

Fundamental Research Corp.

Investment Analysis for Intelligent Investors

September 11, 2017

New Age Metals Inc. (TSXV: NAM / OTCQB: PAWEF / FSE: P7J) - Largest Undeveloped Primary PGM Deposit in Canada – Reinitiating Coverage

Sector/Industry: Junior Resource

www.newagemetals.com

Market Data (as of September 11, 2017)

Current Price	C\$0.07
Fair Value	C\$0.49
Rating*	BUY
Risk*	5 (Highly Spec)
52 Week Range	C\$0.06 - C\$0.15
Shares O/S	68,439,503
Market Cap	C\$4.79 mm
Current Yield	N/A
P/E (forward)	N/A
P/B	1.4x
YoY Return	-41.7%
YoY TSX	-5.2%

*see back of report for rating and risk definitions.



Note: FRC conducted a site visit (River Valley property) in August 2011.

Investment Highlights

- New Age Metals Inc. (“company”, “NAM”), previously named Pacific North West Capital, is advancing its River Valley PGM project to a Preliminary Economic Assessment (“PEA”) in 2018.
- The project has a measured and indicated resource of 91 Mt grading 0.84 g/t Pd + Pt + Au, 0.06% Cu, and 0.02% Ni, containing 3.9 Moz PdEq (palladium equivalent).
- The company is currently pursuing a 16,500 ft drill program to confirm and expand the newly discovered high-grade near surface resource on the northern portion of the project.
- Palladium prices have almost doubled since the end of 2015.
- The company also has a portfolio of five hard-rock lithium projects in Canada. Management intends to advance these projects through a joint venture model.
- Management and board members combined hold 6.92 million shares, or 10.1% of the total outstanding. Chairman, Harry Barr is the largest shareholder, with 7.2% of the total outstanding.
- At the end of 2017 (ended April 30, 2017), the company had working capital of \$2.91 million, which implies a current Enterprise Value of \$1.88 million.
- We estimate that NAM’s shares are currently trading at just \$0.70 per PGM oz.

Key Financial Data (FYE - April 30)

(C\$)	2016	2017
Cash	\$440,800	\$2,667,803
Working Capital	\$728,381	\$2,908,781
Mineral Assets	\$43,692	\$605,663
Total Assets	\$855,844	\$3,678,347
Net Income (Loss)	-\$1,637,824	-\$84,251
EPS	-\$0.09	\$0.00

PGM Market Overview

The River Valley project’s primary target commodities are platinum, palladium and gold. Platinum and palladium are part of the Platinum Group Metals (“PGM”), which are comprised of six metals. The other four metals are ruthenium, rhodium, iridium and osmium.

Global platinum production was approximately 5.5 Moz, and global palladium production was approximately 6.6 Moz in 2016. To put in perspective, global gold production was 99.2 Moz in 2016. The following charts show the top platinum and palladium producers in the world.



Source: USGS

Canada is the fourth largest platinum (8% of global), and third largest palladium (11% of global) producer. The **U.S. imports approximately 1.38 Moz of platinum (92% of its demand) and 1.92 Moz of palladium (86% of its demand) every year. The strong reliance on imports indicates the importance of PGM projects in North America.**

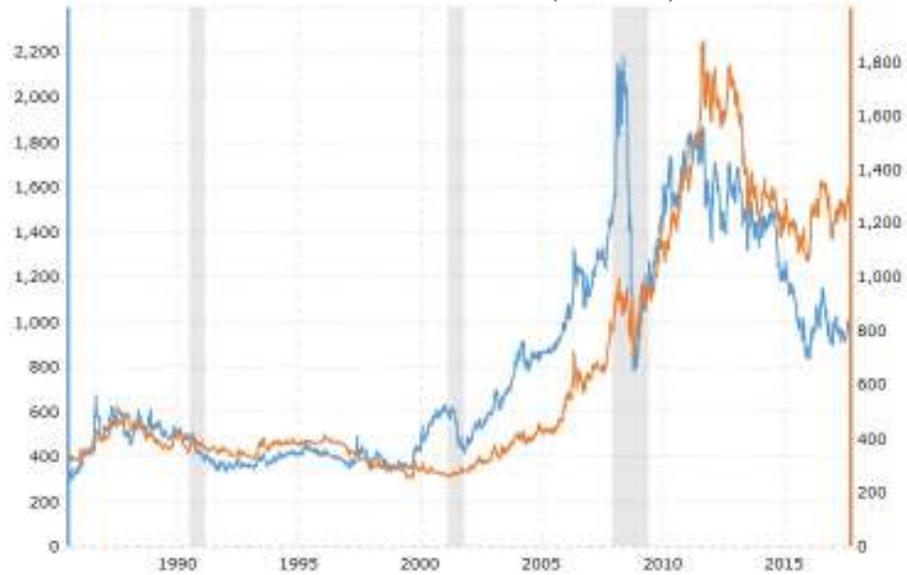
Palladium has been one of the best performing commodities in recent times as prices were up 96%, from US\$500 per oz at the end of 2015, to the current price of US\$980 per oz.



Although gold had a good run in the past few weeks and is currently at US\$1,338 per oz,

platinum has severely underperformed gold and palladium over the past few years. As shown in the chart below, the price of platinum is down from over US\$1,800 per in 2011, to the current price of US\$978 per oz. Note that platinum prices had hit a record US\$2,123 per oz in 2008.

Gold vs Platinum Price (US\$ / oz)



Source: Macrotrends (gold in orange and platinum in blue)

The strong increase in palladium prices has been a result of the global supply deficit, as shown in the chart below.

Palladium Demand/Supply and Price



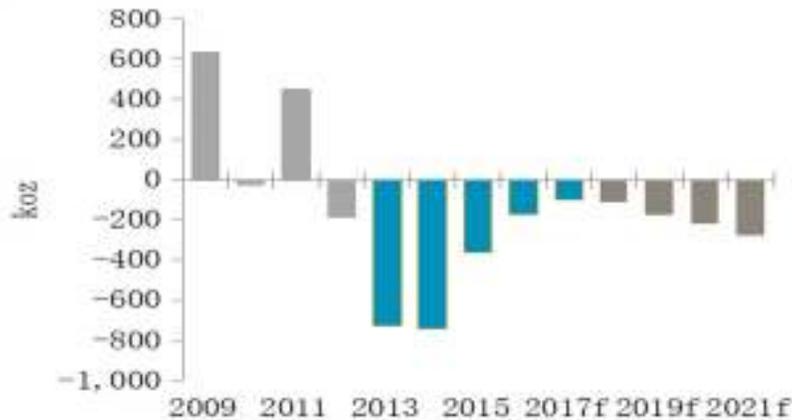
Source: NAP

The primary driver of the supply deficit is the demand for the metal within autocatalysts,

which grew at 5.3% p.a. from 2010 to 2017. The demand from autocatalysts accounted for 77% of the total demand in 2017. (Source: Metals Focus).

Platinum on the other hand has been impacted by a shrinking supply deficit in the past few years. However, as shown in the chart below, the supply deficit is expected to increase going forward, which we believe will support prices.

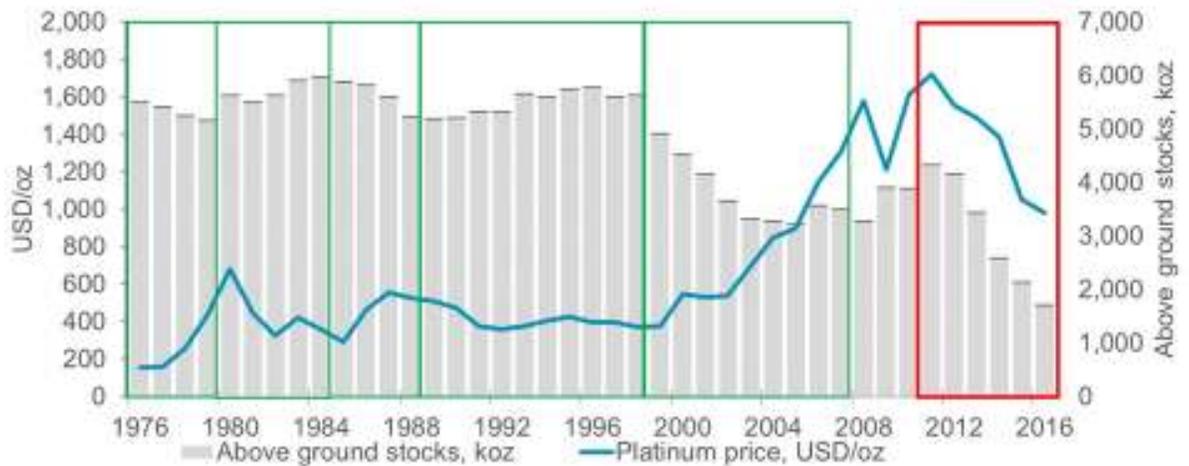
Platinum Supply / Demand Balance



Source: World Platinum Investment Council

We believe, another factor that is positive for platinum prices is that inventory levels are at historical lows.

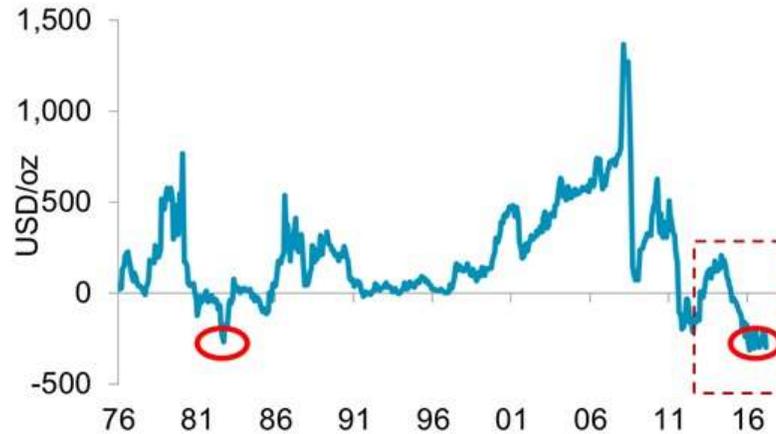
Inventory Levels Vs Platinum Price



Source: World Platinum Investment Council

The price differential between platinum and gold is currently at -US\$323 per oz, which is an all-time low.

Platinum vs Gold Spread



Source: World Platinum Investment Council

The platinum sector saw major M&A activity earlier this year. In May 2017, South Africa’s Sibanye Gold (NYSE: SBGL) acquired the U.S.’ only platinum and palladium producer for US\$2.2 billion. Stillwater had produced 0.55 Moz of PGM in 2016.

We believe the strong outlook for palladium, and the healthy outlook for platinum going forward, will benefit PGM project owners such as NAM.

The following section presents the River Valley project in detail.

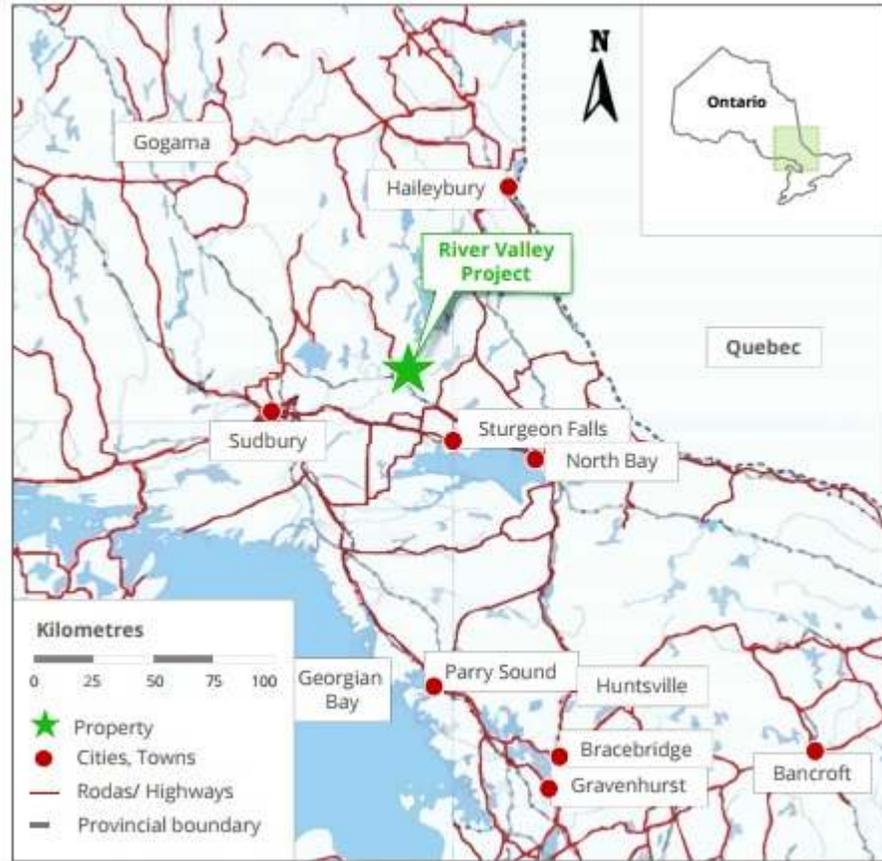
Ownership

In 1998, the company acquired the River Valley project and formed a joint venture with Anglo American Platinum (JSE: AMS) for the development of this property. Anglo American is the world’s largest primary producer of platinum. Anglo and the company conducted drilling and exploration until 2005, which resulted in a NI 43-101 resource estimate in 2006. Since mid 2006, the property remained idle until the company negotiated the purchase of Anglo’s 50% interest in 2011. The company now holds a 100% interest in the project, subject to a 3% NSR, of which, 2% can be purchased for \$2 million.

Location

The project is located in the Dana and Pardo townships, approximately 100 km east of Sudbury in Northern Ontario.

River Valley Project

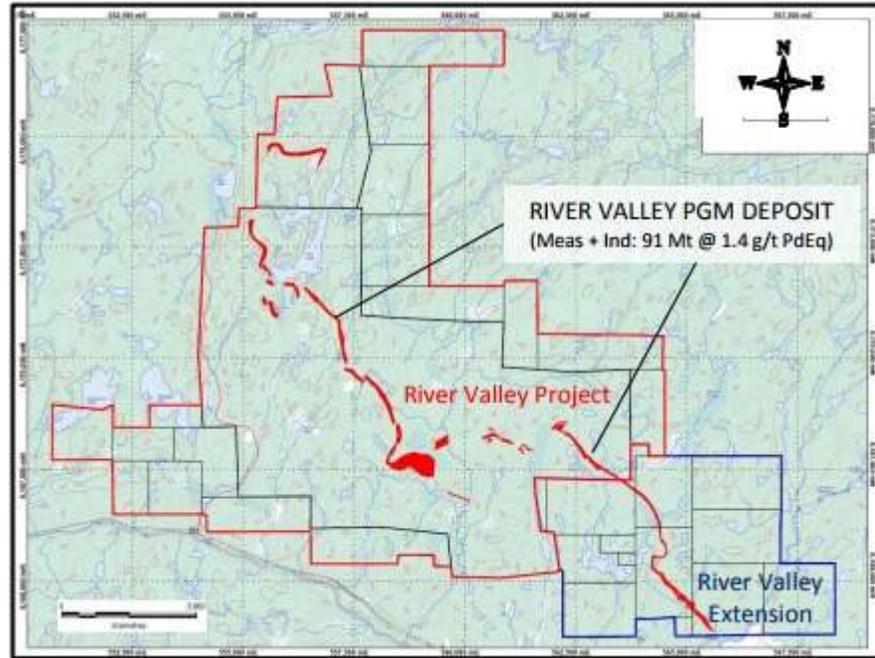


Source: Company

The Sudbury Mining District is one of the world’s most prolific mining districts with significant PGM production. The city of Sudbury is one of Canada’s most important mining centers with well established infrastructure including smelting and refinery facilities. A significant amount of by-product PGMs are produced at Sudbury’s facilities annually.

The property can be accessed by roads and railway, and power is readily available for mine development and production. Milling, smelting and refining facilities are within a 100 km distance in Sudbury.

Through the acquisition of the River Valley Extension project in 2016, the company increased its land holdings to 15,800 acres. The acquisition also extended the known strike length from 12 km to 16 km.



Source: Company

Geology and Mineralization

The River Valley property is situated within the River Valley Intrusion (RVI), a mafic layered intrusive complex of the Paleoproterozoic East Bull Lake suite located along the Superior-Southern Province boundary. The mineralization is typical of contact-type PGE-Cu-Ni sulphide deposits officially referred to as supersolidus intrusive breccias. Sulphide minerals are mostly chalcopyrite, pyrrhotite, and pentlandite, with minor pyrite, cubanite and bornite, and occur as disseminated grains and blebs. Deposits generally contain 1% - 5% total sulphides.

Primary PGM deposits are rare outside of South Africa and Russia, and River Valley is considered to be the largest undeveloped primary PGM deposit in Canada. **River Valley is a primary PGM deposit, like the Lac des Iles in Ontario, owned by North American Palladium (TSX: PDL), and the earlier mentioned Stillwater Mine deposits in the U.S.**

The River Valley deposit is estimated to be 16 km long, 0.2 km wide, and open at depth.

History

The River Valley area was first explored in 1968 by Kennco Explorations (Canada) Ltd. (Kennco). The exploration focus at that time was on nickel and copper sulphides. An airborne electromagnetic survey was conducted and trenching samples revealed sulphide mineralization at the property. However, no PGM was assayed.

In 1973, most of the area was categorized “Temagami Land Caution”, where all mineral exploration and development activities were excluded from this region until 1996. Therefore, no exploration work had been performed on the withdrawn area during this period.

L. Luhta, R. Bailey and R. Orchard conducted prospecting in the area in 1998, and discovered anomalous PGM mineralization. The company optioned these claims from Luhta, Bailey, and Orchard in 1999. Subsequently in the same year, the company formed an option and joint venture partnership with a subsidiary of Anglo Platinum, to conduct exploration work on the property. The following chart quickly summarizes the project’s history since then. **Approximately \$30 million has been invested on the project to date.**



Source: Company

During the joint venture from 1999 to 2008, Anglo Platinum financed an aggregate of \$22 million in exploration programs for the project, including surface mapping, trenching, geophysical surveys and drilling of 550 holes totaling 110,000 m. Under the option and joint venture agreement, Anglo Platinum was responsible for funding all exploration activities through to feasibility.

In 2009, Anglo Platinum significantly reduced their capital expenditures due to declining commodity prices and no new funds beyond the minimal holding costs were allocated to the River Valley project. In order to move the project forward, PFN acquired Anglo Platinum’s 50% interest in exchange for 12% of PFN’s issued and outstanding common shares. New target areas were discovered in late 2008, but were not followed due to the financial crisis at the time.

Resource Estimate

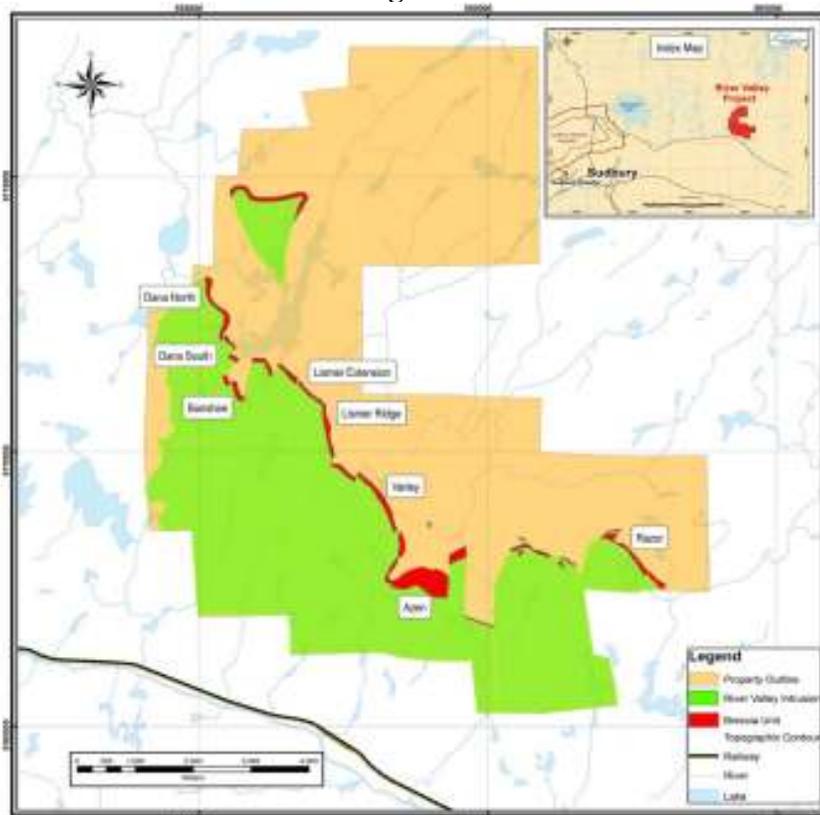
NAM announced an updated resource estimate in 2012. A cut-off grade of 0.8 g/t PdEq (palladium equivalent) gives a measured and indicated resource of 91 Mt grading 0.84 g/t Pd+Pt+Au, 0.06% copper, and 0.02% nickel. The inferred resource was 36 million tonnes grading 0.53 g/t Pd+Pt+Au, 0.06% copper, and 0.03% nickel. A summary of the resource is shown in the following table:

cut-off: PdEq - 0.80 gpt	Tonnes	Pd (gpt)	Pt (gpt)	Au (gpt)	PdEq (gpt)
M & I	91.3	0.58	0.22	0.04	1.38
Inferred	35.9	0.36	0.14	0.03	1.07

	PGM + Au (Moz)	PdEq (Moz)	PtEq (Moz)	AuEq (Moz)
M & I	2.46	3.94	1.87	2.78
Inferred	0.61	1.20	0.57	0.85

The estimate was based on a total of 462 holes with 25 to 100 m sectional spacing across eight mineralised zones.

Location of the eight mineralized zones

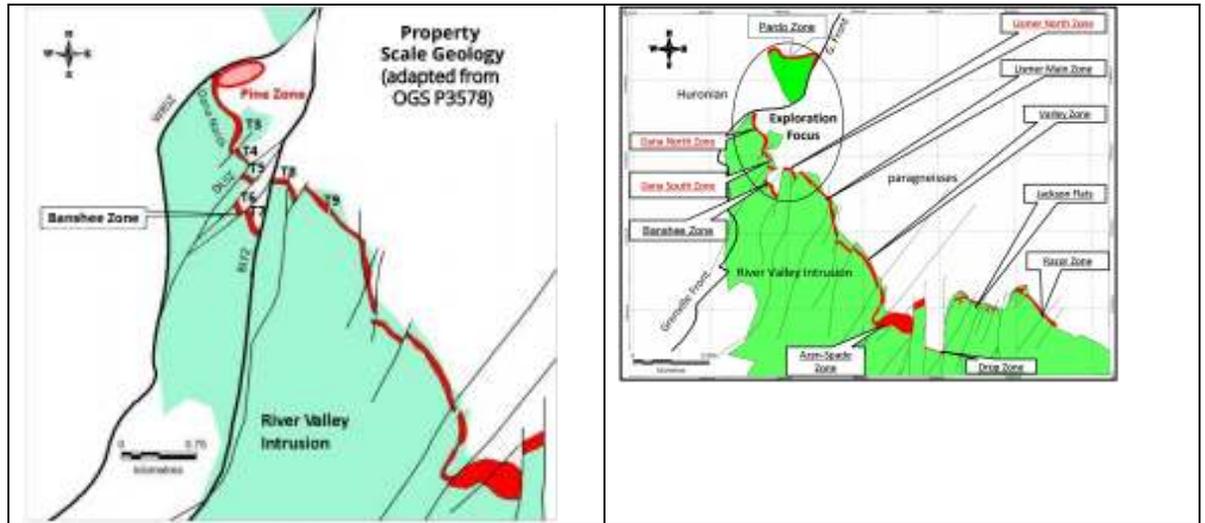


Source: Company

Metallurgical testing in 2013 by SGS Canada showed a potential recovery of 69% PGM, and confirmed that a sulphide concentrator could effectively process River Valley’s material.

Exploration Focus

The company’s current focus is on the potential of higher grade, near surface mineralization on nine priority structural PGM targets in the northern part of the deposit. The T2 zone (termed as the Pine zone) is the top priority.



Source: Company

The Pine zone was discovered in 2015. The 2015 drill program, which included seven holes at the Pine zone, intersected high grade mineralization:

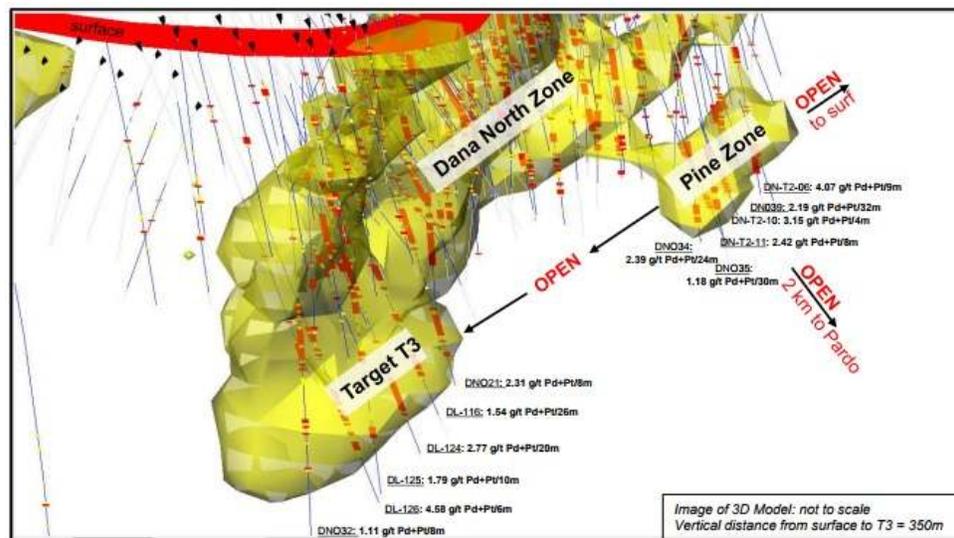
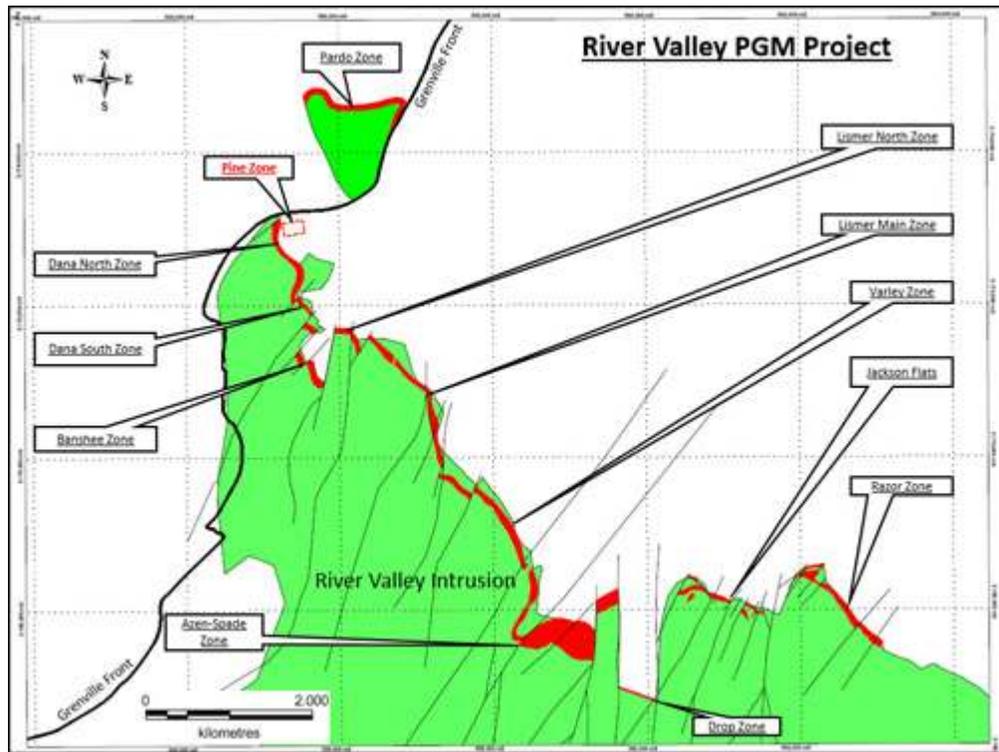
- Hole 2015-DN002 intersected **9m grading 3.91 g/t Pd-Pt**, 0.121 g/t Au, 0.264% Cu from 145m
- Hole 2015-DN001 intersected 16m grading 2.05 g/t Pd-Pt, 0.091 g/t Au, 0.179% Cu from 184 m
- Hole 206-DN-T2-06 intersected **9m grading 4.07 g/t Pd-Pt**, 0.176 g/t Au, 0.280% Cu from 178m
- Hole 2016-DN-T2-10 intersected 4m grading 3.15 g/t Pd-Pt, 0.071 g/t Au, 0.190% Cu from 202m

A follow up drill program in 2016, confirmed the discovery, and highlighted the continuity of the mineralization at the Pine zone for 200 m along strike, and 100 - 200 m depth.

- Hole DN-T2-06: intersected **4.07 g/t Pd+Pt, 0.18 g/t Au, 0.28% Cu over 9m** from 178m
- Hole DN-T2-10: intersected 3.09 g/t Pd+Pt, 0.07 g/t Au, 0.19% Cu over 4m from 202m
- Hole DN-T2-11: intersected 2.42 g/t Pd+Pt, 0.08 g/t Au, 0.18% Cu over 8m from 219m

In June 2017, the company completed a IP Geophysical Survey on the Pine zone, and the Banshee zone, to identify drill targets.

In July, NAM commenced a 16,500 ft drill program. The primary objective is to test the strike and depth extensions of the Pine zone. **The primary target is the higher grade potential in the untested 2 km between the Dana North zone and the Pardo zone, as shown in the images below.**



Source: Company

The northern portion of the project is estimated to hold approximately 0.50 Moz of PGM, as per the 2012 resource estimate, across four zones. Based on the recent results, management believes there is a strong potential to increase the resource in the area to over 1 Moz.

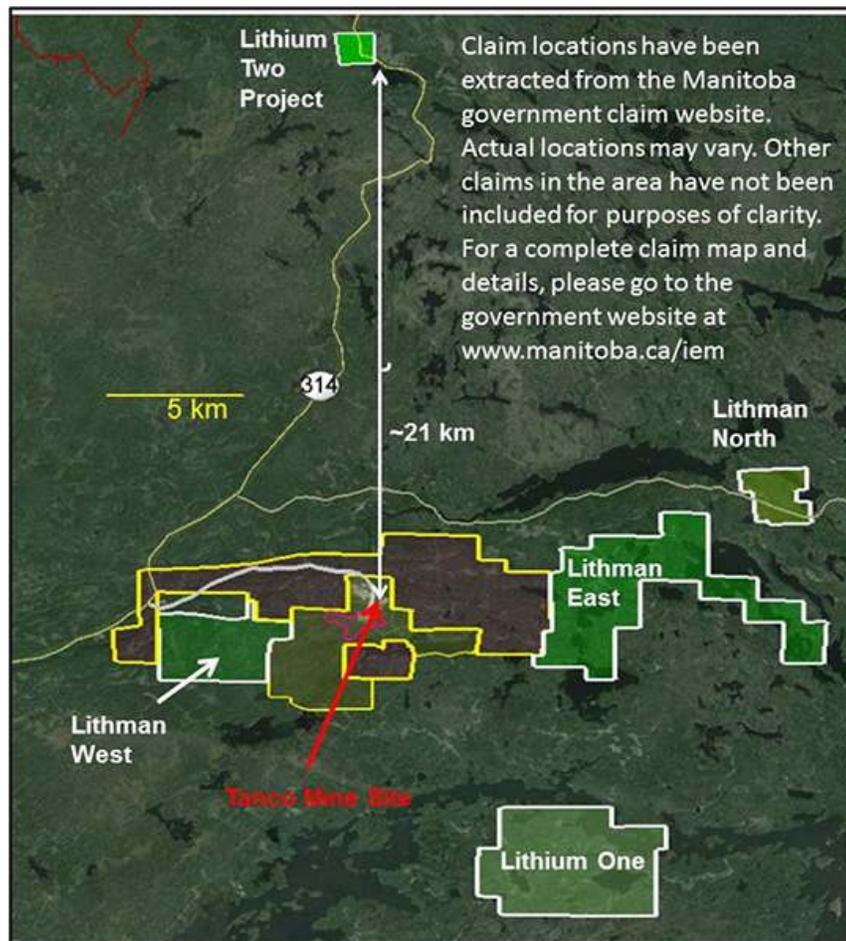
Although it is too early for us to speculate on the outcome, we note that the current drill program is not a deal breaker as the company has already delineated a large resource on the project. Positive results from the current program will only bring more upside

Lithium Division

with no downside risks.

In total, the project has had approximately 671 holes (152,394 m) to date.

The company launched its lithium division in 2016 with a focus on assets in Canada and the U.S. Its portfolio currently consists of five pegmatite-hosted hard rock lithium projects in the Winnipeg River Pegmatite Field, in SE Manitoba. NAM is the largest claim holder in the Winnipeg River Pegmatite Field, which hosts the massive Tanco Pegmatite mine. This mine has had a track record of producing tantalum, cesium and spodumene. Spodumene is one of the primary lithium ore minerals. Two of NAM’s projects are located adjacent to the Tanco Mine leases and along strike. The other three project are considered to be drill ready.



Source: Company

NAM is currently seeking joint venture partners to advance these assets.

Management

Management and board members combined hold 6.92 million shares, or 10.1% of the total, outstanding. The high equity ownership, we believe, strongly aligns management and investors’ interest. Chairman, Harry Barr is the largest individual shareholder with 7.2% of the total outstanding. Palisade Global owned 10.2% of the shares as of May 2017.

Name	Position	Shares	% of Total
Harry Barr	Chairman / CEO	4,894,819	7.15%
Trevor Richardson	President	200,000	0.29%
Robert Guanzon	CFO	107,962	0.16%
Charlotte Brown	Corporate Secretary	66,667	0.10%
John Londry	Director	43,413	0.06%
Michael Neumann	Director	718,182	1.05%
Colin Bird	Director	888,889	1.30%
Ron Hiber	Director	-	0.00%
Total		6,919,932	10.1%

The company’s board has five members, of which, four are independent. Brief biographies of the management team and board members, as provided by the company, follow:

Harry Barr - Chairman, CEO & Director

Mr. Barr has over 30 years of experience in the Mining Industry, founding Freegold Ventures Limited (retired Oct 2007), Canalaska Uranium Ltd. (retired June 2007), New Age Metals (currently Chairman and CEO), and Fire River Gold Corp. (retired March 2011). Over the last 15 years, Mr. Barr has acted in various management capacities for El Nino Ventures Inc. (currently Chairman and CEO). Former president/CEO of Next Gen Metals. Next Gen Metals merged with Namaste Technologies in February 2016. Mr. Barr is no longer an officer or director, but remains a large shareholder. Southern Sun became Nevada Energy Metals in February 2016. Mr. Barr is no longer an officer or director, but remains a shareholder. Mr. Barr is on the Board of Directors of El Nino Ventures Inc. Mr. Barr has created shareholder value by building teams to assist him in corporate finance, project acquisition, and exploration and development of mineral projects in 9 countries and 3 continents. As a CEO, he has guided his management teams to complete over 43 option joint venture agreements with major mining companies, and over 300 with mid-tier and junior mining companies. Mr. Barr and his team have raised approximately \$300 million in non-broker private placements, other equity arrangements and option joint venture agreements.

Trevor Richardson - President/Chief Operating Officer

Mr. Richardson is a Co-founder and Director of Caracle Creek International Consulting (CCIC), an International Geological consulting firm, with offices in South Africa and Canada. Trevor has extensive exploration experience, in Africa and Canada, in precious metals, more specifically Gold and Platinum Group Metals as well as base metals. Registered as a Professional Natural Scientist, under the South African Council of Natural Scientific Professions, Mr. Richardson has managed many multi-million dollar projects from conception through to exploration and production. Trevor was also the co-founder, CEO, President and Vice President/Director of various junior exploration companies on TSXV.

Robert Guanzon - Chief Financial Officer

Mr. Guanzon, CPA, CMA, has been in the field of accounting for more than 25 years. He has been involved in the financial reporting of junior mining exploration companies, pharmaceutical manufacturing business, research & development, real estate/property management, and project building construction. Mr. Guanzon holds a Bachelor's degree in Accounting, a Certified Public Accountant (Philippines) and a member of Chartered Professional Accountants British Columbia. He brings extensive experience in dealing with financial matters and corporate strategy.

Harry Barr - Chairman, CEO & Director

John Londry - Director

Mr. Londry received his B.Sc. and M.Sc. degrees in Geology from the University of Windsor. For the past 30 years Mr. Londry has been active in the mineral exploration and mining industry. Mr. Londry's considerable experience encompasses both grass roots and advanced stage exploration projects throughout Canada, the United States and South America. Mr. Londry has held senior positions with Camflo, Noranda Exploration, Hemlo Gold Mines, and Battle Mountain Gold.

Michael Neumann - Director

Mr. Neumann brings significant experience in the mining arena and has been Proprietor of Neumann Engineering and Mining Services, Inc. since 1993 providing international engineering services focusing primarily on underground hard rock engineering facets such as mine design, productivity improvements, rock mechanics, second opinions, peer reviews and other types of studies. Mr. Neumann is a graduate of Haileybury School of Mines and Michigan Technological University (Mining Engineering Degree) a member of the Canadian Institute of Mining, the International Society of Rock Mechanics and the Association of Professional Engineers of Ontario. Concurrent with his current position, from 2003 to 2006, Mr. Neumann was Director and Chief Operating Officer of Silver Eagle Mines Inc., (now Excellon Resources Inc.) a TSX listed Canadian-based silver exploration and development company focused on acquiring, exploring and developing high grade silver deposits among the silver mines in Mexico. Prior to this Mr. Neumann was Co- Founder and Director of the Engineering Seismology Group Inc. based in Kingston, Ontario. His early industry experience includes positions of Chief Engineer at Campbell Red Lake Mines and Underground Superintendent at Barrick's Holt McDermott Mine.

Colin Bird - Director

Mr. Colin Bird is a chartered mining engineer and Fellow of the Institute of Materials, Minerals and Mining. He has spent over 20 years in operational mine management. He has extensive international experience in developing, financing and managing mines. He has been involved in the management of Nickel, Copper, Gold and other diverse mineral operations. He is responsible for listing several resource companies and has been the founder of a number successful companies significantly Kiwara Resources Plc and Pan African Resources Plc. Mr. Bird has served on resource company boards in the UK, Canada and South Africa. He has specific PGM industry knowledge generally gained in South Africa where he is the Chairman of Jubilee Platinum Plc an emerging platinum focused junior.

Ron Hieber - Director

Mr. Hieber is an Internationally recognized Expert, in Platinum Group Metals, and was Head of Worldwide Exploration, for Anglo Platinum, the world’s largest Platinum producer. He is a geology graduate of Rhodes University, South Africa, with high school education having been completed in Zimbabwe, in 1968. He began his career with Anglo American Platinum, on the company’s Platinum mines in Rustenburg, followed by service on the mines in other Bushveld Complex areas, becoming Chief Geologist at Rustenburg in 1981. In 1986 he was appointed to the corporate office as head of all Anglo Platinum’s mining geology and exploration functions, which remained part of his responsibilities until he retired from Anglo Platinum at 58, in 2009. During his service with Anglo, Ron was made a Divisional Director and the Group’s Survey, Ventilation, Rock Engineering and Strategic Planning functions were added to his Geological responsibilities. From the time of his appointment at Corporate, he contributed significantly to the accumulation, retention and management of Anglo Platinum’s mineral rights portfolio, on the Bushveld Complex and Great Dyke, whilst also directing worldwide PGM Exploration Programmes for Anglo Platinum, in Australia, China, Canada, Russia and Brazil. This included heading-up the River Valley Option/Joint Venture for Anglo Platinum, from Discovery, in 2000, with Pacific North West Capital. At the time he retired, he was a Director of several Anglo Platinum subsidiaries, including Unki Platinum Ltd. (Zimbabwe) and Rustenburg Platinum Mines Ltd. From 2009, Ron worked as Executive Director: Business Development for Kameni Ltd., which had PGM interests, in the Eastern Bushveld and Zimbabwe. After selling its projects, Kameni closed and Mr. Hieber now runs his own company, with interests in South African and Zimbabwean Gold projects.

Financials

At the end of 2017 (ended April 30, 2017), the company had cash and working capital of \$2.67 million and \$2.91 million, respectively. We estimate the company had a burn rate (cash spent on operating and investing activities) of \$106k per month in FY2017. The following table summarizes the company’s liquidity position:

(in C\$)	2016	2017
Cash	\$440,800	\$2,667,803
Working Capital	\$728,381	\$2,908,781
Current Ratio	10.61	19.47
LT Debt / Assets	-	-
Monthly Burn Rate (incl. investing activities)	\$19,408	\$105,559
Cash from Financing Activities	\$654,810	\$3,281,549

Stock Options and Warrants

The company currently has 5.63 million options outstanding (weighted average exercise price of \$0.19 per share) and 52.21 million warrants (weighted average exercise price of \$0.18 per share) outstanding. At this time, none of the options or warrants are in-the-money.

Valuation

In order to estimate the fair value of NAM’s River Valley project, we compiled a list of companies that only hold PGM projects.

Company	Stage	Location	Reserves and M&I (PGM Moz)	Inferred (PGM Moz)	Resource (PGM Moz)	EV (\$, M)	EV / Resource (\$ / oz)
North American Palladium	Producer	Ontario, Canada	5.91	0.47	6.15	\$432.00	\$70.23
Platinum Group Metals	PFS	South Africa	16.70	4.88	19.14	\$213.00	\$11.13
Wellgreen Platinum	PEA	Yukon, Canada	21.15	7.13	24.71	\$83.60	\$3.38
New Age Metals	Resource	Ontario, Canada	2.46	0.61	2.77	\$1.88	\$0.68
Average							\$28.25
Fair Value of NAM (\$, M)							\$33,730,283
Fair Value per Share							\$0.49

- North American Palladium is the only other pure PGM company in North America, in addition to NAM. As shown in the table above, we estimate that NAP’s shares are trading at \$70.2/oz.
- Platinum Group (TSX: PTM) is in pre-production stages, and holds PGM assets in South Africa. Platinum’s shares are trading at \$11/oz.
- Wellgreen (TSX: WG) holds a large PEA stage project in Yukon, Canada. Although the project holds a significant PGM resource, it is primarily a nickel project. As a result of the soft nickel market, Wellgreen’s shares are trading at just \$3.38 per oz.

NAM’s shares are trading at just \$0.70 per oz based on the 2012 resource estimate, and we believe is significantly undervalued. The good potential for resource expansion, we believe, makes NAM shares even more attractive at current price levels.

For conservatism, we applied Platinum Group’s EV/resource of \$11 per oz to evaluate NAM’s fair value, which valued the company’s shares at \$33.73 million or \$0.49 per share. Note that this estimate does not account for any upside from resource expansion.

We are reinitiating coverage on NAM with a BUY rating and a fair value estimate of \$0.49 per share.

We believe the company is exposed to the following key risks (not exhaustive):

- The value of the company is highly dependent on PGM prices.
- Exploration and development risks.
- The current drill program at River Valley may not return favorable results.
- The PEA may take longer than expected.
- The company may not be able to identify suitable partners for its lithium projects.
- Access to capital and potential share dilution.

Risks

As with most junior exploration / development companies, we rate NAM's shares a risk of 5 (Highly Speculative).

Fundamental Research Corp. Equity Rating Scale:

Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk

Hold – Annual expected rate of return is between 5% and 12%

Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk

Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:

1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

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