



NEW AGE METALS INC.

Condensed Consolidated Interim Financial Statements
Nine months ended 31 January 2020 and 2019
(An Exploration Stage Company)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

New Age Metals Inc.

Condensed Consolidated Interim Statements of Financial Position

As at 31 January 2020 and 30 April 2019

(Unaudited)

(Expressed in Canadian dollars)

	Notes	As at 31 January 2020	As at 30 April 2019 (Audited)
ASSETS		\$	\$
Current assets			
Cash and cash equivalents	5	402,472	832,932
Amounts receivable	6	20,384	43,069
Short-term investments	7	202,550	167,348
Prepaid expenses		79,929	31,695
		705,335	1,075,044
Exploration and evaluation properties	8	2,335,163	2,060,348
Total assets		3,040,498	3,135,392
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	9	22,060	206,660
Due to related parties	15	1,141	32,557
Total liabilities		23,201	239,217
Equity			
Share capital	10	36,751,820	36,491,640
Reserves	10	13,524,781	13,322,757
Deficit		(47,259,304)	(46,918,222)
Total equity		3,017,297	2,896,175
Total equity and liabilities		3,040,498	3,135,392

Corporate Information and Going Concern (Note 1), Commitments and Contingencies (Note 17)
and Subsequent Events (Note 18)

APPROVED BY THE BOARD:

“Harry Barr”

Director

“John Londry”

Director

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

New Age Metals Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the nine months ended 31 January 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended 31 January 2020	Three months ended 31 January 2019	Nine months ended 31 January 2020	Nine months ended 31 January 2019
Expenses		\$	\$	\$	\$
Accounting and audit		1,900	-	2,107	8,940
Bank charges and interest		427	938	1,315	3,421
Consulting fees	16	45,880	59,443	32,416	303,069
Depreciation	9	-	256	-	768
Insurance, license & fees		7,636	8,837	20,406	23,752
Management fees	16	31,715	31,628	103,858	89,820
Marketing and communications		46,921	46,401	61,652	441,848
Office and miscellaneous		9,110	13,637	26,770	69,340
Rent		5,190	5,015	18,129	18,023
Share-based payments	12, 16	53,214	-	53,214	47,174
Telephone and utilities		3,102	1,012	6,302	7,691
Transfer agent and regulatory fees		20,128	8,589	38,546	34,507
Travel, lodging and food		9,903	3,454	17,822	59,633
Loss before other items		(235,126)	(179,210)	(382,537)	(1,107,686)
Other items					
Foreign exchange loss		-	(249)	-	(1,474)
Interest income		1,297	-	6,253	729
Unrealized gain on short term investments		65,034	-	35,202	-
Net loss for the period		(168,795)	(179,459)	(341,082)	(1,108,431)
Other comprehensive loss					
Unrealized gain on short term investments	7	-	(71,178)	-	(108,186)
Net comprehensive loss		(168,795)	(250,637)	(341,082)	(1,216,617)
Loss per share					
Basic	14	(0.002)	(0.002)	(0.004)	(0.013)
Diluted	14	(0.002)	(0.002)	(0.004)	(0.013)

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

New Age Metals Inc.

Condensed Consolidated Interim Statements of Cash Flows For the nine months ended 31 January 2020 and 2019 (Unaudited) (Expressed in Canadian dollars)

		Nine months ended	
	Notes	31 January 2020	31 January 2019
		\$	\$
OPERATING ACTIVITIES			
Loss before tax		(341,082)	(1,108,431)
Adjustments for:			
Depreciation	9	-	768
Share-based payments	12	53,214	47,174
Unrealized gain on short-term investment	7	(35,202)	-
Operating cash flows before movements in working capital			
(Increase) decrease in amounts receivable		22,685	122,921
(Increase) decrease in prepaid expenses		(48,234)	35,169
Increase (decrease) in current liabilities		(216,016)	(205,698)
Cash used in operating activities		(564,635)	(1,108,097)
INVESTING ACTIVITIES			
Cash spent on exploration and evaluation properties	8	(274,815)	(691,341)
Cost recovery on exploration and evaluation properties		-	324,653
Cash used in investing activities		(274,815)	(371,688)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares		418,020	1,442,267
Exercise of warrants		3,300	-
Share issued costs		(12,330)	(58,398)
Cash from financing activities		408,990	1,383,869
Decrease in cash and cash equivalents		(430,460)	(95,916)
Cash and cash equivalents – beginning of period		832,932	1,216,593
Cash and cash equivalents – end of period		402,472	1,120,677

Supplemental cash flow information (Note 16)

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

New Age Metals Inc.

Condensed Consolidated Interim Statements of Changes in Equity

For the nine months ended 31 January 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

	Number of shares	Share capital	Share- based payments reserve	Warrant reserve	Accumulated other comprehensiv e income (loss)	Deficit	Total
		\$	\$	\$	\$	\$	\$
Balances, 30 April 2018	73,438,757	35,696,538	4,178,954	8,615,407	357,325	(45,968,805)	2,879,419
Shares issued for							
Cash	15,371,343	1,433,489	-	-	-	-	1,433,489
Mineral properties	-	-	-	-	-	-	-
Value assigned to warrants	-	(434,512)	-	434,512	-	-	-
Share-based payments	-	-	47,174	-	-	-	47,174
Share issue costs	-	(49,620)	-	-	-	-	(49,620)
Unrealized loss on available for sale	-	-	-	-	-	(37,009)	(37,009)
Net loss for the period	-	-	-	-	-	(1,179,609)	(1,179,609)
Balances, 31 January 2019	88,810,100	36,645,895	4,660,640	8,615,407	357,325	(47,185,423)	3,093,844
Shares issued for							
Cash	-	-	-	-	-	-	-
Mineral properties	200,000	14,000	-	-	-	-	14,000
Value assigned to warrants	-	(46,710)	-	46,710	-	-	-
Flow-through premium liability	-	(121,545)	-	-	-	-	(121,545)
Impact of adopting IFRS 9	-	-	-	-	(357,325)	357,325	-
Net loss for the period	-	-	-	-	-	(90,124)	(90,124)
Balances, 30 April 2019	89,010,100	36,491,640	4,226,128	9,096,629	-	(46,918,222)	2,896,175
Shares issued for							
Cash	7,833,666	418,020	-	-	-	-	418,020
Exercise of warrants	33,000	3,300	-	-	-	-	3,300
Value assigned to warrants	-	(148,810)	-	148,810	-	-	-
Share-based payments	-	-	53,214	-	-	-	53,514
Share issue costs	-	(12,330)	-	-	-	-	(12,330)
Net loss for the period	-	-	-	-	-	(341,082)	(341,082)
Balances, 31 January 2020	96,876,766	36,751,820	4,279,342	9,245,439	-	(47,259,304)	3,017,297

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(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 is in the process of acquiring, exploring and developing platinum group metals (“PGMs”), precious and base metals mineral properties and green metals lithium. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties, or sell the properties outright. The Company has not yet determined whether these properties contain ore reserves which are economically recoverable and the Company is considered to be in the exploration stage.

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

1.1 Going concern

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

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

The Company had a comprehensive loss of \$341,082 for the nine months ended 31 January 2020 (2019: \$1,216,617). The Company has not yet achieved profitable operations, the Company has, since inception, accumulated a deficit to 31 January 2020 of \$47,259,304 (30 April 2019: \$46,918,222) and management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital.

As at 31 January 2020, the Company had \$402,472 (30 April 2019: \$832,932) in cash and cash equivalents.

The Company does not currently have revenue-generating properties.

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

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 January 2020 and 30 April 2019 are listed below:

Name	Country of incorporation	% equity interest as at	
		31 January 2020	30 April 2019
Subsidiaries			
Pacific North West Capital Corp. USA ⁽¹⁾	United States	100%	100%
Lithium Canada Development Inc. ⁽¹⁾	Canada	100%	100%

(1) Inactive entities.

2.2 Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 14, and are presented in Canadian dollars, except where otherwise indicated.

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

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

IFRS 16 “Leases”: This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted in certain circumstances. As at May 1, 2019, the Company will recognize a right-of-use asset and lease liability of approximately \$71,000 in the statement of financial position for its current office lease, an adoption of IFRS 16.

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(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 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 Financial Statements

For the nine months ended 31 January 2020

(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 January 2020. 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 3.6. The fair value of stock options is measured using the Black-Scholes Option Pricing Model. The fair value of stock options granted using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(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 warrants reserve within equity. If the warrants are converted, the consideration paid, along with the amount previously recognized in warrant reserve, is recorded as an increase to share capital.

Deferred income taxes

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

Going concern

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

Determination of Functional Currency

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

3.2 Cash and cash equivalents

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(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 Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

3.5 Decommissioning, restoration and similar liabilities

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

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

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

3.6 Share-based payments

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

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

3.7 Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments on May 1, 2018. 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:

- (i) Classification

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

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 completed a detailed assessment of its financial assets and liabilities as at May 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash and cash equivalent	FVTPL	FVTPL
Amounts receivable	Amortized cost	Amortized cost
Short-term investments	Available for Sale	FVTPL
Trade payables	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to equity at the beginning of the 2019 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 had a \$357,325 impact on the opening accumulated deficit as a result of reclassification of the accumulative other comprehensive income on the Company’s short-term investment.

(ii) 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.

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

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

Equity investments at FVTOCI

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

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the 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.

(iv) 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.

Financial liabilities

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

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

3.8 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

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

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

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

3.9 Flow-through shares

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

3.10 Related party transactions

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

3.11 Taxation

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

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

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

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

4. SEGMENTED INFORMATION

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

The breakdown of geographic area as at and for the periods ended 31 January 2020 and year ended 30 April 2019 are as follows:

31 January 2020	Canada	USA	Total
Total expenses	147,411	-	147,411
Current assets	705,335	-	705,35
Exploration and evaluation properties	2,124,004	211,159	2,335,163
Total assets	2,829,339	211,159	3,040,498

30 April 2019	Canada	USA	Total
Total expenses	1,428,287	-	1,428,287
Current assets	1,075,044	-	1,075,044
Exploration and evaluation properties	1,898,095	162,253	2,060,348
Total assets	2,973,139	162,253	3,135,392

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(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 January 2020	As at 30 April 2019
	\$	\$
Denominated in Canadian dollars	372,659	780,215
Denominated in U.S. dollars	29,813	52,717
Total cash and cash equivalents	402,472	832,932

During the period ended 31 January 2020, the Company issued a total of 2,633,667 flow-through shares (30 April 2019: 8,167,273) for a total of \$158,020 (30 April 2019: \$793,900) (Notes 9 and 10). As at 31 January 2020, the Company has \$85,020 (30 April 2019: \$40,390) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 17).

6. AMOUNTS RECEIVABLE

The Company's amounts receivable are as follows:

	As at 31 January 2020	As at 30 April 2019
	\$	\$
Goods and Services Tax /Harmonized Sales Tax receivable ("GST/HST")	9,353	25,427
Shared office costs receivable (Note 15)	11,031	13,470
Advances	-	4,172
Total amounts receivable	20,384	43,069

Included in amounts receivable of the Company are amounts due from related parties which are disclosed in Note 15. The amounts are unsecured, interest-free and repayable upon written notice given from the Company.

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(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 January 2020		As at 30 April 2019	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
El Nino Ventures Inc. 4,335,601 shares (30 April 2019: 4,335,601 shares)	712,203	173,424	712,203	108,390
Azincourt Energy Corp. 1,000,000 shares (30 April 2019: 1,000,000 shares)	139,500	25,000	139,500	55,000
Calais Resources Inc. 2,083,000 shares (30 April 2019: 2,083,000 shares)	125,000	-	125,000	-
Idaho Champion Gold Mines 16,267 shares (30 April 2019: 16,267 shares)	29,280	976	29,280	1,708
Others	49,535	3,150	49,535	2,250
Total short-term investments	1,055,518	202,550	1,055,518	167,348

During the period 31 January 2020, the Company recognized an unrealized gain on short-term investments of \$35,202 (2019: \$108,186 other comprehensive loss).

During the previous year ended 30 April 2019, the Company received 750,000 shares (2018: 250,000) of Azincourt Energy Corp. valued at \$87,000 (2018: \$52,500) pursuant to the Five Lithium Projects option agreement (Notes 8 and 17).

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the period ended 31 January 2020 are as follows:

	River Valley	Lithium One	Alaska	Total
	\$	\$	\$	\$
ACQUISITION COSTS				
Balance, 30 April 2019	114,713	16,270	72,762	203,745
Additions	-	-	-	-
Balance, 31 January 2020	114,713	16,270	72,762	203,745
EXPLORATION AND EVALUATION COSTS				
Balance, 30 April 2019	1,767,111	-	89,491	1,856,602
Assaying	-	-	-	-
Engineering and consulting	24,034	9,744	35,004	68,782
Field expenses	10,812	2,707	-	13,519
Geophysics	6,029	2,500	-	8,529
Maintenance fees	36,485	2,338	13,902	52,725
Preliminary Economic Assessment	132,761	-	-	132,761
Recoveries	(1,500)	-	-	(1,500)
Balance, 31 January 2020	1,975,732	17,289	138,397	2,131,418
Total costs	2,090,445	33,559	211,159	2,335,163

The Company's exploration and evaluation properties expenditures for the year ended 30 April 2019 are as follows:

	River Valley	Lithium One	Alaska	Total
	\$	\$	\$	\$
ACQUISITION COSTS				
Balance, 30 April 2018	114,713	45,158	58,762	218,633
Additions	-	(28,888)	14,000	(14,888)
Balance, 30 April 2019	114,713	16,270	72,762	203,745
EXPLORATION AND EVALUATION COSTS				
Balance, 30 April 2018	1,256,816	-	1,451	1,258,267
Assaying	15,413	17,259	-	32,672
Engineering and consulting	131,524	78,281	47,540	257,345
Field expenses	52,441	24,886	-	77,327
Geophysics	68,027	61,900	-	129,927
Preliminary Economic Assessment	282,606	-	-	282,606
Maintenance fees	34,938	50,187	40,500	125,625
Recoveries	(74,653)	(232,513)	-	(307,166)
Balance, 30 April 2019	1,767,111	-	89,491	1,856,603
Total costs	1,881,824	16,720	162,253	2,060,348

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

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.

(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.

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

During the year ended 30 April 2019, the Company received assistance payments of \$74,653 (2018: \$59,544) from the Ontario Prospectors Association under its Junior Exploration Assistance Program.

Lithium One Project, Manitoba

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

Included in Lithium One Project is:

(i) CAT 3 Properties, Manitoba

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

The property is subject to a 1% NSR.

(ii) Five Lithium Projects, South East Manitoba

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

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

Cash payments

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

Share payments

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

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

following schedule:

- (i) \$600,000 on or before the 1-year anniversary of the closing date (\$150,000 received);
- (ii) \$600,000 on or before the 2-year anniversary of the closing date; and
- (iii) \$1,650,000 on or before the 3-year anniversary of the closing date.

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

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

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

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

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

During the year ended 30 April 2019, the Company recorded a recovery of \$337,000 as a reduction to the costs of the project (2018: \$95,362 as a gain in profit and loss) as a result of the option payments received from Azincourt.

(iii) Lithman East Extension Project, South East Manitoba

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

During the year ended 30 April 2018, the Company received assistance payment of \$2,777 from the Government of Manitoba.

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

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; and
- (iv) \$30,000 on or before the 3-year anniversary of the closing date.

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

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

The Company completed the following filings and payments:

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

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

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

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

9. TRADE PAYABLES AND ACCRUED LIABILITIES

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

	As at 31 January 2020	As at 30 April 2019
Trade payables	\$ 22,060	\$ 174,660
Accrued liabilities	-	32,000
Total trade payables and accrued liabilities	22,060	206,660

During the period ended 31 January 2020, the Company issued 2,633,667 (30 April 2019: 8,167,273) flow-through shares for total proceeds of \$158,020 (30 April 2019: \$793,900). As at 31 January 2020, the Company has \$85,020 (30 April 2019: \$40,390) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 17).

During the period ended 31 January 2020, the Company incurred approximately \$186,956 (30 April 2019: \$753,510) in qualifying Canadian exploration expenditures.

10. SHARE CAPITAL

10.1 Authorized share capital

The Company is authorized to issue unlimited common shares without par value. As at 31 January 2020, there were 96,876,766 common shares issued and outstanding (30 April 2019: 89,010,100).

10.2 Share issuances

During the periods ended 31 January 2020 and the year 30 April 2019, the Company issued common shares as follows:

Private Placements

On 31 December 2019, the Company issued 1,417,000 flow-through units at \$0.06 per unit for gross proceeds of \$85,020. Each flow-through unit consists of one non flow-through and one half non-transferrable non flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.10 per share during the first year and \$0.20 per share during the second year. All warrants issued in connection with this financing are subject to an acceleration clause. If the closing price of the Company's shares is at or above \$0.20 per share for a period of ten (10) consecutive trading days during the exercise period, the Company may accelerate the expiry date of the warrants to 30 calendar days from the date express written notice is given by the Company to the holder. The

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

Company paid share issuance costs of \$5,250 in cash and 87,500 warrants with a fair value of \$3,501.

On 04 September 2019, the Company issued 5,200,000 non flow-through units at a price of \$0.05 per unit and 1,216,666 flow-through units at \$0.06 per unit for gross proceeds of \$333,000. Each non flow-through and flow-through unit consists of one non flow-through or flow-through common share and one half non-transferrable non flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.10 per share during the first year and \$0.20 per share during the second year. All warrants issued in connection with this financing are subject to an acceleration clause. If the closing price of the Company's shares is at or above \$0.20 per share for a period of ten (10) consecutive trading days during the exercise period, the Company may accelerate the expiry date of the warrants to 30 calendar days from the date express written notice is given by the Company to the holder. The Company paid share issuance costs of \$7,080 in cash and 175,000 warrants with a fair value of \$6,050.

On 27 December 2018, the Company issued 2,090,000 flow-through units at a price of \$0.06 per unit for gross proceeds of \$125,400. Each flow-through unit consists of one non flow-through and one half non-transferrable non flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.15 per share for a period of two years. All warrants issued in connection with this financing are subject to an acceleration clause. If the closing price of the Company's shares is at or above \$0.30 per share for a period of ten (10) consecutive trading days during the exercise period, the Company may accelerate the expiry date of the warrants to 30 calendar days from the date express written notice is given by the Company to the holder. The Company paid share issuance costs of \$8,778 in cash and 146,300 warrants with a fair value of \$5,736.

On 22 August 2018, the Company issued 780,991 non flow-through units at a price of \$0.09 per unit for gross proceeds of \$70,290. Each non flow-through unit consists of one non flow-through and one half non-transferrable non flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.15 per share during the first year and \$0.20 per share during the second year. All warrants issued in connection with this financing are subject to an acceleration clause. If the closing price of the Company's shares is at or above \$0.30 per share for a period of ten (10) consecutive trading days during the exercise period, the Company may accelerate the expiry date of the warrants to 30 calendar days from the date express written notice is given by the Company to the holder.

On 19 June 2018, the Company issued 3,105,857 non flow-through units at a price of \$0.09 per unit and 422,727 flow-through units at \$0.11 per unit for gross proceeds of \$326,027. Each non flow-through and flow-through unit consists of one non flow-through or flow-through common share and one half non-transferrable non flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.15 per share during the first year and \$0.20 per share during the second year. All warrants issued in connection with this financing are subject to an acceleration clause. If the closing price of the Company's shares is at or above \$0.30 per share for a period of ten (10) consecutive trading days during the exercise period, the Company may accelerate the expiry date

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

of the warrants to 30 calendar days from the date express written notice is given by the Company to the holder. The Company paid share issuance costs of \$300 in cash and 2,727 warrants with a fair value of \$143.

On 7 May 2018, the Company issued 3,317,222 non flow-through units at a price of \$0.09 per unit and 5,654,546 flow-through units at \$0.11 per unit for gross proceeds of \$920,550. Each non flow-through and flow-through unit consists of one non flow-through or flow-through common share and one half non-transferrable non flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.15 per share during the first year and \$0.20 per share during the second year. All warrants issued in connection with this financing are subject to an acceleration clause. If the closing price of the Company's shares is at or above \$0.30 per share for a period of ten (10) consecutive trading days during the exercise period, the Company may accelerate the expiry date of the warrants to 30 calendar days from the date express written notice is given by the Company to the holder. The Company paid share issuance costs of \$49,620 in cash and 472,606 warrants with a fair value of \$31,173.

Other

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

On 5 April 2019, the Company issued 200,000 common shares valued at \$14,000, pursuant to the Alaska Genesis Project option agreement (Notes 8 and 17).

On 24 April 2018, the Company issued 200,000 common shares valued at \$19,000, pursuant to the Alaska Genesis Project option agreement (Notes 8 and 17).

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

10.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the period ended 31 January 2020 and the year 30 April 2019.

	31 January 2020		30 April 2019	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning	57,309,998	0.18	50,215,334	0.19
Granted	4,179,333	0.14	8,307,312	0.15
Exercised	(33,000)	0.10	-	-
Cancelled ⁽¹⁾	-	-	-	-
Expired	(2,333,333)	0.15	(1,212,648)	0.15
Outstanding, end of period	59,122,998	0.18	57,309,998	0.18

⁽¹⁾ Included are 7,124,554 share purchase warrants related to an amendment made during the year ended 30 April 2018.

The following table summarizes information regarding share purchase warrants outstanding as at 31 January 2020:

Number of warrants	Exercise price	Expiry date
7,124,553	\$0.20/\$0.25	28 March 2020
376,651	\$0.30/\$0.60	03 May 2020
2,362,197	\$0.20/\$0.25	3 May 2020
345,992	\$0.30/\$0.60	29 June 2020
2,137,437	\$0.20/\$0.25	29 June 2020
51,282	\$0.20/\$0.25	4 October 2020
34,271,241	\$0.15	27 April 2022
4,958,491	\$0.15/\$0.25	07 May 2020
1,767,024	\$0.15/\$0.25	19 June 2020
390,497	\$0.15/\$0.30	22 August 2020
1,191,300	\$0.15/\$0.30	27 December 2020
2,567,000	\$0.10/\$0.20	04 September 2021
608,333	\$0.10/\$0.20	04 September 2021
175,000	\$0.10/\$0.20	04 September 2021
708,500	\$0.10	30 December 2021
87,500	\$0.10	30 December 2021
59,122,998		

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

During the period ended 31 January 2020, in conjunction with a non-brokered private placement, the Company issued a total of 4,179,333 share purchase warrants.

During the previous year ended 30 April 2019, in conjunction with a non-brokered private placement, the Company issued a total of 8,307,312 share purchase warrants.

The fair value of 4,179,333 warrants granted during the period ended 31 January 2020 was estimated at \$148,810 (30 April 2019: \$481,222 for 8,307,312 warrants) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	31 January 2020	30 April 2019
Risk free interest rate	1.53%	1.13%
Expected life	2 years	2 years
Expected volatility	250.26%	213.38%
Expected dividend per share	-	-
Expected forfeiture	-	-

10.4 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 period ended 31 January 2020 and year ended 30 April 2019:

	31 January 2020		30 April 2019	
	Number of options	Weighted- average exercise price	Number of options	Weighted- average exercise price
Outstanding, beginning	4,783,333	\$ 0.16	5,679,999	\$ 0.17
Granted	1,400,000	0.05	700,000	0.12
Exercised	-	-	-	-
Expired	-	-	(521,666)	-
Forfeited	(300,000)	0.12	(1,075,000)	-
Outstanding, end of period	5,883,333	0.14	4,783,333	0.16

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

The fair value of the options granted during the period ended 31 January 2020 was estimated at \$53,214 (30 April 2019: \$47,174) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	31 January 2020	30 April 2019
Risk free interest rate	1.53%	0.5%
Expected life	5 years	5 years
Expected volatility	178.33%	249.58%
Expected dividend per share	-	-
Expected forfeiture	-	-

The following table summarizes information regarding stock options outstanding and exercisable as at 31 January 2020:

Exercise price	Number of options outstanding	Weighted-average remaining contractual life (years)	Weighted- average exercise price
Options outstanding and exercisable			
\$0.05	1,400,000	5.00	\$0.05
\$0.12 - \$0.15	3,358,333	2.32	\$0.13
\$0.21	1,125,000	0.39	\$0.21
Total options outstanding and exercisable	5,883,333	2.57	\$0.16

11. SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which \$Nil was recognized in the period ended 31 January 2020 (2018: \$Nil):

Grant date of stock options	Fair value of options granted	Amount vested for year ended 31 January 2020	Amount vested for year ended 30 April 2019
1 May 2018	\$ 22,353	\$ -	\$ 22,353
20 June 2018	6,953	-	6,953
30 October 2018	17,868	-	17,868
08 October 2019	53,214	53,214	-
Total		53,214	47,174

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

12. LOSS PER SHARE

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

	Three months ended 31 January 2020	Three months ended 31 January 2019	Nine months ended 31 January 2020	Nine months ended 31 January 2019
Net loss for the period	\$ (168,795)	\$ (250,637)	\$ (341,082)	\$ (1,216,617)
Weighted average number of shares – basic and diluted	99,201,663	111,759,385	92,407,288	85,931,562
Loss per share, basic and diluted	\$ (0.002)	\$ (0.002)	\$ (0.004)	\$ (0.014)

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 January 2020 and 2019.

13. 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 Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS

14.1 Categories of financial instruments

	As at 31 January 2020	As at 30 April 2019
	\$	\$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	402,472	832,932
Short-term investments - shares	202,550	167,348
Amortized cost		
Amounts receivable	20,384	43,069
Total financial assets	625,406	1,043,349
FINANCIAL LIABILITIES		
Amortized cost		
Trade payables	22,060	174,660
Due to related parties	1,141	32,557
Total financial liabilities	23,201	207,217

14.2 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 January 2020 and 30 April 2019, the Company does not have any Level 2 financial instruments.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 January 2020 and 30 April 2019, the Company does not have any Level 3 financial instruments.

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

As at 31 January 2020	Level 1	Level 2	Level 3	Total
	\$	\$		\$
Financial assets at fair value				
Cash and cash equivalents	402,472	-	-	402,472
Short-term investments – Shares	202,550	-	-	202,550
Total financial assets at fair value	605,022	-	-	605,022

There were no transfers between Levels 1, 2 and 3 in the periods ended 31 January 2020 and April 2019.

As at 30 April 2019	Level 1	Level 2	Level 3	Total
	\$	\$		\$
Financial assets at fair value				
Cash and cash equivalents	832,932	-	-	832,932
Short-term investments – Shares	167,348	-	-	167,348
Total financial assets at fair value	1,000,280	-	-	1,000,280

14.3 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 January 2020, amounts receivable was mainly comprised of GST/HST receivable and amounts receivable from related entities for shared office and administrative costs (Notes 6 and 15).

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

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 January 2020, the Company had working capital of \$682,134 (30 April 2019: \$835,827).

Currency risk

For the period ended 31 January 2020, 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.

15. RELATED PARTY TRANSACTIONS

For the period ended 31 January 2020, 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 (Notes 6).
- Canadian Gravity Recovery Inc. ("CGR"), a company owned by the Chief Executive Officer ("CEO") of the Company. CGR provides management services on a month-to-month basis (Note 19).
- 3699030 Canada Inc., a company owned by the CEO of the Company. 3699030 Canada Inc. provides rental services on a month-to-month basis (Note 19).
- 873285 BC Ltd., a company owned by the Corporate Secretary of the Company. 873285 BC Ltd. provides consulting services on a month-to-month basis.

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

15.1 Related party expenses

Related party expenses are summarized as follows:

Period ended 31 January	2020	2019
	\$	\$
Shared office and consulting fees recoveries from El Nino	(155,781)	(43,521)
Rent expense before shared office recoveries to the CEO	5,643	5,643
Rent expense before shared office recoveries to 3699030 Canada Inc. (Note 19)	31,619	27,000
Consulting fees to the Chief Financial Officer ("CFO")	31,500	31,500
Management fees to Canadian Gravity Recovery Inc. ("CGR") (Note 19)	90,000	105,000
Consulting fees to 873285 BC Ltd.	18,000	19,508
Total related party expenditures	20,981	145,130

15.2 Due from/to related parties

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

	31 January 2020	30 April 2019
	\$	\$
El Nino	11,031	13,470
Total amount due from related parties (Note 6)	11,031	13,470
Chief Executive Officer	-	7,657
Director	-	24,500
CFO	1,141	400
Total amount due to related parties	1,141	32,557

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

15.3 Key management personnel compensation

The remuneration of directors and other members of key management for the periods ended 31 January 2020 and 2019 were as follows:

	31 January 2020	31 January 2019
	\$	\$
Short-term benefits – management and consulting fees	150,000	289,016
Share-based payments	26,207	-
Total key management personnel compensation	176,207	171,008

16. SUPPLEMENTAL CASH FLOW INFORMATION

16.1 Non-cash financing and investing activities

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

During the previous year ended 30 April 2019, the Company received 750,000 shares of Azincourt valued at \$87,000 related to the Five Lithium Projects option agreement (Notes 7 and 8).

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

17. COMMITMENTS AND CONTINGENCIES

As at 31 January 2020, the Company had the following commitments and contingent liabilities:

	< 1 year	2-5 years	> 5 years	Total
	\$	\$	\$	\$
Management fees	120,000	370,000	-	490,000
Rent	36,000	48,000	-	84,000
Total commitments	156,000	418,000	-	574,000

- 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 15). 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.

New Age Metals Inc.

Notes to the Consolidated Financial Statements

For the nine months ended 31 January 2020

(Unaudited)

(Expressed in Canadian dollars)

- b) 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 (Note 15).
- c) As at 31 January 2020, the Company has \$85,020 (30 April 2019: \$40,390) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 5).
- d) 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.
- e) 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.
- f) As at 31 January 2020, 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.

18. SUBSEQUENT EVENTS

03 February 2020, the Company has closed a fully subscribed private placement of 40 million units at a price of \$0.05 per unit for aggregate gross proceeds of \$2-million managed by IBK Capital Corp. Each Unit consisted of one common share and one common share purchase warrant, where each warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share for a period of two (2) years from the date of closing.

In connection with the closing, the Company paid fees to IBK Capital Corp. in the amount of \$104,000 in cash and issued 3,300,000 broker warrants. The Company also paid fees to Mackie Research Capital Corporation in the amount of \$28,000 in cash and issued 700,000 broker warrants. Each broker warrant is exercisable into a unit under the same terms as the private placement.

19. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the period ended 31 January 2020 were approved and authorized for issue by the Board of Directors on the 16th day of March 2020.