with the Greer Lake and Shatford Lake Pegmatite Group 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, in various capacities and for various commodities. This pegmatite field is hosted in the Archean age Bird River Greenstone Belt and into the surrounding granites.

All the pegmatites are of Archean age and are hosted in mafic volcanic to sediments and the surrounding pegmatitic granite. Many are complex and zoned with numerous phases of tantalum-niobium minerals, lithium-bearing minerals and REE-bearing minerals.

The Silverleaf Pegmatite is one of the most historically worked pegmatites and approximately 500 tonnes of rock removed in the 1920's for test milling for lithium, germanium, rubidium and gallium. It is a zoned complex lithium-bearing pegmatite, with a surface exposure of approximately 80 metres x 45 metres and has been traced for over 168 metres with a maximum thickness of 31 metres. It was the largest Pegmatite reviewed during the 2016 field season. 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. A sample from the historically mined Spodumene rock pile returned values up to 4.33% Li<sub>2</sub>O.

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% Li<sub>2</sub>O and 0.21% to 0.81% Rb<sub>2</sub>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.

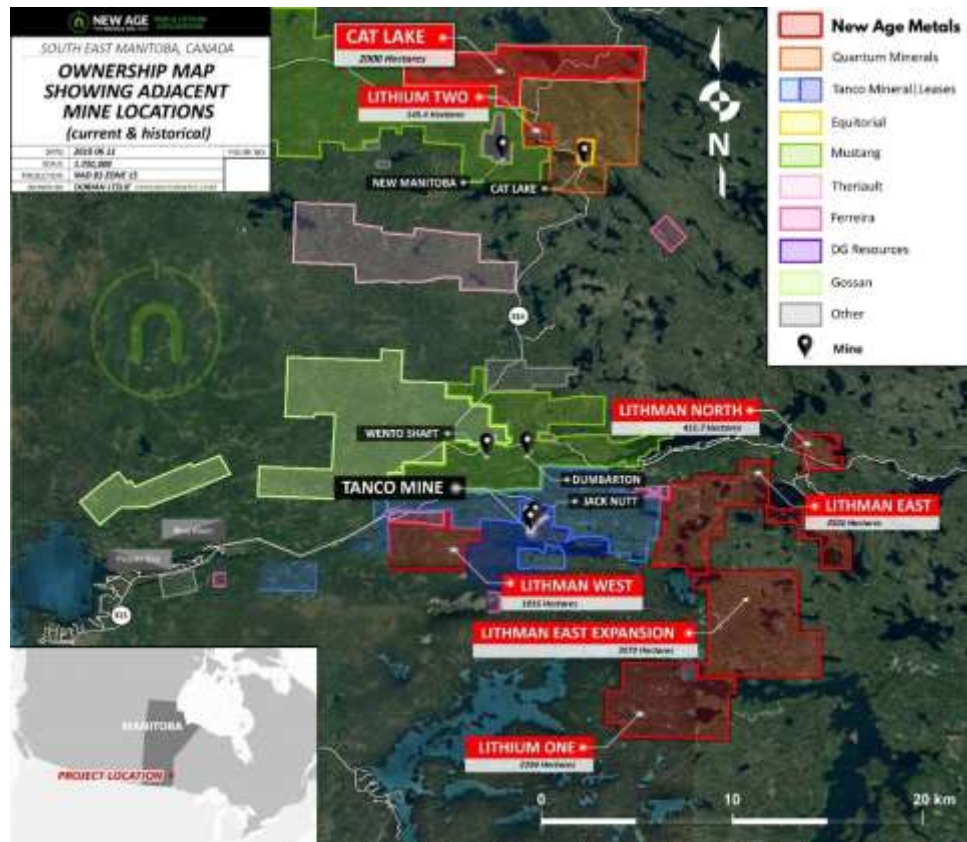
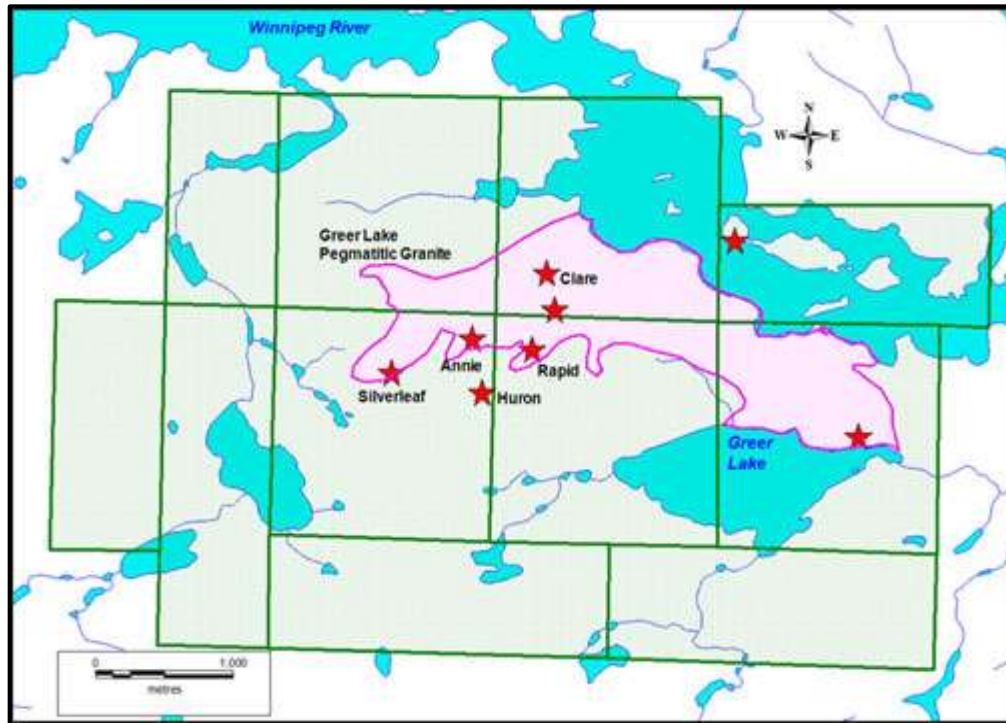


Figure 20: New Age Metals Lithium Project Location Map.

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 21: Historical Pegmatite 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).

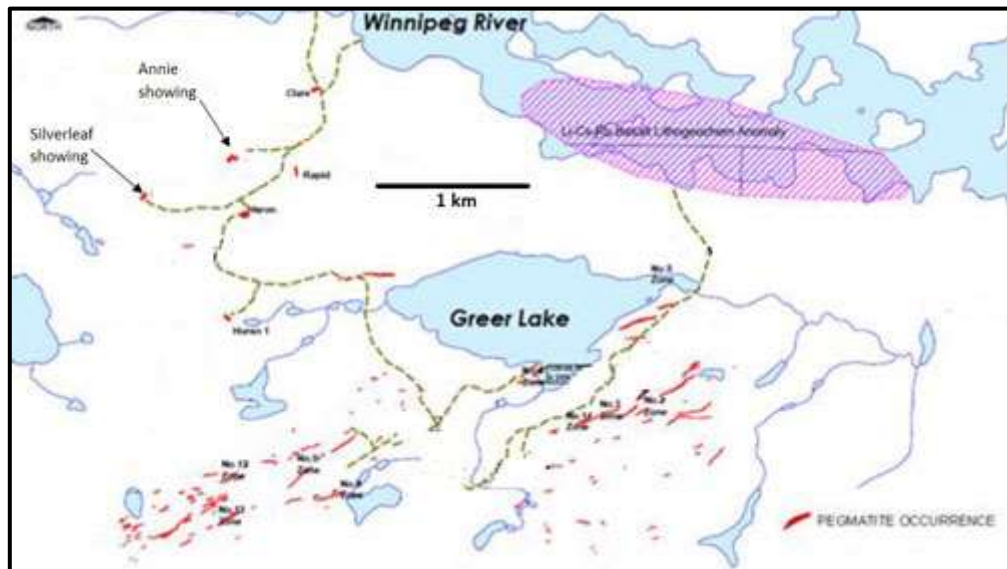
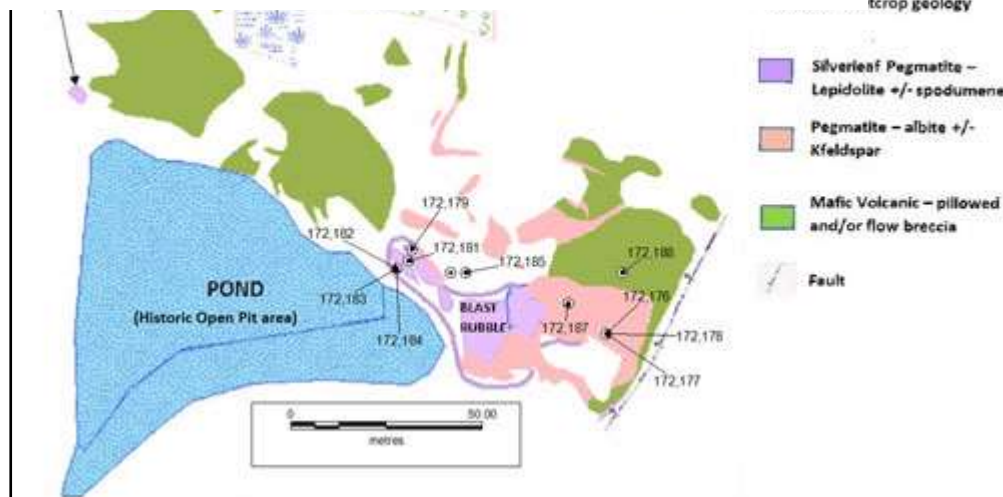


Figure 22: Pegmatite map of the Lithium One Project

Figure 23: Geological mapping of the Silverleaf Pegmatite, Lithium One Project. In geological terms, the Silverleaf Pegmatite encountered on the Lithium One Project is a LCT Type (Lithium-Cesium-Tantalum) pegmatite

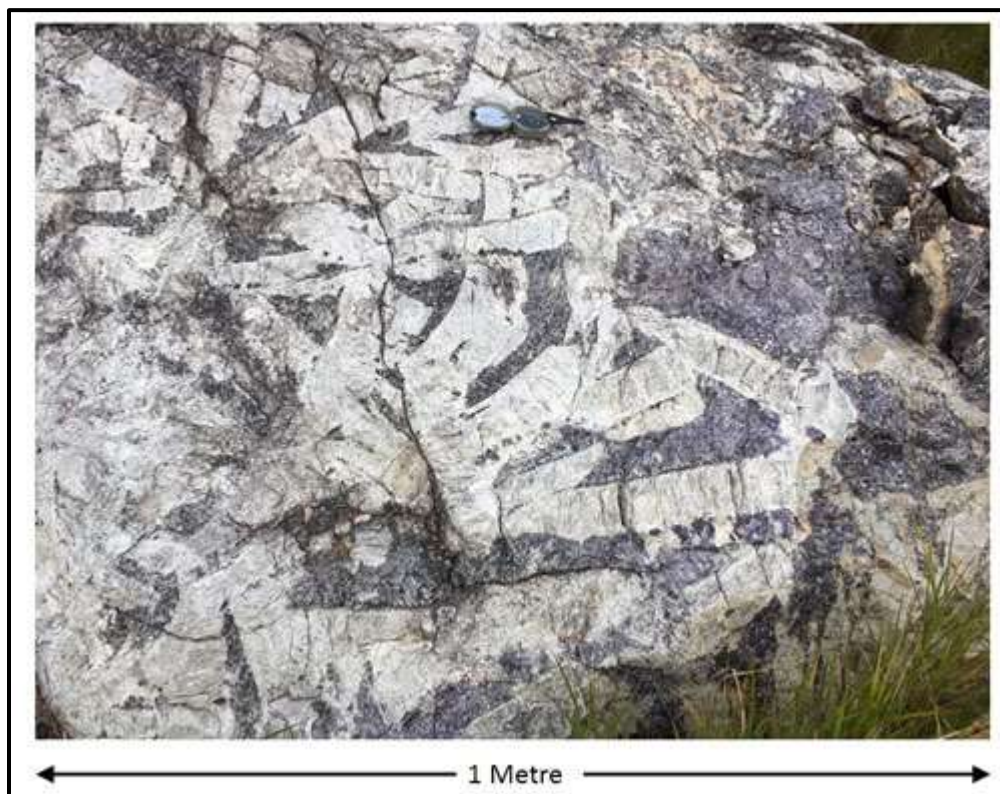


**Table 11: 2018 Samples from the Silverleaf Pegmatite**

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	1.90	0.00	0.03	0.00
172184	332169	5580091	Fractionation	Silverleaf fractionated sample of apitic 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 24: Spodumene – Lepidolite Zone, Silverleaf Pegmatite, Lithium One Project*





*Figure 25: Spodumene Blades – Lithium One Project – Silverleaf Pegmatite*

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

On January 12, 2021 NAM announces results from the surface prospecting activities at its 100% owned Lithium One Project near Lac du Bonnet, Manitoba. The project was co-funded by the Manitoba Chamber of Commerce's administered Manitoba Mineral Development Fund (MMDF). Work completed on the Property in the fall months of 2020 consisted of field rock sampling and geological mapping. Reported herein are the assay results for grab samples testing the Silverleaf Pegmatite, Greer Lake Quarry, and other locations on the Lithium One Project.



Table 12 shows 2020 Silverleaf assay result highlights from grab samples.

Sample	Li <sub>2</sub> O (%)	Rb <sub>2</sub> O (%)	Cs <sub>2</sub> O (%)
171878	0.03	0.13	0.00
171879	3.12	0.15	0.02
171880	0.15	0.11	0.00
171881	0.05	0.02	0.00
171882	1.43	1.06	0.08
171883	2.06	0.87	0.06
171886	1.40	0.47	0.05
171887	2.39	1.81	0.26
171888	2.82	2.15	0.31
171889	0.16	0.17	0.01
171890	1.93	0.49	0.04

Mineral prospecting activities in the fall of 2020 focused on Silverleaf Zone and Greer Lake Quarry. The purpose of the field work was to examine possible extensions of the Silverleaf Pegmatite and the Greer Lake Pegmatite Quarry. A total of 75 field samples were collected.

Decreasing water levels around the Silverleaf lithium showing have exposed newer outcrops of the Silverleaf mineralization, thus widening and lengthening the known surface extent of the Silverleaf Pegmatite (Figure 26). Geological mapping at the Silverleaf Pegmatite infers that the pegmatite has a southwest shallow dipping plunge. The exposed surface area of the lithium showing now measures 40 meters wide in plan-view and over 100 meters in strike length. The showing remains open to the northwest and southeast with potential of extension under the wetland and/or host mafic volcanic country rock. Drilling was recommended to confirm strike and depth continuity.

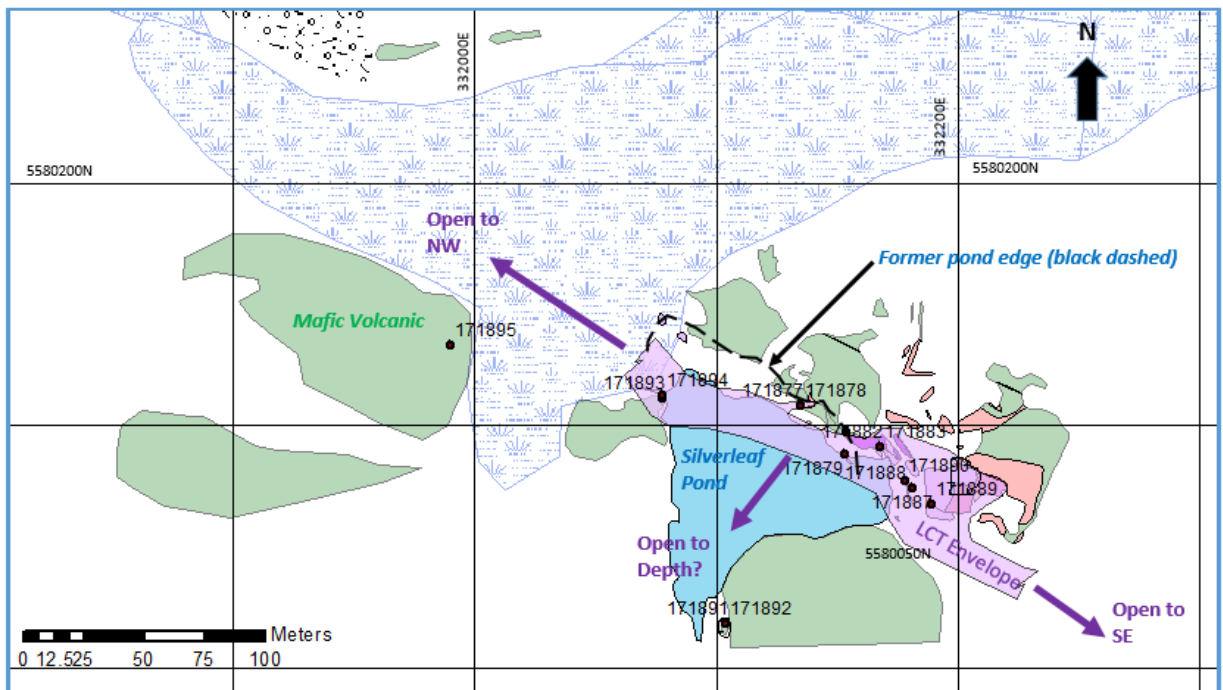


Figure 26: Silverleaf Pegmatite Showing and potential continuity.

At the Greer Lake feldspar quarry, grab sampling returned anomalous assays up to 0.13% Li<sub>2</sub>O and 0.38% Rb<sub>2</sub>O. The brief field review of the pegmatites on the southern portion of the property yielded low levels of lithium from the field samples but were interesting enough to suggest that there may be potential to discover more lithium rich sections. Further surface exploration is recommended for the southern region. Mapping of the quarry for its mineral potential confirms the area requires additional prospecting to confirm if other pegmatites in the direct area are of the favored Lithium-Cesium-Tantalum (LCT) pegmatite variety and if there are lithium rich zones within the current quarry excavation (Figure 27).

On April 6<sup>th</sup> 2021 NAM announced that a Drone Magnetic Survey is being initiated on it's Lithium Projects in SE Manitoba through their wholly owned subsidiary, Lithium Canada Development.

The UAV-Borne Magnetometry survey being used by EarthEx is the highest resolution drone magnetics system on the market today. EarthEx is a Manitoba-based geophysical consulting company. Daniel Card, Chief Geophysicist and President of EarthEx said “We are excited to be working with such a highly reputable company as New Age Metals, in this prolific pegmatite district, providing services which will accelerate the path to new discoveries.” The EarthEx airborne magnetic geophysical survey technology will be used to further define future drill targets for the Company's Lithium Two, Lithman West and Cat Lake Lithium Projects, Figure 28.

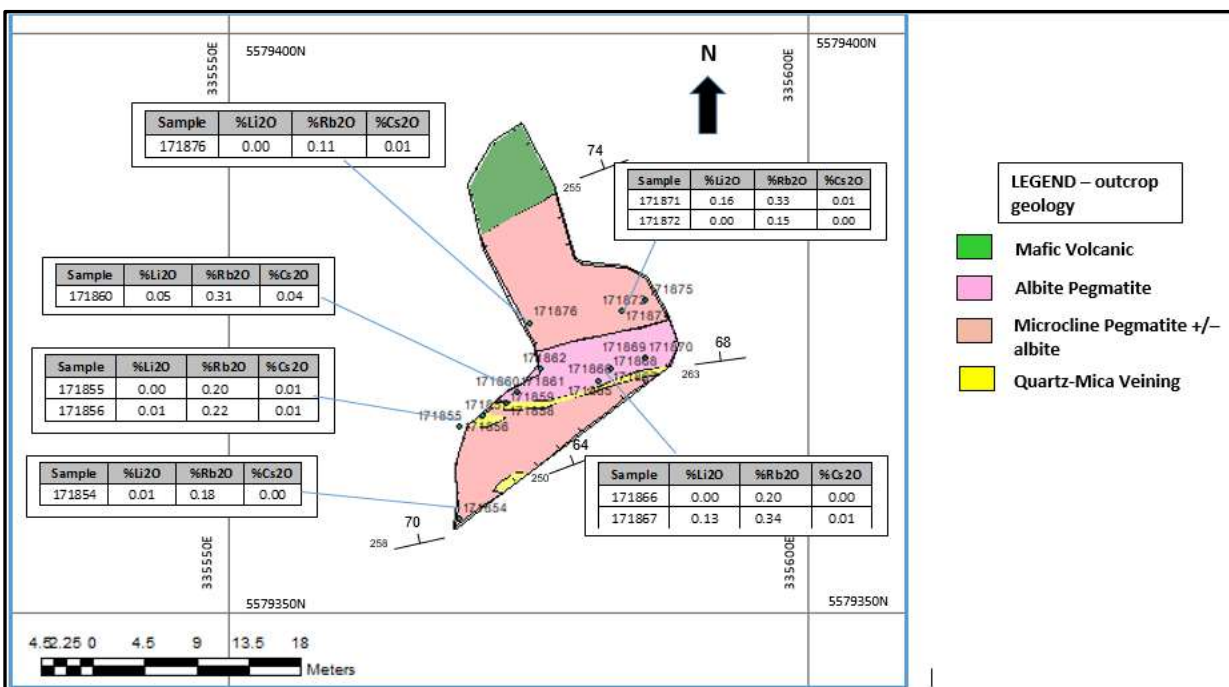


Figure 27: Greer Lake Quarry Grab Sampling with Assay Highlights

## 5.2.2 LITHIUM TWO PROJECT

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.

The Project consists of 137 hectares located 20 kilometers north of the Tanco Pegmatite.

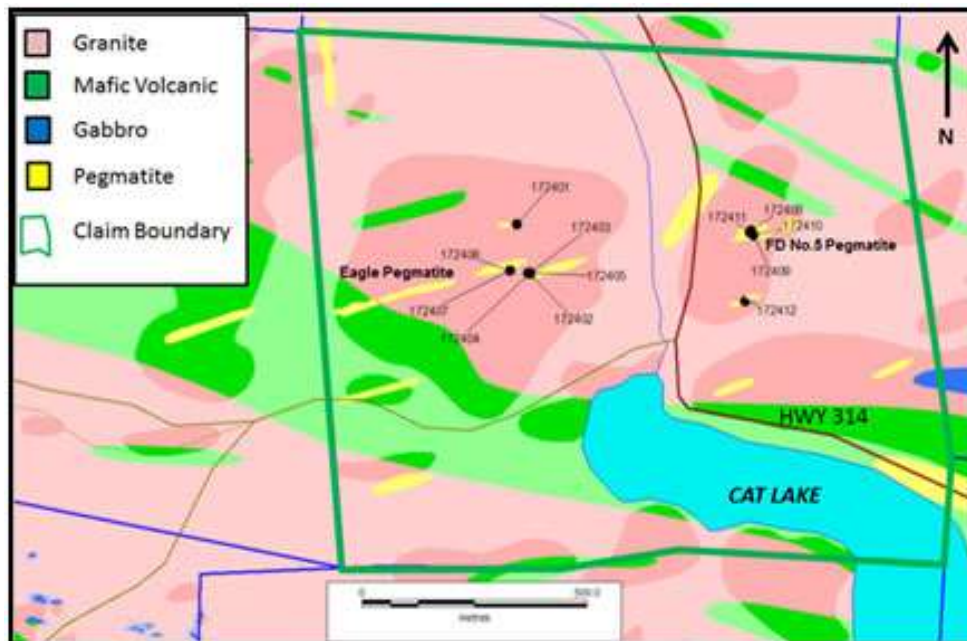
Lithium Two is owned by New Age Metals and contains 3 pegmatites known to date.

The Eagle Pegmatites is exposed on surface and was last drilled in 1948. At that time, it was indicated that it remains open to depth and along strike. A historic tonnage of 544,460 tonnes of 1.4% Li<sub>2</sub>O (source: Manitoba Mineral Index Cards) was reported in 1948. This amount has not been confirmed by a qualified person at this time. This is a historic estimation and is not NI 43-101 compliant. 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. Surface sampling has yielded assays up to 3.8% Li<sub>2</sub>O. The other pegmatites on the project have not been drill tested.

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*



Project is 100% owned by New Age Metals and was previously explored by the Tantalum Mining Corp of Canada in their exploration for Tantalum.

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.

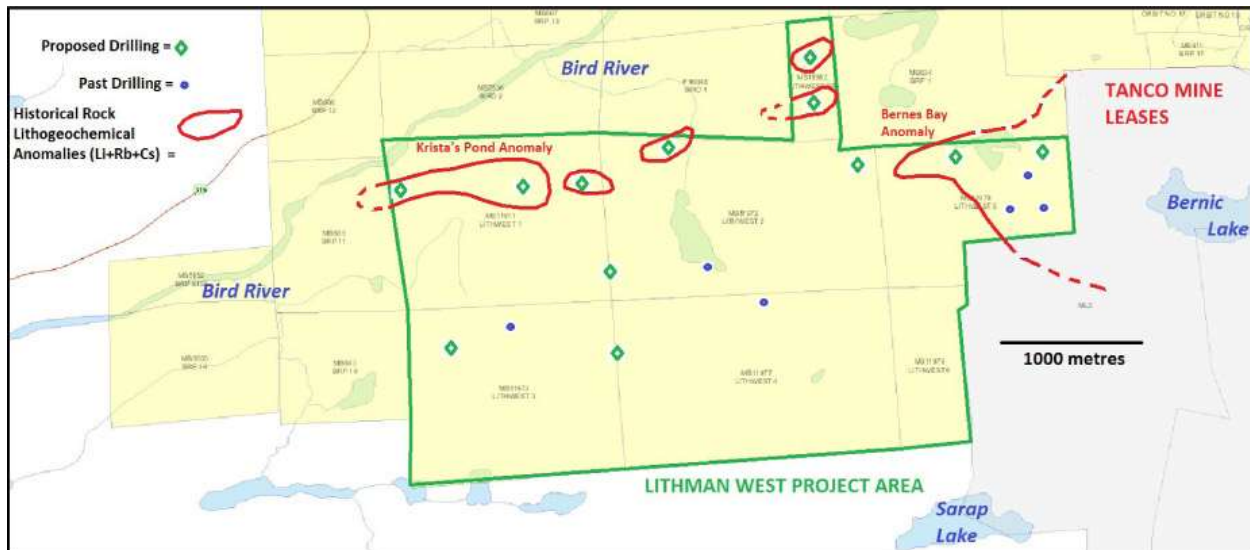


Figure 29: Historic Rock (Li+Rb+Cs) Geochemical Anomalies – Lithman West Project

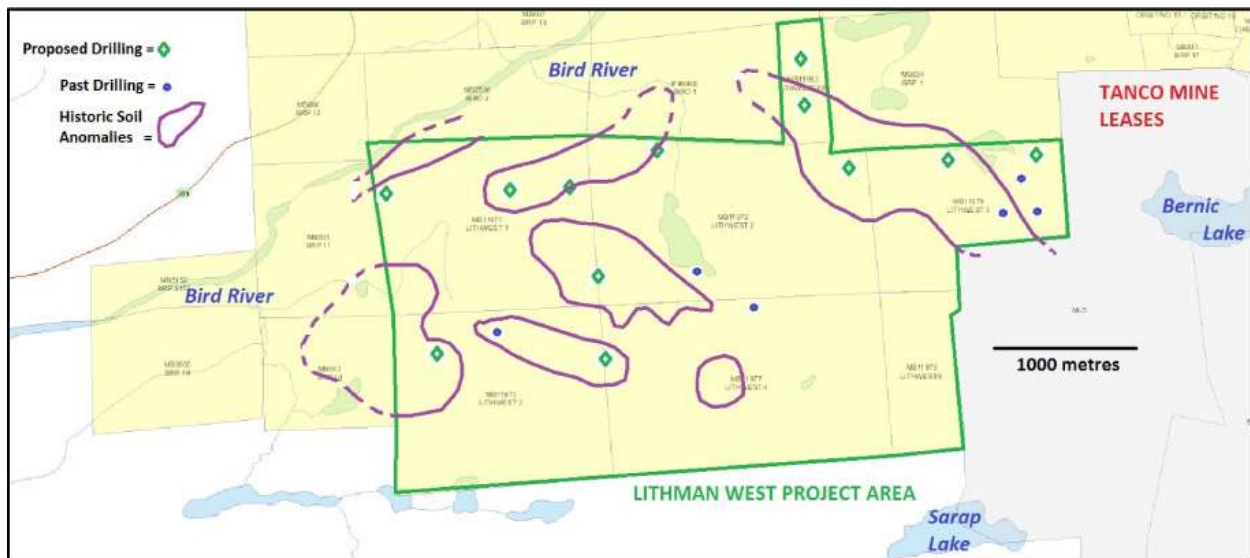


Figure 30: Historic Soil (Enzyme Leach) Geochemical Anomalies – Lithman West Project

A diamond drill program has been recommended to 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 was 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.

NAM has four more Lithium projects in the Winnipeg River-Cat Lake Pegmatite Field of Southeast Manitoba.

#### **5.2.4. LITHMAN EAST, LITHMAN EAST EXTENSION & LITHMAN NORTH PROJECTS**

All projects were staked to cover numerous surface pegmatites and pegmatitic granites.

The projects cover portions of the Bernic Lake Pegmatite Group (hosts the Tanco Pegmatite as well as a few other Lithium Rich Pegmatites) Rush Lake Pegmatite Group, Birse Lake Pegmatite Group and the Axial Pegmatite Group.

Presently these claims are being explored with drone geophysics, surface mapping, sampling and prospecting.

#### **5.2.5. CAT LAKE LITHIUM PROJECT**

Newest project staked. Drone geophysics were completed in 2021. Surface exploration is being planned. The Project is situated north and adjacent to the Lithium Two Project which contains known surface Lithium-bearing Pegmatites.

### **5.3 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. (paid)

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 (issued) 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 31: Genesis PGM-Cu-Ni Project 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 Jul	30 Apr	31 Jan	31 Oct	31 Jul	30 Apr	31 Jan	31 Oct
	2021	2021	2021	2020	2020	2020	2020	2019
Total revenues	-	-	-	-	-	-	-	-
Net income (loss)	(350,721)	(104,032)	(321,526)	38,752	(315,027)	(168,795)	(17,631)	(154,655)
Net income (loss) per share	(0.002)	(0.000)	(0.002)	0.000	(0.003)	(0.002)	(0.000)	(0.002)
Total assets	12,714,165	4,451,977	4,544,656	4,902,229	4,721,608	3,040,498	3,059,348	2,866,118

## **6. RESULTS OF OPERATIONS**

The three months ended 31 July 2021 resulted in loss from operations of \$350,721 which compares to \$38,752 - income for the same period in 2020. The increase in loss of \$389,473 was mainly attributable to net effect of the following:

- Increase of \$3,244 in Accounting and audit, \$3,244 for the three months ended 31 July 2021 compared to \$Nil for the same period in 2020.
- Increase of \$12,300 in Consulting fees, \$46,866 for the three months ended 31 July 2021 compared to \$34,566 for the same period in 2020.
- Increase of \$5,873 in Depreciation of right-of-use asset, \$14,058 for the three months ended 31 July 2021 compared to \$8,185 for the same period in 2020.
- Increase of \$3,544 in Insurance, licenses and fees, \$10,734 for the three months ended 31 July 2021 compared to \$7,190 for the same period in 2020.
- Decrease of \$6,173 in Management fees, \$32,453 for the three months ended 31 July 2021 compared to \$38,626 for the same period in 2020.
- Increase of \$72,255 in Marketing and communications, \$130,058 for the three months ended 31 July 2021 compared to \$57,803 for the same period in 2020.
- Increase of \$7,198 in Office and miscellaneous, \$12,214 for the three months ended 31 July 2021 compared to \$5,016 for the same period in 2020.
- Increase of \$3,908 in Rent, \$3,908 for the three months ended 31 July 2021 compared to \$Nil for the same period in 2020.
- Increase of \$8,392 in Share-based payments, \$8,392 for the three months ended 31 July 2021 compared to \$Nil for the same period in 2020.
- Increase of \$1,464 in Telephone and utilities, \$3,118 for the three months ended 31 July 2021 compared to \$1,654 for the same period in 2020.
- Increase of \$16,366 in Transfer agent and regulatory fees, \$21,967 for the three months ended 31 July 2021 compared to \$5,601 for the same period in 2020.
- Increase of \$1,403 in Travel, lodging & food, \$3,437 for the three months ended 31 July 2021 compared to \$2,394 for the same period in 2020.
- Decrease of \$2,799 in Interest income, \$3,025 for the three months ended 31 July 2021 compared to \$5,824 for the same period in 2020.
- Increase of \$253,149 in unrealized loss on short term investments, \$57,006 - loss for the three months ended 31 July 2021 compared to \$196,143 - income for the same period in 2020.

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

During the period ended 31 July 2021, the Company's working capital, defined as current assets less current liabilities, was \$7,846,593 compared with working capital of \$9,215,073 as at 30 April 2021. The Company has a total of 197,110,752 common shares issued and outstanding as at period ended 31 July 2021 (30 April 2021: 197,110,752). The Company has a portfolio of investments with a book value of \$970,422 and a market value of \$180,191 as at period ended 31 July 2021.

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 July 2021, the Company has \$1,301,706 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 (issued)

## **9. CONTINGENCIES**

As at 31 July 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 July 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, 2020. 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 July 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	7,870,717	-	-	7,870,717
Short-term investments – Shares	180,191	-	-	180,191
<b>Total financial assets at fair value</b>	<b>8,050,908</b>	<b>-</b>	<b>-</b>	<b>8,050,908</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 July 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 July 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 July 2021, the Company had working capital of \$7,846,593 (30 April 2021: \$9,215,073).

#### 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 July</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Short-term benefits – management and consulting fees	<b>63,600</b>	60,900
Share-based payments	-	-
<b>Total key management personnel compensation</b>	<b>63,600</b>	60,900

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

	<b>31 July 2021</b>	<b>30 April 2021</b>
	\$	\$
El Nino	<b>9,357</b>	-
<b>Total amount due from related parties</b>	<b>9,357</b>	-

Related party expenses are summarized as follows:

<b>Period ended 31 July</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Shared office and consulting fees recoveries from El Nino	<b>(9,357)</b>	(23,195)
Rent expense before shared office recoveries to the CEO	<b>1,998</b>	1,880
Rent expense before shared office recoveries to 3699030 Canada Inc. (Note 19)	<b>9,000</b>	9,000
Consulting fees to VP Business Development	<b>14,400</b>	12,265
Consulting fees to the Chief Financial Officer (“CFO”)	<b>10,500</b>	10,500
Management fees to Canadian Gravity Recovery Inc. (“CGR”) (Note 19)	<b>30,000</b>	30,000
Consulting fees to 873285 BC Ltd.	<b>6,000</b>	6,000
<b>Total related party expenditures</b>	<b>62,541</b>	46,450

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 July 2021, there were 197,110,752 issued and outstanding common shares (30 April 2021: 197,110,752).

### 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 2021</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Cancelled</b>	<b>Number outstanding 31 July 2021</b>	<b>Exercise price per share</b>	<b>Expiry date</b>
2,475,000	-	-	-	-	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
1,100,000	-	-	-	-	1,100,000	\$0.05	24 October 2024
1,950,000	-	-	-	50,000	1,900,000	\$0.10	30 July 2025
-	1,900,000	-	-	-	1,900,000	\$0.18	30 June 2026
1,025,000	-	-	-	41,667	983,333	\$0.21	15 July 2026
<b>6,800,000</b>	<b>1,900,000</b>	<b>-</b>	<b>-</b>	<b>91,667</b>	<b>8,608,333</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 July 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 Company is reviewing properties for acquisition on an ongoing basis.

### **24. SUBSEQUENT EVENTS**

On 25 August 2021, the Company received approval from 97.85% of disinterested Shareholders further to news release dated 26 and 31 March 2021, 2176423 Ontario Ltd., a corporation beneficially owned by Eric Sprott, as a new control person of the Company and completed the second tranche of its private placement raising additional proceeds of \$2,075,000. The Company has issued 12,968,750 units at a purchase price of \$0.16 per unit for proceeds of \$2,075,000. Each unit consisted of one common share and one half of one share purchase warrant at a purchase price of \$0.20 per share at any time up to 25 August 2023.