



NEW AGE METALS INC.
(Formerly Pacific North West Capital Corp.)

Condensed Consolidated Interim Financial Statements
Three months ended 31 July 2017 and 2016
(An Exploration Stage Company)
(Unaudited - 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. (formerly Pacific North West Capital Corp.) (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. (formerly Pacific North West Capital Corp.)
Condensed Consolidated Interim Statements of Financial Position
As at 31 July 2017 and 30 April 2017
(Unaudited)
(Expressed in Canadian dollars)

	Notes	As at 31 July 2017	As at 30 April 2017
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,846,944	2,667,803
Amounts receivable	6	34,184	23,828
Short term investments	7	230,278	326,653
Prepaid expenses		230,873	48,000
		2,342,279	3,066,284
Exploration and evaluation properties	8	672,916	605,663
Property and equipment	9	6,080	6,400
Total assets		3,021,275	3,678,347
EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	72,231	60,589
Due to related parties	16	17,982	96,914
		90,213	157,503
Total liabilities		90,213	157,503
Equity			
Share capital	11	35,515,487	35,481,833
Reserves	11	12,611,643	12,611,643
Deficit		(45,196,068)	(44,572,632)
Total equity		2,931,062	3,520,844
Total equity and liabilities		3,021,275	3,678,347

APPROVED BY THE BOARD:

"Harry Barr"

Director

"John Londry"

Director

New Age Metals Inc. (formerly Pacific North West Capital Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three months ended 31 July 2017 and 2016
(Unaudited) (Expressed in Canadian dollars)

		Three months ended	
	Notes	31 July 2017	31 July 2016
		\$	\$
Expenses			
Bank charges and interest		1,263	1,074
Consulting fees	16	45,306	54,539
Depreciation	9	320	400
Insurance, licenses and fees		5,085	-
Legal fees		-	1,535
Management fees	16,19	23,167	7,346
Marketing and communications		410,975	47,204
Office and miscellaneous		22,268	4,158
Rent	16, 19	5,440	934
Share-based payments	12	-	223,065
Telephone and utilities		2,518	351
Transfer agent and regulatory fees		9,279	7,949
Travel, lodging and food		18,737	2,025
Loss before other items		(544,358)	(350,577)
Other items			
Foreign exchange gain (loss)		(8,703)	1,305
Gain (loss) on sale of short term investments	7	19,500	(253,506)
Net loss for the period		(533,561)	(602,778)
Other comprehensive loss			
Unrealized gain (loss) on short term investments	7	(89,875)	455,421
Net comprehensive loss		(623,436)	(147,357)
Loss per share			
Basic	13	(0.008)	(0.012)
Diluted	13	(0.008)	(0.003)

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

New Age Metals Inc. (formerly Pacific North West Capital Corp.)
Condensed Consolidated Interim Statements of Cash Flows
For the three months ended 31 July 2017 and 2016
(Unaudited)
(Expressed in Canadian dollars)

		Three months ended	
	Notes	31 July 2017	31 July 2016
		\$	\$
OPERATING ACTIVITIES			
Loss before tax		(533,561)	(602,778)
Adjustments for:			
Depreciation	9	320	400
Share-based payments	12	-	223,065
(Gain) loss on sale of short-term investment	7	(19,500)	253,506
Share issued for services		33,653	-
Operating cash flows before movements in working capital			
(Increase) decrease in amounts receivable		(10,356)	(68,901)
(Increase) decrease in prepaid expenses		(182,873)	(85,214)
Increase (decrease) in current liabilities		(67,290)	(49,062)
Cash used in operating activities		(779,607)	(328,984)
INVESTING ACTIVITIES			
Cash spent on exploration and evaluation properties	8	(67,252)	(163,850)
Proceeds from sale of short term investments	7	26,000	84,628
Cash used in investing activities		(41,252)	(79,222)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares		-	769,043
Share issued costs		-	(19,334)
Cash from financing activities		-	749,709
Increase (decrease) in cash and cash equivalents		(820,859)	341,503
Cash and cash equivalents – beginning of period		2,667,803	440,800
Cash and cash equivalents – end of period		1,846,944	782,303

Supplemental cash flow information (Note 17) and **Commitments and Contingencies** (Note 19)

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

New Age Metals Inc. (formerly Pacific North West Capital Corp.)
Condensed Consolidated Interim Statements of Changes in Equity
For the three months ended 31 July 2017 and 2016
(Unaudited) (Expressed in Canadian dollars)

	Number of shares	Share capital	Subscription received in advanced	Share- based payments reserve	Warrant reserve	Investment revaluation reserve	Deficit	Total
Balances, 30 April 2016	27,565,359	\$ 35,092,005	\$ 145,905	\$ 3,515,801	\$ 4,785,363	\$ -	\$ (44,488,381)	\$ (949,307)
Shares issued for								
Cash	5,232,891	847,423	(145,905)	-	-	-	-	701,518
Mineral properties	200,000	-	-	-	34,800	-	-	34,800
Finder's fees	25,000	4,500	-	-	-	-	-	4,500
Value assigned to warrants	-	(735,421)	-	-	735,421	-	-	-
Share-based payments	-	-	-	223,065	-	-	-	223,065
Share issue costs	-	-	-	-	4,500	-	-	4,500
Net loss for the period	-	-	-	-	-	-	(147,357)	(147,357)
Balances, 31 July 2016	33,023,250	35,208,507	-	3,738,866	5,560,084	-	(44,635,738)	(128,281)
Shares issued for								
Cash	34,468,056	2,381,730	-	-	-	-	-	2,381,730
Finder's fee	10,617	1,752	-	-	-	-	-	1,752
Mineral properties	583,333	81,917	-	-	-	-	-	81,917
Value assigned to warrants	-	(2,579,988)	-	-	2,579,988	-	-	-
Loss on issuance of units	-	540,404	-	-	-	-	-	540,404
Share-based payments	-	-	-	(18,117)	296,602	-	-	278,485
Share issue costs	-	(143,853)	-	-	-	-	-	(143,853)
Flow-through premium liability	-	(8,636)	-	-	-	-	-	(8,636)
Net loss for the period	-	-	-	-	-	454,220	63,106	517,326
Balances, 30 April 2017	68,085,256	35,481,833	-	3,720,749	8,436,674	454,220	(44,572,632)	3,520,844
Shares issued for								
Cash	-	-	-	-	-	-	-	-
Services	354,247	33,654	-	-	-	-	-	33,654
Unrealized loss on available-for-sale assets	-	-	-	89,875	-	-	(89,875)	-
Net loss for the period	-	-	-	-	-	(89,875)	(533,561)	(623,436)
Balances, 31 July 2017	68,439,503	35,515,487	-	3,720,749	8,526,549	364,345	(45,196,068)	2,931,062

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

New Age Metals Inc. (formerly Pacific North West Capital Corp.)
Notes to the Consolidated Financial Statements
For the three months ended 31 July 2017 and 2016
(Unaudited)
(Expressed in Canadian dollars)

1. CORPORATE INFORMATION

New Age Metals Inc. (formerly Pacific North West Capital Corp.) (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.

On 1 February 2017, the Company changed its name to New Age Metals Inc. and consolidated its share capital on one (1) new common share without par value for every three (3) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (Note 11).

On 14 April 2016, the Company formed a wholly owned subsidiary called Lithium Canada Development Inc.

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. As at 31 July 2017, the Company had cash and cash equivalents of \$1,846,944. During the period ended 31 July 2017, the Company incurred a net loss of \$533,561. Existing funds on hand at 31 July 2017 will not be sufficient to support the Company’s needs for cash to conduct exploration and to continue operations during the current year. 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 ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of properties in the future.

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

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

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

2. BASIS OF PREPARATION

2.1 Basis of consolidation

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

An associate is an entity in which the Company or any of its subsidiaries has significant influence, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not exercise control or joint control over those policies and is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for by using the equity method.

The subsidiaries and associate of the Company as at 31 July 2017 and 30 April 2017 are described below:

Name	Country of incorporation	% equity interest as at	
		31 July 2017	30 April 2017
Subsidiaries			
Pacific North West Capital Corp. USA ⁽¹⁾	United States	100%	100%
Lithium Canada Development Inc.	Canada	100%	100%

(1) Inactive entities.

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2.2 Basis of presentation

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

2.3 Statement of compliance

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

The IASB issued a number of new and revised IAS, IFRS, amendments and related IFRIC, which are effective for the Company financial year beginning on 1 May 2017. The Company has adopted all the following new standards relevant to the Company for the period ended 31 July 2017.

- IFRS 7 ‘*Financial Instruments: disclosures*’, clarifies the definition for continuing involvement in a transferred financial asset. The amendments are effective for annual periods beginning on or after 1 January 2016.
- IFRS 10 ‘*Consolidated financial statements*’, clarifies the conditions for a parent to present consolidated financial statements and for investment entities, and treatment for loss of control of a subsidiary that does not contain a business. The amendments are effective for annual periods beginning on or after 1 January 2016.
- IAS 1 ‘*Presentation of Financial Statements*’ is an amendment to clarify certain aspects focused on the areas of clarification of concept of materiality and aggregation of items in the financial statements, the use and presentation of subtotals in the statement of loss and comprehensive loss, and providing of additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The amendment is applicable to annual periods beginning on or after 1 January 2016.
- IFRS 11 ‘*Joint Arrangements*’ is an amendment to clarify accounting for acquisition of interest in a joint operation. The amendment is applicable to annual periods beginning on or after 1 January 2016.
- IAS 16 ‘*Property, plant and equipment*’ is an amendment to clarify acceptable methods of depreciation and amortization whereby a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amendment is applicable to annual periods beginning on or after 1 January 2016.

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- IAS 28 *‘Investments in associates and joint ventures’* is an amendment that clarifies that an entity need not apply the equity method to its investment in an associate or joint venture if the parent is the ultimate parent of the entity in which subsidiaries are consolidated or are measured at fair value through profit or loss. The amendment is effective for annual periods beginning on or after 1 January 2016.

At the date of authorization of these consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended 31 July 2017:

- IFRS 9, *‘Financial Instruments’*: The IASB has undertaken a three-phase project to replace IAS 39 *‘Financial Instruments: Recognition and Measurement’* with IFRS 9 *‘Financial Instruments’*. In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. In July 2014, the IASB issued the final elements of IFRS 9. IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:
 - Financial assets meeting both a “business model” test and a “cash flow characteristics” test are measured at amortized cost (the use of fair value is optional in some limited circumstances);
 - Investments in equity instruments can be designated as “fair value through other comprehensive income” with only dividends being recognized in profit or loss;
 - All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss;
 - The concept of “embedded derivatives” does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the “business model” test and “cash flow characteristics” test; and
 - The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2018.

- IAS 7 *‘Statement of Cash Flows’* is an amendment to clarify and improve information provided to users of financial statements about an entity's financing activities. The amendment is applicable for annual periods beginning on or after 1 January 2017.
- IAS 12 *‘Income Taxes’* is an amendment to clarify criteria used to assess whether future taxable profits can be utilized against deductible temporary differences. The amendment is applicable to annual periods beginning on or after 1 January 2017.

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- IFRS 2 '*Share-Based Payment*' issued in June 2016, is amended to provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a "net settlement" for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The effect date for IFRS 2 is for annual periods beginning on or after 1 January 2018.
- IFRS 16 '*Leases*' establishes principles for the recognition, measurement, presentation and disclosure of leases and replaces the current guidance in IAS 17. IFRS 16 is effective for periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

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.

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

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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 residual 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 (Note 1.1).

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.

3.3 Investment in associate

The Company's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of earnings and losses of the associate and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings and losses of associates are recognized in profit or loss during the period.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on the Company's investment in its associates. The Company determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If there is objective evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in profit or loss. When a group entity transacts with an associate of the Company, profit and losses are eliminated to the extent of the Company's interest in the relevant associate.

The Company discontinues the use of the equity method from the date when its investment ceases to be an associate. If the retained interest in the former associate or joint venture is a financial asset, the Company measures the retained interest at fair value and recognize in profit or loss any difference between the fair value of any retained interest and the carrying amount of the investment at the date equity method was discontinued.

3.4 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.

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Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3.5 Property and equipment

Property and 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 property and equipment, less their estimated residual value, using the declining balance method using the following rates:

- | | |
|--------------------|------|
| • Automotive | 30% |
| • Office equipment | 20% |
| • Software | 100% |

3.6 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.

3.7 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.

3.8 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.

3.9 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents and share purchase warrants held in other companies are included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset. Available-for-sale assets include short term investments in equities of other entities.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

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Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.10 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables and due to related parties are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.11 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously

recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

3.12 De-recognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.13 Impairment of non-financial assets

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

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

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

3.14 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.

3.15 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.

3.16 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.

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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 for the periods ended 31 July 2017 and 30 April 2017 are as follows:

31 July 2017	Canada	USA	Total
Total expenses	544,358	-	544,358
Current assets	2,342,279	-	2,342,279
Exploration and evaluation properties	672,916	-	672,916
Property and equipment	6,080	-	6,080
Total assets	3,021,275	-	3,021,275

30 April 2017	Canada	USA	Total
Total expenses	1,039,462	-	1,039,462
Current assets	3,066,284	-	3,066,284
Exploration and evaluation properties	605,663	-	605,663
Property and equipment	6,400	-	6,400
Total assets	3,678,347	-	3,678,347

5. CASH AND CASH EQUIVALENTS

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

	As at 31 July 2017	As at 30 April 2017
	\$	\$
Denominated in Canadian dollars	1,754,632	2,566,763
Denominated in U.S. dollars	92,312	101,040
Total cash and cash equivalents	1,846,944	2,667,803

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During the period ended 31 July 2017, the Company issued a total of Nil flow-through shares (30 April 2017 – 1,426,171) for a total of \$Nil (30 April 2017 - \$167,270) (Notes 10 and 11). As at 31 July 2017, the Company has \$Nil (30 April 2017 - \$95,000) 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 2017	As at 30 April 2017
	\$	\$
GST/HST receivable	25,241	14,589
Shared office costs receivable (Note 16)	8,943	9,239
Total amounts receivable	34,184	23,828

During the period ended 31 July 2017, the Company received Nil (30 April 2017 – 882,676) shares of El Nino Ventures Inc. valued at \$Nil (30 April 2017 - \$41,656) related to settlement of amounts receivable from El Nino Ventures Inc. (Notes 7, 16 and 17).

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

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7. SHORT-TERM INVESTMENTS

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

	As at 31 July 2017		As at 30 April 2017	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
El Nino Ventures Inc. 4,335,601 shares (30 April 2017 - 4,335,601 shares)	712,203	86,712	712,203	130,068
Namaste Technologies Inc. ⁽¹⁾ 650,000 shares (30 April 2017 – 750,000 shares)	42,284	139,750	48,784	191,250
Calais Resources Inc. 2,083,000 shares (30 April 2016 - 2,083,000 shares).	125,000	-	125,000	-
GoldTrain Resources Inc. 48,800 shares (30 April 2017 – 48,800 shares ⁽²⁾)	29,280	2,196	29,280	3,415
Others	49,535	1,620	49,535	1,920
Total short term investments	958,302	230,278	964,802	326,653

⁽¹⁾ During the previous year ended 30 April 2016, the Company ceased having significant influence over investment in Namaste Technologies Inc. and as a result, commenced accounting for the investment on a cost basis and recorded a gain of \$77,359 on the fair value recognition of the investment cost on the date of loss of significant influence. During the year ended 30 April 2015, the Company accounted for its investment in Namaste Technologies Inc. using the equity method.

⁽²⁾ Adjusted to reflect share consolidation of 1 new share for 20 old shares.

During the previous year ended 30 April 2017, the Company sold 1,400,000 shares of El Nino Ventures Inc. for total proceeds of \$34,285, resulting in a loss of \$236,579.

During the previous year ended 30 April 2017, the Company received 882,676 shares of El Nino Ventures Inc. valued at \$41,656 related to settlement of amounts receivable from El Nino Ventures Inc. (Notes 6, 16 and 17).

During the previous period ended 30 April 2017, the Company sold 100,00 shares (30 April 2017: 439,315) of Namaste Technologies Inc. for total proceeds of \$26,000 (30 April 2017: 127,837), resulting in a gain of \$19,500 (30 April 2017: \$99,281).

During the previous year ended 30 April 2017, the Company sold a total of 150,000 shares of Alset Energy for total proceeds of \$50,344, resulting in a loss of \$16,926.

During the previous year ended 30 April 2017, the Company recognized an unrealized gain on short term investments of \$454,220 in other comprehensive income of which a loss of \$1,135,729.

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8. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the period ended 31 July 2017 and year ended 30 April 2017 are as follows:

	River Valley	Lithium One	Lithium Brine	Total
	\$	\$	\$	\$
ACQUISITION COSTS				
Balance, 30 April 2017	114,713	140,467	-	255,180
Additions	-	-	-	-
Impairment	-	-	-	-
Balance, 31 July 2017	114,713	140,467	-	255,180
EXPLORATION AND EVALUATION COSTS				
Balance, 30 April 2017	276,924	73,559	-	350,483
Assaying	-	-	-	-
Drilling	25,000	-	-	25,000
Engineering and consulting	31,480	11,650	-	43,130
Field expenses	8,066	-	-	8,066
Geophysics	50,601	-	-	56,601
Recoveries	(59,544)	-	-	(59,544)
Balance, 31 July 2017	332,527	85,209	-	417,7369
Total costs	447,240	225,676	-	672,916

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The Company's exploration and evaluation properties expenditures for the year ended 30 April 2017 are as follows:

	River Valley	Lithium One	Lithium Brine	Total
	\$	\$	\$	\$
ACQUISITION COSTS				
Balance, 30 April 2016	-	38,543	5,149	43,692
Additions	114,713	101,924	85,770	302,407
Impairment	-	-	(90,919)	(90,919)
Balance, 30 April 2017	114,713	140,467	-	255,180
EXPLORATION AND EVALUATION COSTS				
Balance, 30 April 2016	-	-	-	-
Assaying	27,780	5,740	-	33,520
Drilling	104,925	-	-	104,925
Engineering and consulting	96,610	63,600	-	160,210
Field expenses	43,369	4,219	-	47,588
Geophysics	4,240	-	-	4,240
Balance, 30 April 2017	276,924	73,559	-	350,483
Total costs	391,637	214,026	-	605,663

Project Overview:**River Valley, Ontario**

By agreement dated 14 July 1999, the Company granted to Kaymin Resources Limited ("Kaymin"), a wholly-owned subsidiary of Anglo Platinum Limited, an option to earn up to a 65% interest in the Company's portion of certain properties, including the River Valley property, the Goldwright property, the Frontier property (these claims were allowed to lapse on 12 December 2006), the Washagami property (these claims were allowed to lapse on 10 December 2008), the Razor property and the Western Front property, in the Sudbury Region of Ontario. During a prior year, Kaymin elected to vest its option obtaining a 50% interest in the properties, upon having paid the Company \$300,000 (received in a prior year) and advanced and spent in excess of \$4,000,000 for exploration on the properties.

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By way of a Mineral Interest Assignment Agreement dated for reference 13 December 2010, as amended on 6 April 2011 (the “Assignment Agreement”), the Company completed the purchase of Kaymin’s 50% interest in the River Valley claims, providing the Company with an undivided 100% interest in the River Valley Platinum Group Metals (PGM) Project. Under the terms of the Assignment Agreement, Kaymin exchanged its 50% interest in the joint venture, for a 12% interest in the Company, based on the issued and outstanding common shares of the Company as of 30 November 2010 (7,504,779 common shares). The aggregate purchase price for the 50% interest in the River Valley PGM project was:

- 901,907 fully paid and non-assessable common shares of the Company (issued); and
- Three-year warrants exercisable to purchase 333,333 common shares of the Company at a price of \$2.70 per common share (issued).

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 Property, 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 property is subject to a 3% Net Smelter Return (“NSR”). The Company, at its option, can purchase up to 2% of the NSR from the vendors for \$2,000,000.

By agreement dated 27 June 2016, the Company entered into an option agreement with Mustang Minerals Corp. to an option to acquire 100% interest in certain mineral claims located in River Valley, Ontario in the McWilliams Townships, Sudbury Mining District, Ontario. As consideration, the Company paid \$20,000 and issued 200,000 common shares (Notes 11 and 17) to the vendor.

(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

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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 incurred.

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 2016, the Company received a refund from the Government of Ontario in the amount of \$132,904 relating to funds previously held by the Government for the River Valley Advanced Exploration Closure Plan.

Lithium One Project, Manitoba

By agreement dated 18 April 2016, the Company entered into an option agreement with Cliff Allbutt (“Allbutt”) who is the recorded and beneficial holder of certain unpatented mining claims which are filed with the Manitoba Energy and Mines.

As consideration, the Company, issued 133,334 common shares in accordance with following schedule:

- (i) 66,667 common shares within ten (10) days of receiving regulatory approval of the terms of this Agreement (the “Initial Grant”) (issued) (Notes 11 and 17);
- (ii) 66,667 additional common and shares on the first anniversary date of the Initial Grant (issued) (Notes 11 and 17); and

The Company will expend a minimum of \$29,000 on or before 20 April 2016 (paid).

On 31 July 2017, 100% interest of the property was transferred to Lithium Canada Development Inc. (Note 20).

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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. As consideration, the Company paid \$6,000 and issued 33,333 common shares (Notes 11 and 17) to Mustang Minerals Corp. (the vendor).

On 17 May 2016, the Company issued 25,000 common shares in relation to finders fees for properties located in Manitoba (Notes 11 and 17).

On 30 September 2016, the Company issued 58,333 common shares in relation to finders fees for properties located in Manitoba (Notes 11 and 17).

The property is subject to a 1% NSR.

Lithium Brine Project, Clayton Valley, Nevada

By agreement dated 18 April 2016, the Company entered into an option agreement with Thomas L. Evans (60%) and Robert Weicker (40%) ("Evans and Weicker"), who are the recorded and beneficial holders of certain mining claims. The claims are situated in Clayton Valley, Esmeralda County, Nevada, with an official name of CV West Li claims 100 thru 172.

As consideration, the Company paid \$30,000 USD and issued 133,333 common shares to Evans and Weicker (Notes 11 and 17). On 13 April 2017, the Company terminated the purchase option agreement pertaining to the Lithium Brine Project. As a result, a write-down of \$90,919 (2016 – \$Nil) was recorded (Note 17).

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9. PROPERTY AND EQUIPMENT

The changes in the Company's property and equipment for the period ended 31 July 2017 are as follows:

	Office equipment	Software	Total
	\$	\$	\$
COST			
As at 30 April 2017	289,522	82,013	371,535
Additions	-	-	-
As at 31 July 2017	289,522	82,013	371,535
DEPRECIATION			
As at 30 April 2017	283,122	82,013	365,135
Depreciation	320	-	320
As at 31 July 2017	283,442	82,013	365,455
NET BOOK VALUE			
As at 30 April 2017	6,400	-	6,400
As at 31 July 2017	6,080	-	6,080

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The changes in the Company's property and equipment for the year ended 30 April 2017 are as follows:

	Office equipment	Software	Total
	\$	\$	\$
COST			
As at 30 April 2016	289,522	82,013	371,535
Additions	-	-	-
As at 30 April 2017	289,522	82,013	371,535
DEPRECIATION			
As at 30 April 2016	281,522	82,013	363,535
Depreciation	1,600	-	1,600
As at 30 April 2017	283,122	82,013	365,135
NET BOOK VALUE			
As at 30 April 2016	8,000	-	8,000
As at 30 April 2017	6,400	-	6,400

10. TRADE PAYABLES AND ACCRUED LIABILITIES

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

	As at 31 July 2017	As at 30 April 2017
	\$	\$
Trade payables	32,231	15,589
Accrued liabilities	40,000	45,000
Total trade payables and accrued liabilities	72,231	60,589

During the period ended 31 July 2017, the Company issued Nil (30 April 2017: 1,426,171 flow-through shares for total proceeds of \$Nil (30 April 2017: \$167,270). This issuance of flow-through shares resulted in a flow-through premium liability of \$Nil (30 April 2017: \$8,636) (Notes 5 and 11).

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During the previous year ended 30 April 2017, the Company incurred approximately \$102,270 in qualifying Canadian exploration expenditures resulting in a flow-through share income of \$8,636, with a corresponding decrease in the flow-through share premium liability.

11. SHARE CAPITAL

11.1 Authorized share capital

The Company is authorized to issue unlimited common shares without par value. As at 31 July 2017, there were 68,439,503 common shares issued and outstanding (30 April 2017 – 68,085,256).

11.2 Share issuances

During the period 31 July 2017 and year ended 30 April 2017, the Company issued common shares as follows:

Private Placements

On 27 April 2017, the Company issued 33,596,831 non flow-through units at \$0.075 per unit for gross proceeds of \$2,519,762. Each non flow-through unit consists of one common share and one 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 five years. The Company paid share issuance costs of \$53,731 in cash and 674,410 broker warrants. 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 \$0.35 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 recorded a loss of \$503,952 related to this issuance.

On 27 April 2017, the Company issued 1,055,556 flow-through units at \$0.090 per unit for a gross proceeds of \$95,000 (Notes 5 and 10). Each flow-through unit consists of one flow-through common share and one 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. The Company paid share issuance costs of 60,000 broker warrants. 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 \$0.35 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 4 October 2016, the Company issued 51,282 flow-through units at \$0.195 per unit for a gross proceeds of \$10,000 (Notes 5 and 10). Each flow-through unit consists of one flow-through common share and one non-transferrable non-flow-through share purchase warrant. Each full

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warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.30 per share during the first year and \$0.60 per share during the second year, for a period of two years.

On 29 June 2016, the Company issued 2,483,430 non flow-through units at \$0.165 per unit for gross proceeds of \$409,766. Each non flow-through unit consists of one non flow-through common share and one non-transferrable non flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.30 per share during the first year and \$0.60 per share during the second year, for a period of two years. The Company paid a share issuance cost of \$2,194 in cash and 13,300 warrants.

On 3 May 2016, the Company issued 2,419,515 non flow-through units at \$0.165 per unit for gross proceeds of \$399,220 and 319,333 flow-through units at \$0.195 per unit for a gross proceeds of \$62,270 (Notes 5 and 10). Each non flow-through unit consists of one common share and one non-transferrable non flow-through share purchase warrant. Each flow-through unit consists of one flow-through common share and one non-transferrable non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.30 per share during the first year and \$0.60 per share during the second year, for a period of two years. The Company paid a share issuance cost of \$12,639 in cash, 73,173 warrants and 10,617 non flow-through units. The Company recorded a loss of \$36,452 related to this issuance.

On 28 March 2016, the Company issued 6,624,554 non flow-through units at \$0.045 per unit for gross proceeds of \$298,105 and 500,000 flow-through units at \$0.06 per unit for a gross proceeds of \$30,000 through non-brokered private placement. Each non flow-through unit consists of one common share and one non-transferrable share purchase warrant. Each flow-through unit consists of one flow-through common share and one non-transferrable non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per share for a period of 2 years. The Company paid a share issuance cost of \$2,000 in cash, 44,444 warrants and 246,667 units. Each unit consists of one common share and one non-transferable share purchase warrant that entitles the holder to purchase one common share of the Company at a price of \$0.15 per share for a period of 2 years.

On 11 December 2015, the Company issued 3,855,555 non flow-through units at \$0.045 per unit for gross proceeds of \$173,500 and 166,667 flow-through units at \$0.06 per unit for a gross proceeds of \$10,000 through non-brokered private placement. Each non flow-through unit consists of one common share and one non-transferrable share purchase warrant. Each flow-through unit consists of one flow-through common share and one non-transferrable non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per share for a period of 2 years. The Company paid a share issuance cost of \$700 in cash and 11,667 warrants.

Other

On 10 May 2017, the Company issued 354,247 common shares valued at \$33,654, pursuant to the marketing agreement with Agoracom.

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On 18 April 2017, the Company issued 66,667 common shares valued at \$6,000, pursuant to the Lithium One Project option agreement (Notes 8 and 17).

On 28 October 2016, the Company issued 66,667 common shares valued at \$7,333, pursuant to the River Valley Property option agreement (Notes 8 and 17).

On 30 September 2016, the Company issued 58,333 common shares valued at \$7,000, as finder's fees pursuant to the Lithium One Project (Notes 8 and 17).

On 29 August 2016, the Company issued 33,333 common shares valued at \$4,667, pursuant to the Lithium One Project option agreement (Notes 8 and 17).

On 18 August 2016, the Company issued 133,333 common shares valued at \$18,667, pursuant to the River Valley Property option agreement (Notes 8 and 17).

On 20 May 2016, the Company issued 133,333 common shares valued at \$22,667, pursuant to the Lithium Brine Project option agreement (Notes 8 and 17).

On 17 May 2016, the Company issued 25,000 common shares for finder's fees and 66,667 common shares for option payment valued in aggregate at \$15,583, pursuant to the Lithium One Project option agreement (Notes 8 and 17).

11.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the period ended 31 July 2017 and year ended 30 April 2017.

	31 July 2017		30 April 2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning	52,207,001	0.18	13,449,554	0.21
Granted	-	-	40,757,447	0.19
Exercised	-	-	-	-
Expired	-	-	(2,000,000)	0.58
Outstanding, end of period	52,207,001	0.18	52,207,001	0.18

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The following table summarizes information regarding share purchase warrants outstanding as at 31 July 2017:

Number of warrants	Exercise price	Expiry date
4,033,889	\$0.15	11 December 2017
7,415,665	\$0.15	28 March 2018
2,822,638	\$0.30/\$0.60	3 May 2018
2,496,730	\$0.30/\$0.60	29 June 2018
51,282	\$0.30/\$0.60	4 October 2018
1,115,556	\$0.15	27 April 2019
34,271,241	\$0.15	27 April 2022
52,207,001		

During the previous year ended 30 April 2017, in conjunction with the non-brokered private placement, the Company issued a total of 39,925,947 share purchase warrants and 831,500 agent compensation warrants (Note 17).

The weighted average fair value of 5,370,650 warrants granted during the previous year ended 30 April 2017 was estimated at \$616,058 at the grant date using the Binomial Model. The weighted average assumptions used for the calculation were:

	31 July 2017	30 April 2017
Risk free interest rate	-	0.59%
Expected life	-	2 years
Expected volatility	-	219.34%
Expected dividend per share	-	-

The weighted average fair value of the 35,386,797 warrants granted during the previous year ended 30 April 2017 was estimated at \$3,035,253 at the grant date using the Black-Scholes Pricing Model. The weighted average assumptions used for the calculation were:

	31 July 2017	30 April 2017
Risk free interest rate	-	1.02%
Expected life	-	4.91 years
Expected volatility	-	190.11%
Expected dividend per share	-	-

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11.4 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 July 2017 and year ended 30 April 2017:

	31 July 2017		30 April 2017	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
		\$		\$
Outstanding, beginning	2,130,555	0.27	822,222	0.53
Granted	3,500,000	0.14	1,500,000	0.21
Exercised	-	-	-	-
Expired	-	-	(66,667)	2.25
Forfeited	(97,222)	0.25	(125,000)	0.23
Outstanding, end of period	5,533,333	0.20	2,130,555	0.27

The weighted average fair value of the options granted during the period ended 31 July 2017 was estimated at \$Nil (30 April 2017: \$215,460) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	31 July 2017	30 April 2017
Risk free interest rate	-	0.68%
Expected life	-	5 years
Expected volatility	-	187.10%
Expected dividend per share	-	-

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The following table summarizes information regarding stock options outstanding and exercisable as at 31 July 2017:

Exercise price	Number of options outstanding	Weighted- average remaining contractual life (years)	Weighted- average exercise price
Options outstanding			
\$0.14 - \$0.21	5,211,667	4.75	\$0.16
\$0.36	321,666	1.89	\$0.36
Total options outstanding	5,533,333	4.09	\$0.20

Exercise price	Number of options exercisable	Weighted- average remaining contractual life (years)	Weighted- average exercise price
Options exercisable			
\$0.14 - \$0.21	1,711,667	3.50	\$0.20
\$0.36	321,666	1.89	\$0.36
Total options exercisable	2,033,333	3.13	\$0.27

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12. 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 July 2017 (30 April 2017: \$204,948):

Grant date of stock options	Fair value of options granted	Amount vested for period ended 31 July 2017	Amount vested for year ended 30 April 2017
18 September 2015	\$ 19,260	\$ -	\$ 2,684
15 July 2016	215,460	-	202,264
19 June 2017	3,500,000	-	-
Total		-	204,948

13. LOSS PER SHARE

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

Period ended 31 July	2017	2016
	\$	\$
Net loss for the period	(533,561)	(602,778)
Weighted average number of shares – basic and diluted	68,164,840	31,268,042
Loss per share, basic and diluted	(0.016)	(0.012)

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 2017 and 2016.

14. CAPITAL RISK MANAGEMENT

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

The Company is dependent upon external financing to fund its activities. In order to carry out the planned exploration and to pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest

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in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

15. FINANCIAL INSTRUMENTS**15.1 Categories of financial instruments**

	As at 31 July 2017	As at 30 April 2017
	\$	\$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	1,846,944	2,667,803
Loans and receivables, at amortized cost		
Amounts receivable	8,944	9,239
Available-for-sale, at fair value		
Short term investments – shares	230,278	326,653
Total financial assets	2,086,166	3,003,695
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	32,231	15,589
Due to related parties	17,982	96,914
Total financial liabilities	50,213	112,503

15.2 Fair value

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

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- 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 2017, 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 2017, the Company does not have any Level 3 financial instruments.

As at 31 July 2017	Level 1	Level 2	Level 3	Total
	\$	\$		\$
Financial assets at fair value				
Cash and cash equivalents	1,846,944	-	-	1,846,944
Short term investments – Shares	230,278	-	-	230,278
Total financial assets at fair value	2,077,222	-	-	2,077,222

There were no transfers between Levels 1, 2 and 3 in the period ended 31 July 2017 and year ended 30 April 2017.

As at 30 April 2017	Level 1	Level 2	Level 3	Total
	\$	\$		\$
Financial assets at fair value				
Cash and cash equivalents	2,667,803	-	-	2,667,803
Short term investments – Shares	326,653	-	-	326,653
Total financial assets at fair value	2,994,456	-	-	2,994,456

15.3 Management of financial risks

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

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

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cash equivalents by dealing with only with highly-rated financial institutions. As at 31 July 2017, amounts receivable was mainly comprised of Goods and Services Tax/Harmonized Sales Tax receivable and amounts receivable from related entities for shared office and administrative costs (Notes 6 and 16).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 July 2017, the Company had working capital of \$2,252,066 (30 April 2017 - \$2,908,781).

Currency risk

For the period ended 31 July 2017, the Company's operations were mainly in Canada (Note 4). The Company considers its currency risk to be insignificant.

Other risks

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

16. RELATED PARTY TRANSACTIONS

For the period ended 31 July 2017 and year ended 30 April 2017, 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.
- 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.
- 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).
- Trelich Bay Capital ("Trelich"), a company owned by the President and Chief Operating Officer ("COO") of the Company. Trelich provides consulting services on a month-to-month basis.

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16.1 Related party expenses

Related party expenses are summarized as follows:

	31 July 2017	31 July 2016
	\$	\$
El Niño	8,518	25,272
CEO	15,000	7,345
COO	15,000	-
CFO	7,500	11,000
Corporate Secretary	6,000	8,500
Total amount due from related parties (Note 6)	52,018	52,117

16.2 Due from/to related parties

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

	31 July 2017	30 April 2017
	\$	\$
El Nino	8,944	9,239
Total amount due from related parties (Note 6)	8,944	9,239
CEO	-	33,914
CGR	17,982	63,000
Total amount due to related parties	17,982	96,914

During the previous year ended 30 April 2017, the Company received 882, shares of El Nino Ventures Inc. valued at \$41,656 related to settlement of amounts receivable from El Nino Ventures Inc. (Notes 6, 7 and 17).

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16.3 Key management personnel compensation

The remuneration of directors and other members of key management for the periods ended 31 July 2017 and 2016 were as follows:

	31 July 2017	31 July 2016
	\$	\$
Short-term benefits – management and consulting fees	43,500	26,845
Share-based payments	-	85,508
Total key management personnel compensation	43,500	112,353

17. SUPPLEMENTAL CASH FLOW INFORMATION**17.1 Cash payments for interest and taxes**

The Company made the following cash payments for interest and income taxes:

	31 July 2017	31 July 2016
	\$	\$
Interest paid	-	-
Taxes paid	-	-
Total cash payments	-	-

17.2 Non-cash financing and investing activities

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

During the previous year ended 30 April 2017, the Company received 882,676 shares valued at \$41,656 related to settlement of amounts receivable from a related party (Notes 6, 7 and 16).

During the previous year ended 30 April 2017, the Company recorded an impairment write-down of \$90,919 with respect to the Lithium Brine Project (Note 8).

During the previous year ended 30 April 2017, the Company issued 583,333 common shares related to the acquisition of exploration and evaluation properties (Notes 8 and 11) and 10,617 common shares and 831,500 warrants as finder's fees (Note 11).

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18. COMMITMENTS AND CONTINGENCIES

As at 31 July 2017, the Company had the following commitments and contingent liabilities:

	< 1 year	2-5 years	> 5 years	Total
	\$	\$	\$	\$
Management fees	60,000	115,000	-	175,000
Rent	36,000	84,000	-	120,000
Total commitments	96,000	199,000	-	295,000

- a) Effective 1 April 2016, the Company is committed to paying a monthly consulting fee of \$5,000 per month to a related party for a term of five years termination on 31 March 2021 (Note 16).
- 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 16).
- c) As at 30 April 2017, the Company has \$95,000 (2016 - \$30,000) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 5).
- 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) The Company had a lease agreement dated 1 April 2012 for leasing an office premise. On 12 February 2015, the Company was served with a notice of termination by the landlord due to default on rental payments for the months of January and February 2015.

Upon the notice of termination, all rent payable under the lease agreement became due and the prepaid rent deposit in the amount of \$158,356 was forfeited to the landlord. The lease agreement and the termination notice reserves the right of the landlord to proceed against the Company for all outstanding amounts, costs and damages, as well as all prospective losses and damages, arising from the unexpired portion of the lease term, and other losses arising from the landlord's failure to carry on business. The Company is also liable to the landlord for expenses of the landlord in connection with the terminating, re-entering, re-letting or collection of sums due or payable by the Company on demand. Unpaid amounts bear interest from the due date to the date of payment at the rate of the greater of 18% per annum or the prime rate, plus 5% per annum calculated on a daily basis and compounded monthly.

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During the previous year ended 30 April 2015, the Company recorded a provision of \$1,729,380 relating to the termination of the lease.

During the previous year ended 30 April 2017, the Company recorded a reversal of the lease provision of \$1,729,380 consistent with the management of the Company's position on this matter. However, there is no assurance that formal claims will not be made against the Company, which could result in the Company having to pay amounts related to the termination of the lease and such amounts may be significant.

- f) As at 31 July 2017, 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.

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19. SUBSEQUENT EVENTS

There are no reportable events subsequent to the period ending 31 July 2017.

20. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the period ended 31 July 2017 were approved and authorized for issue by the Board of Directors on the 15th day of September 2017.