



NAMIBIA CRITICAL METALS INC.

Namibia Critical Metals Inc.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
WITH MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2019



NAMIBIA CRITICAL METALS INC.

Namibia Critical Metals Inc.

Management's Discussion and Analysis

Three months ended February 29, 2020

NAMIBIA CRITICAL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of the financial condition and results of operations ("MD&A") of Namibia Critical Metals Inc. (the "Company") is dated April 23, 2020 and provides an analysis of the Company's financial results and progress for three months ended February 29, 2020 and February 28, 2019. This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended February 29, 2020 and February 28, 2019 and related notes thereto, which were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise noted.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The information contained herein is subject to change and the Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

Donald M. Burton, P.Geo. and President of the Company, is the Company's Qualified Person and has reviewed and approved the technical information disclosed in this MD&A.

Overall Performance

The Company is engaged in the exploration for critical metals in Namibia through its 100% owned subsidiary, Namibia Rare Earths (Pty) Ltd., a Namibian company ("Namibia Pty") and its 95% interest in thirteen additional Namibian subsidiaries acquired from Gecko Namibia (Pty) Ltd through the Company's Cayman subsidiary, Cayman Namibia Rare Earths Inc. on February 21, 2018. Since incorporation in 2004, Namibia Pty has established a presence in Namibia and has applied for and been granted a number of exclusive prospecting licenses.

The major focus of the Company's activities from 2010 to February 2018 had been the Lofdal Heavy Rare Earths Project. Following the transaction with Gecko Namibia, a focus was placed on the Kunene Cobalt-Copper Project throughout 2018-2019.

The Lofdal property is the Company's most advanced project and comprises an exclusive prospecting license ("EPL 3400") located approximately 450 kilometers northwest of the capital city of Windhoek and 25 kilometers northwest of the town of Khorixas in the Kunene Region of north-western Namibia. The Lofdal property covers a total area of 314 square kilometers centered on the Lofdal carbonatite complex, a regional geological feature known to be associated with numerous occurrences of rare earth mineralization hosted by carbonatitic dykes, dyke swarms and to a lesser extent by intrusive plugs. EPL 3400, which provides for mineral rights to base and rare metals, and precious metals, was originally granted in 2005. It was most recently renewed by the Government of Namibia on May 14, 2019 for a two-

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year period to May 14, 2021. In November 2016, the Company submitted an application to the Ministry of Mines and Energy for a Mining License which remains pending. The property is subject to a 2% net smelter revenue royalty in addition to royalties payable to the Government of Namibia. The Company released an initial mineral resource estimate on Area 4 of the Lofdal Rare Earths Project in September 2012. In May 2014, the Company initiated a Preliminary Economic Assessment ("PEA") on the Lofdal Rare Earths Project, which was released on November 13, 2014 and effective October 1, 2014. In the third quarter of 2015, the Company initiated an Environmental Impact Assessment ("EIA") which was completed in the third quarter of 2016 and was submitted to the Ministry of Environment and Tourism in support of the Company's application to the Ministry of Mines and Energy for a Mining License. On December 18, 2017 the Company received Environmental Clearance Certificates and approvals for proposed mine site infrastructure, power and water line corridors for the Lofdal property. The certificates are valid to December 5, 2020 after which time they are subject to renewal.

On February 21, 2018 the Company completed the acquisition of six critical metal properties in Namibia from Gecko Namibia (Pty). This transaction provides Namibia Critical Metals with a highly prospective, diversified portfolio of critical metals (Table 1 and Figure 1) and at the same time has secured a highly experienced strategic partner. Gecko Namibia and its subsidiaries are substantial participants in the Namibian resource sector with a proven track record in the mining industry. The portfolio of properties acquired from Gecko Namibia has expanded the Company's commodity interest from solely heavy rare earths to a variety of highly critical commodities including cobalt, copper, zinc, vanadium, lithium, tantalum, niobium, nickel, and gold. Current ground holdings are summarized in Table 2.

Table 1 – Targeted Commodities in Namibia Critical Metals Project Portfolio

Commodity	Abbreviation
Rare Earth Elements	REE
Cobalt	Co
Copper	Cu
Lithium	Li
Tantalum	Ta
Niobium	Ni
Beryllium	Be
Phosphate	P
Nickel	Ni
Zinc	Zn
Lead	Pb
Fluorite	F
Gold	Au

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Figure 1 – Location of NCMI's critical metals projects



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Table 2 – Summary of Namibia Critical Metals Project Portfolio

Project Name	Commodity Targets	Development Stage	Licence Status	Area (km ²)
1. Lofdal Heavy Rare Earths	REE	Advanced - 43-101 resource and PEA completed; mining licence pending	1 EPL, 1 ML pending	314.2
2. Kunene Cobalt-Copper	Co, Cu, Zn	Brownfields - multiple targets sampled with drilling resource and feasibility completed	5 EPLs (1 pending renewal)	1327.0
3. Kunene Light Rare Earths	REE	Greenfields - outcrop mineralization identified; target identification pending fieldwork	1 EPL	783.0
4. Warmbad Lithium	Li, Ta, Be, REE	Greenfields - mineral occurrences mapped, further sampling required	1 EPL	604.3
5. Epembe Tantalum-Niobium	Ta, Nb, P	Advanced - multiple targets sampled with drilling, initial metallurgy done	1 MDRL	57.2
6. Grootfontein Nickel-PGE	Ni, PGEs, Cr, Zn, Pb, V, Au	Greenfields - undefined targets, no sampling	2 EPLs	1637.8
7. Otjiwarongo Carbonatite	REE, F, Ta, Nb, Au	Conceptual - undefined targets, no sampling	1 EPL pending renewal	91.6
8. Erongo Gold	Au	Greenfields - mineral occurrences mapped, no sampling	1 EPL	606.2
9. Marienfluss	Co, Cu, Zn	Conceptual - undefined targets, no sampling	1 EPL	539.9
Total Area				5,961.2

- EPL = Exclusive Prospecting Licence; ML = Mining Licence; MDRL = Mineral Deposit Retention License

Lofdal Rare Earths Project

Development Strategy for Lofdal

There is a fundamental risk in taking any resource project from grass roots exploration through to production. This level of risk is heightened in the rare earth sector due in large part to the complexity of the metallurgy and the lack of operators with rare earth processing knowledge and expertise. The Company has openly sought a qualified strategic partner that could bring mining and processing expertise to the table and this has been achieved in large part through the transaction with Gecko Namibia. More recently the Company has brought strong financial backing to the project through a joint venture agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC").

The project has been taken from discovery in 2011, through to 43-101 mineral resource in 2012 and Preliminary Economic Assessment ("PEA") in 2014. A full copy of the PEA is available on SEDAR at www.sedar.com. The MDM Group of South Africa was the principal consultant for the report which provided an economic analysis of the potential viability of the current resources at Lofdal at then projected rare earth prices. Rare earth prices have significantly declined since 2014 and the viability of the project is dependent in part upon improved pricing for the target oxides of dysprosium, terbium and yttrium. MDM was assisted by MineTech International Limited of Canada for pit optimization, mine planning and operations, and The MSA Group of South Africa for mineral resource estimates. **The PEA should not be considered to be a pre-feasibility or feasibility study, as the economics and technical viability of the Project has not been demonstrated at this time. The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Furthermore, there is no certainty that the PEA will be realized.**

Since 2013, the Company has focused on optimizing the metallurgical flowsheet and completing an Environmental Impact Assessment ("EIA") to support an application for a Mining Licence which was submitted in 2016. The Company received Environmental Clearance Certificates from the Ministry of

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Environment and Tourism in late 2017. The Environmental Clearance Certificates are valid to December 5, 2020 after which time they are subject to renewal. The Mining Licence application remains under review with the Ministry of Mines and Energy.

Regional Assessment of Rare Earths Potential

The first systematic exploration for rare earths over Lofdal was initiated by Namibia Pty in 2008. In 2011 the Area 4 heavy rare earth deposit was discovered and since that time exploration results have demonstrated the occurrence of rare earth mineralization on a district scale (Figure 2).

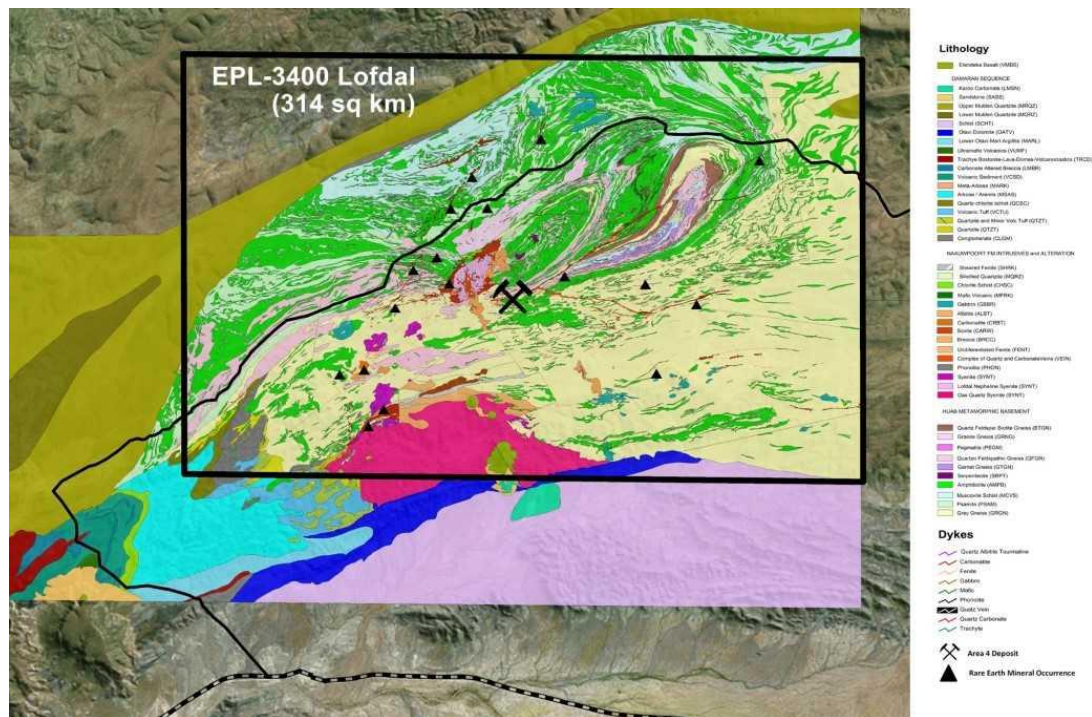
Rare earth mineralization at Lofdal is hosted in carbonatite dykes, structural zones and plugs exhibiting grades between 0.2-3% total rare earths ("TREO" which includes yttrium) and often exhibiting exceptional heavy rare earth enrichment ("HREE") greater than 50%. Rare earth deposits containing greater than 10% heavy rare earths ("HREO") can be considered to be enriched in heavy rare earths. The more significant mineralized structures have associated alteration haloes which can carry anomalous concentrations of rare earth elements. The Company uses classification nomenclature which considers heavy rare earths comprising europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb), lutetium (Lu) and yttrium (Y). Light rare earths comprise lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd) and samarium (Sm). "Heavy rare earth enrichment" is the ratio of HREO:TREO, expressed as a percentage.

Mineralization at Area 4 is associated with large scale hydrothermal systems rather than primary magmatic emplacement as discrete dykes. Many of the larger, lower grade "dykes" previously mapped on surface are in fact alteration zones associated with these systems which in some areas significantly increases the strike and width potential of the heavy rare earth exploration target. There are two intrusive carbonatite bodies on the property. The Main Intrusion is an early stage calcitic ("sovite") body some two kilometers in strike length which does not carry significant amounts of rare earths but has potential for niobium and uranium mineralization. The smaller Emanyia plug is some 350 meters in diameter in outcrop and carries anomalous concentrations of rare earths typically in the range of 0.2-1% TREO but is not enriched in heavy rare earths.

Detailed mineralogical studies have confirmed that the principal heavy rare earth mineral at Lofdal is xenotime. The potential ore mineral assemblage in Area 4 is dominated by xenotime and subordinate zircon ± generally minor amounts of aeschynite, bastnasite group minerals (including synchysite-Y), thorite, and unidentified phases (Ca-Y silicate and Th-Zr silicate). In samples with high thorium (2,000-4,000 ppm) the potential ore mineral assemblage is dominated by xenotime and thorite. It should be noted that the average thorium content of the Area 4 deposit is only 326 ppm. Grain size and habit are variable with ore minerals being generally fine- to very fine-grained with much of the potential ore minerals averaging 15-20 microns but locally reaching up to 150 microns.

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Figure 2 – General geology of EPL 3400 showing the location of the Area Deposit in center and other rare earth occurrences



Lofdal Area 4 Mineral Resource Estimate

In September 2012, the Company released an initial mineral resource estimate for Area 4 of the Lofdal Rare Earths Project as set out in the technical report “*NI 43-101 Technical Report and Mineral Resource Estimate for Area 4 of the Lofdal Rare Earth Element (REE) Project, Khorixas District, Republic of Namibia*” dated October 29, 2012 (the “Lofdal Initial Resource Report”) a full copy of which is available on SEDAR at www.sedar.com.

On November 13, 2014 the Company released a Preliminary Economic Assessment of Area 4 at Lofdal. Based on metallurgical outcomes, the PEA utilized the initial mineral resource estimate for the Area 4 deposit at a cut-off grade of 0.1% total rare earth oxides ("TREO") which provides 2.88 Mt of indicated mineral resources yielding 9,230 t of REO, of which 7,050 t are estimated to be heavy rare earth oxides ("HREO") and 3.28 Mt of inferred mineral resources yielding 8,970 t of REO, of which 6,700 t are estimated to be HREO (Table 3). The remainder of the REO is made up of light rare earth oxides ("LREO").

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**TABLE 3 - In-Situ Mineral Resources¹ for the Area 4 Deposit
within the >0.1% TREO Envelope**

In-situ Indicated Mineral Resource

Cut-Off	Tonnes	LREO	HREO	TREO	REO	HREO
%TREO	million	%	%	%	Tonnes	Proportion
0.1	2.88	0.08	0.24	0.32	9,234	76.3%

In-situ Inferred Mineral Resource

Cut-Off	Tonnes	LREO	HREO	TREO	REO	HREO
%TREO	million	%	%	%	Tonnes	Proportion
0.1	3.28	0.07	0.20	0.27	8,973	74.7%

¹ Mineral resources which are not mineral reserves do not have demonstrated economic viability

Although mineral resource grades (% TREO) are relatively low, the high levels of heavy rare earth enrichment can provide significant tonnages of contained heavy REOs. The main elements of interest from the Area 4 mineral resource are europium, terbium, dysprosium and yttrium (with yttrium and dysprosium being the most abundant). Based on the REO distributions, these four elements are the most valuable in the deposit.

Area 4 Preliminary Economic Assessment

The Company released a PEA on Area 4 of Lofdal on November 13, 2014. The PEA concludes that the Lofdal Rare Earth Project currently has the potential to produce an average of 1,500 tonnes per annum of separated rare earth oxides ("REO"). Total capital costs were estimated at US\$162,935,000 and operating costs were estimated at US\$54.55/kg TREO produced or US\$91.99/tonne mined. The PEA indicates that there is considerable potential to expand the current mineral resource and recommends that additional drilling be carried out to provide for an extended mine life in conjunction with a six-month Prefeasibility Study ("PFS") program. Since the time of publication of the PEA rare earth prices have significantly declined and the viability of the project will be dependent in part, on improved rare earth prices particularly for the target oxides of dysprosium, terbium and yttrium. Capital and operating costs will also have to be confirmed given the time that has elapsed since preparation of the PEA.

The PEA should not be considered to be a pre-feasibility or feasibility study, as the economics and technical viability of the Project has not been demonstrated at this time. The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Furthermore, there is no certainty that the PEA will be realized.

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Environmental Impact Assessment

The Environmental Impact Assessment ("EIA") process was conducted over an eighteen-month period under the supervision of SLR Environmental Consulting (Namibia) (Pty) Limited ("SLR Namibia"). SLR is an international environmental consultancy with an expanding network of offices in Europe, North America, Asia-Pacific and Africa with 1,100 employees. SLR Namibia has been associated with significant mine development projects in Namibia including Swakop Uranium (Husab uranium mine), Paladin Energy (Langer Heinrich uranium mine) and B2 Gold (Otjikoto gold mine).

The EIA covers all aspects of mining and mineral processing through to the production of a xenotime mineral concentrate at site. The EIA was submitted to the Ministry of Environment and Tourism in June 2016 and on December 18, 2017 the Company received Environmental Clearance Certificates ("ECC") and approvals for proposed mine site infrastructure, power and water line corridors for the Lofdal property. An ECC is required as part of the process for the granting of a Mining Licence in Namibia. The EIA submission included the provision of Environmental Management Plans ("EMP") for mine site activities and the construction and maintenance of power and water pipeline services to the mine site. Detailed reports were compiled with the assistance of nine expert agencies related to groundwater, surface water, geochemistry, socio-economic, air quality, noise, avifauna, vertebrate, invertebrate, archaeological, radiological and visual impact assessments. Public and community consultations were held as part of the EIA process.

Baseline monitoring equipment and programs were implemented in 2015 for the collection of all required meteorological and radiometric data for the EIA. This work comprised a groundwater monitoring program together with meteorological and air quality data collection. Collection of further baseline data was suspended in 2018 and will resume as required for development of the project.

Metallurgical Studies

The PEA provided an economic assessment of the project based on the beneficiation of the Lofdal run-of-mine feed to 20% TREO mineral concentrate grade with an overall recovery of 64%. Beneficiation comprised upfront coarse crush and sorting with x-ray transmission sorters followed by fine grinding to magnetic separation, flotation and gangue acid leaching. This mineral concentrate would then be subjected to "cracking" in a hydrometallurgical plant to remove thorium and uranium to provide an acceptable mixed rare earth oxide product for separation. Test work at Mintek in South Africa and at Nagrom in Australia has indicated the sensitivity of the flow sheet to increased levels of ankerite (iron carbonate) with calcite, which can diminish the effectiveness of the magnetic separation stage. The distribution of ankerite within the deposit is not clearly defined, however there appear to be some ankerite-rich zones in the upper parts of the deposit. Additional sample of selected ankerite-rich mill feed was therefore provided to Nagrom to produce sufficient magnetic concentrate for further flotation tests on this problematic aspect of the mineralogy. Kyspy Investments Pty. of Australia conducted flotation test work on the ankerite-rich sample which indicated that 73.1% of the TREO could be recovered into three separate concentrates (sulphide, carbonate recleaner and xenotime recleaner concentrates). Further investigations are recommended to optimize the selective flotation of xenotime in the presence of carbonates. The Company has initiated further studies into the optimization of ore sorting technologies. The objective is to develop a robust flow sheet that can mitigate fluctuations in ankerite/calcite ratios in the gangue.

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The PEA considered the use of XRT sorters based on results from tests carried out by Tomra in Germany on HQ diameter core samples. Subsequent test work on Lofdal samples provided to RADOS in South Africa has confirmed the potential of XRF sorting to effectively upgrade run of mine at a cut-off of 0.2% TREO. This offers the potential to consider primary XRF sorting or to use XRF sorting as a scavenger following XRT sorting which has demonstrated a potential for 90% recovery of the rare earths. The PEA also recommended that a larger bulk sample be collected to provide a more representative sample. An 18 t bulk sample of representative material from surface covering the 600-meter strike length of the 43-101 Area 4 resource was collected in 2018. This sample has been delivered to Light Deep Earth in Pretoria for initial sample preparation. Static test work has been completed by Rados which has made recommendations to proceed with larger scale test work on their XRF sorter. Similar static tests were conducted by IMS which have provided recommendations to proceed with larger scale tests on the Steinert XRF sorter.

Potential to Expand Resources at Lofdal

At Area 4 the potential to expand resources at depth has already been demonstrated by previous exploration drilling which has intersected the mineralized structure to a vertical depth of over 300 meters. Trenching to the west of the existing resource has demonstrated the potential to extend the strike length of Area 4 mineral resource an additional 200-300 meters and remains to be drilled.

There are a number of other rare earth occurrences on EPL 3400. The most significant occurrences in terms of heavy rare earth enrichment are found in Area 5 and the Northern Splay. Exploration drilling was carried in Area 5 in 2011 but no definitive resources have been estimated. Mineralization at the Northern Splay is very similar in tenure and character to that seen in Area 4 and has been mapped over a strike length of nearly 700 meters. No drilling has yet been carried out on the Northern Splay which is located about 10 kilometers northeast of Area 4 along the same structure which hosts the Area 4 mineral resource.

Partnership with JOGMEC on Lofdal

On January 27, 2020 the Company announced that it had signed an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to jointly explore, develop, exploit, refine and/or distribute mineral products from Lofdal. The agreement provides JOGMEC with the right to earn a 50% interest in the project by funding \$20,000,000 in exploration and development expenditures. Once JOGMEC has completed and exercised its 50% earn-in and a feasibility study has been completed on the project, JOGMEC has the right to purchase an additional 1% interest in the project from the Company for \$5,000,000 and thereafter to exclusively provide funding to develop the project subject to the Company's interest in the Project not being diluted below 26%.

JOGMEC is a Japanese government independent administrative agency which among other things seeks to secure stable resource supply for Japan. JOGMEC has a strong reputation as a long term, strategic partner in mineral projects globally. The mandated areas of responsibilities within JOGMEC relate to oil and natural gas, metals, coal and geothermal energy. JOGMEC facilitates opportunities with Japanese private companies to secure supply of natural resources for the benefit of the country's economic development.

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Rare earths are of critical importance to Japanese industrial interests and JOGMEC has extensive experience with all aspects of the sector. JOGMEC provided Lynas Corporation with US\$250,000,000 in loans and equity in 2011 to ensure supplies of these crucial metals from the Mount Weld Project in Australia to Japanese industry.

Japan is the most important consumer of dysprosium outside of China. Adamas Intelligence estimates that from 2013 through 2017 China produced 98% of the global supply of dysprosium and was responsible for approximately 90% of global dysprosium oxide (or oxide equivalent) consumption each year. Japan was responsible for 9% of global consumption and other nations (including the United States) for 1%. With 2017 dysprosium production estimated at 1,500 tonnes, Japanese consumption is therefore estimated at 135 tonnes per annum.

Work Program with JOGMEC

Under terms of the agreement, JOGMEC has committed to a firm, non-refundable \$3,000,000 work program with the objective of doubling the current mineral resource size through the provision of 7,700 meters of diamond drilling at Area 4. The program will also investigate two exploration targets outside of Area 4 with 1,500 m of diamond drilling and will further investigate optimization of the processing flow sheet with specific metallurgical test programs. The initial focus of the metallurgical program will be on XRT and XRF sorting using the 18 tonne representative sample that has been prepared by Light Deep Earth at their test facility in South Africa. Sorter tests will be conducted by Rados International using a Rados XRF sorter and by IMS Engineering using a Steinert XRT sorter. Products generated from this first step test work will be utilized for subsequent process stage test work. Project expenditures incurred for the reporting period relate to upgrading of the exploration camp, purchasing of supply inventories and general preparations for the planned drill program which commenced in March.

During the three month period ended February 29, 2020, the Company received \$519,019 from JOGMEC for future exploration expenditures on the Lofdal property. As of February 29, 2020, \$86,865 in exploration expenditures have been incurred, \$16,623 in prepaid expenses and VAT receivable, the Company has recorded the remaining \$415,531 as an Advance received for exploration work.

Lofdal Expenditures

For the three months ended February 29, 2020, the Company incurred \$62,225 (2019: \$86,056) in exploration and evaluation expenditures on the Lofdal property which was focused on environmental compliance and security of the camp. For 2020, the Company estimates its work program at approximately \$3 million, which will focus on the budgeted work program to be funded by JOGMEC.

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Other Project Activities

The principal focus of the Company's activities shifted to the Kunene Co-Cu Project in 2018 and into the first half of 2019.

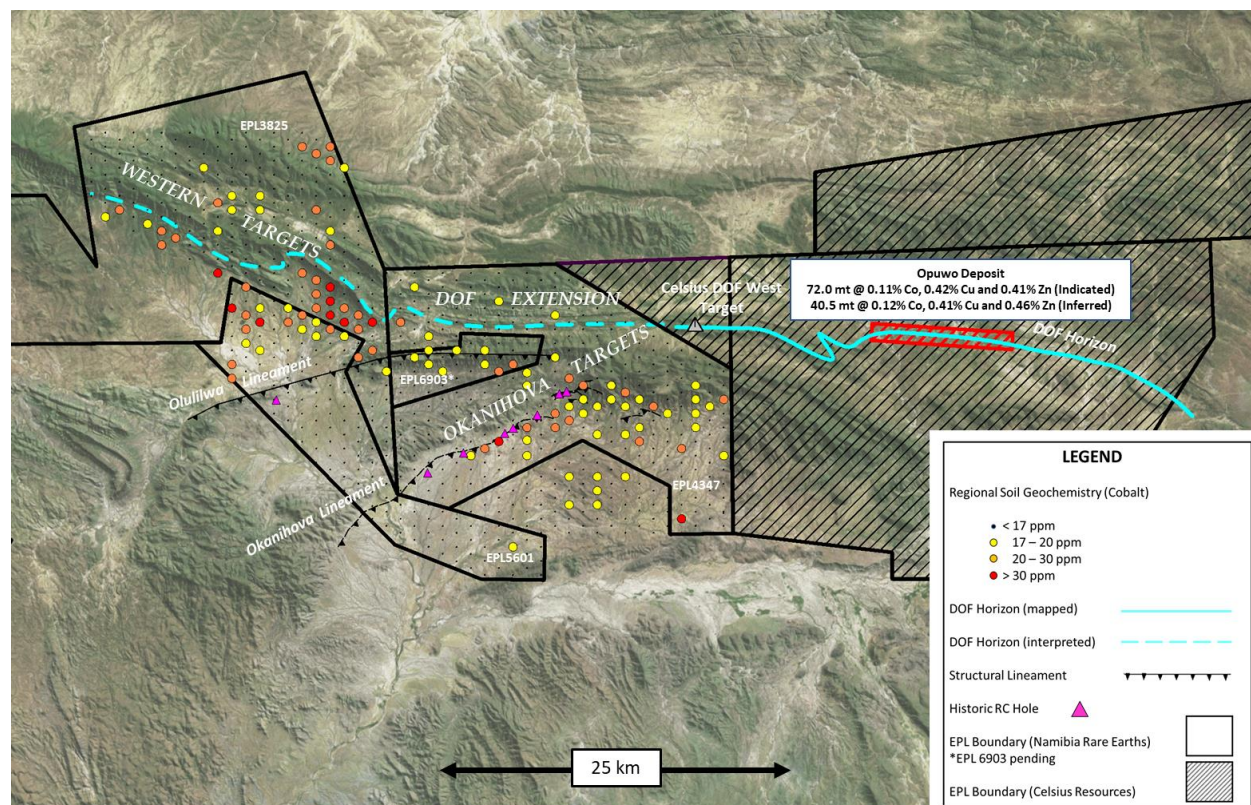
Kunene Cobalt-Copper Project

The Kunene project builds upon the recent exploration success led by Dr. Rainer Ellmies (Director with Namibia Rare Earths (Pty) Ltd. and Managing Director of Gecko Exploration) to explore for "copper belt" style deposits in northern Namibia. This work led to the first recorded discovery of stratabound cobalt-copper mineralization in Namibia in a sedimentary horizon termed the dolomite ore formation ("DOF"). The mineralization is uniformly 5 to 10 meters thick, stratabound within a dolomitic shale horizon, and averages between 0.1% and 0.2% cobalt with around 0.5% copper. The initial discovery (Opuwo deposit) is held by Celsius Resources Ltd. (ASX: CLA) which has established an initial JORC compliant mineral resource of 72.0 million tonnes at a grade of 0.11% cobalt, 0.42% copper and 0.41% zinc in the Indicated category, and a further 40.5 million tonnes at a grade of 0.12% cobalt, 0.41% copper and 0.46% zinc in the Inferred category at a cut-off of 0.06% cobalt (Celsius Resources press release dated April 16, 2018). It is noted that the mineralization on the Celsius property may not be indicative of mineralization that may be found on the Kunene project area held by Namibia Critical Metals. The JORC resource covers a strike length on 10 kilometers and is open in all directions. The deposit is very significant and establishes this part of northern Namibia as an important district-scale opportunity for the discovery of world-class deposits of cobalt. The EPLs comprising the Company's project area cover over 2,850 km² and host a number of cobalt target areas including sedimentary horizons related to the DOF (Figure 3).

In addition to the potential for DOF style mineralization, secondary copper mineralization over a wide area in the center of the Kunene ground holdings points to preliminary evidence of a regional-scale hydrothermal system which would be spatially related to the DOF style mineralization as well as being associated with orogenic copper, and stratabound Zn-Pb mineralization. There is considerable scope for further discoveries both along strike of the Celsius discovery and in equivalent stratigraphy elsewhere on the Company's properties. The western extension of the DOF has been interpreted to continue for over 40 km in the project area. Similar sedimentary packages have been noted in proximity to the Okanihova lineament. The anomalous clusters of cobalt anomalies between the DOF Extension and the Olulilwa lineament appear to have a different geological context.

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Figure 3 – Kunene Co-Cu Project area showing contiguous ground position to west of the Opuwo cobalt discovery by Celsius Resources. Target areas on Company ground identified by historic regional soil geochemical anomalies and interpreted extension of the DOF



Kunene Exploration Program

The Company has undertaken an ambitious, staged exploration program at Kunene. Following an extensive program of re-analysis of archived soil samples for cobalt, the historic soil geochemical anomalies depicted in Figure 3 have been confirmed in more detail (Figure 4). Field teams have been systematically mapping these areas in conjunction with an airborne electromagnetic (“EM”) geophysical survey which was completed in August 2018. The geochemical surveys, mapping and geophysical survey results were used to develop the first drilling programs by Namibia Critical Metals at Kunene. Drilling commenced in October 2018 to test high priority targets and to date a total of 5,860 m has been completed.

Soil Geochemistry Program

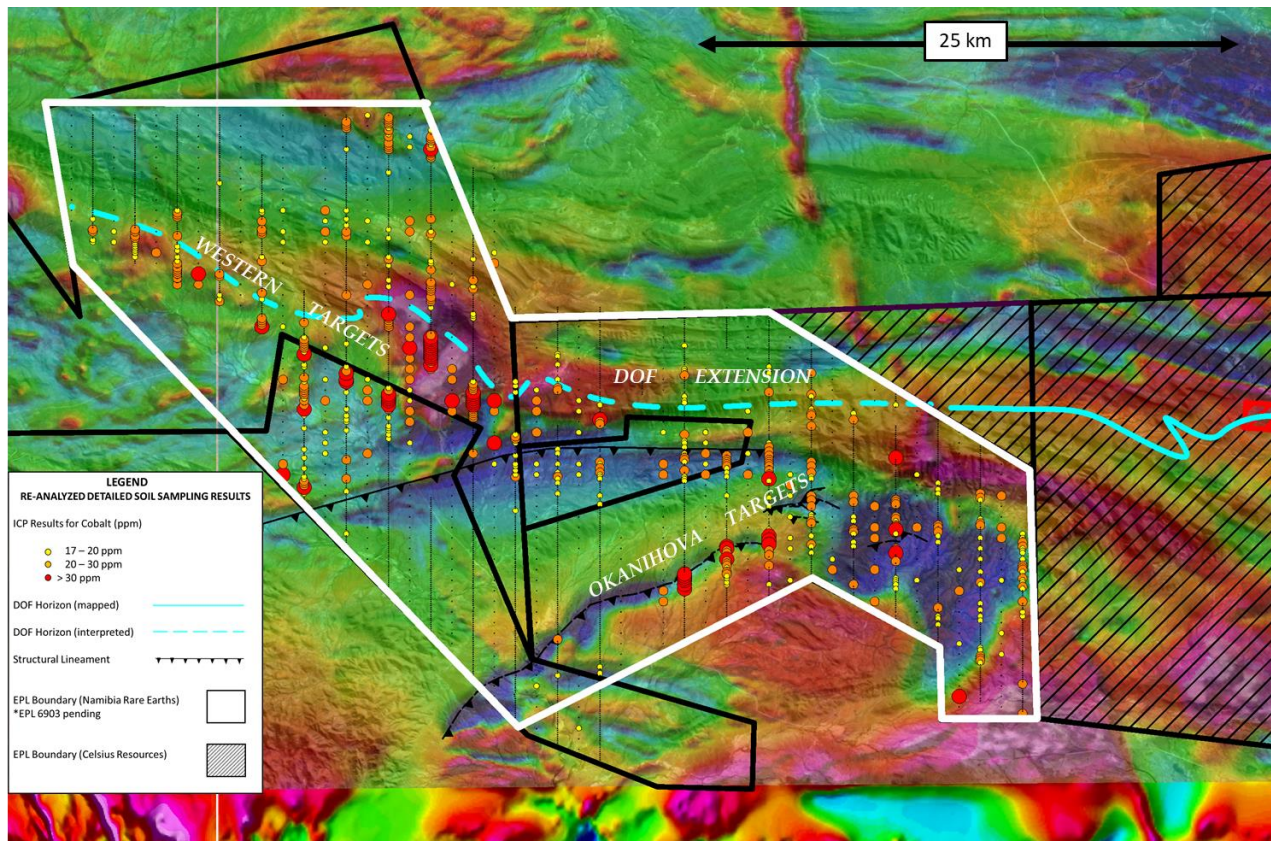
The regional soil anomalies shown in Figure 3 were delineated by previous workers (joint venture with First Quantum Minerals) as part of a regional assessment of the area for copper deposits. Namibia Critical Metals accessed archived soil samples from that period that were collected on a much more detailed sample spacing and analysed by hand held XRF which did not provide reliable data on cobalt. These archived samples were therefore submitted to Analytical Laboratories Ltd. (“Actlabs”) for proper ICP analysis to confirm the position and scale of the regional anomalies.

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The results of this program validated the regional anomalies and confirmed the scale of the priority target areas (Figure 4). A number of discrete broad anomalies (>30 ppm Co) of 0.5-1-kilometer extent on surveyed lines south of the Okanihova lineament, and two lower level anomalies (17-30 ppm Co) of 4–5 kilometers in length parallel to the Olulilwa lineament. Isolated low-level cobalt anomalies occur along or proximal to, the interpreted Western Extension of the DOF horizon which has been shown to be mineralized on the adjacent ground being explored by Celsius Resources. In the Western Targets area anomalies extend over strike lengths of up to 7 kilometers in basement rocks (high grade metamorphic gneisses and amphibolites) or possibly intrusive bodies, proximal to thrust contacts with younger sedimentary rocks, and for over 1-3 kilometers in favourable sedimentary horizons (black shales and dolostones).

Sample preparation and analyses were carried out by Activation Laboratories Ltd. (Windhoek, Namibia and Ancaster, Ontario) employing appropriate ICP techniques and following strict internal QAQC procedures inserting standards and duplicates.

Figure 4 – Kunene Co-Cu Project area showing results of re-analyses of more detailed soil geochemical survey samples and outline of airborne geophysical survey area (white). Background is total magnetic intensity and satellite imagery superimposed.



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Priority Target Areas and Geological Mapping

Three large target areas for cobalt were defined on the basis of regional soil geochemical surveys - namely the DOF Extension, the Western Targets and the Okanihova Targets. Field teams mapped and prospected in portions of each target area in advance of the airborne geophysical survey.

The DOF Extension holds potential for Co-Cu mineralization of a style similar to that found in the Opuwo deposit. The inferred trace of the DOF Extension is based on airborne geophysical and hyperspectral surveys with limited geological mapping due to areas of extensive cover. Based on the soil geochemical survey results, cobalt and copper anomalies are widespread along the Okanihova lineament. The Okanihova lineament obviously acted as fluid pathway for basement derived fluids which caused cobalt and copper sulphide mineralisation in reductant lithologies (pyrite-rich siltstones and shales) along the structure. The Okanihova lineament is clearly defined over a strike length of 21 kilometers by magnetic anomalies due to the formation of halos of hydrothermal pyrrhotite in the adjacent sedimentary rocks. These anomalies are particularly well developed over the southwestern half of the lineament which is entirely covered by thick alluvium and aeolian sands. Conductive anomalies identified by the airborne EM survey associated with these trends were deemed to be high priority drill targets.

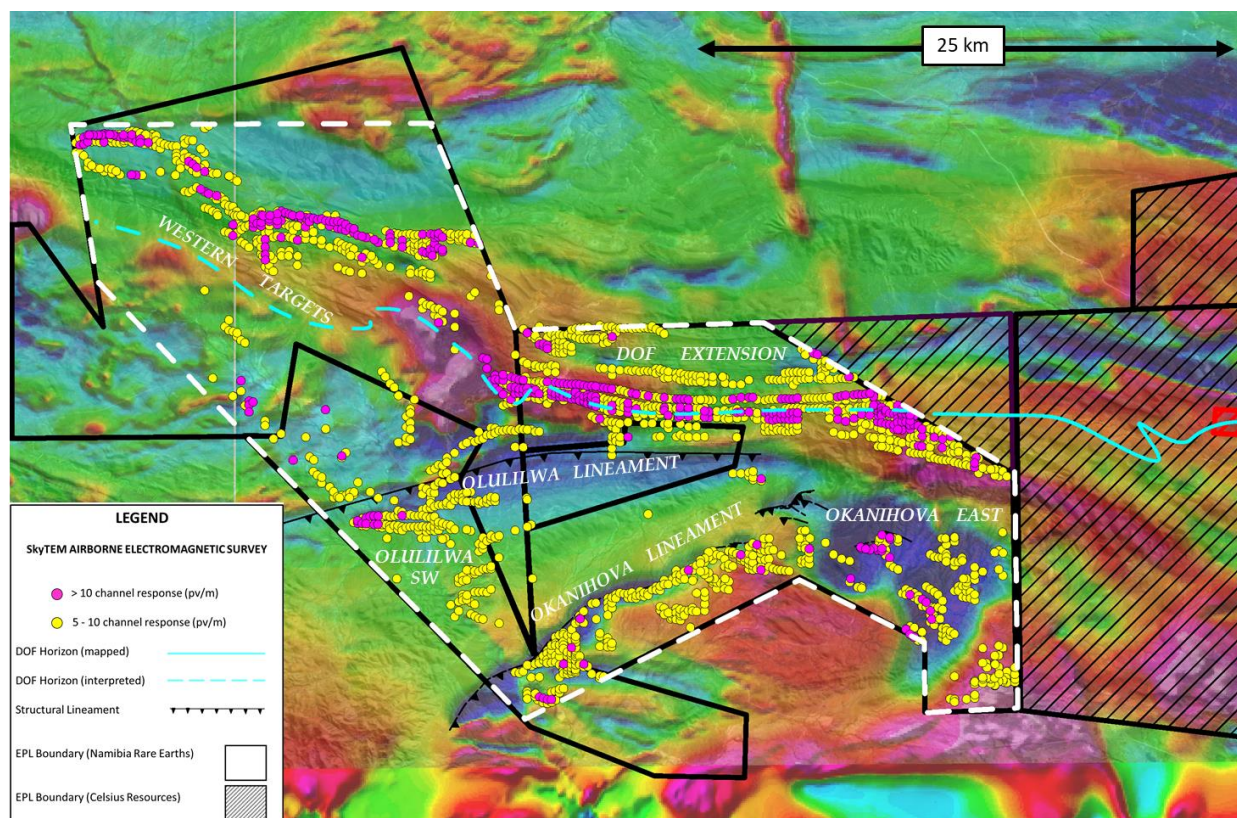
In the Western Targets area, the highest cobalt values (40-50 ppm Co) in the soil samples are associated with a large (24 km²) magnetic anomaly which is spatially related to mafic dykes and breccia zones with carbonate-chert veining and to the contact zone of the basement rocks with the overlying Damaran sediments. Any conductors delineated by the airborne EM survey associated with this magnetic anomaly might represent sulphide mineralisation associated with the mafic intrusive and would be priority drill targets. Conductive zones between the basement and the Damaran sedimentary sequence to the north as well as parallel to fault zones in the Damaran sediments might be associated with sediment-hosted Co-Cu-Zn mineralisation.

Lastly, sandstone-hosted copper mineralisation (malachite and chrysocolla) has been noted in a light-grey gritty sandstone over a strike extend of approximately 170 meters in the far west of the Western targets. The width of the mineralised sandstone reaches up to 10 meters and forms part of the uppermost horizon of the Nosib Formation. In addition, vein-hosted Cu mineralization as chrysocolla, malachite, azurite and diopside was observed in light grey carbonates close to the contact with sandstone. This mineralisation was initially followed for about 500 m along strike. The carbonate rocks likely represent the Nosib-Ombombo Transition Zone known for epigenetic base metal mineralisation throughout the area. Neither of these latter mineralization styles are known to be associated with significant cobalt.

Geological interpretations and target generation were assisted by an airborne database that was acquired using a SkyTEM combined electromagnetic-magnetic survey system covering 720 km² at a flight line spacing of 200 meters. The electromagnetic ("EM") data show clear conductive trends associated with favourable sedimentary horizons and structures (Figure 5).

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Figure 5 – Kunene Co-Cu Project Area showing SkyTEM airborne survey area (white dash) and preliminary EM conductor picks for 5-10 channel and > 10 channels responses. Responses for < 5 channels not shown. Channel responses are provided in picovolts/meter. Background image is total magnetic intensity from the Namibian Geological Survey database combined with satellite surface topography.

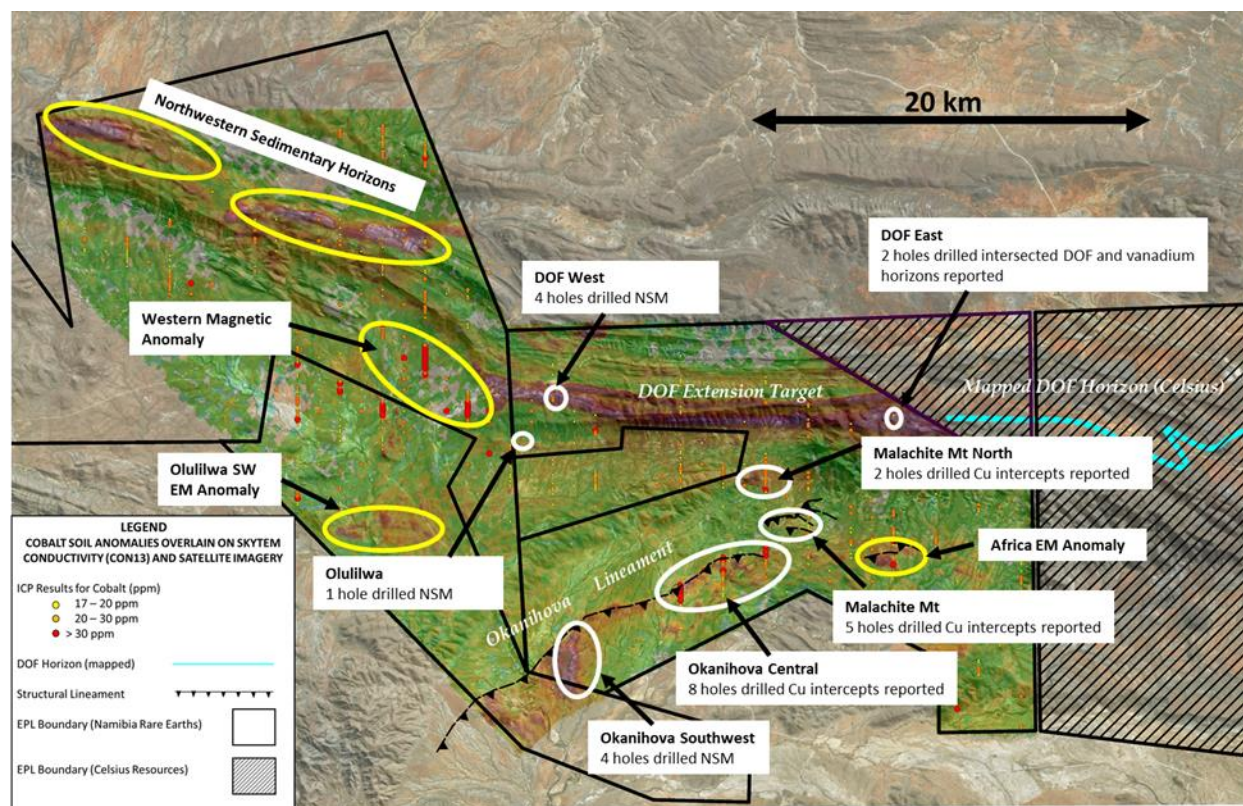


Drilling Program

The Company commenced a drilling program at Kunene in early October 2018 with one diamond rig deployed to the DOF Extension and a reverse circulation drill deployed to the Okanihova lineament targets. A total of 5,681 meters in 29 drill holes has been completed in a number of target areas (1,481 meters of diamond drilling and 4,380 meters of reverse circulation drilling). Drilling tested seven separate target areas and five target areas remain to tested (Figure 6).

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Figure 6 – Kunene Co-Cu Project Area showing drill target areas tested to date (white ovals) and remaining target areas recommended for drilling (yellow ovals). NSM = no significant mineralization. Cobalt soil anomalies are shown on SkyTEM airborne EM conductivity layer (Con13 = approximately 70 vertical meter depth) and satellite topography image.



Drilling at DOF East has confirmed the continuation of stratabound Co-Cu mineralization, similar to Celsius Resources' Opuwo Co-Cu-Zn deposit on to Namibia Critical Metals' land holdings (Table 1 below). In addition to the Co-Cu horizons, two vanadium-enriched horizons have been intersected within the same stratigraphic sequence. The DOF Extension was tested with 3 drill holes approximately 20 kilometers further along strike however the mineralized horizon was not intersected.

Table 4 - Diamond Drill Results DOF Extension Target (DOF East)

Target Area	Hole ID	Az	Dip	Depth (m)	Horizon	From (m)	To (m)	Width (m)	% Co	% Cu	% V2O5
DOF East	DODD002	180	-55	50.6	V1	13.14	15.90	2.76	<0.01	0.02	0.21
					Co-Cu 1	18.82	18.94	0.12	0.08	0.01	0.01
					V2	24.30	35.00	10.70	<0.01	0.01	0.12
	DODD005	180	-80	156	V1	100.00	104.82	4.82	<0.01	0.02	0.15
					Co-Cu 1	104.82	105.85	1.03	0.14	0.59	0.02
					V2	113.00	123.70	10.70	<0.01	0.01	0.13
					Co-Cu 2	124.30	125.24	0.94	0.13	0.49	0.01

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NOTE: Width is down-the-hole length in meters. True widths cannot yet be determined with the available information.

Results from eight reverse circulation holes on the Okanihova Central Target have confirmed widespread copper mineralization in the sedimentary strata in the hanging wall of the Okanihova lineament and five reverse circulation holes at Malachite Mountain have intersected similar broad zones of low-grade copper mineralization (Table 5 below).

Table 5 - Reverse Circulation Drill Results Significant Copper Intercepts

Target Area	Hole ID	Az	Dip	Depth (m)	From (m)	To (m)	Width (m)	% Cu
Okanihova Central	OKRC001	330	-55	255	0	199	199	0.10
	incl				149	164	15	0.51
	OKRC002	330	-55	261	28	106	78	0.10
	and				133	149	16	0.14
	and				185	200	15	0.20
	OKRC003	330	-55	183	7	49	42	0.14
	and				93	112	19	0.11
	OKRC004	330	-55	183	63	74	11	0.11
	and				91	104	13	0.10
	OKRC005	330	-55	303	118	181	63	0.12
	OKRC006	330	-55	153	70	80	10	0.11
	and				87	94	7	0.11
	OKRC007	330	-55	183	78	87	9	0.12
	and				120	125	5	0.12
	OKRC008	330	-55	207	108	135	27	0.10
Malachite Mountain	OKRC009	0	-55	105	6	22	16	0.06
	and				39	62	23	0.06
	and				71	76	5	0.12
	OKRC0010	0	-55	195	75	119	44	0.10
	and				127	155	29	0.07
	OKRC0012	0	-55	261	188	198	10	0.10
	and				222	244	22	0.10
	OKRC014	0	-55	222	83	88	5	0.10
Malachite Mt. North	OKRC015	350	-55	240	15	80	65	0.25
	and				80	137	57	0.17
	OKRC011	180	-55	279	24	39	15	0.11

NOTE: Width is down-the-hole length in meters. True widths cannot yet be determined with the available information.

The Okanihova Lineament has a strike length of 15 kilometers and the Okanihova Central Target is characterized by strong Cu-Co soil anomalies over a strike length of seven kilometers trending northeast into Malachite Mountain. The primary target along this structure is to vector in on a higher-grade source (i.e. stockwork or feeder zone) but there is now also potential for a low grade, high tonnage copper deposit. Further drilling has been recommended at Okanihova Central and at Malachite Mountain.

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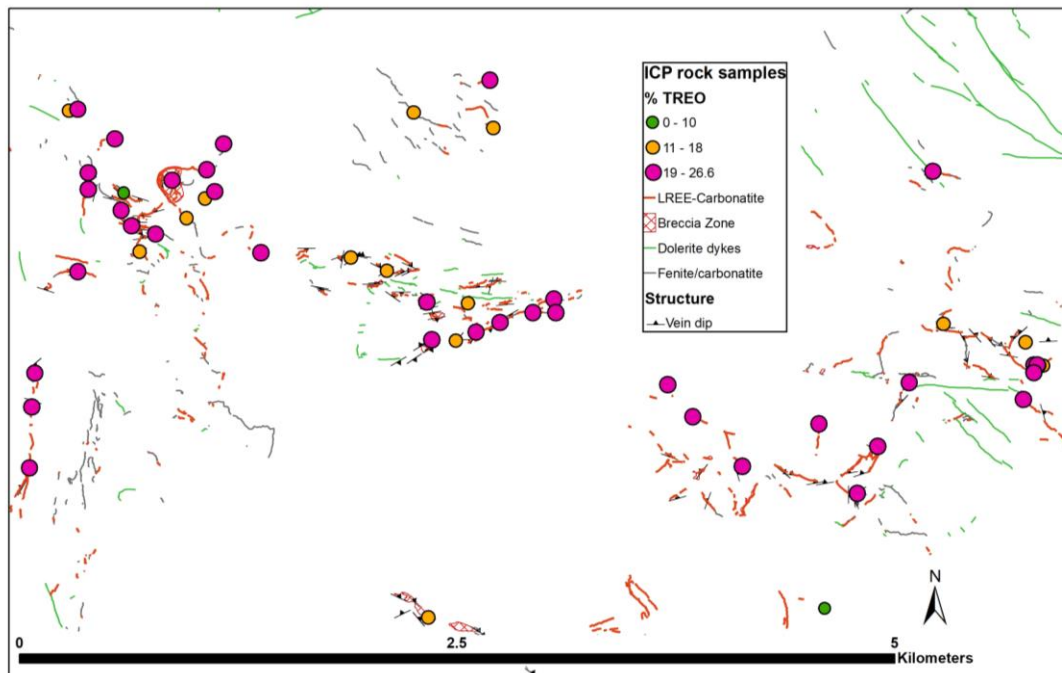
All drill hole analyses were carried out under strict QAQC protocols including the insertion of standards, blanks and duplicates. Sample preparation was carried out by Activation Laboratories (Windhoek, Namibia) and ICP analyses with appropriate acid digestions were carried out by Activation Laboratories (Ancaster, Canada).

Kunene Light Rare Earth Project

On February 3, 2020 the Company announced significant results from rock samples taken from EPL 5885 which is part of the Kunene project area holdings. The project is situated about 340 kilometers north of the Company's Lofdal Heavy Rare Earth Project and represents a new light rare earth ("LREE") opportunity for the Company. Grab samples taken from a series of carbonatite dykes returned grades of 9.64% TREO to 26.47% TREO which are highly enriched in neodymium and praseodymium (grab samples are selected samples and are not necessarily representative of the mineralization hosted everywhere on the property). Mineralization has been confirmed in over 250 carbonatite dykes throughout an area of 30 km².

The LREE-mineralization is associated with discrete carbonatite dykes over strike lengths of tens to several hundred meters with widths of between 20 centimeters to a maximum of 4 meters. The dykes follow a broad east-west zone and are interpreted as distinct primary magmatic features hosted by fenitized country rocks. Initial reconnaissance mapping has delineated at least 250 of the LREE carbonatite dykes over an area of more than 30 km² (Figure 7).

Figure 7 – Overview of the dyke system indicating the general structural setting of the mineralisation and TREO grades of the LREE-carbonatite.



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Grab Sample Results

Mineralization in the dykes was initially assessed during mapping using a handheld XRF analyser. Outcrop analyses were taken of the distinct LREE carbonatite dykes, other magmatic rocks, fenites and country rocks. Selected grab samples of the mineralized carbonatite were submitted for ICP-MS analyses to confirm grades. ICP-MS analyses of these 59 samples average 18.95% TREO with grades ranging from 9.64% TREO to 24.67%. Grade distribution of the samples is as follows:

9-10% TREO n= 2 samples
10-15% TREO n= 9 samples
15-20% TREO n= 21 samples
20-25% TREO n= 23 samples
>25% TREO n= 4 samples (highest grade 26.47% TREO)

The mineralization shows a strong LREE distribution with an average grade of 2.01% neodymium oxide and 0.73% praseodymium oxide (the “magnet LREEs”) as shown in Table 6.

Table 6 – Average REO concentration of 59 grab samples taken from the LREE-carbonatite dykes

La2O3 %	Ce2O3 %	Pr2O3 %	Nd2O3 %	Sm2O3 %	Eu2O3 %	Gd2O3 %	Tb2O3 %
6.98	9.01	0.73	2.01	0.13	0.02	0.04	0.00
Dy2O3 %	Ho2O3 %	Er2O3 %	Tm2O3 %	Yb2O3 %	Lu2O3 %	Y2O3 %	TREO %
0.01	0.00	0.00	0.00	0.00	0.00	0.02	18.95

Sample preparation and analytical work for the rock samples was carried out by Activation Laboratories Ltd. (Windhoek, Namibia and Ancaster, Ontario) with internal laboratory QAQC controls employing ICP-MS techniques suitable for rare earth element analyses.

Very Simple and Favorable Mineralogy

QEMSCAN analysis of one typical LREE carbonatite sample determined that the only significant REE-mineral is bastnäsite [(LREE)CO₃(OH,F)] which makes up 27.35% of the rock and is associated with calcite at a ratio of 1:2.5. Minor minerals included hematite (1.5%) and parasite (1.6%). This simple mineralogy is a favourable metallurgical characteristic for processing.

Planned Work

Mapping and structural analysis will continue in early 2020. Geophysical surveys planned will include ultra-high resolution magnetics and gravity to assist in tracing the dykes where they cannot be mapped under cover and to provide better interpretation for possible source areas/carbonatite plugs that may be related to the high grade mineralization exposed at surface. Follow up drilling will test lateral and vertical extents of the dykes and interpreted intrusive features of interest.

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Kunene Expenditures

For the three months ended February 29, 2020, the Company incurred \$66,232 (2019: \$570,379) in exploration and evaluation expenditures on the Kunene property which was focused on geological mapping and soil sampling.

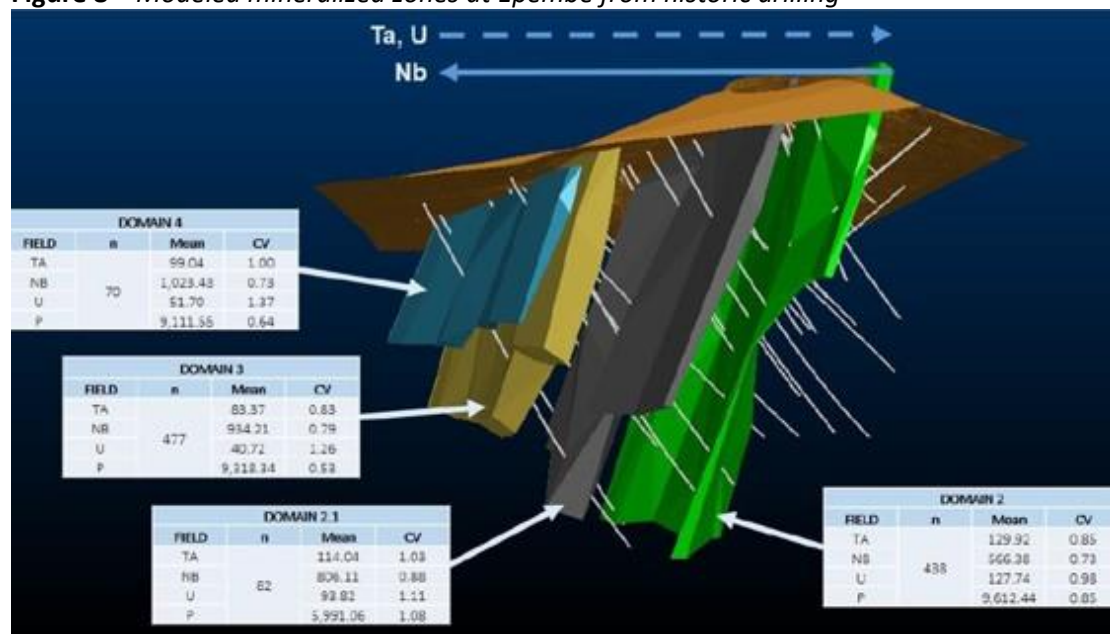
For 2020, the Company estimates its work program to range from \$0.2 - \$0.5 million depending on future financing, which will focus on additional drill programs.

Epembe Tantalum-Niobium Property

Epembe is an advanced stage exploration project with a well-defined, very large multiphase carbonatite dyke that has been mapped and sampled at surface over a strike length of 10 kilometers of which at least 7 km of strike length is mineralised. Detailed mapping and over 11,000 meters of drilling has been completed on the dyke, along with preliminary mineralogical and metallurgical studies. The carbonatite contains variable concentrations of pyrochlore which is unusually enriched in tantalum. The other commodities of interest are niobium (hosted in pyrochlore) and apatite. Drilling covered only 15% of the pyrochlore hosting carbonatite. Grades of the drilled portion of the carbonatite average on the order of 150 ppm Ta₂O₅, 1,300 ppm Nb₂O₅ and 2.4% P₂O₅ (Figure 7). Initial sorting tests (XRT) indicate the potential for significant physical upgrading. Planned work will focus on improving grade by optimizing XRT sorting and investigating amenability to XRF sorting. There is potential to delineate a substantial open pit resource by further exploration, both by extending known mineralized zones along strike and vertically.

A 25 tonne bulk sample was extracted from Epembe for purposes of metallurgical test work. This sample has been delivered to Light Deep Earth in Pretoria for initial sample preparation. Static test work has been completed by Rados which has made recommendations to proceed with larger scale test work on their XRF sorter. Similar static tests were conducted by IMS which have provided recommendations to proceed with larger scale tests on the Steinert XRF sorter.

Figure 8 – Modeled mineralized zones at Epembe from historic drilling



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Epembe Expenditures

During the three months ended February 29, 2020, the Company incurred \$Nil (2019: \$42,341) in exploration and evaluation expenditures on the Epembe property.

For 2020, the Company estimates its work program at approximately \$0.1 million to complete sorting test work.

Warmbad Lithium Project

The Warmbad Project is located in southern Namibia near the South African border in an area of historic small-scale pegmatite mining known as the Tantalite Valley. The Tantalite Valley pegmatites have been mined since about 1946 for beryl, columbite-tantalite, lithium and bismuth minerals. Mining has been re-activated by Kennedy Ventures Plc (now Kazera Global plc) who control African Tantalite (Pty) Ltd. and are producing concentrates of >40% Ta₂O₅ being sold into global markets. Initial production of 20 metric tonnes concentrate per annum is ramping up to 120 metric tonnes concentrate per annum. A potential lithium resource is being assessed following the sampling of lepidolite bearing pegmatites grading >1.6% Li₂O.

The Warmbad EPL covers 605 km² and hosts three pegmatite occurrences of undetermined extent from government maps. There are no records of any systematic exploration over the EPL. The area has recently been mapped by the Geological Survey of Namibia and the Council of Geosciences (South Africa) which has provided updated geological information. A key result of the mapping campaign is the delineation of previously unknown extensive pegmatite swarms of up to 13 km strike length.

Warmbad Exploration Program

As reported previously, Namibia Critical Metals deployed a small geological team to locate outcrops and carry out reconnaissance rock sampling with the assistance of geologists from the Geological Survey of Namibia who were involved with government mapping program. A total of 37 samples were collected and submitted for analyses to Actlabs for lithium, tantalum, niobium, rare earths and associated elements. Only geochemically anomalous amounts of lithium were detected (0.02 – 0.2% Li₂O). The sampling covers only a small portion of the area of interest and it is recommended that additional sampling be conducted over a wider area and around those outcrops with more elevated concentrations of lithium.

There are currently no further budgeted programs for Warmbad, however, when crews may be available further reconnaissance sampling has been recommended.

Grootfontein Nickel-Copper, Zinc-Lead-Vanadium and Gold Project

Grootfontein is an early stage conceptual target based on geophysical and historical evidence for a large buried mafic-ultramafic intrusive complex. It is a poorly explored geological complex due to the extensive coverage with Kalahari sands and calcrete.

Based on historic drill holes and airborne magnetic survey interpretations, Grootfontein constitutes a huge mafic complex covering 360 km² with the potential to host magmatic nickel, copper, vanadium, platinum group elements and chromite mineralisation as cumulates or late magmatic disseminations and

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stockworks. Previous work demonstrated that the main intrusive phases are depleted in nickel and copper. The metals were likely fractionated as sulphides during the intrusive phase, gravitationally accumulated in the magma and intruded in the adjacent, pre-existing rocks. As in other mafic hosted copper-nickel deposits such as Norilsk and Voisey's Bay, sulphidization by scavenging of sulphur from country rocks and tectono-magmatic concentration of the sulphide-rich melts are the key for the formation of this type of magmatic copper nickel deposits. Only two shallow drill fences (total of 1,386 m) were drilled by Anglo American in 1988 leaving 55 km of strike length untested.

There is also potential for zinc-lead-vanadium Mississippi Valley-type mineralization similar to the Berg Aukas deposit bordering the mafic complex, which according to historical records, produced 1.6 MT of ore grading 16.77% Zn, 4.04% Pb and 0.93% V₂O₅ during the period 1967-1975.

Following the success of the SkyTEM survey over Kunene, it has been recommended that an airborne EM/magnetic survey be flown over the project area. Targeted deposit types include magmatic Cu-Ni sulphide deposits within the mafic complex, massive sulphide deposits of the Berg Aukas type in carbonates immediately north of the mafic complex and gold deposits of the Otjikoto type in favourable structures associated with airborne magnetic anomalies to the south of the complex.

Priority will be placed on selective soil surveys over magnetic anomalies of possible association with Otjikoto type targets. A preliminary soil survey has been completed over several magnetic anomalies and all samples were tested with a handheld XRF analyser for base metals and selected critical metals. No significant anomalies were detected. Selected samples were analysed for gold at an accredited laboratory which did not return any significant anomalies. There remain a number of magnetic anomalies that will be evaluated by soil sampling for gold. A budget of \$0.25M has been proposed for that purpose.

Otjiwarongo Rare Earth, Fluorite, Gold Project

Otjiwarongo is another early stage conceptual target based on remote sensing data in proximity to known alkaline intrusive complexes, most notably the Okorusu complex which hosts the Okorusu fluorspar deposits. The area of interest is completely hidden by cover. The circular anomaly measures one kilometer in diameter and can be easily tested by drilling to determine if in fact a carbonatite body is the source and what styles of mineralization might be associated with it (fluorspar, rare earths, tantalum, niobium etc.). There is also potential for Otjikoto type gold mineralization associated with magnetic anomalies in the project area which will be targeted with selective soil surveys. A preliminary soil survey has been completed over several magnetic anomalies and all samples were tested with a handheld XRF analyser for base metals and selected critical metals. No significant anomalies were detected. Selected samples were analysed for gold at an accredited laboratory which returned low levels of gold that will be further evaluated with additional sampling.

Erongo Gold Project

The Erongo gold project covers an area of over 600 km² within the Navachab-Ondundu gold trend. There are numerous mineral occurrences within the project area including at least two gold occurrences. The area has been prospected but not systematically explored. Potential targets include skarn and greisen gold-(copper-bismuth) and tin-tungsten mineralization; pegmatites formed during the late Damaran

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orogeny hosting lithium minerals and semi-precious stones and structurally controlled gold mineralisation. Historical figures indicate small scale mining for all of those deposit types on the property.

A significant gold discovery in the vicinity of the Company's project area was announced by Osino Resources Corp. on August 26, 2019. The Twin Hills discovery was made following extensive regional exploration by Osino and has been described as having many characteristics similar to the Otjikoto gold deposit currently being mined by B2 Gold near Otjiwarongo. Namibia Critical Metals holds ground believed to be underlain by the same stratigraphic sequence as occurs at Twin Hills and the Company has therefore assigned priority to initiate a soil sampling program over this area. The objective in 2020 is to demonstrate the potential at Erongo and a budget of \$0.5M has been proposed for that purpose.

Other Property Expenditures

For the three months ended February 29, 2020, the Company incurred \$23,512 (2019: \$Nil) in exploration and evaluation expenditures on its other properties. For 2020, the Company estimates its work program at approximately \$0.25 million, which will focus on selected exploration programs and metallurgical studies.

Results of Operations

Three months ended February 29, 2020 and February 28, 2019

For the three months ended February 29, 2020, the Company capitalized acquisition and exploration costs of \$151,969 (2019 - \$698,776) related to expenditures on the following properties: Lofdal Rare Earths Project - \$62,225 (2019 - \$86,056); Kunene Cobalt-Copper Project - \$66,232 (2019 - \$570,379); Epembe Tantalum-Niobium Project - \$Nil (2019-\$42,341) and Other Properties - \$23,512 (2019 - \$Nil)

For the three months ended February 29, 2020, the Company reported a net loss of (\$130,348) compared to (\$203,277) for the same three months in the prior year.

Expenses were \$131,101 for the period compared to \$223,779 for 2019, primarily due to the following:

Salaries and benefits decreased to \$23,756 compared to \$50,071 in 2019;

Consulting fees expense decreased to \$53,698 compared to \$58,913 in 2019,;

Travel decreased to \$3,802 compared to \$19,650 in 2019;

Shareholder communications decreased to \$6,898 compared to \$26,731 in the prior year, due primarily to decreased investor relations activities;

Foreign currency exchange loss increased to \$8,673 compared to gain of \$16,206 in 2019, due to volatility in South African Rand ; and

Other income and interest income decreased to \$753 from \$20,502 in 2019 due to reduced short-term rental and sale of fixed assets and decreased interest revenue.

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Summary of Quarterly Results

The following table sets out selected financial information for the periods indicated (*expressed in Canadian dollars*):

For the quarters ended	Feb. 29 2020	Nov. 30 2019	Aug. 31 2019	May 31 2019	Feb. 28 2019	Nov. 30 2018	Aug. 31 2018	May 31 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	131,101	162,892	154,181	223,452	223,779	968,598	333,213	232,909
Interest/Other income	(753)	(12,596)	(10,164)	(12,114)	(20,502)	(120,884)	32,600	18,508
Gain on debt settlement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net and comprehensive (gain) loss	130,348	150,296	144,017	211,338	203,277	1,048,360	300,613	214,401
Net and comprehensive (gain) loss attributable to shareholders	130,017	148,986	143,667	210,975	202,868	1,041,663	300,613	214,401
Net and comprehensive (gain) loss attributable to non-controlling interest	331	1,310	350	363	409	6,697	-	-
(Gain) Loss per share – basic and diluted	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Total assets (millions)	30.1	29.6	29.6	29.6	29.9	30.3	29.7	29.9

As the Company has capitalized all exploration expenditures to date in accordance with IFRS 6, the expenses are primarily related to administration. Higher expenses in the quarter ended August 31, 2018 are primarily due to unrealized exchange rate loss. Higher expenses in the quarter ended November 30, 2018 are primarily due to share-based payments expense. Expenses in the two quarters ended May 31, 2019 were normalized. Lower expenses in quarter ended August 31, 2019 were primarily related to lower unrealized exchange rate losses. Lower expenses in the quarter ended Feb 29, 2020 are primarily due to lower travel and shareholder communications. Included in expenses are foreign exchange gains and losses arising mainly due to variations in the Canadian dollar and the Namibian dollar exchange rate during the periods, as certain of the Company's expenditures are paid in Namibian dollars, while the Company's functional and reporting currency is the Canadian dollar. The Company has interest revenue related to excess cash invested in an interest-bearing account with a major chartered bank.

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Liquidity and Capital Resources

At February 29, 2020, the Company had working capital of (\$417,786) compared to (\$140,313) at November 30, 2019 as follows:

	February 29, 2020	November 30, 2019
	\$	\$
Cash and short-term deposits	598,789	183,602
Taxes and other receivables	104,788	99,273
Deposits and prepaid expenses	8,969	21,348
Accounts payables, accrued liabilities and deferred amounts payable	(714,801)	(444,536)
Advance received for exploration work	(415,531)	-
Working capital	(417,786)	(140,313)

The Company's principal assets are at an advanced exploration and evaluation stage and as a result the Company has no current source of operating cash flow. Management and the Board of Directors are cognizant of difficult market conditions and have undertaken steps to secure additional financing. On January 27, 2020 the Company announced that it had signed an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to jointly explore, develop, exploit, refine and/or distribute mineral products from the Company's 100% owned Lofdal Heavy Rare Earth Project ("Project") in northwestern Namibia. The agreement provides JOGMEC with the right to earn a 50% interest in the Project by funding \$20,000,000 in exploration and development expenditures. Once JOGMEC has completed and exercised its 50% earn-in and a feasibility study has been completed on the Project, JOGMEC has the right to purchase an additional 1% interest in the Project from the Company for \$5,000,000 and thereafter to exclusively provide funding to develop the Project subject to the Company's interest in the Project not being diluted below 26%.

On March 30, 2020 the Company announced a \$350,000 non-brokered private placement which it expects to close on or before April 30, 2020.

During the three months ended February 29, 2020, the Company increased cash of \$558,550 for operating activities (2019 – decrease of \$582,971) and used cash of \$122,604 for investing activities (2019 - \$639,809). During the period the Company increased cash of \$Nil from financing activities (2019- \$Nil). The increased source of cash in operating activities was related to a deposit from JOGMEC for future exploration work on the Lofdal property and an increase in accounts payable. The decreased use of cash in investing activities was related to a decrease in overall spending on its newly acquired metals properties compared to the prior year period.

Contractual Obligations

There are no contractual obligations.

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Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without nominal or par value. As of the date of this MD&A, the Company has issued and outstanding 180,325,121 common shares.

Stock options outstanding as of the date of this MD&A:

Exercise price \$	Number of Shares	Expiry Date
0.17	25,000	April 30, 2020
0.05	1,410,000	November 28, 2021
0.08	150,000	April 7, 2022
0.21	6,350,000	September 19, 2023
	7,935,000	

Related party transactions

Transactions with key management personnel for the three months ended February 29 are as follows:

	2020	2019
	\$	\$
Salaries, director fees and benefits	--	18,7500
Share-based payments	-	-
Consulting fees	38,699	58,913
Payments received from a shareholder for rental revenue in net loss	-	-
Total charged to net and comprehensive loss	38,699	77,663
Consulting fees charged to exploration and evaluation assets	84,015	75,938
Payments to a shareholder charged to exploration and evaluation assets	102,943	330,881
Total	225,657	484,482

Key management personnel include officers and directors and companies directly controlled by key management personnel, and payments are for salaries, director fees, and consulting fees and are directly related to their position in the organization.

Included in accounts payable, accrued liabilities and deferred payables are amounts owing to related parties of \$415,558 (2019 - \$35,920). Included in deposits and prepaid expenses is an amount of \$3,500 (2019 - \$3,500) representing a retainer on a services contract with an officer of the Company.

Related party transactions are in the ordinary course of business, and are measured at the exchange amount, which is the amount of consideration determined and agreed to by the parties.

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Critical Accounting Estimates and Judgments

Critical accounting estimates used in the preparation of the Company's consolidated financial statements, which could be significantly affected by factors beyond the Company's control are as follows:

- (i) Valuation of exploration and evaluation assets: The value of the Company's exploration and evaluation assets is dependent upon the success of the Company in discovering economic and recoverable mineral resources, the ability of the Company to obtain financing to complete development of the properties, and future production or proceeds from disposition. The estimation of future revenue flows relating to these assets is uncertain and will also be affected by competition, relative exchange rates between the Canadian dollar and the Namibian dollar and potential new legislation and related environmental requirements.
- (ii) Decommissioning liabilities: The Company makes estimates of future site restoration costs based upon current legislation in Namibia, technical reports and estimates provided by the Company's senior employees and advisors. These estimates will be affected by actual legislation in place, actual mining activity to be performed and actual conditions of the relevant sites when the restoration activity is to be performed in future periods.
- (iii) Share-based payments: Share-based payments expense is calculated using the Black-Scholes model, a recognized option/warrant valuation formula, which is highly dependent on the expected volatility of the market price of the Company's common shares. Due to the Company's short trading history, the Company uses a volatility rate based on past share trading data from similar entities to predict future volatility, and actual volatility may be different from the estimate used in the valuation formula. Share-based payments expense represents a non-cash expense and, as such, has no impact on the Company's financial position or liquidity.
- (iv) Realizable Amount of Deferred Tax Assets: The Company reviews its deferred tax assets at each balance sheet date and reduces the carrying amount to the extent that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Critical judgments or assessments made by management used in the preparation of the Company's consolidated financial statements, which could be significantly affected by factors beyond the Company's control are as follows:

- (i) The determination of a cash-generating unit for assessing and testing impairment, which management has determined to be the mineral property;
- (ii) The determination of functional currency;
- (iii) The determination of when an exploration and evaluation asset move from the exploration stage to the development stage;
- (iv) The determination of when an exploration and evaluation asset is impaired;
- (v) Whether exploration and evaluation costs are eligible for capitalization;
- (vi) The determination of whether exploration and evaluation assets are considered to be asset acquisitions or business combinations; and

NAMIBIA CRITICAL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

- (vii) The assessment of the Company's ability to continue as a going concern.

Changes in Accounting Policies

There were no changes in accounting policies during the period.

Recently issued accounting pronouncements

The following standards are effective for annual periods as disclosed and have not yet been adopted by the Company. The Company is assessing the impact of these new standards.

IFRS 16, Leases, was issued by the IASB on January 13, 2016, and will replace IAS 17, "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and financing leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019 with earlier adoption permitted if IFRS 15 has also been applied.

Disclosure Controls and Procedures

As at the end of the period covered by this management's discussion and analysis, management evaluated the design and effectiveness of the operation of the Company's disclosure controls and procedures, under the supervision of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"). Based on that evaluation, the CEO and CFO have concluded that, as of February 29, 2020, the disclosure controls and procedures (as such terms are defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) are effective to ensure information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified therein.

Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance the Company's disclosure controls and procedures will detect or uncover every situation involving the failure of persons within the Company, and its subsidiaries, to disclose material information otherwise required to be set forth in the Company's periodic reports. Further, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of a change in conditions, or the degree of compliance with the policies and procedures may deteriorate.

Management, under the supervision of the CEO and CFO, has evaluated the effectiveness of internal controls over financial reporting. Based on this evaluation, the CEO and CFO have concluded that internal controls over financial reporting were effective as of February 29, 2020.

There have been no material changes in the Company's internal controls over financial reporting during the three months ended February 29, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Financial Instruments

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at amortized cost; FVTPL; or fair value through other comprehensive income, as appropriate. The Company determines the classification of its financial assets at initial recognition. All of the Company's financial assets are recognized initially at

NAMIBIA CRITICAL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

fair value and are subsequently measured at amortized cost. The Company's financial assets include cash and short-term deposits and receivables.

Impairment of financial assets at amortized cost

Impairment provisions on receivables are based on credit risk characteristics, collateral and speculative and non-speculative historical default rates. Receivables are written off when there is no reasonable expectation of recovery.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at FVTPL, or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value. The Company's financial liabilities include accounts payable and accrued liabilities and deferred amounts payable and are measured at amortized cost.

The Company may be affected by credit risk, liquidity risk, exchange rate risk, interest rate risk and commodity price risk. The Company's exposure to credit risk is primarily attributable to cash and the Company limits this risk by maintaining these assets in a high-interest savings account with high-credit quality financial institution. Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The company manages this risk through regular monitoring and adjustment of its cash flow requirements to support ongoing operations and to ensure, to the extent possible, that there is sufficient cash on hand to meet its liabilities when due. In the event the Company obtains the permits and necessary approvals to proceed with the development of the Lofdal property, it will require substantial additional capital resources and there can be no assurance that funding will be available to the Company in the future on acceptable terms. Exchange rate risk arises as the Company's functional currency is the Canadian dollar while certain of the Company's expenditures are denominated in Namibia dollars (which are equal to the South African rand), US dollars, British Pounds, Australian dollars, and Euros. The Company does not currently undertake any hedging activities to mitigate exchange rate risk. The Board continues to monitor the situation and will consider various options to mitigate this risk as it deems appropriate as the business develops. Interest rate risk arises as the Company invests cash at floating rates of interest. The impact of fluctuations in interest rates is not significant. The Company does not have any interest-bearing liabilities. The Company's financial instruments are not exposed to any direct commodity price risk, as the Company does not have any financial instruments associated with commodity prices and currently has no revenues derived from mining operations. Fluctuation in commodity prices do however impact the overall viability of the Company as is common in the mineral exploration and mining industries.

Risks and Uncertainties

In conducting its business, the principal risks and uncertainties faced by the Company relate primarily to exploration results and, to a lesser extent, metal and commodity prices. In addition, the Company has working capital deficit of (\$417,786). The Company's ability to continue as a going concern is dependent on a number of factors, including the ability of the Company to arrange financing for 2020. Exploration for minerals and development of mining operations involve many risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration and mining, the Company has the following risks specific to conducting its exploration activities in Namibia: there is no assurance that

NAMIBIA CRITICAL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

the supportive political and economic conditions that currently exist in Namibia will remain; the Company's ability to obtain, sustain, renew or vary the necessary licences, permits and authorizations to carry on the activities that it is currently conducting on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental bodies and there can be no assurance that the Company will be able to obtain, sustain, renew or vary any such licences, permits or authorizations on acceptable terms or at all; in particular, the Company currently has an application pending for a mining permit over Area 4 of the Lofdal property and there is no guarantee that the permit will be granted; environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees, and any failure by the Company to comply with applicable environmental regulations or the stoppage of exploration or production activities could have a materially adverse effect on the Company's business, financial condition and results of operations; the per capita incidence of the HIV/AIDS virus in Namibia has been estimated as being in the mid to high range, according to public sources, and if the number of new HIV/AIDS infections in Namibia continues to increase and if the Government of Namibia imposes more stringent obligations on employers related to HIV/AIDS prevention and treatment, the Company's operations in Namibia and its profitability and financial condition could be adversely affected; as a result of a substantial portion of the Company's assets being located in Namibia, there may be difficulties in enforcing against the Company judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities legislation for misrepresentations contained in the Company's public disclosure documents and, in particular, it may be practically impossible to enforce foreign court judgments against the Company in Namibia; and Namibia is part of the South African Rand Common Monetary Area ("CMA") which has exchange controls that require that dividends, loans, repayment of loans and payment of all invoices to parties outside the CMA require prior approval of the Bank of Namibia and there can be no assurance that the Company will obtain the requisite approvals in the future to repay loans or pay invoices to parties outside the CMA, thereby potentially restricting the Company from repatriating funds and using those funds for other purposes.

Coronavirus: Reported cases of the virus in the jurisdiction in which we operate are currently very low. However, should the virus have a significant impact in those jurisdictions where we operate or jurisdictions from which the business sources goods or services, the Company could suffer from employee absences, a lack of supplies and consumables, failure by its contractors to perform and travel restrictions which may affect operations. Although the Company is taking steps to increase its holdings of consumable stocks and to mitigate its supply-chain risk, the extent to which the coronavirus impacts our operations will depend on future developments which are highly uncertain and cannot be predicted ; the Company will continue to monitor any further developments.

Additional Information

The financial statements and additional information regarding the Company are available on SEDAR at www.sedar.com.

NOTICE TO READER

Under National Instrument 51-102 “Continuous Disclosure Obligations”, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice to this effect.

The accompanying unaudited condensed consolidated interim financial statements of Namibia Critical Metals Inc. have been prepared by management. Management have compiled the condensed consolidated interim statement of financial position of Namibia Critical Metals Inc. as at February 29, 2020, the condensed consolidated interim statements of net and comprehensive loss for the three months ended February 29, 2020 and February 28, 2019, the condensed consolidated interim statements of changes in equity as at February 29, 2020 and February 28, 2019, and the condensed consolidated interim statements of cash flows for the three months ended February 29, 2020 and February 28, 2019. The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of these condensed consolidated interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Financial Position

As at February 29, 2020 and February 28, 2019 (in Canadian dollars)

	February 29, 2020 \$	November 30, 2019 \$
Assets		
Current assets		
Cash and short-term deposits	598,789	183,602
Taxes and other receivables	104,788	99,273
Deposits and prepaid expenses	8,969	21,348
	<u>712,546</u>	<u>304,223</u>
Equipment (note 4)	74,738	79,582
Exploration and evaluation assets (note 5)	<u>29,336,875</u>	<u>29,184,906</u>
	<u>30,124,159</u>	<u>29,568,711</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 1 and 6)	359,706	159,704
Deferred amounts payable (note 6)	355,095	284,832
Advance received for future exploration work (note 5)	415,531	-
	<u>1,130,332</u>	<u>444,536</u>
Shareholders' Equity		
Equity attributable to the shareholders of the Company (note 7)	28,843,287	28,973,304
Non-controlling interest	150,540	150,871
	<u>28,993,827</u>	<u>29,124,175</u>
	<u>30,124,159</u>	<u>29,568,711</u>
Nature of operations and going concern (note 1)		
Subsequent event (note 13)		

See accompanying notes to the consolidated financial statements

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars except share and per share amounts)

	Three months ended	
	February 29 2020	February 28 2019
	\$	\$
Expenses		
Salaries and benefits (note 6)	23,756	50,071
Office and administration	15,478	15,828
Consulting fees (note 6)	53,698	58,913
Professional fees	25,493	24,589
Travel	3,802	19,650
Listing and filing fees	10,649	10,939
Shareholder communications	6,898	26,731
Foreign currency exchange loss(gain)	(8,673)	16,206
Property investigation	-	852
	(131,101)	(223,779)
Interest income	753	12,603
Other income	-	7,899
Net and comprehensive loss for the year	(130,348)	(203,277)
Net loss attributable to shareholders of the Company	(130,017)	(202,868)
Non-controlling interest	(331)	(409)
	(130,348)	(203,277)
Loss per share - Basic and diluted	(0.00)	(0.00)
Weighted average number of shares outstanding – Basic and diluted	180,325,121	180,325,121

See accompanying notes to the consolidated financial statements.

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

	Common Shares		Share-based Payments Reserve	Contributed Surplus	Deficit	Total Shareholders' Equity	Non-controlling interests	Total Equity
	Without Par Value							
	Shares #	Amount \$						
Balance, Nov 30, 2019	180,325,121	44,249,508	1,601,344	5,272,556	(22,150,104)	29,973,304	150,871	29,124,175
Expiry of options	-	-	(333,347)	333,347	-	-	-	-
Net and comprehensive loss	-	-	-	-	(130,017)	(130,017)	(331)	(130,348)
Balance, Feb 29, 2020	180,325,121	44,249,508	1,267,997	5,605,903	(22,280,121)	28,843,287	150,540	28,993,827
	Common Shares		Share-based Payments Reserve	Contributed Surplus	Deficit	Total Shareholders' Equity	Non-controlling interests	Total Equity
	Without Par Value							
	Shares #	Amount \$						
Balance, Nov 30, 2018	180,325,121	44,249,508	1,664,086	5,209,814	(21,443,608)	29,679,800	153,303	29,833,103
Expiry of options	-	-	(47,622)	47,622	-	-	-	-
Net and comprehensive loss	-	-	-	-	(202,868)	(202,868)	(409)	(203,277)
Balance, Feb 28, 2019	180,325,121	44,249,508	1,616,464	5,257,436	(21,646,476)	29,476,932	152,894	29,629,826

See accompanying notes to the consolidated financial statements

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(130,348)	(203,277)
Adjustments for:		
Unrealized foreign currency exchange loss(gain)	(8,649)	16,092
Interest income recognized in net loss	(753)	(12,603)
Write-down of exploration and evaluation assets	-	-
Share-based payments	-	-
Gain on disposal of equipment	-	-
	(139,750)	(199,788)
Net change in non-cash working capital balances related to operations		
Decrease (increase) in amounts receivable, deposits and prepaids	1,739	(62,063)
(Decrease) increase in accounts payable and accrued liabilities and deferred amounts payable	281,030	(321,120)
Advance for exploration work	415,531	-
	558,550	(582,971)
Investing activities		
Interest income received	753	12,603
Purchase of equipment	-	(1,843)
Expenditures on exploration and evaluation assets (note 10)	(123,357)	(650,569)
	(122,604)	(639,809)
Financing activities		
Issuance of share capital, net of costs	-	-
Effect of exchange rate changes on cash	(20,759)	(16,814)
Net change in cash during the period	415,187	(1,239,594)
Cash and short-term deposits – Beginning of period	183,602	2,343,394
Cash and short-term deposits – End of period	598,789	1,103,800
Supplemental cash flow information (note 8)		

See accompanying notes to the consolidated financial statements.

Namibia Critical Metals Inc.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

1. Nature of operations and going concern

Namibia Critical Metals Inc. (the “Company”, formerly known as Namibia Rare Earths Inc.) was incorporated pursuant to the Canada Business Corporations Act on April 26, 2010. The Company is a public company listed on the TSX Venture Exchange (the “TSXV”), trading under the symbol “NMI”. The address of the Company’s corporate office and principal place of business is Suite 802, 1550 Bedford Highway, Halifax, Nova Scotia, Canada.

The Company is in the business of exploring and developing a diversified portfolio of critical metals properties in Namibia. The amount shown as exploration and evaluation assets, all of which are located in Namibia, represents costs net of recoveries to date, less amounts written off, and do not necessarily represent present or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and future profitable production or proceeds of disposition thereof.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as the liabilities come due.

The Company has reported losses to date and at February 29, 2020 has an accumulated deficit of \$22,280,121 (2019 - \$21,646,476) and working capital deficit of \$417,786 (2019 - working capital of \$1,124,910). The Company does not generate income or cash flows from operations. In addition to its working capital requirements, the Company must secure sufficient funding to maintain legal title to its exploration and evaluation assets and to fund its exploration and development activities and its general and administration costs. These circumstances cast significant doubt upon the Company’s ability to continue as a going concern. Management continues to evaluate alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements, and eventually to generate positive cash flows, either from operations or sale of its properties. On January 27, 2020 the Company entered into an agreement with Japan Oil, Gas and Metals National Corporation (“JOGMEC”), which provides JOGMEC with the right to earn a 50% interest in the Lofdal rare earths property by funding \$20 million (note 13). The agreement includes a minimum investment of \$3 million, which is non-refundable. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Basis of Preparation

a) Statement of Compliance

These consolidated financial statements, including comparative figures, have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These consolidated financial statements were authorized for issue by the Audit Committee of the Board of Directors on April 23, 2020.

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies.

Namibia Critical Metals Inc.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company's subsidiaries listed below. All inter-company balances and transactions are eliminated upon consolidation.

Subsidiary	Jurisdiction	Nature of business	Direct or Indirect ownership
Cayman Namibia Rare Earths Ltd.	Cayman Islands	Asset holding company	100%
Namibia Rare Earths (Pty) Ltd.	Namibia	Asset holding company	100%
Gecko Gold Holdings (Pty) Ltd	Namibia	Asset holding company	95%
Gecko Gold Mining (Pty) Ltd	Namibia	Asset holding company	95%
Gecko Rare Metals Holdings (Pty) Ltd	Namibia	Asset holding company	95%
Gecko Rare Metals Mining (Pty) Ltd	Namibia	Asset holding company	95%
Epembe Minerals (Pty) Ltd	Namibia	Asset holding company	95%
Epembe Mining (Pty) Ltd	Namibia	Asset holding company	95%
Kunene Resources Holdings (Pty) Ltd	Namibia	Asset holding company	95%
Solarwind Investments (Pty) Ltd	Namibia	Asset holding company	95%
Kunene Resources Namibia (Pty) Ltd	Namibia	Asset holding company	95%
Philco 174 (Pty) Ltd	Namibia	Asset holding company	95%
Philco 180 (Pty) Ltd	Namibia	Asset holding company	95%
Black Range Holdings (Pty) Ltd	Namibia	Asset holding company	95%
Black Range Mining (Pty) Ltd	Namibia	Asset holding company	95%

d) Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and the effect of changes in these estimates in future periods could be material. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Revisions to estimates are accounted for prospectively. The more significant areas requiring the use of management estimate and judgments are as follows:

Critical accounting estimates

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the expense recorded for the issuance of stock options and warrants.

The recoverability of amounts shown for exploration and evaluation assets is dependent on the discovery of economic reserves, the ability of the Company to obtain financing to complete development of the properties, and future production or proceeds from disposition, and is based on assumptions about future events and circumstances.

Namibia Critical Metals Inc.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

The Company makes estimates of future site restoration costs based on current legislation, technical reports, and management's estimates. These estimates will be affected by legislation in place, exploration or mining activity to be performed, and conditions of the relevant sites when the restoration activity is to be performed in future periods. Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that existed during the year.

Deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the consolidated statement of financial position and their corresponding tax values. Deferred income tax assets also result from unused loss carry-forwards and other deductions. The valuation of deferred income tax assets is adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of a cash-generating unit for assessing and testing impairment, which management has determined to be individual mineral properties;
- The determination of functional currency;
- The determination of when an exploration and evaluation asset is impaired;
- Whether exploration and evaluation costs are eligible for capitalization;
- The determination of whether an acquisition of exploration and evaluation assets is considered to be an asset acquisition or a business combination; and
- The assessment of the Company's ability to continue as a going concern.

3. Significant Accounting Policies

These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements and accompanying notes for the year ended November 30, 2019. These condensed consolidated interim financial statements have been prepared using the same accounting policies and judgments and estimates as described in the Company's November 30, 2019 annual consolidated financial statements.

Accounting Standards Adopted in the Current Year

There were no changes in accounting policies adopted during the period.

Recently issued accounting pronouncements

The following standards are effective for annual periods as disclosed and have not yet been adopted by the Company. The Company is assessing the impact of these new standards.

IFRS 16, Leases, was issued by the IASB on January 13, 2016, and will replace IAS 17, "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and financing leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019 with earlier adoption permitted if IFRS 15 has also been applied.

Namibia Critical Metals Inc.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

4. Equipment

Cost	Office equipment	Exploration equipment	Motor vehicles	Total equipment
November 30, 2019	10,140	90,428	168,897	269,465
Additions	-	-	-	-
February 29, 2020	10,140	90,428	168,897	269,465

Accumulated Depreciation	Office equipment	Exploration equipment	Motor vehicles	Total equipment
November 30, 2019	10,140	59,000	120,743	189,883
Depreciation	-	1,784	3,060	4,844
February 29, 2020	10,140	60,784	123,803	194,727

Net book value	Office equipment	Exploration equipment	Motor vehicles	Total equipment
November 30, 2019	-	31,428	48,154	79,582
February 29, 2020	-	29,644	45,094	74,738

Depreciation charged on exploration equipment of \$4,844 (2019 - \$3,268) has been capitalized to exploration and evaluation assets.

5. Exploration and evaluation assets

	November 30, 2019	Acquisitions and Expenditures	February 29, 2020
	\$	\$	\$
Lofdal Rare Earths	23,271,106	62,225	23,333,331
Kunene Cobalt-Copper	4,725,179	66,232	4,791,411
Epembe Tantalum-Niobium	942,529	-	942,529
Other	246,092	23,512	269,604
	29,184,906	151,969	29,336,875

Lofdal rare earths property

The Lofdal rare earths property comprises an exclusive prospecting license ("EPL 3400") located approximately 450 kilometres northwest of the capital city of Windhoek and 25 kilometres northwest of the town of Khorixas in the Kunene Region of north-western Namibia. EPL 3400, which provides for mineral rights to base and rare metals, and precious metals, was originally granted in 2005. It was renewed by the Government of Namibia in February 2017 for a further two-year period to November 16, 2018 and again on May 14, 2019 for a two-year period to May 14, 2021. In November 2016, the Company submitted an application to the Ministry of Mines and Energy for a Mining License. The property is subject to a 2% net smelter revenue royalty.

Partnership with JOGMEC on Lofdal

On January 27, 2020 the Company announced that it had signed an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to jointly explore, develop, exploit, refine and/or distribute mineral products from Lofdal. The agreement provides JOGMEC with the right to earn a 50% interest in the project by funding \$20,000,000 in exploration and development expenditures. Once JOGMEC

Namibia Critical Metals Inc.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

has completed and exercised its 50% earn-in and a feasibility study has been completed on the project, JOGMEC has the right to purchase an additional 1% interest in the project from the Company for \$5,000,000 and thereafter to exclusively provide funding to develop the project subject to the Company's interest in the Project not being diluted below 26%. The first \$3,000,000 work program funded by JOGMEC is non-refundable and will be completed by March 31, 2021.

During the three month period ended February 29, 2020, the Company received \$519,019 from JOGMEC for future exploration expenditures on the Lofdal property. As of February 29, 2020, \$86,865 in exploration expenditures have been incurred, \$16,623 in prepaid expenses and VAT receivable, the Company has recorded the remaining \$415,531 as an Advance received for exploration work.

Property Acquisitions

On February 21, 2018, the Company completed the acquisition of a portfolio of critical metal properties (the "Properties") from Gecko Namibia (Pty) Ltd. ("Gecko Namibia") in consideration for the issuance of 64,000,000 common shares of the Company at \$0.05 per share for total consideration of \$3,200,000. The Company has acquired Gecko Namibia's 95% interest in a portfolio of exploration properties consisting of 13 exploration prospecting licences ("EPLs").

The Company determined and classified this transaction as an acquisition of a group of assets and not a business combination under IFRS 3. The following properties were acquired as part of this transaction:

Kunene Cobalt-Copper property

Consists of 7 EPL's covering approximately 2,859 square kilometres

Grootfontein Nickel-PGE property

Consists of 2 EPL's covering approximately 1,638 square kilometres

Otjiwarongo Carbonatite property

Consists of 1 EPL covering approximately 92 square kilometres

Warmbad Lithium property

Consists of 1 EPL covering approximately 604 square kilometres

Erongo Gold property

Consists of 1 EPL covering approximately 606 square kilometres

Epembe Tantalum-Niobium property

Consists of 1 EPL and 1 MDRL covering approximately 202 square kilometres

6. Related party transactions

Transactions with key management personnel for the three months ended February 29, 2020 and February 28, 2019 are as follows:

	2020 \$	2019 \$
Salaries, director fees and benefits	-	18,750
Consulting fees	38,699	58,913
Total charged to net and comprehensive loss	38,699	77,663
Consulting fees charged to exploration and evaluation assets	84,015	75,938
Payments to a shareholder charged to exploration and evaluation assets	102,943	330,881
Total	225,657	484,482

Key management personnel include officers and directors and companies directly controlled by key management personnel, and payments are for salaries, director fees, and consulting fees and are directly related to their position in the Company.

Namibia Critical Metals Inc.

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For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

Included in accounts payable and accrued liabilities and deferred amounts payables are amounts owing to related parties of \$548,148 (2019 - \$35,920). Included in deposits and prepaid expenses is an amount of \$3,500 (2019 - \$3,500) representing a retainer on a services contract with an officer of the Company.

Related party transactions are in the ordinary course of business, and are measured at the exchange amount, which is the amount of consideration determined and agreed to by the parties.

7. Capital stock

Authorized capital stock

An unlimited number of common shares without nominal or par value.

Issued and outstanding

At February 29, 2020, there were 180,325,121 common shares issued and outstanding (2019 – 180,325,121).

Stock option plan

The Company has a stock option plan providing for the issuance of options equal to up to 10% of the outstanding shares. The Company may grant options to its directors, officers, employees, consultants and management company employees. The exercise price of each option cannot be lower than the market price of the shares at the date of grant of the option. The number of shares optioned to insiders may not exceed 10% of the issued and outstanding shares at the date of grant. The options are generally exercisable immediately for up to a five-year period from the date of grant.

For the three months ended February 29, 2020, share-based payments expense of \$nil (2019- \$Nil) was charged to the consolidated statement of loss and comprehensive loss and \$Nil (2019 - \$Nil) was charged to exploration and evaluation assets. There were no options issued during the period. The assumptions used to fair value the options were a risk-free rate of 0.5%, expected volatility of 139% (based on actual historical volatility), expected life of 5 years, and a dividend yield of 0%.

The change in stock options during the three month period ended February 29, 2020 is as follows:

	Number	Weighted average exercise price \$
At November 30, 2019	9,345,000	0.18
Expired	(1,410,000)	(0.20)
At February 29, 2020	7,935,000	0.18

The following table summarizes information about options outstanding at February 29, 2020:

Exercise price \$	Options outstanding and exercisable	Expiry date	Remaining contractual life (in years)
0.17	25,000	April 30, 2020	0.17
0.05	1,410,000	November 28, 2021	1.75
0.08	150,000	April 7, 2022	2.10
0.21	6,350,000	September 19, 2023	3.55
	7,935,000		3.19

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For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

8. Capital Disclosures

The Company manages its capital to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and to maintain the necessary corporate and administrative functions to facilitate these activities. The capital structure consists of working capital and equity. The Company raises capital, as necessary, to meet its needs and to take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. The Company invests all capital that is surplus to its immediate operational needs in highly liquid financial instruments such as high interest cash accounts. There were no changes to the Company's approach to capital management during the three months ended February 29, 2020. Total managed capital was as follows:

	February 29, 2020 \$	November 30, 2019 \$
Working capital (deficit)	(417,786)	(140,313)
Equity	28,843,287	28,973,304

There are no externally imposed capital requirements.

9. Financial Instruments and risk management

The Company's financial instruments consist of cash and short-term deposits, amounts receivable, accounts payable and accrued liabilities, and deferred amounts payable. All of the Company's financial instruments are recognized at fair value and are subsequently measured at their amortized cost. The recorded values of all financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

The Company's credit risk is primarily attributable to cash. The Company's exposure to credit risk on its cash is limited by maintaining these assets in a high-interest savings account with a high-credit quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages this risk through regular monitoring and adjustment of its cash flow requirements to support ongoing operations and to ensure, to the extent possible, that there is sufficient cash on hand to meet its liabilities when due. In the event the Company obtains the permits and necessary approvals to proceed with the development of the Lofdal property, it will require substantial additional capital resources and there can be no assurance that funding will be available to the Company in the future on acceptable terms (note 1). Financial liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, interest rates and commodity prices.

Foreign exchange risk

Certain of the Company's expenditures are denominated in Namibia dollars (which are equal to the South African rand), US dollars, British Pounds, Australian dollars, and Euros. The Company's cash, amounts receivable, deposits, and accounts payable and accrued liabilities include amounts denominated in foreign currencies. Accordingly, the results of the Company's operations are subject to currency transaction risk and currency translation risk.

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Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended February 29, 2020 and February 28, 2019 (in Canadian dollars)

At February 29, 2020, the Company had the following amounts denominated in the above currencies and converted to Canadian dollars: \$498,995 in cash, \$2,196 in deposits, \$90,461 in amounts receivable, and \$799,810 in accounts payable and accrued liabilities. A 10% change in the exchange rates would impact the Company's working capital as follows:

	\$
Namibia dollars and South African rand	(19,839)
All other currencies	915

The operating results and financial position of the Company are reported in Canadian dollars in the Company's consolidated financial statements. The fluctuation of the Canadian dollar primarily in relation to other currencies, primarily the Namibian dollar, will consequently have an impact on the profitability of the Company and the value of the Company's assets and equity. The Company does not currently undertake any hedging activities to mitigate foreign exchange risk.

Interest rate risk

In respect of financial assets, the Company's policy is to invest cash at floating rates of interest. Cash reserves are maintained in cash and cash and short-term deposits to maintain liquidity while achieving a satisfactory return for shareholders. The impact of fluctuations in interest rates is not significant.

Commodity price risk

The Company's financial instruments are not exposed to any direct commodity price risk, as the Company does not have any financial instruments associated with commodity prices and currently has no revenues derived from mining operations. Fluctuation in commodity prices do however impact the overall viability of the Company as is common in the mineral exploration and mining industries.

10. Supplemental cash flow information

During the three months ended February 29, 2020, the Company made expenditures on exploration and evaluation assets of \$23,768 which were recorded as an increase in accounts payable (2019 - \$44,938 increase in accounts payable) and \$4,844 in amortization of equipment which was recorded to exploration and evaluation assets (2019 - \$3,268). These items are non-cash transactions and have been excluded from the consolidated statements of cash flows

11. Commitments

The Company has no commitments.

12. Segmented Reporting

The Company has one reportable operating segment, being that of acquisition, exploration and evaluation activities. All exploration and evaluation assets are located in Namibia.