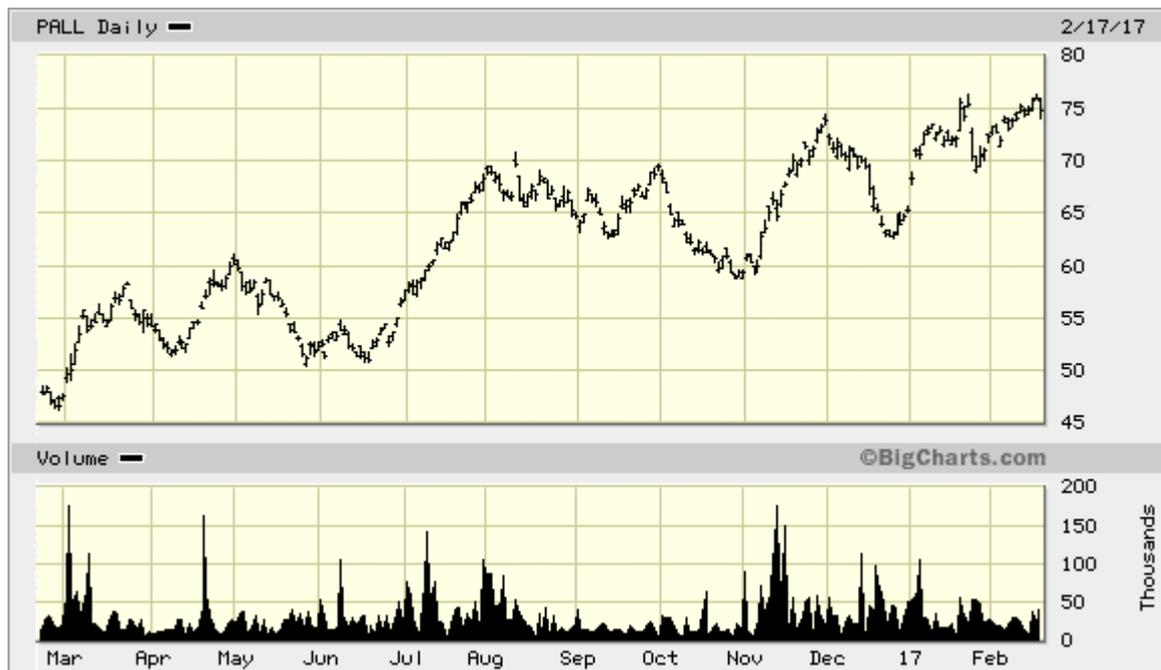


New Age Dawns for Palladium

While Lithium sets the pulse racing of some investors, in the case of New Age Metals Inc. (TSXV: NAM | OTCQB: PAWED) it is its PGM potential that is the standout feature. And of that, we particularly like that its Pd to Pt ratio is 2.5:1 as we are much more disposed to Palladium than Platinum at this time. As primary PGM deposits are rather rare beasts in North America (indeed everywhere outside Russia and South Africa), the River Valley project of New Age Metals deserves special attention as PGMs are likely to become a subject of much interest in the next few years and the alternatives in terms of developers are few and far between. In this article we shall look at what makes New Age Metals interesting.

Palladium – Back on a Tear

This metal may be Platinum's less precious sister but it has been attracting more of the limelight in recent months. Despite substantial sell-offs from the South African-based ETFs (which was hoovered up by China apparently) the metal just kept bouncing back and as the chart below shows is heading into territory that represents multi-year highs. Indeed the last time it was at these levels was in early 2015.

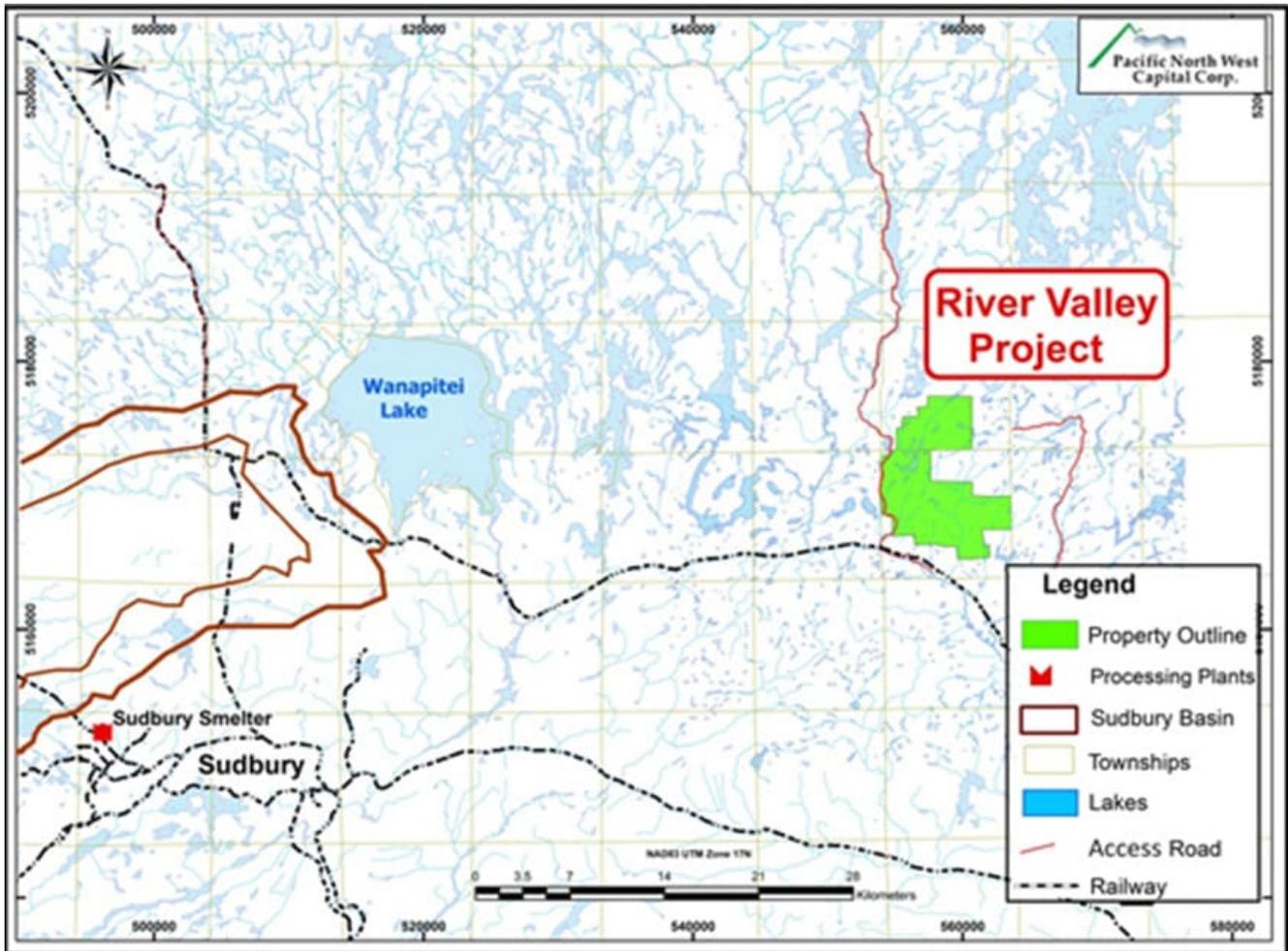


The increase is said to be attributable not only to a noticeable drop in production of platinum group metals in South Africa in November, but also to an extension of tax breaks for car buyers in China. However some market pundits have claimed that the tax breaks in China are not a sufficient factor to explain the moves. All attempts at propagating bad news about the metal tends to just precede a rebound.

As long as auto sales continue around about their recent healthy levels then the prospect is for palladium (and platinum) to continue their gradual rise.

New Age and PGMs

The company's River valley project is located in a road-accessible location in the Dana and Pardo townships of Northern Ontario, approximately 60km east of Sudbury, Ontario. The area is part of Canada's prime Ni-Cu-PGM mining and smelting district with excellent infrastructure and community support for mining activities.



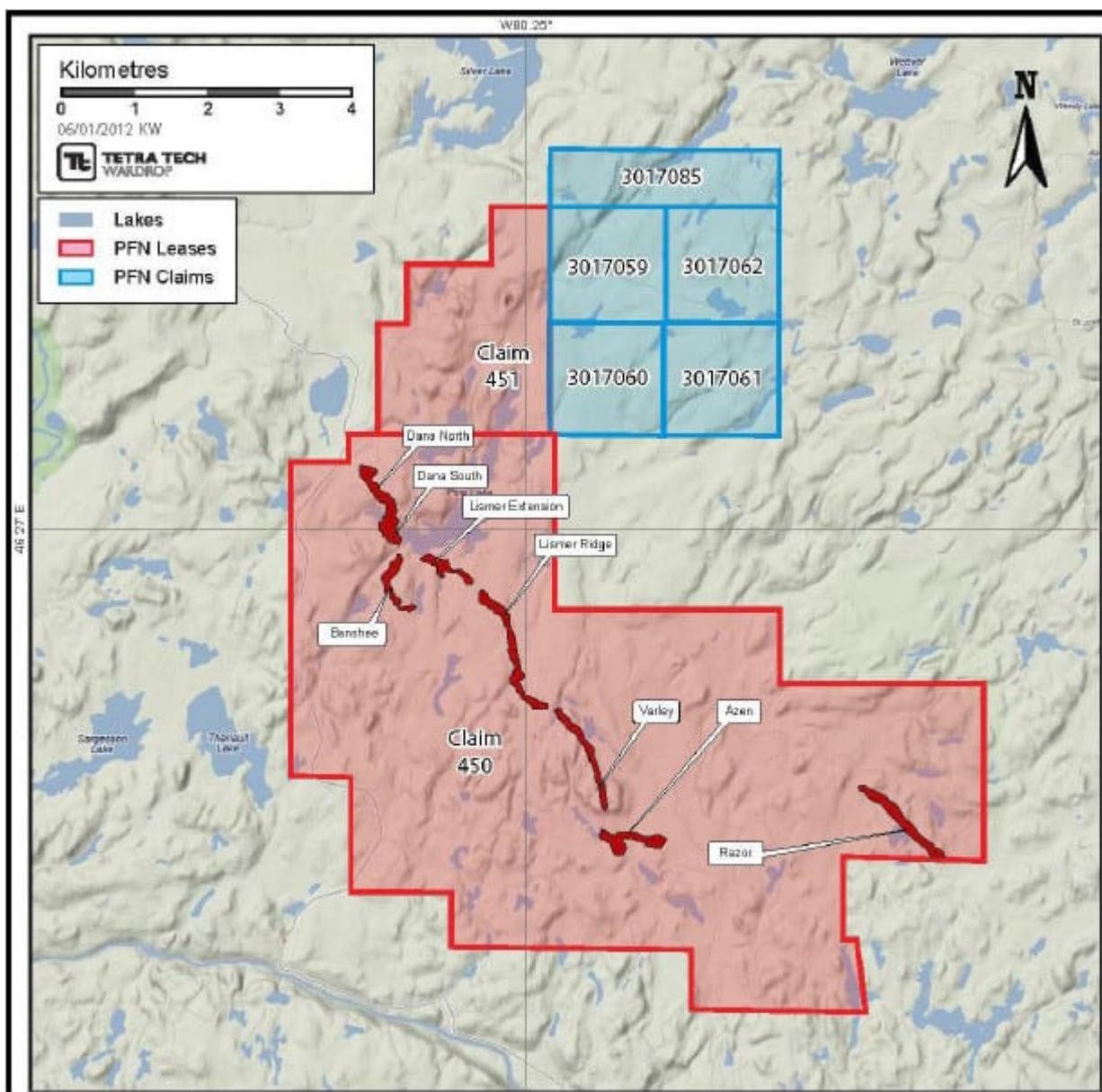
The River Valley PGM project became a target for Pacific North West Capital (PFN) in 1998. PFN discovered significant PGM occurrences on the property and entered into a joint venture agreement with Anglo Platinum in 1999. PFN was the operator of the joint venture. The project consists of two Mining leases covering an area of 5,381 hectares, including 4,756 hectares of Surface and Mining Rights and an additional 624 hectares of Mining Rights. These Mining Leases cover all of the NI43-101 mineral resources of the River Valley PGM Project. In January 2011, the company completed the terms for the acquisition of 100% of the project from Anglo Platinum Limited. The property remains subject to a 3% NSR, with options to buy down.

Geology

The River Valley intrusion (RVI) is shallow-dipping, layered, and approximately 900 m thick. There is an increase in metamorphic grade from the northwest part of the intrusion

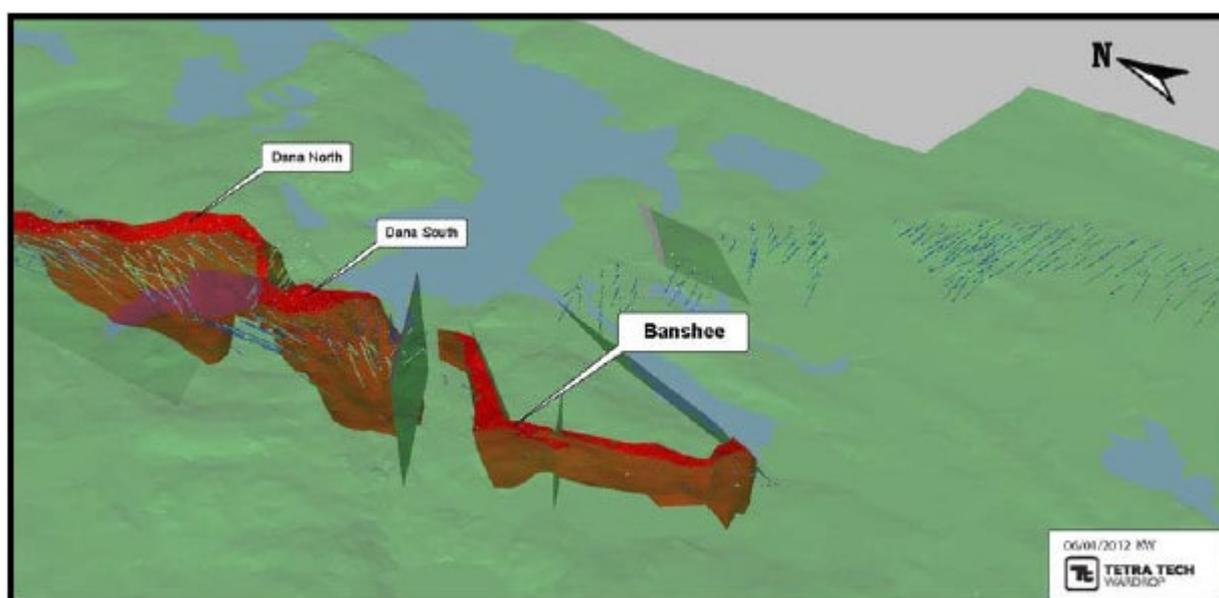
(middle greenschist facies) to the southeast part (lower amphibolite). The dominant rock types are leucogabbro and leucogabbro with gabbros and anorthosites. Along the Grenville Front, the RVI is either in thrust contact with quartzite of the Huronian Mississagi Formation or is in contact with mafic and felsic metavolcanic rocks of the lower Huronian Supergroup where the nature of the contact is unknown.

The map below shows the concession and in dark red can be seen the main identified areas of PGM mineralisation.



Two styles of mineralization have been observed at the

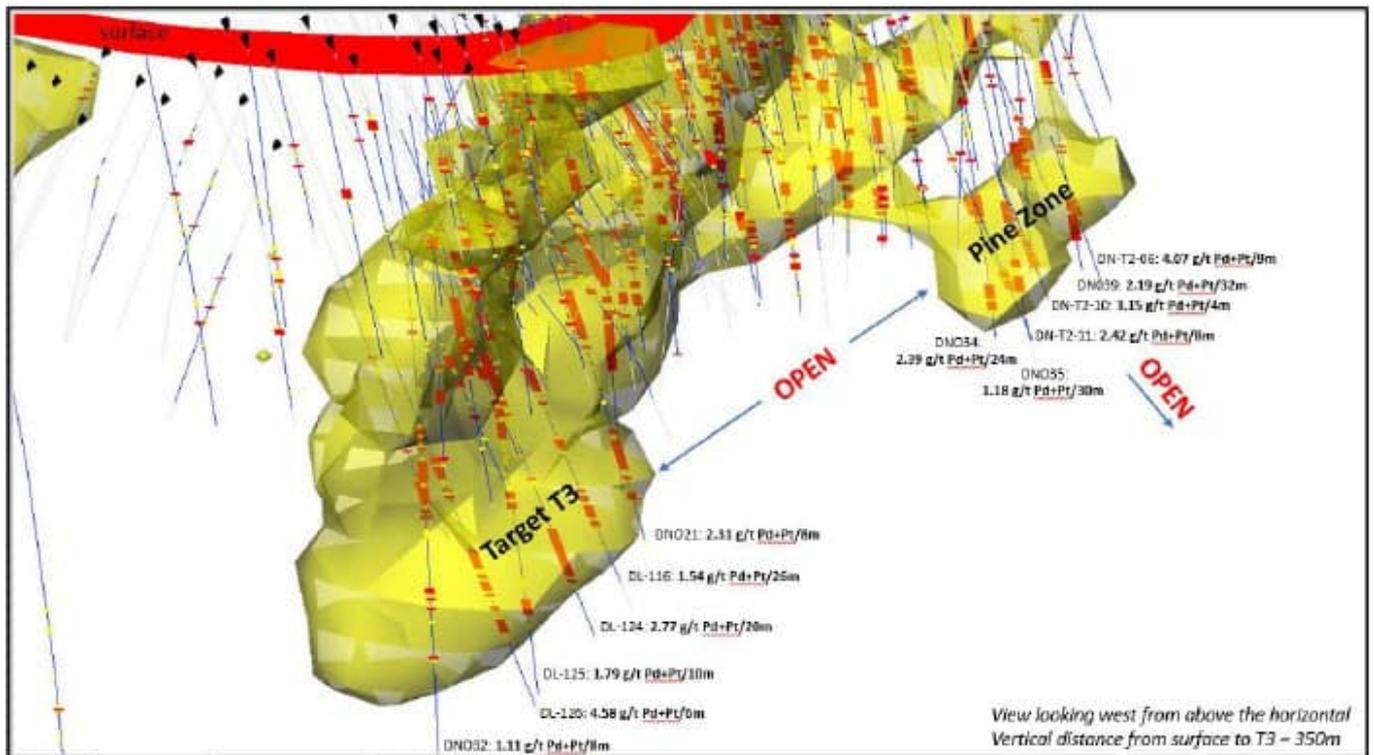
Project; contact nickel-PGE and reef PGE mineralization. In the resource estimate Tetratech note that the presence of several highly anomalous assays from rocks lying within higher portions of the River Valley Intrusion's stratigraphy (i.e. Azen Creek Wonder Showing) suggests that there are opportunities for PGE mineralization such as reef or stratabound-type targets or, narrow, high-grade breccia zones. The image below shows an axonometric view of the Dana South and Dana North and Banshee segments of the deposit (which are located at the northern end thereof).



Exploration

The exploration history of the region dated back to the 1960s, with work on the property starting in earnest in 1999. Completed exploration and development programs on the River Valley property include more than 600 holes drilled since 2000 and several mineral resource estimates and metallurgical studies.

The 2015 drill program confirmed the new high-grade T2 discovery. Drill hole intercepts were much higher than the average grade of current mineral resource estimate. There is the possibility of a new mineralized zone at the north end of the River Valley deposit.



In 2015-16 seven drill holes at Pine Zone intersected high-grade PGM mineralization of:

- Hole 2015-DN002 intersected 9 m grading 3.909 g/t Pd+Pt from 145 m downhole
- Hole 2015-DN001 intersected 16 m grading 2.054 g/t Pd+Pt from 184 m downhole
- Hole 2016-DN-T2-06 intersected 9 m grading 4.065 g/t Pd+Pt from 178 m downhole
- Hole 2016-DN-T2-10 intersected 4m grading 3.093 g/t Pd+Pt from 202 m downhole

Resource

The most recent resource estimate dates from May 2012 and were prepared by Tetratech. The estimate utilized a Cut-Off Grade of 0.8 g/t PdEq.

The results of which were:

Class	PdEq Cut-off (g/t)	Tonnes	Pd (g/t)	Pt (g/t)	Rh (g/t)	Au (g/t)
Total Measured	0.80	25,584,850	0.63	0.23	0.022	0.04
Total Indicated	0.80	65,754,700	0.56	0.21	0.020	0.04
Total Measured+Indicated	0.80	91,339,550	0.58	0.22	0.021	0.04
Total Inferred	0.80	35,911,000	0.36	0.14	0.014	0.03

Of which the contained “precious” metals were:

Class	PGM+Au (oz)
Total Measured	742,130
Total Indicated	1,720,900
Total Measured+Indicated	2,463,030
Total Inferred	614,000

There are also showings of copper, nickel and silver but really this project will stand or fall on its PGM content and from the resource it is clear that these are starting to stack up as meaningful indeed.

Results for the most recent Metallurgical Testwork Study (prepared by Tetra Tech – Wardrop) are summarized below:

- High Confidence: Measured plus Indicated = 72% of total
- High Grade potential, particularly in the north part of River Valley deposit
- Resources under evaluation for development potential as open pit mining operation

Adding to the Patch

In August 2016 PFN acquired what it calls the River Valley Extension Project (to the southeast of the existing claims) from Mustang Minerals Corp. With this transaction the area of the strategic land position at River Valley increased to 64 km² (15,800 acres). More importantly the strike length of River Valley deposit increased from 12 km to 16 km. Not much work has been done as yet but surface grab samples returned assays of up to 10 g/t of PGMs.

Next Steps

The plan for 2017 is to undertake:

- Three-dimensional Geological and Structural Modelling
- IP geophysical surveys over the new Pine Zone
- Phase 3 Drilling of Pine Zone
- Develop additional structural PGM targets for priority drill testing
- Design Phase 4 Drill Plan

This work has a rather unchallenging provisional budget of around CAD\$1mn.

As far as a mine plan is concerned that company plans to take the roughly 600,000 ounces it has in the Northern Portion of the Project up to one million ounces and then wrap a PEA around that.

- Delineation and infill drilling of Pine Zone
- Updated Mineral Resource Estimate
- Phase 1 drill tests of other structural targets for higher grade mineralization (south from the Pine Zone in the area from T3 to T9)
- Carry out Phase 2 metallurgical testwork

The timing for PEA (if all goes well) might be 12 to 15 months. This work has a provisional budget of a more challenging CAD\$5mn.

Conclusion

The main priority for New Age now is its ongoing search for a strategic partner for the River Valley project. While the company has some secondary interests in Lithium, it's more PGM projects that the market needs at this juncture. With the prices for this rarified group of metals showing a healthy rebound, those investors in search of the next companies to move towards production have little beyond New Age and Wellgreen to conjure with.

Considering that the recovery in PGM prices is now no longer in question we must wonder why the market seems to have missed the intrinsic virtues of the River Valley Project. We suspect it is more a case of the Canadian investor community still being in thrall to the gold price even when the gold price is quite patently not delivering in the way that PGMs are. When one overlays the industrial necessity for PGMs and the fact that the two largest producer nations are somewhat erratic there would appear to be space for the two challenger companies to join the two existing plays (North American Palladium and Stillwater, the latter being taken over by Sibanye) in the universe for consideration. At its current market capitalization New Age is patently undervalued on the basis of its sizeable in situ resource of PGMs.

With the resurgence of Palladium (and Platinum), a name change to a more pertinent designation (and a stock rollback) a New Age, to belabor the pun, should be dawning for this company.