

June 6, 2017



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL Manuals and will be included in the bound May 2017 Monthly News Reports and is published on our Website.

NEVADA CLEAN MAGNESIUM INC

Company Website: www.nevadacmi.com

History: Incorporated in Canada under the Company Act (British Columbia) as Ft. Lauderdale Resources Inc. on Mar. 24, 1966. Name changed to Amcorp Industries Inc. on July 20, 1990. Present name adopted on May 17, 1996.

Business Summary: Nevada Clean Magnesium is an exploration stage company engaged in the acquisition, exploration and development of interests in mineral resource projects in British Columbia, Canada and Nevada, USA.

Property: Co. maintains its head office in White Rock, British Columbia.

As of Oct. 31, 2016, Co. owns a 100% interest in the Beaverdell property, located 3 kilometers southeast of Beaverdell, British Columbia. Co. jointly owns the Crowrea Empress property located near Summerland, British Columbia, consisting of 5,833 hectares. Co. also owns the Siverado property located in the Pinto mining district of Nevada and consists of 3 patented mining claims totalling approximately 120 hectares. Co owns the Tami-Mosi property located approximately 8 miles southeast of Ely, NV in the Tamerlaine district, consisting of 81 unpatented mining claims totalling approximately 677 hectares and 4 quartz unpatented claims totalling 33 hectares.

Subsidiary

Nevada Moray Inc. (United States)

Officers

Edward C. Lee, Chairman; Chief Executive Officer
James Sever, President
Aaron Palumbo, Ph.D., Executive Vice President
Scott Rowe, Director - Research & Development
Boris Chubukov, Director - Research & Development
Lisa Maxwell, Corporate Secretary

Directors

Edward C. Lee, Chairman; Director
Jeff Wilson, Ph.D., Independent Director
Stephen Thorlakson, Director
Robert Brown, Director
Aaron Palumbo, Ph.D., Director
James Sever, Director

Auditors: Dale Matheson Carr-Hilton LaBonte LLP

Transfer Agent: Computershare Investor Services Inc.

Annual Meeting: In April

Shareholder Relations: Arnie Winrob @ Kaye Wynn Consulting, Investor Relations **Tel:** 778-861-2724

Address: #602-15216 North Bluff Road, White Rock, British Columbia V4B 0A7, Canada

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Email: info@nevadacmi.com

Consolidated Income Statement, Years Ended Oct. 31 (Can\$):

	2016	2015 (revised)	2014 (revised)
Bank charges	(1,824)	(609)	(1,062)
Consulting & management fees	(168,694)	(296,993)	(220,386)
Foreign exchange			

gain (loss)	1,958	(49,559)	3,498
Interest	(41,254)	...	...
Office & general	(50,791)	(20,840)	...
Interest & penalties .....	...	...	(17,655)
Office & miscellaneous .....	...	...	(63,652)
Professional fees	(108,904)	(69,627)	(63,387)
Salaries	(141,078)	(190,217)	(108,337)
Shareholder communications	(87,811)	(99,621)	(173,380)
Stock based compensation	(38,136)	(139,834)	(885,347)
Transfer agent & filing fees	(33,870)	(23,454)	(25,399)
Travel	(13,554)	(29,241)	(61,565)
Gain on derecognition of debts	152,474	651,032	...
Impairment of exploration & evaluation assets	(1)	(1,030,425)	(625,951)
Gain on sale of marketable securities	8,535	...	21,303
Net income (loss) for the year	(522,950)	(1,299,388)	(2,221,320)
Weighted average shares outstanding - basic	152,135,340	147,203,149	139,822,091
Weighted average shares outstanding - diluted	152,135,340	147,203,149	139,822,091
Year end shares outstanding	152,511,450	149,871,450	143,651,450
Net income (loss) per share - basic	Can\$0.00	Can\$(0.01)	Can\$(0.01)
Net income (loss) per share - diluted	Can\$0.00	Can\$(0.01)	Can\$(0.01)

Reclassified to conform with 2016 presentation

Consolidated Balance Sheet, Years Ended Oct. 31 (Can\$):

	2016	2015 (revised)	2014 (revised)
Assets:			
Cash	70,904	17,112	7,876
Accounts receivable	25,304	7,876	2,121
Marketable securities .....	...	2,121	...
Prepaid expenses	7,674	...	...
Total current assets	103,882	27,109	...
Exploration & evaluation assets	1,445,160	1,390,392	1,390,392
Reclamation deposits	3,500	3,500	3,500
Total assets	1,552,542	1,421,001	1,421,001
Liabilities:			
Accounts payable & accrued liabilities	213,887	231,555	231,555
Due to related parties	655,782	620,816	620,816
Provision for flow through share issuances	288,900	288,900	288,900

Promissory note	14,500	...
Total current liabilities	1,173,069	1,141,271
Convertible debentures	427,625	...
Total non-current liabilities	427,625	...
Total liabilities	1,600,694	1,141,271
Common shares	15,956,143	15,834,143
Share capital	15,956,143	15,834,143
Reserves	2,399,687	2,361,551
Accumulated other comprehensive income	482,299	447,367
Retained earnings (accumulated deficit)	(18,886,281)	(18,363,331)
Total shareholders' equity (deficiency)	(48,152)	279,730
Total liabilities & shareholders' equity	1,552,542	1,421,001

Reclassified to conform with 2016 presentation

Auditor's Report:

The following is an excerpt from the Report of the Independent Auditors, Dale Matheson Carr-Hilton LaBonte LLP, as it appeared in Co.'s 2016 Annual Report:

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Nevada Clean Magnesium Inc. as at October 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describe certain conditions that indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern."

Debt: Oct. 31, 2016, C\$427,625 (excluding current portion) unsecured convertible notes, bearing interest at rates ranging from 7.5% to 20% per annum.

Capital Stock: 1. Nevada Clean Magnesium Inc common; no par.

OUTSTANDING—Oct. 31, 2016, 152,511,450 shs; no par.

WARRANTS—7,850,000 shs.

OPTIONS—Oct. 31, 2016, outstanding, 17,560,000.

PRIMARY EXCHANGE—Venture Exchange (TVX): NVM.

SECONDARY EXCHANGES—National Bulletin Board (NBB): MLYF F.

PRIVATE PLACEMENTS—(1,965,200 units) at C\$0.05 per unit privately placed on Feb. 22, 2017 for gross proceeds of C\$98,260. Each unit consists of one common share of Co. and one common share purchase warrant.

(4,050,000 units) at C\$0.05 per unit privately placed on Mar. 28, 2017 for gross proceeds of C\$202,500. Each unit consists of one common share of Co. and one common share purchase warrant.

(7,036,260 units) at C\$0.05 per unit privately placed on May 10, 2017 for gross proceeds of C\$351,813. Each unit consists of one common share of Co. and one common share purchase warrant.

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