New Age Metals options Manitoba lithium projects to Azincourt Energy

At the Pine Zone discovery hole on New Age Metal's River Valley PGM property in northern Ontario, from left: Richard Zemoroz, project geologist; Harry Barr, founder, chairman and CEO; and Trevor Richardson, president and COO. Photo by Trish Saywell.

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New Age Metals (TSXV: NAM; US-OTC: PAWEF) is probably best known for its River Valley project near Sudbury in northwestern Ontario, now the largest undeveloped platinum group metals (PGM) project in Canada, with an estimated 2.5 million oz. of near-surface PGMs and gold.

But two years ago, the company set up a lithium division after Harry Barr (New Age Metals' founder, chairman and CEO) met Carey Galeschuk, who had spent twelve years as an exploration geologist for Cabot Corporation at its Tanco spodumene-tantalum-cesium mine in southeastern Manitoba.

The mine, built in the late 1960s to produce industrial minerals from the giant Tanco pegmatite in the Winnipeg River Pegmatite Field, was at one time North America's only producer of spodumene. (Spodumene is a lithium-bearing mineral found in pegmatite dykes.) The Tanco pegmatite is a lithium-cesium-tantalum (LCT) type pegmatite, the best type of pegmatite in which to find lithium-bearing minerals.

Between 1986 and 2009 the underground Tanco mine produced spodumene concentrate, much of it sold to manufacturers in the United States that used it to make glass-ceramic cookware known as VisionWare and CorningWare. The mine also produced tantalum concentrate in varying capacities from 1969 until 2009, and currently only extracts cesium from pollucite, which it uses to make cesium formate, a drilling fluid in the petroleum industry.

There are no National Instrument 43-101 compliant resources available for the Tanco pegmatite, according to New Age Metals, but academic publications have estimated the size of the deposit to be up to about 57 million tonnes. The last non-compliant reserve from the Tanco pegmatite, published in 1992, estimated the giant pegmatite contained 1.075 million tonnes grading 0.12% Ta_2O_5 (tantalum oxide), 3.5 million tonnes of 2.7% Li_2O (lithium oxide), and 315,000 tonnes of 23.3% Cs_2O (cesium oxide).

In a meeting at the PDAC in February 2016, Galeschuk told Barr that while he had worked in exploration for the Tanco mine, the company was primarily interested in finding tantalum-rich pegmatites rather than lithium-rich pegmatites, and that he believed New Age Metals should stake ground around the Tanco mine and acquire additional property in the area.

At the exploration camp on New Age Metals' River Valley PGM property near Sudbury, Ont., from left: Mike Neumann, director; Harry Barr, chairman and CEO; Trevor Richardson, president and chief operating officer; Susan Mitchell, advisor; and Todd McCracken, consultant. Photo by Trish Saywell.

Between April and November 2016, New Age Metals did just that, becoming the largest claim holder in the Winnipeg River Pegmatite Field, acquiring through staking and optioning, five hard rock lithium projects near or adjacent to the Tanco mine, 125 km northeast of Winnipeg, Manitoba.

The Lithium One and Two Projects have known pegmatites that New Age Metals sampled in 2016. The other projects are the Lithman East, Lithman North and Lithman West. Three of the five projects are considered drill ready.

Lithium One, 8.5 km southeast of the Tanco mine, has at least 40 known surface pegmatites of various dimensions and compositions, many of them lithium-bearing. The Silverleaf pegmatite, for example, is a zoned complex lithium-bearing pegmatite with a surface exposure of about 80 metres by 45 metres. Samples taken from Silverleaf's Lepidolite-Spodumene zone have returned assays from 1.30% to 2.43% Li_2O.

The zone is about 50 metres by 20 metres and extends into a historic excavated open pit, which dates to the late 1920s, when a bulk sample of spodumene was mined from the southwest side of the pegmatite. A sample from the historically mined spodumene rock pile returned values of up to 4.33% Li_2O.

A second pegmatite at Lithium One called Annie is exposed on surface over an area of about 15 metres by 90 metres and surface samples have returned assays of 0.10% to 0.64% Li_2O.

Lithium Two, 22 km north of the Tanco mine, has two known pegmatites exposed at surface: Eagle and FD 5. Eagle is a series of lenticular spodumene-bearing dykes over an exposed distance of 830 metres. Drilling in 1947 resulted in a historic non-compliant estimate of 544,460 tonnes of spodumene with an average grade of 1.4% Li_2O . Eagle remains open at depth, and surface samples New Age Metals has taken in field work have yielded assays of up to 3.04% Li_2O.

The FD 5 pegmatite is exposed over an area of 15 metres and has not been previously drilled. The best surface assay was 2.08% Li_2O over a 1.5-metre chip sample.

Lithman East and West are adjacent to the Tanco mine (Lithman West used to be part of the Tanco claims), while Lithman North sits 15 km northeast of the mine. There are no exposed pegmatites on Lithium West but there are a lot of geochemical

targets for pegmatites, while Lithman East and North have numerous pegmatites that have yet to be evaluated.

Barr notes that New Age Metals owns more claims for lithium in the area, with over 6,000 hectares, than any other company, although several other juniors have moved into the area since it acquired its properties there.

“The Tanco mine is owned by the Cabot Corporation but, generally, few people know little about it,” Barr says in an interview from Vancouver. “You can be in a room of educated mining geologists, engineers and stock brokers, and only three out of ten would be able to put their hands up and say that they’d heard about the Tanco mine and pegmatite field that we’re in and the fact that Cabot owns it and has been producing there since 1969. It’s just amazing.”

In a separate interview, Galeschuk, who lives about 100 km from the Tanco mine and “knows the area like the back of my hand,” explains that like kimberlites, which first need to be found and then tested to see whether they contain diamonds and in enough quantity and quality to be economic, pegmatites must be found and then tested to see if they contain “the good stuff.”

Pegmatites, he continues, are felsic systems and are similar in composition to a granite in the sense that they can contain feldspar, quartz and mica, and they can come off certain types of granites. The best pegmatites, he adds, are the more evolved or fractionated ones.

When he worked for Tanco, he did surface exploration, a lot of soil and rock geochemistry, and drilled some pegmatites. “The pegmatites we found were tested for tantalum and rarely for lithium. The mine would have had no interest in a lithium-rich pegmatite.”

Galeschuk also points out that the Tanco pegmatite is primarily not exposed on surface but outcrops under Bernic Lake. “There could be another Tanco out there — that’s what we were exploring for when I was at the Tanco mine,” he says. “Tanco would never have had interest in a small one or one that was spodumene-rich.”

“At the time there really were only a handful of us in the world that were exploring for pegmatites,” he adds, “but now everyone is looking at pegmatites.”

This month New Age Metals completed an option agreement on the five projects with **Azincourt Energy** (TSXV: AAZ).

Under the agreement, Azincourt can acquire a 100% interest in the projects in stages. Azincourt has paid New Age Metals $10,000 and can acquire a 50% interest for $200,000 in cash, paid over an 18-month period, and up to 1 million shares, paid over three years. Azincourt is required to spend $2.1 million on exploration over three years.

Azincourt can increase its stake to 60% by paying another 1 million shares and spending another $750,000 by October 2021. At that point, New Age Metals has the option to form a joint-venture. If it doesn't, Azincourt can boost its stake to 100% by paying another one million shares and spending an additional $1 million on the project by October 2022. In addition, New Age Metals would retain a 2% net smelter return royalty on all five projects.

A minimum of $500,000 will be spent on exploration this year.

"There's more work to be done," Barr says. "We're going to go out and do a big round of field sampling on numerous different targets that haven't been touched since the 1950s, and we'll drill in July, August and September."