



NAMIBIA CRITICAL METALS INC.

CONSOLIDATED FINANCIAL STATEMENTS
WITH MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED NOVEMBER 30, 2022 AND 2021



NAMIBIA CRITICAL METALS INC.

Management's Discussion and Analysis

Year ended November 30, 2022

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 March 27, 2023 and provides an analysis of the Company's financial results and progress for years ended November 30, 2022 and 2021. This MD&A should be read in conjunction with the Company's audited consolidated financial statements as at and for the years ended November 30, 2022 and 2021 and related notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS") 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.

The risk factors identified above are not intended to represent a complete list of the factors which could affect the Corporation. Additional factors are noted under Risks and Uncertainties below.

Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable securities legislation, has been approved by management as of the date of this MD&A. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this MD&A.

Rainer Ellmies, PhD, MSc Geology, GeolFA, EurGeol, AusIMM, is the Company's Qualified Person and has reviewed and approved the technical information disclosed in this MD&A.

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Overall Performance

The Company is engaged in the exploration for critical metals and gold in Namibia through its 95% owned subsidiary, Namibia Rare Earths (Pty) Ltd., a Namibian company ("Namibia Pty") and its 95% interest in four 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. On February 21, 2018, the Company completed the acquisition of six critical metal and gold properties in Namibia from Gecko Namibia (Pty). This transaction provided Namibia Critical Metals with a diversified exploration portfolio 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 which currently includes gold, copper, lead, zinc, nickel, vanadium, tantalum and niobium. Current ground holdings are summarized in Table 1.

Following the transaction with Gecko Namibia, a focus was placed on the Kunene Cobalt-Copper Project throughout 2018-2020. Exploration results were largely unsuccessful and these properties were deemed to not warrant further investment. Consequently, non-core prospecting licences were largely relinquished.

Since 2020 the Company has focused on further development of the Lofdal project through its joint venture with Japan Organization for Metals and Energy Security Corporation ("JOGMEC") and on exploration of its gold properties in Namibia.

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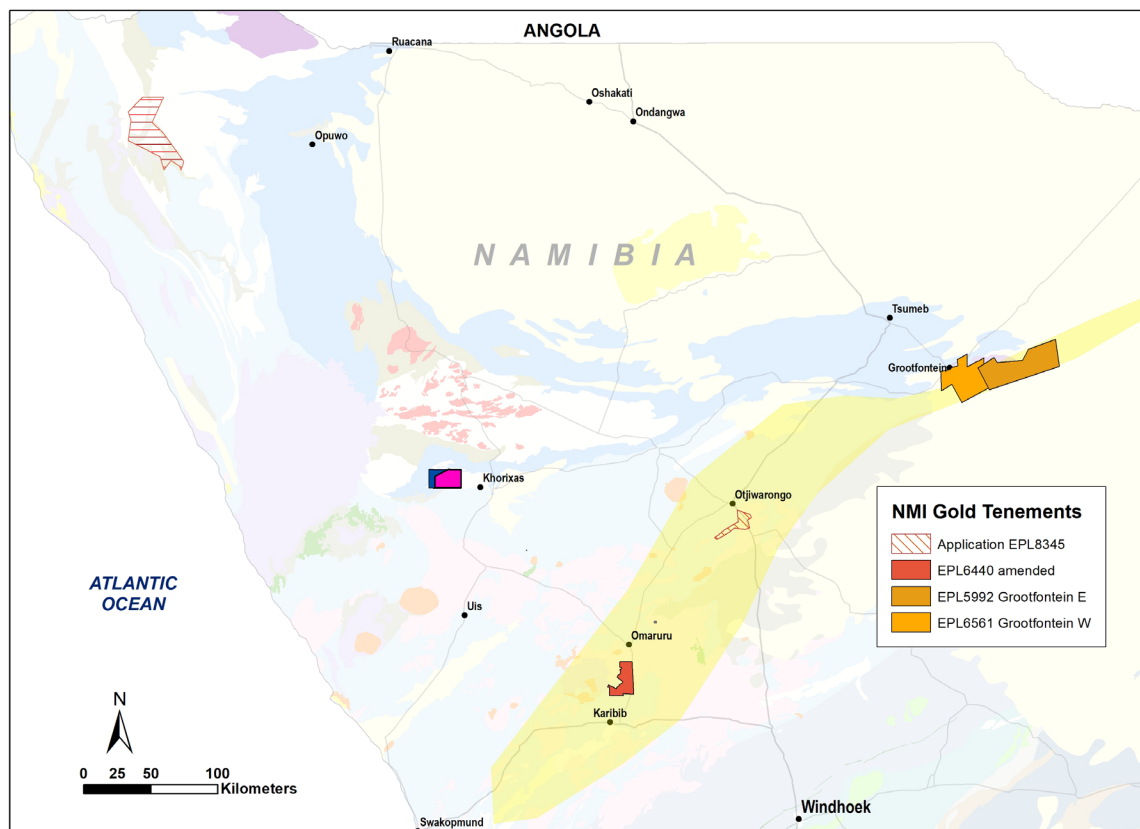


Figure 1 – Location of NCMI's critical metals projects

Table 1 – Summary of Namibia Critical Metals Project Portfolio as at 27 March 2023

EPL = Exclusive Prospecting Licence; ML = Mining Licence;

#	License	Subsidiary company	Project	Size (km ²)
1	ML200	Namibia Rare Earths (Pty) Ltd.	Lofdal	210,3
2	EPL3400	Namibia Rare Earths (Pty) Ltd.	Lofdal	104,0
3	EPL5992	Philco One Hundred Ninety-Three (Pty) Ltd.	Grootfontein	732,0
4	EPL6440	Gecko Gold Mining (Pty) Ltd.	Erongo	262,9
5	EPL6561	Philco One Hundred Ninety-Three (Pty) Ltd.	Grootfontein	660,8
			Total ground	1 970,1
	EPL7873	Philco One Hundred Ninety-Three (Pty) Ltd.	Kaoko copper&gold	982,8
	EPL8345	Gecko Gold Mining (Pty) Ltd.	Otjitazu	50,9
			Total applications	1 033,7

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Lofdal Rare Earths Project and Development Strategy

The Lofdal property is the Company's most advanced project and comprises a Mining Licence ("ML200") and a surrounding exclusive prospecting license ("EPL 3400"). Lofdal is located approximately 450 kilometers northwest of the capital city of Windhoek and 25 kilometers northwest of the town of Khorixas in the Kunene Region. The Lofdal property is centered on the Lofdal carbonatite complex, a regional geological feature associated with numerous occurrences of heavy rare earth mineralization hosted by albitic alteration zones and carbonatitic dykes.

Mining Licence ("ML 200") covering the Lofdal Heavy Rare Earth Project ("Lofdal" or "the project") is valid for a 25-year period through to May 10, 2046 and is issued to the Company's 95% owned subsidiary, Namibia Rare Earths (Pty) Ltd. with the balance held by Philco One Hundred Ninety-Six (Pty) Ltd. ("Philco 196"), a company incorporated to fulfil the licence requirement of a 5% shareholding of Historically Disadvantaged Namibians. Lofdal is developed in a joint venture between the Company and JOGMEC.

Partnership with JOGMEC on Lofdal

On January 27, 2020 the Company announced that it had signed an agreement with 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 under the following terms:

Term 1 – JOGMEC will fund \$3,000,000 in exploration expenditures up to March 31, 2021. The first term funding amount is non-refundable and JOGMEC earns no interest in the Lofdal project;

Term 2 – JOGMEC is entitled to elect to contribute an additional \$7,000,000 in exploration expenditures from April 1, 2021 – March 31, 2024 to earn a 40% interest in the Lofdal project;

Term 3 – JOGMEC is entitled to elect to contribute an additional \$10,000,000 in exploration and development expenditures from April 1, 2024 – March 31, 2028 to earn an additional 10% interest in the Lofdal project.

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%.

As of November 30, 2022, JOGMEC has advanced \$8,100,000 of the \$10,000,000 commitment for Terms 1 and 2 and has committed to a total expenditure of \$10,075,000 through May 2023.

JOGMEC is a Japanese government agency which seeks to secure stable commodity supply for Japan. JOGMEC has a strong reputation as a long term, strategic partner in mineral projects globally. JOGMEC facilitates opportunities with Japanese private companies to secure supply of natural resources for the benefit of the country's economic development.

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

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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 Japan was responsible for 9% of global consumption and other nations (including the United States) for 1%.

Regional Assessment of Rare Earths Potential

The first systematic exploration for rare earths over Lofdal was initiated by Namibia Rare Earths 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 0.05-3% total rare earths oxides ("TREO" which includes yttrium oxide) and often exhibiting exceptional heavy rare earth ("HREE") grades.

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).

There are two larger intrusive carbonatite bodies related to an early magmatic phase combined as Lofdal Intrusive Complex. The Main Intrusion is an early stage calcitic 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, however largely light rare earths.

Detailed mineralogical studies have confirmed that the principal heavy rare earth mineral is xenotime. The potential ore mineral assemblage has accessory thorite with an average thorium content of the Area 4 deposit of 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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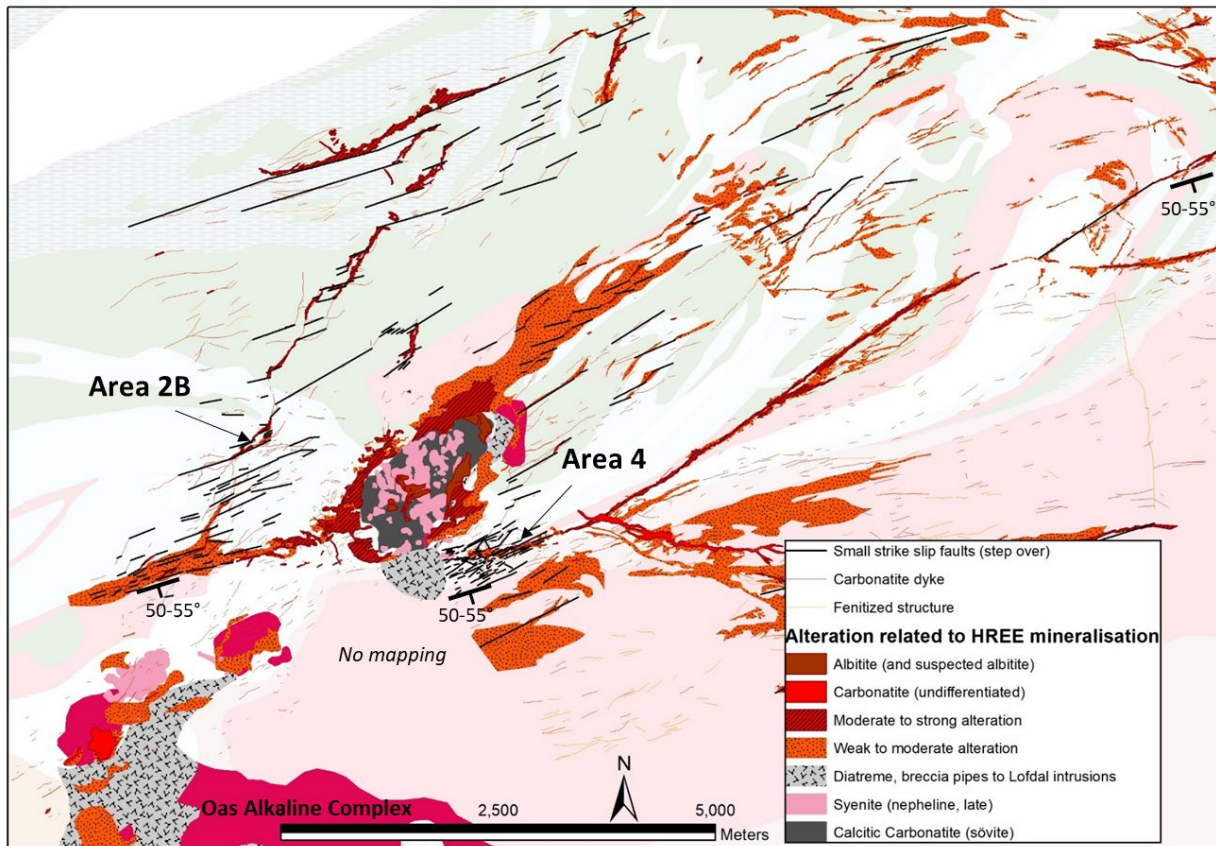


Figure 2 – General geology of the Lofdal project showing the location of the Area 4 and Area 2B Deposits in relation to other structures with rare earth mineralization

Work Program of the NMI-JOGMEC JV

Under terms of the agreement, JOGMEC has completed a 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 also investigated two exploration targets outside of Area 4 with 1,500 m of diamond drilling.

i) Drilling Program (2020)

Drill target areas identified at Lofdal for resource development are shown in Figure 3. Drilling in 2020 focused on extending the mineral resource in Area 4 and confirming the resource potential in Area 2B. Reconnaissance drilling on the Northern Splay and Dolomite Hill targets did not return significant results for resource development.

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Total drilling completed for the Term 1 program is summarized as follows:

Area	Holes Drilled	Meters Drilled
Area 4	56	10,162
Area 2B	29	4,400
Northern Splay	10	1,276
Dolomite Hill	4	377
Total Drilling	99	16,215

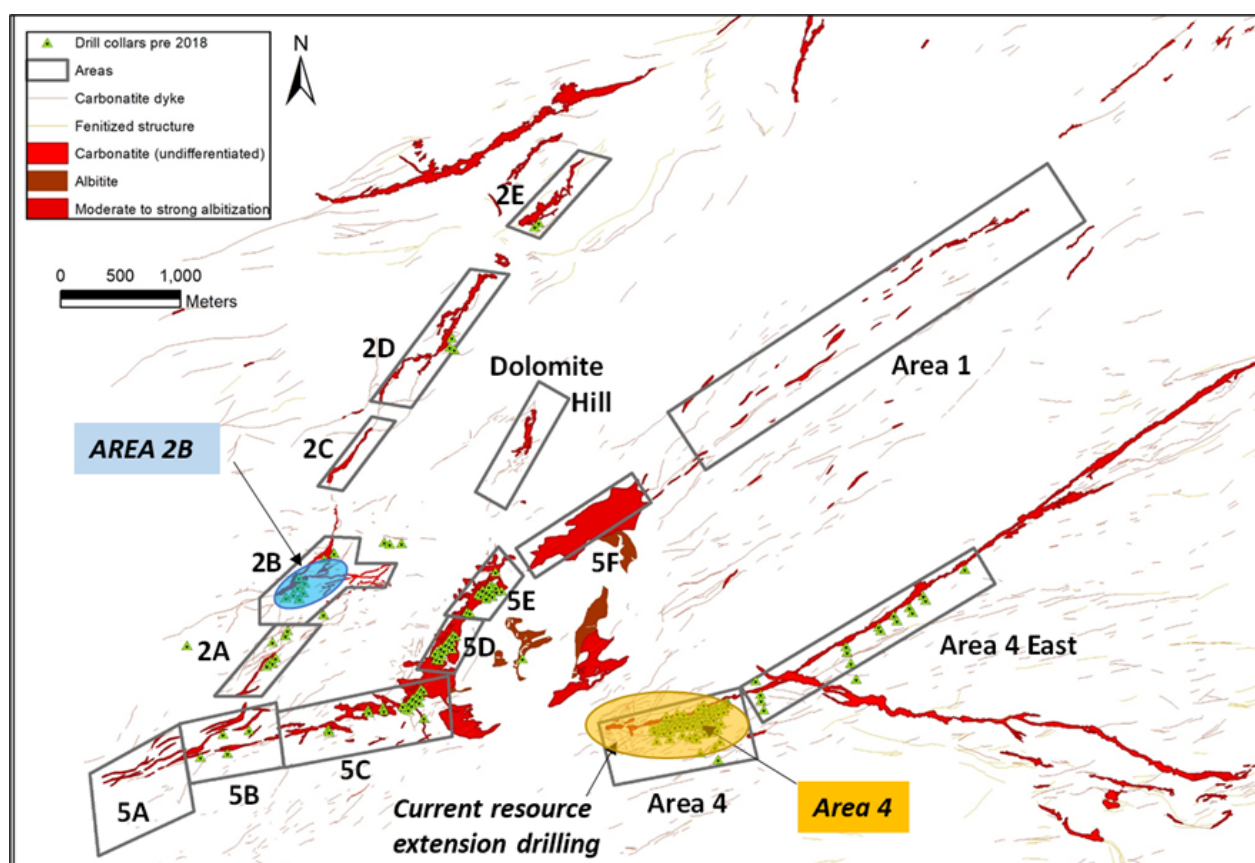


Figure 3 - Drill target areas at Lofdal for resource development. In 2020-2021, focus was on Area 4. Area 2B is the first satellite deposit with resource drilling.

ii) Expansion of Mineral Resource at Area 4

Drill results in Area 4 have been consistent with expected grades and thickness as predicted from the resource model. Intercepts confirm that the highest grades of heavy rare earth mineralization occur in the central portion of the deposit. A number of significant intercepts have been noted in both the hanging wall (“HW”) and foot wall (“FW”) to the Main Zone which have contributed to the updated resource estimate (Table 2). Drilling at Area 4 has extended the strike length of the mineralized zone from 700 meters to 1,100 meters and to depths of 250-350 vertical meters (Figure 4).

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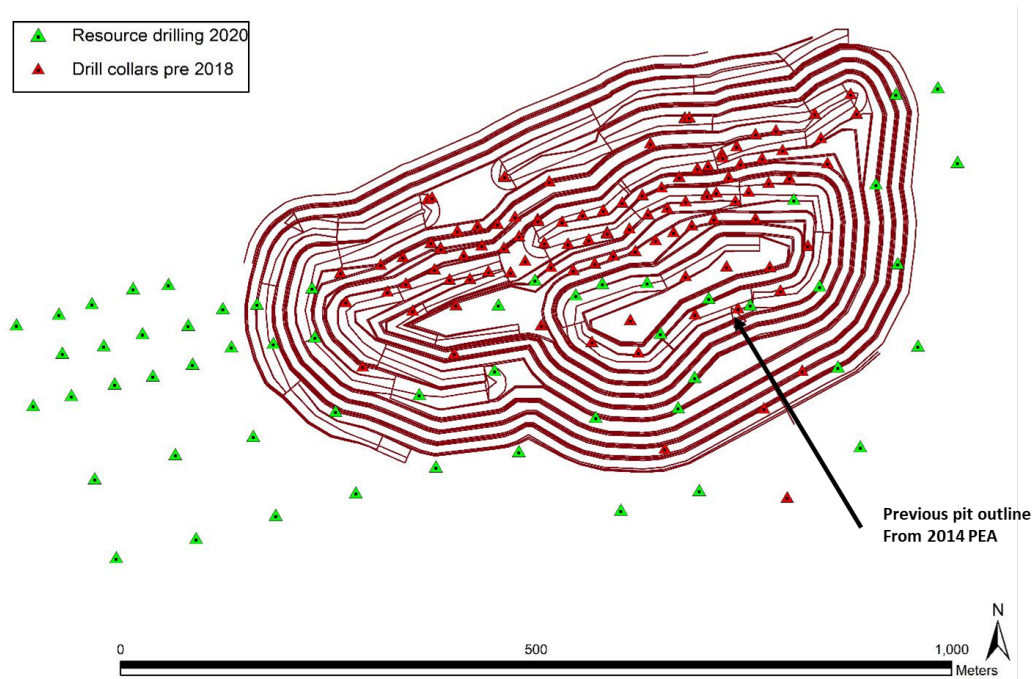


Figure 4 –Drill hole collars Area 4 deposit. 2020 drill collars shown in green and historic holes in red.

iii) Development of Area 2B as Satellite Deposit

JOGMEC provided additional funds to the Term 1 budget for drilling in Area 2B with the objective of confirming the potential to develop additional resources in satellite deposits at Lofdal. Area 2B is located three kilometers northwest of Area 4. Seventeen holes had been drilled in the area in 2011 for a total of 2,133 meters, however no historic resource estimate was developed. An additional 4,400 meters of drilling has been completed in 29 holes leading to a maiden resource for this zone (Table 3). Mineralization at Area 2B is similar to Area 4 with two to three narrow HREE mineralized zones. Drilling at Area 2B has confirmed mineralization over a strike length of 600 meters to depths of 190 meters (Figure 5) and remains open in all directions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

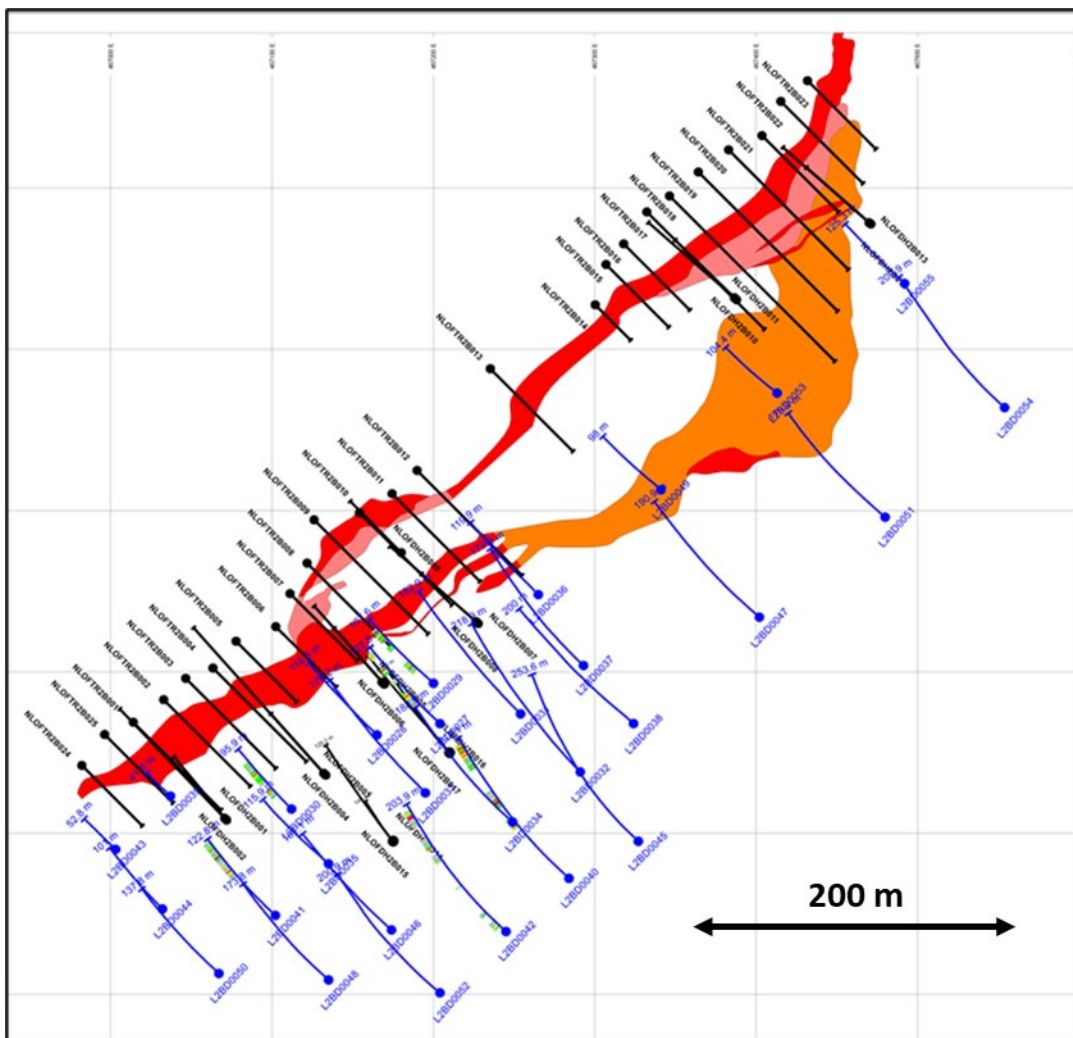


Figure 5 –*Drill plan for Area 2B. 2020 drill holes in blue and historic drill holes and trenches in black*

iv) Updated Mineral Resource

The MSA Group (“MSA”) of South Africa was engaged to update the Lofdal resource which incorporated all the new drilling from Area 4 and Area 2B. As part of its due diligence process, MSA completed a site visit to review all technical aspects of the project including the Company’s standard operating procedures and quality assurance quality control (“QAQC”) programs. Considerable time was dedicated to vetting the geological model and continuity of the mineralization. Field operations follow strict company Standard Operating Procedures with regards to drilling practices, sampling procedures, security of transport and analytical procedures as per recommendations in the Canadian Institute of Mining, Metallurgy and Petroleum CIM’s Best Practices Guidelines (2018), which includes strict internal QAQC procedures for the insertion of blanks, standards and duplicates. QAQC samples account for 10% of samples submitted in each batch. Sample preparation and analytical work for the drilling program is being provided by Activation Laboratories Ltd. (“Actlabs” Windhoek, Namibia and Ancaster, Ontario). Actlabs is an ISO/IEC 17025 accredited laboratory.

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The Mineral Resource estimate was based on geochemical analyses and density measurements of core samples obtained by diamond drilling undertaken by Namibia Rare Earths from 2010 to 2012, 2015 and by Namibia Critical Metals from 2020 to 2021.

A total of 172 drill holes have been drilled at Area 4, of which 13 were collared outside the defined Mineral Resource. In Area 2B, 46 drill holes were used to estimate the Mineral Resource.

Lofdal Drilling Summary						
Area	2008 -2016		JOGMEC 2020		TOTAL PROJECT	
	Holes	Meters	Holes	Meters	Holes	Meters
2	30	3398			30	3,398
2B			29	4,400	29	4,400
4 Resource	101	11,807	56	10,162	157	21,969
4 Metallurgy	6	1,022			6	1,022
4 East	9	827			9	827
5	57	5,595			57	5,595
6	24	4,495			24	4,495
7	1	239			1	239
8	7	1,021			7	1,021
Northern Splay			10	1,276	10	1,276
Dolomite Hill			4	377	4	377
Total Drilling	235	28,404	99	16,215	334	44,619

Half core samples of one-meter lengths intervals were taken for analysis. The bagged core samples were given a unique sample reference number and dispatched for preparation at Activation Labs (Actlabs) sample preparation facility in Windhoek. The core samples were crushed to 2 mm, split using a riffle splitter and pulverised to 105 µm. Pulverised sub-samples were homogenised in a stainless-steel riffle splitter and a 15 g sample and duplicate were drawn for analysis. The pulverised sample aliquots were shipped to the ISO/IEC 17025 accredited Actlabs analytical facility in Ancaster, Ontario, Canada. The REE's were assayed using lithium metaborate-tetraborate fusion and Inductively Coupled Plasma Mass Spectrometry (ICP-MS).

The samples were subjected to a quality assurance and control (QAQC) program consisting of the insertion of blank samples and certified reference materials at Lofdal and the preparation of a laboratory duplicate at the sample preparation facility in Windhoek. The primary laboratory assay values were confirmed by duplicate samples assayed by a second laboratory (ALS, North Vancouver, Canada). MSA was satisfied that the assay results are of sufficient accuracy and precision for use in Mineral Resource estimation.

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A three-dimensional geological model of the REE mineralisation and weathering surface was constructed using the drill hole and trench data. A mineralised envelope was defined using a 10 ppm Dy₂O₃ threshold for Area 4 and 12 ppm Dy₂O₃ for Area 2B. The grades of the individual light rare earth oxides (LREO) and individual heavy rare earth oxides (HREO) were estimated using ordinary kriging into a block model for each deposit. Density was estimated using inverse distance weighting.

From the assumed parameters a 0.1% TREO cut-off grade was calculated, which together with the Whittle optimised pit shell demonstrates reasonable prospects for eventual economic extraction (RPEEE) for the Mineral Resource. The Mineral Resource is classified into the Measured, Indicated and Inferred categories and is reported at a cut-off grade of 0.1% TREO (TREO refers to Total Rare Earth Oxides including Y₂O₃). The independent resource for Area 4 and for Area 2B was estimated by MSA as follows:

Area 4 Mineral Resources Estimate for 0.1% TREO cut-off

Area 4 Mineral Resource Estimate above 0.1% TREO* cut-off grade						
Category	Tonnes	TREO*	HREO**	LREO***	Dy₂O₃	TREO*
	(Mt)	%	%	%	ppm	(kt)
Measured	5.93	0.21	0.14	0.07	138	12.71
Indicated	36.63	0.16	0.08	0.08	82	59.97
Measured & Indicated	42.57	0.17	0.09	0.08	90	72.68
Inferred	6.09	0.17	0.07	0.09	72	10.12

Notes (also apply to Area 2B resource statement):

1. All tabulated data have been rounded and as a result minor computational errors may occur.
2. Mineral Resources, which are not Mineral Reserves, have no demonstrated economic viability.
3. Quantities reported are the total quantities for the project regardless of ownership.
4. *TREO = Total Rare Earth Oxides and includes Y₂O₃
5. **HREO = Heavy Rare Earth Oxides and includes Y₂O₃
6. ***LREO = Light Rare Earth Oxides
7. Mt = Million tonnes, kt = Thousand tonnes.

Area 2B Mineral Resources Estimate for 0.1% TREO cut-off

Area 2B Mineral Resource Estimate above 0.1% TREO* cut-off grade						
Category	Tonnes	TREO*	HREO**	LREO***	Dy₂O₃	TREO*
	(Mt)	%	%	%	ppm	(kt)
Indicated	2.20	0.19	0.10	0.09	104	4.27
Inferred	2.58	0.19	0.09	0.09	92	4.80

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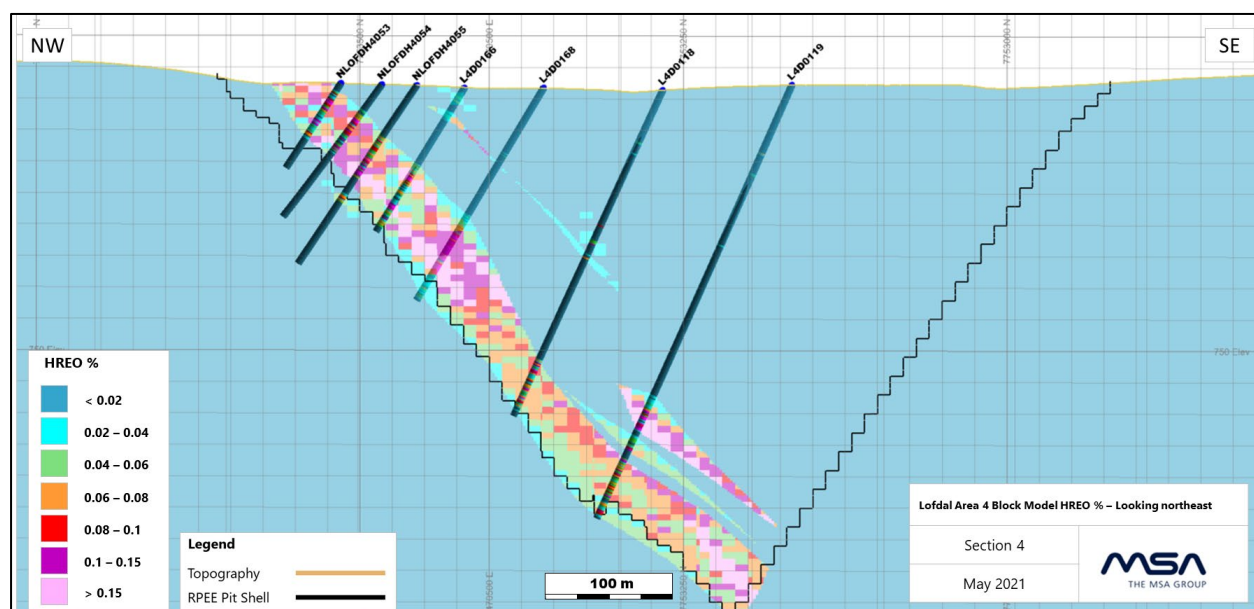


Figure 6: Section through block model of central part of Area 4 displaying HREO block grades

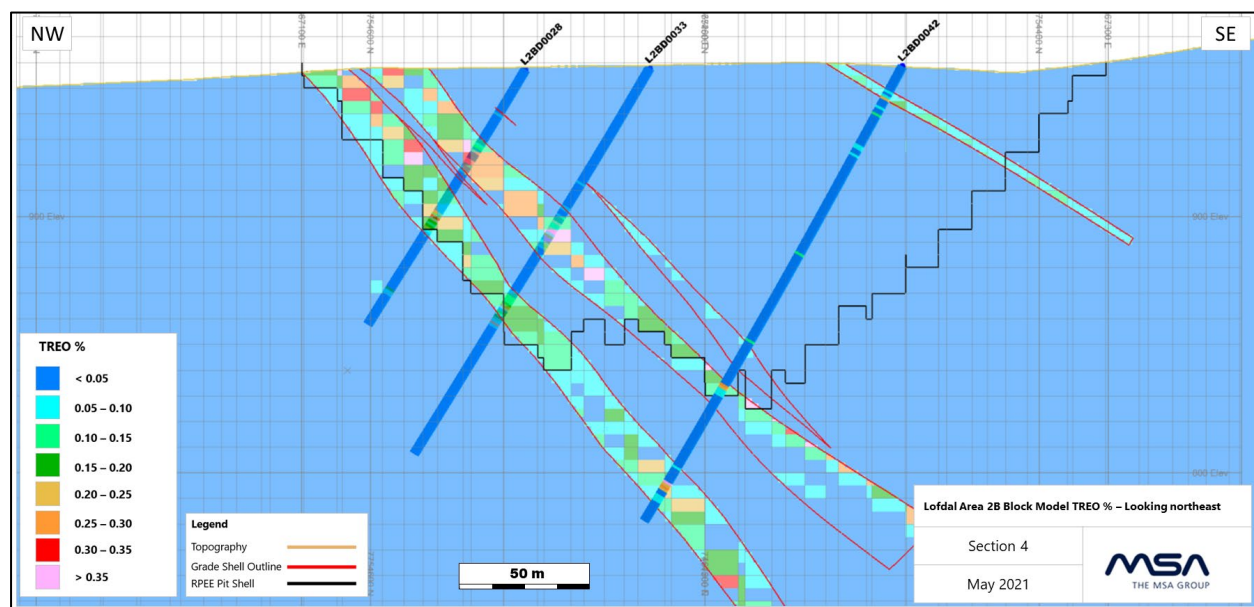


Figure 7: Section through block model of western part of Area 2B displaying TREO block grades

The Term 1 objective of the JOGMEC joint venture to double the mineral resource was far exceeded as highlighted in Table 4. Measured and Indicated Resources increased from 2.88 Mt @ 0.32% TREO to 44.76 Mt @ 0.17% TREO and Inferred Resources increased from 3.28 Mt @ 0.27% TREO to 8.67 Mt @ 0.17% TREO. Most significantly, the contained tonnages of the high value heavy rare earths dysprosium and terbium increased 6.1 times and 6.7 times, respectively (Table 5).

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Table 4: Comparison of Lofdal Mineral Resource Estimates of 2012 and 2021

Year of Mineral Resource Estimate	2012	2012	2021	2021
Cut-off grade	0.1% TREO	0.1% TREO	0.1% TREO	0.1% TREO
	Million tonnes (Mt)	Grade %TREO	Million tonnes (Mt)	Grade %TREO
Measured Resource Area 4	0	-	5.93	0.21
Indicated Resource Area 4	2.88	0.32	36.63	0.16
Indicated Resource Area 2B	0	-	2.20	0.19
Total Measured & Indicated Resources	2.88	0.32	44.76	0.17
Inferred Resource Area 4	3.28	0.27	6.09	0.17
Inferred Resource Area 2B	0	-	2.58	0.19
Total Inferred Resources	3.28	0.27	8.67	0.17

Table 5: Contained dysprosium oxide and terbium oxide in Mineral Resources of 2012 and 2021

Year of Resource Estimate	2014	2021	2014	2021	2014	2021
	TREO	TREO	Dy2O3	Dy2O3	Tb2O3	Tb2O3
	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes
Measured Resources	0	12,710	0	820	0	120
Indicated Resources	9,234	59,970	664	3,240	93	500
Measured&Indicated	9,234	72,680	664	4,060	93	620
Inferred Resources	8,973	10,120	631	680	88	110

Potential to Expand Resources at Lofdal

There are several other rare earth occurrences on ML200 and EPL3400 (see Figures 2 and 3). Exploration drilling was carried out in Area 5 in 2011 but no resources have been estimated. Based on the company's recently refined geological model Area 5B-E and Area 2A-C are regarded as the exploration targets with the highest potential to add significant resources by limited drilling.

Development of a starter pit at Area 4 for bulk sample extraction

Hard rock blasting was subcontracted to the international specialist group Bulk Mining Explosives (BME) to develop a starter pit in the central part of the Area 4 deposit (Figure 3). A box cut of 60 m x 20 m and to 15 m depth was excavated and 30,000 t of material stockpiled with 7,000 t from 12 to 15 m depth regarded as fresh material for the production of the blended sample for further test work. A 550 t blended ore sample was produced with a TREO grade of approximately 0.18% TREO which is expected to represent a typical run-of-mine below oxidation level of the entire Lofdal deposit.

Bulk samples were sent to TOMRA (Hamburg, Germany) and Rados (Johannesburg, South Africa) for sorting tests. Further, samples went to Geolabs (South Africa) for geotechnical tests.

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Progress on Metallurgical Program

Ore Sorting

X-Ray Fluorescence (“XRF”) sorting tests have been completed by Rados International at their test facility in Pretoria, South Africa. Mineralization at Lofdal is amenable to XRF sorting by analyzing for yttrium which is directly proportional to the concentration of the heavy rare earth mineral xenotime. Tests were carried out on three separate size fractions from 20 mm to 150 mm to determine the optimum size fraction for sorting. Results indicate that XRF sorting technology can provide significant upgrades to the ROM.

X-Ray Transmission (“XRT”) sorting tests have been completed by TOMRA Hamburg and IMS Engineering Johannesburg, South Africa. Mineralization at Lofdal is amenable to XRT sorting by detection of higher density minerals which host the xenotime mineralization (predominantly carbonate minerals calcite, ankerite and dolomite). Sorting tests were carried out on three separate size fractions from 10 mm to 80 mm to determine the optimum size fraction for sorting. Results indicate that XRT sorting technology can provide significant upgrades to the ROM by rejecting waste in form of albitite, muscovite and chlorite schists. These results will be used to determine the efficiencies of the sorting technology and to select the optimum particle size range for sorting based on outcomes for mass balance, grade and recoveries.

Sorting test work has been completed on 8.6 tonnes prepared from the 18-tonne representative sample by Light Deep Earth (“LDE”) in Pretoria and final ICP-MS analyses appropriate for rare earth element analyses (method code ME-MS81h with lithium meta-borate fusion) were carried out by ALS Minerals (sample preparation in Johannesburg and analyses in Vancouver). QAQC was monitored through internal laboratory standards, blanks and duplicates with the provision of refereed rare earth standards from Lofdal.

Grade, recovery and mass pull curves were established for both technologies. Outcomes for upgrading of dysprosium from all size fractions for both XRF and XRT tests, and grade recovery curves for one size fraction are shown in Figure 8.

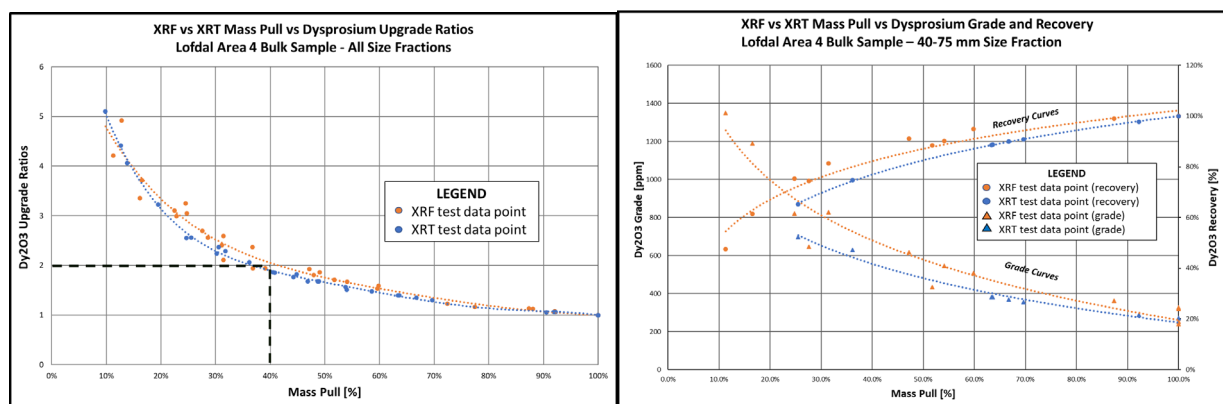


Figure 8 – Mass pull vs dysprosium upgrade ratios on all size fractions (left) and mass pull vs dysprosium grade and dysprosium recovery for the 40-75 mm size fractions (right). Test results from Lofdal Area 4 bulk sample showing XRF (orange) and XRT (blue). Operator can pre-select desired upgrade or mass pull and determine recovery. Example shown by dashed black lines on left: if a mass pull of 40% was selected

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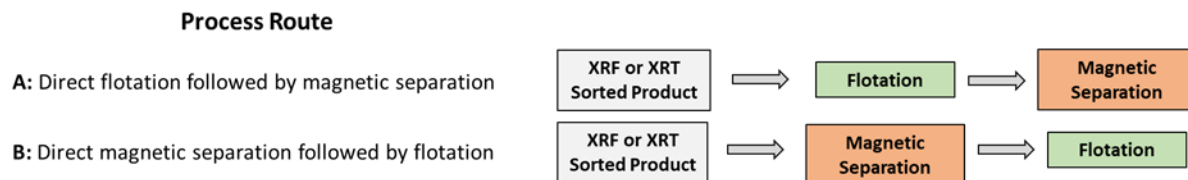
it would double the grade of dysprosium and reject 60% of the mass after sorting with a resulting dysprosium recovery of 85% using XRF and 78% using XRT.

In addition to quantifying outcomes for upgrading of heavy rare earths the test work will also be evaluated for efficiencies in rejecting unwanted iron, calcium and silica. Scavenging tests on XRF discard products have demonstrated opportunities for further increased recoveries with minimal additional mass pulls. Sorted products from these bulk runs have been utilized to provide representative samples for next stage process steps – gravity, magnetic separation and flotation.

Gravity and Magnetic Separation

Systematic evaluations of gravity separation technologies had been undertaken by Light Deep Earth using Rados XRF sorter product and fines. Test work has been completed to evaluate dense media separation on coarse size fractions between 1-10 mm, shaking table separation on size fractions between 0.05-1.0 mm and multi gravity separation on size fractions between <0.05–0.1 mm.

Previous metallurgical test work at Lofdal had demonstrated the amenability to magnetic separation using wet high intensity magnetic separation (“WHIMS”) equipment and it is expected that magnetic separation will be maintained as an important processing step in beneficiation during the current test work by SGS.



Flotation test program

Flotation is the key step in beneficiation and is being undertaken in conjunction with additional WHIMS test work. SGS has extensive experience in mineral processing of a number of rare earth deposits. The test program compares upgrades and recoveries of XRF and XRT products through direct flotation followed by magnetic separation, and through direct magnetic separation followed by flotation as shown below:

The metallurgical bulk sample test program was amended to include flotation tests directly on the fresh, low-grade sample, by-passing initially planned XRT and XRF sorting which would result in additional losses. Iron removal by magnetic separation was moved to post flotation on a smaller concentrate stream reducing CAPEX and OPEX with minimal losses.

Flotation test work was carried out at SGS Canada Inc. in Lakefield, Ontario, and at UVR-FIA GmbH in Freiberg, Germany. Both institutions, cumulatively conducted over 120 individual flotation tests using several types of collectors, depressants and considered thrifting of physical flotation conditions.

The impact of high intensity conditioning ahead of flotation yielded clearly improved flotation performance.

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Best flotation results regarding upgrade, recoveries and operating costs were achieved using moderate dosages of the collector Florrea 3900 and Calgon as depressant. Cleaner flotation concentrates from positive test runs produced at an overall mass pull of 2.7-3.9% with a product grade of 4-6% TREO and a recovery of up to 70% TREO. More importantly, the high value Heavy Rare Earth Elements, mainly hosted in xenotime, showed significantly better recoveries (58-75% HREO) than the Light Rare Earth Elements (49-58% LREO). Flotation tests on finer grind material reached up to 75.2% recovery for the Heavy Rare Earths Oxides which represents a significant upside potential currently tested.

After defining the optimal flotation conditions, bulk flotation tests were conducted in quadruplicate to produce a flotation concentrate for downstream hydrometallurgical testing. Four bulk flotation tests demonstrated repeatable flotation performances on the low-grade feed material.

Significant upside potential also remains in further optimizing flotation conditions.

Hydrometallurgical test work and results

The Company has successfully completed hydrometallurgical test work to develop a flowsheet capable of producing a high-grade rare-earth oxide product from a xenotime flotation concentrate. The Company's lead metallurgical consultants at SGS Minerals Services Canada (SGS) have simplified the final process stage with an acid bake to crack the mineral xenotime, to purify the pregnant leach solution and to precipitate a rare earth oxalate, which is subsequently calcined to form a product containing >98% total rare earth oxides (TREO). The acid bake process and concurrent removal of impurities is highly efficient and resulted in a 95% recovery of Dysprosium and Terbium in the leaching operation of the processing flow sheet. The high-quality product is practically free of typical deleterious elements like thorium and uranium (<3 ppm combined U+Th).

The mineral concentrate produced by bulk flotation was used for downstream hydrometallurgical testing. Four bulk flotation tests demonstrated repeatable flotation performances on the low grade direct run-of-mine feed material. The cleaner flotation from the bulk test runs produced a concentrate grade TREO ranging from 4.7 – 6%. This flotation concentrate marks the third such concentrate tested at the laboratories of SGS in Lakefield, Ontario, to determine the potential for producing a marketable rare earth product with minimal impurities. The previous hydrometallurgical test work at SGS had demonstrated the acid bake route is preferred due to lower reagent costs and higher recovery of the heavy rare earths compared to the caustic crack route.

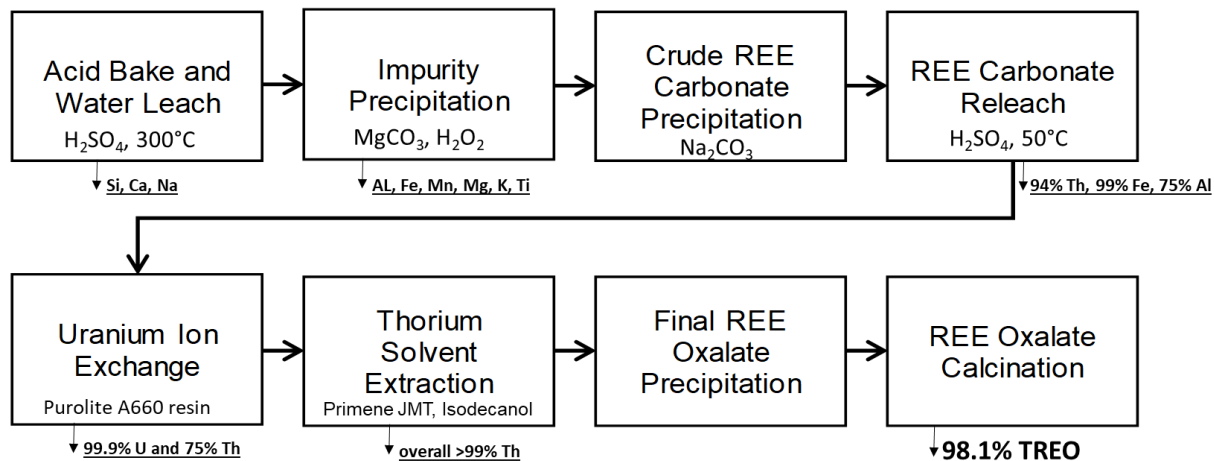
A total of three acid bake and water leach tests were completed throughout the current test program to investigate the dissolution of rare earth elements (REE) and the behaviour of gangue minerals through the addition of sulphuric acid at elevated temperatures (300°C) and at a range of acid dosages (1-1.5 t/t concentrate basis). Under previously determined optimum conditions (2021 test program at SGS Canada), these tests showed very good REE recoveries with 96% for yttrium, 95% for dysprosium and 94% for terbium.

Results of the impurity removal and crude REE precipitation tests on the leached solutions corroborated chemistries with the previous test programs on the two flotation concentrates with low co-precipitation of RE's in the impurity removal stage (between 1-9% as compared to between 1-15% in previous) with similar precipitation of impurities. While the results are positive, there remains room to optimise these

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processes regarding OPEX and CAPEX as well as recoveries in continuous pilot plant testing during pre-feasibility study.

The addition of a hydrometallurgical plant at Lofdal would create further jobs in the southern Kunene Region of Namibia and provide a marketable product for export. The rare earth oxalate product with thorium and uranium levels below 3 ppm would be acceptable for import into Japan without restrictions or penalties.



PEA Lofdal “2B-4” *

The company finalised the financial analysis of its Preliminary Economic Assessment (“PEA”) “2B-4”. This PEA aims at a significantly larger annual run-of-mine and plant throughput of 2 million tonnes per year and longer mine life than the historical PEA of 2014 by mining from two sub-deposits namely “Pit 2B” and “Pit 4”. Further, the processing flow sheet was simplified to a direct flotation of the run-of-mine material and expanded to include a hydrometallurgical unit producing a >98% mixed rare earth oxide as final product (see above) instead of xenotime concentrate.

**Cautionary Note: The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them to enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have a demonstrated economic viability*

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Market Analysis – Pricing

A price deck has been developed for the Lofdal project based on an internal review of pricing as well as peer reports (Mkango Resources Ltd. DFS July, 2022, and Search Minerals PEA June, 2022) which in turn were developed based on third party independent market forecast analysis. The projected REO distribution for Lofdal concentrates is also presented in Table 6. The projected basket price is US\$103.64.

Table 6 - Pricing

Pricing Forecast for REE	Pricing Used for Analysis	Distribution
La2O3	\$ -	9.2%
Ce2O3	\$ -	16.0%
Pr2O3	\$ 201.00	1.7%
Nd2O3	\$ 212.00	6.3%
Sm2O3	\$ 5.00	2.2%
Eu2O3	\$ 36.00	1.1%
Gd2O3	\$ 109.00	4.3%
Tb2O3	\$ 2,493.00	0.9%
Dy2O3	\$ 587.00	6.2%
Ho2O3	\$ 290.00	1.3%
Er2O3	\$ 64.00	3.8%
Yb2O3	\$ 20.00	3.5%
Lu2O3	\$ 947.00	0.5%
Y2O3	\$ 17.00	42.4%
Tm2O3	\$ 500.00	0.6%
Average Basket Value¹	\$ 103.64	

¹Pricing used before refining charges of \$12/kg TREO

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Economic Analysis

SGS provided the capital costs for the expanded project Lofdal "2B-4" totalling to about USD207 million.

Table 7 - Total Capital Costs Summary (US\$)

Direct Mining Costs ¹	-
Direct Mine Site Processing Costs	117,577,231
Direct Tailings Storage Facility Costs	13,628,361
SUB TOTAL INITIAL CAPITAL COSTS	131,205,593
Sustaining Capital Mining	-
Sustaining Capital Processing	6,010,090
Sustaining Capital Tailings Storage Facility	5,432,266
Mine Closure Costs	5,000,000
Indirect Costs	18,560,082
Contingency	40,873,816
TOTAL CAPITAL COSTS	207,081,846

¹Mining will be conducted via contractor, all contractor capital recovery is reflected in the mining operating costs.

The economic analysis assumes that the Project will be 100% equity financed and uses parameters relevant as of September 2022, under conditions likely to be applicable to project development and operation and analyzes the sensitivity of the Project to changes in the key Project parameters. All costs have been presented in United States Dollars (US\$) and wherever applicable conversion from South African Rand (ZAR) has utilized an exchange ratio (ZAR/US\$) of 16.07.

Mining and treatment data, capital cost estimates and operating cost estimates have been put into a base case financial model to calculate the IRR and NPV based on calculated Project after tax cash flows. The scope of the financial model has been restricted to the Project level and as such, the effects of interest charges and financing have been excluded.

For the purposes of the PEA, the evaluation is based on 100% of the Project cash flows before distribution of profits to the equity owners. Both pre-tax and after-tax cash flows have taken 5% royalty payments into account.

At a discount rate of 5% the Project is anticipated to yield a pre-tax IRR of 34% with a NPV of US\$632,739,693, and an after-tax IRR of 28% with a NPV of US\$390,982,730. Cumulative cash flows are US\$1,110,393,637 pre-tax and US\$698,691,741 after tax over the sixteen-year Life of Mine.

The Project is expected to pay back initial capital within the first 3.2 years.

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Sensitivity Analysis

Pre Tax NPV at Range of Operating Costs

Discount	60%	70%	80%	90%	100%	110%	120%	130%	140%
5%	\$1004.5M	\$911.6M	\$818.6M	\$725.7M	\$632.7M	\$539.8M	\$446.8M	\$353.9M	\$261.0M
7%	\$822.6M	\$744.0M	\$665.4M	\$586.8M	\$508.3M	\$429.7M	\$351.1M	\$272.5M	\$193.9M
8%	\$745.8M	\$673.3M	\$600.8M	\$528.3M	\$455.8M	\$383.3M	\$310.8M	\$238.4M	\$165.9M
9%	\$676.9M	\$609.9M	\$542.9M	\$475.9M	\$408.9M	\$341.9M	\$274.9M	\$207.9M	\$140.9M
10%	\$615.0M	\$552.9M	\$490.9M	\$428.8M	\$366.8M	\$304.8M	\$242.7M	\$180.7M	\$118.6M

**Pre-Tax NPV at
Range of Capital
Costs**

	\$124.2	\$145.0	\$165.7	\$186.4	\$207.1M	\$227.8	\$248.5	\$269.2	\$289.9
Discount	60%	70%	80%	90%	100%	110%	120%	130%	140%
5%	\$708.0M	\$689.2M	\$670.4M	\$651.5M	\$632.7M	\$613.9M	\$595.1M	\$576.3M	\$557.5M
7%	\$580.9M	\$562.8M	\$544.6M	\$526.4M	\$508.3M	\$490.1M	\$471.9M	\$453.7M	\$435.6M
8%	\$527.3M	\$509.4M	\$491.6M	\$473.7M	\$455.8M	\$437.9M	\$420.1M	\$402.2M	\$384.3M
9%	\$479.2M	\$461.6M	\$444.1M	\$426.5M	\$408.9M	\$391.3M	\$373.7M	\$356.1M	\$338.5M
10%	\$436.0M	\$418.7M	\$401.4M	\$384.1M	\$366.8M	\$349.5M	\$332.2M	\$314.9M	\$297.6M

**Pre-Tax NPV at
Basket Price Levels**

Discount	\$70	\$75	\$80	\$85	\$92	\$95	\$100	\$105	\$110
5%	\$240.1M	\$330.8M	\$421.5M	\$512.3M	\$632.7M	\$693.7M	\$784.4M	\$883.2M	\$965.9M
7%	\$177.2M	\$253.7M	\$330.2M	\$406.7M	\$508.3M	\$559.7M	\$636.2M	\$719.4M	\$789.2M
8%	\$150.9M	\$221.3M	\$291.8M	\$362.3M	\$455.8M	\$503.2M	\$573.6M	\$650.3M	\$714.6M
9%	\$127.4M	\$192.5M	\$257.5M	\$322.5M	\$408.9M	\$452.6M	\$517.6M	\$588.4M	\$647.7M
10%	\$106.5M	\$166.6M	\$226.8M	\$286.9M	\$366.8M	\$407.2M	\$467.4M	\$532.8M	\$587.6M

**Pre-Tax NPV at
Varying Recovery
Ranges**

Discount	43%	48%	53%	57%	59%	61%	64%	69%	74%
5%	\$178.0M	\$320.1M	\$462.2M	\$575.9M	\$632.7M	\$689.6M	\$774.9M	\$917.0M	\$1059.1M
7%	\$124.8M	\$244.6M	\$364.5M	\$460.3M	\$508.3M	\$556.2M	\$628.1M	\$747.9M	\$867.7M
8%	\$102.6M	\$213.0M	\$323.4M	\$411.7M	\$455.8M	\$500.0M	\$566.2M	\$676.6M	\$787.0M
9%	\$82.9M	\$184.8M	\$286.6M	\$368.1M	\$408.9M	\$449.6M	\$510.8M	\$612.6M	\$714.5M
10%	\$65.3M	\$159.5M	\$253.7M	\$329.1M	\$366.8M	\$404.5M	\$461.0M	\$555.2M	\$649.4M

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Recommendations

This PEA was based on the Mineral Resource Estimate produced by The MSA Group in 2021. Significant upside potential exists down dip of Area 4 and Area 2B as well as along the several kilometer long strike extensions of the mineralization in Areas 2 and 5. Therefore, with further exploration the run-of-mine and/or life time of the Lofdal mine could be significantly increased.

Sorting of the run-of-mine material was excluded from this PEA. However, historical and recent test work at TOMRA showed several approaches for an optimization of the Lofdal mine. Further studies will focus on three run-of-mine streams which will entail (1) higher grade material directly supplied to the flotation circuit while (2) lower grade material will run through a low filter XRT sorting with an upgrade factor expected in the range 2.0-2.5, and (3) very low grade (stockpile) material which will be XRT sorted with a high filter aiming at upgrades factors in the range 3.5-4 with relatively low recoveries around 50%. The latter will also source about 13 Mt of stockpile material which is not included in the current PEA.

While completing this PEA, further flotation tests are continuing at SGS aiming at further optimization of flotation. Specifically, grind size and collector dosage optimization bears significant upside for better recoveries and lower OPEX.

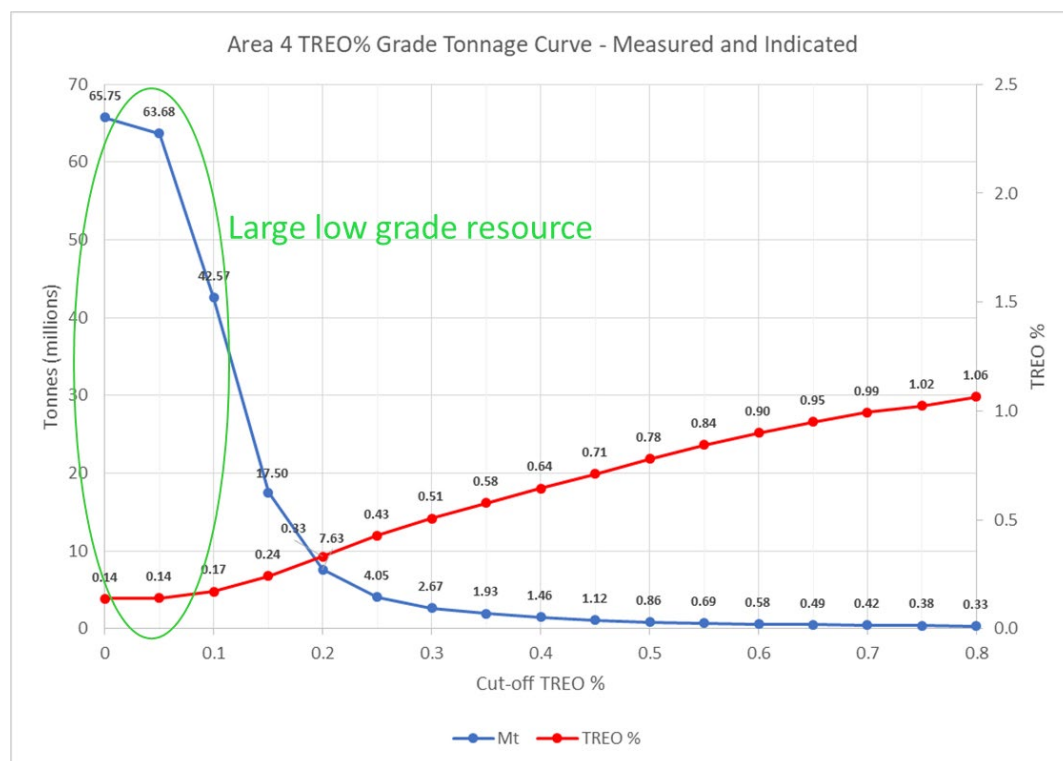


Figure 9: Lofdal Area 4 deposit Grade-tonnage curve demonstrating the large upside for the life of mine or increasing production by tapping the low grade resources potentially upgrading the run-of-mine by XRT sorting

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Expenditures

During the year ended November 30, 2022, the Company received \$2,000,000 (2021 - \$2,796,545) from JOGMEC for exploration expenditures on the Lofdal property. As of November 30, 2022, \$7,251,905 (2021 - \$5,263,368) in exploration expenditures have been incurred. The Company has recorded \$848,095 (2021 - \$836,632) as a liability for advances received for future exploration work.

The joint venture expenditures for the year ended November 30, 2022 are summarized in the following table:

	November 30, 2021 \$	Acquisitions and Expenditures \$	November 30, 2022 \$
Project Management	199,730	120,311	320,041
Geology, Drilling, Sample Analysis	3,266,652	917,600	4,184,252
43-101 Resource and Mine Model Update	506,415	322,394	828,809
Metallurgy	874,090	431,640	1,305,730
Operator's Fee	288,858	111,037	399,895
Mine planning	95,545	70,992	166,537
Other	32,078	14,563	46,641
	<u>5,263,368</u>	<u>1,988,537</u>	<u>7,251,905</u>

As part of the agreement with JOGMEC, the Company is entitled to an operator fee of 10% of the direct costs incurred, which is limited to 5% for any contracts requiring aggregate payments of more than \$100,000. The Company first recognized the operator fees against evaluation and exploration expenditures, as cost recoveries, and recognized the excess as other income in the consolidated statement of loss and comprehensive loss. The portion of the operator fee recognized as income during the year ended November 30, 2022 amounted to \$nil (2021 – \$nil).

Other Lofdal Expenditures

For the year ended November 30, 2022, the Company incurred \$217,301 (2021 – \$422,558) in exploration and evaluation expenditures on the Lofdal property that were in addition to the arrangement with JOGMEC.

Other Exploration Activities of Namibia Critical Metals

Kunene Cobalt-Copper Project

The Company relinquished its portfolio of EPLs comprising the Kunene project after results of an ambitious, staged exploration program did not return the expected results. Following a program of re-analysis of archived soil samples for cobalt, the historic soil geochemical anomalies have been confirmed in detail (Figure 9) and field teams had systematically mapped these areas in conjunction with an airborne electromagnetic ("EM") geophysical survey which was completed in August 2018. The Company completed an additional RC drill program by March 2021. Drilling targeted untested EM anomalies of the 2018 SkyTEM survey and entailed a total of 715 m in 4 boreholes. 2 boreholes targeted the "Africa Anomaly" at Okanihova East, one hole was drilled under the Malachite Mountain target and one hole was drilled at Olulilwa SW target. The first 3 holes intercepted sulphide mineralised shales and siltstones over

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several tens of meters. However, indicative analysis of the drill chips with a Niton hand-held XRF analyser revealed typical copper grades between 500 and 2,000 ppm and never exceeding 3,000 ppm. As those grades are clearly sub-economic, samples were not sent for laboratory analysis and the targets regarded as sterilised.

Kunene Cobalt-Copper Expenditures

For the year ended November 30, 2022, the Company incurred \$29,968 (2021 - \$112,112) in exploration and evaluation expenditures on the Kunene property. The Company recorded a write down in 2022 of \$232,137 in relation to non-core EPL5847 (2021 - \$4,165,252) and finalized the sale of its subsidiary holding EPL5885. The disposition was recorded as a reduction to the evaluation and exploration asset of \$118,295.

Epembe Tantalum-Niobium Property

During the year ended November 30, 2022, the Company incurred \$2,105 (2021 – \$26,428) in exploration and evaluation expenditures on the Epembe property. The Company recorded a final write down in 2022 of \$457,397 (2021 - \$523,029) in relation to MRDL3299 and EPL3299.

An application for renewal of MDRL3299 was submitted in the year and refused by the Ministry of Mines and Energy. The Epembe Project has been deemed too low grade and thus a non-core asset and the Company has decided not to appeal the decision to deny renewal of MDRL3299.

Gold Project Portfolio

The Company's gold exploration projects Erongo and Grootfontein are situated within the Central Namibian Gold Belt (Figure 11). Management has focused its exploration attention on the unfolding events pertaining to new gold discoveries in Namibia spearheaded by the success of Osino Resources discovery at Twin Hills. To date, the Company has directed only limited funds for the exploration of these properties, and it is recommended that priority now be given to regional gold exploration on these EPLs which cover 1,655 km² in this emerging gold belt.

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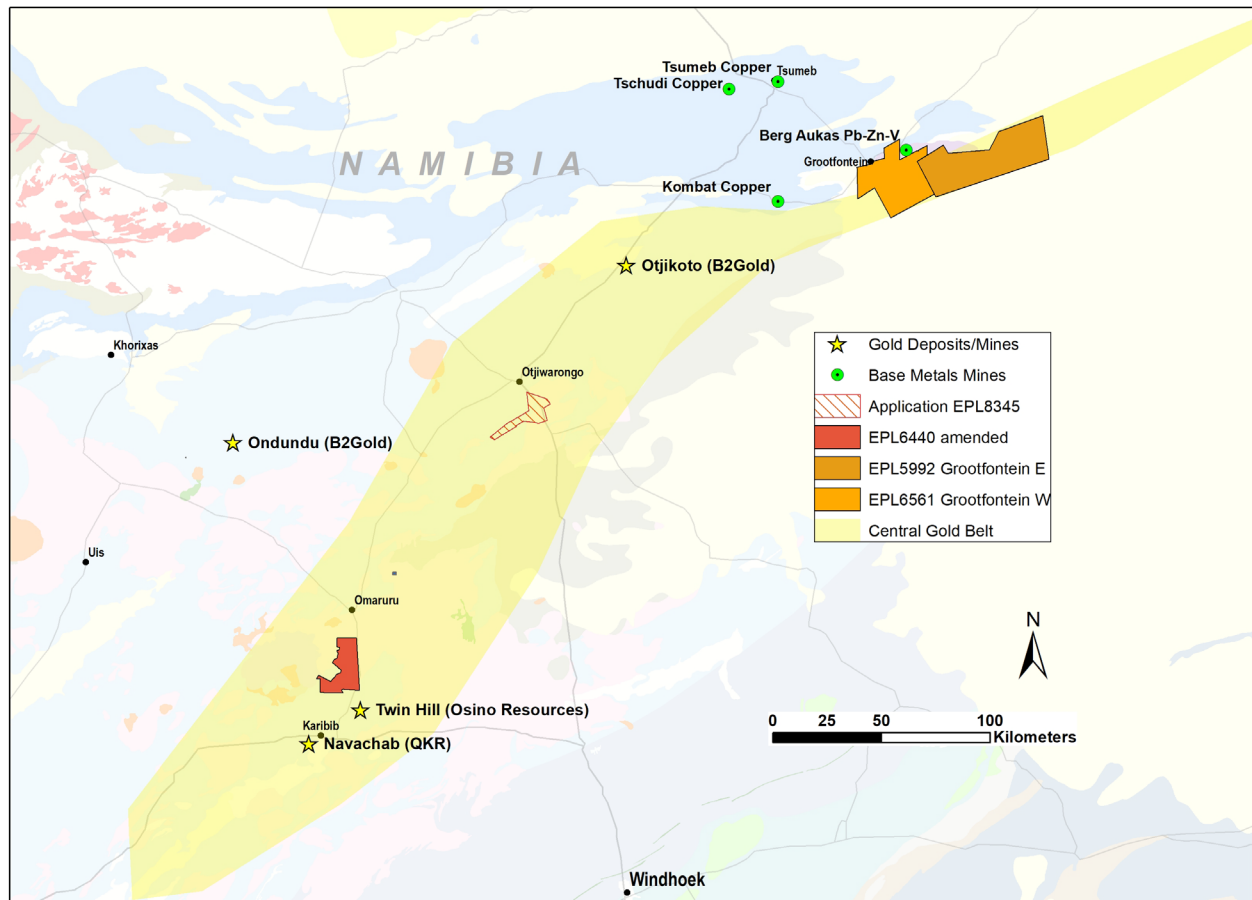


Figure 10 – NMI project areas in the Central Namibian Gold Belt

Grootfontein Gold, Nickel-Copper, Zinc-Lead-Vanadium 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 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.

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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.

The Grootfontein project area comprises two EPLs covering 1,392 km² located 80 kilometers northeast of B2 Gold's Otjikoto Gold Mine and 20 kilometers northeast of Osino Resources' Otjikoto East Project.

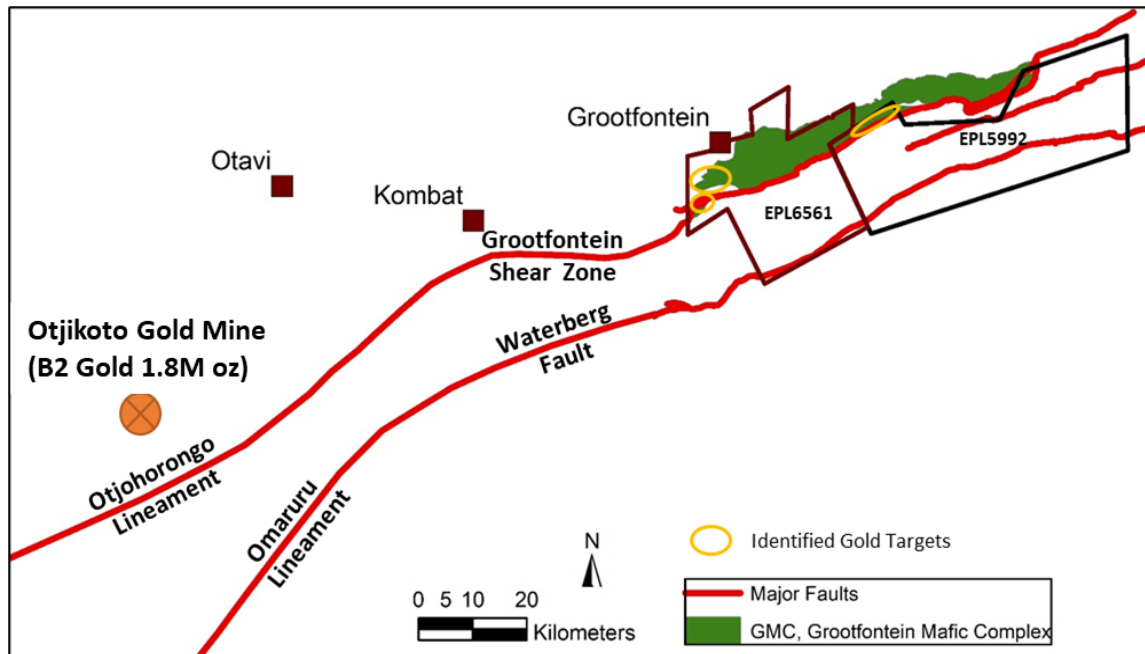


Figure 11 - Location of the Grootfontein EPLs and relationship to major structures within the Central Namibian Gold Belt

The geology of the property is dominated by the Grootfontein Mafic Complex ("GMC"). Grootfontein lies at the northeastern extremity of the Central Namibian Gold Belt where the Grootfontein Shear Zone ("GSZ") transects the GMC and is bounded to the south by the Waterberg Fault (Figure 11). Gold anomalies identified to date at Grootfontein occur within the mafic rocks of the GMC itself and in basement and Damaran Supergroup rocks in proximity to the Grootfontein Shear Zone. The project area has extensive alluvial and calcrete cover up to 60 meters in thickness.

A structural interpretation of the entire project area provided a detailed analysis of the area delineating the Grootfontein Shear Zone and associated second and third order structures considered favourable for gold mineralization.

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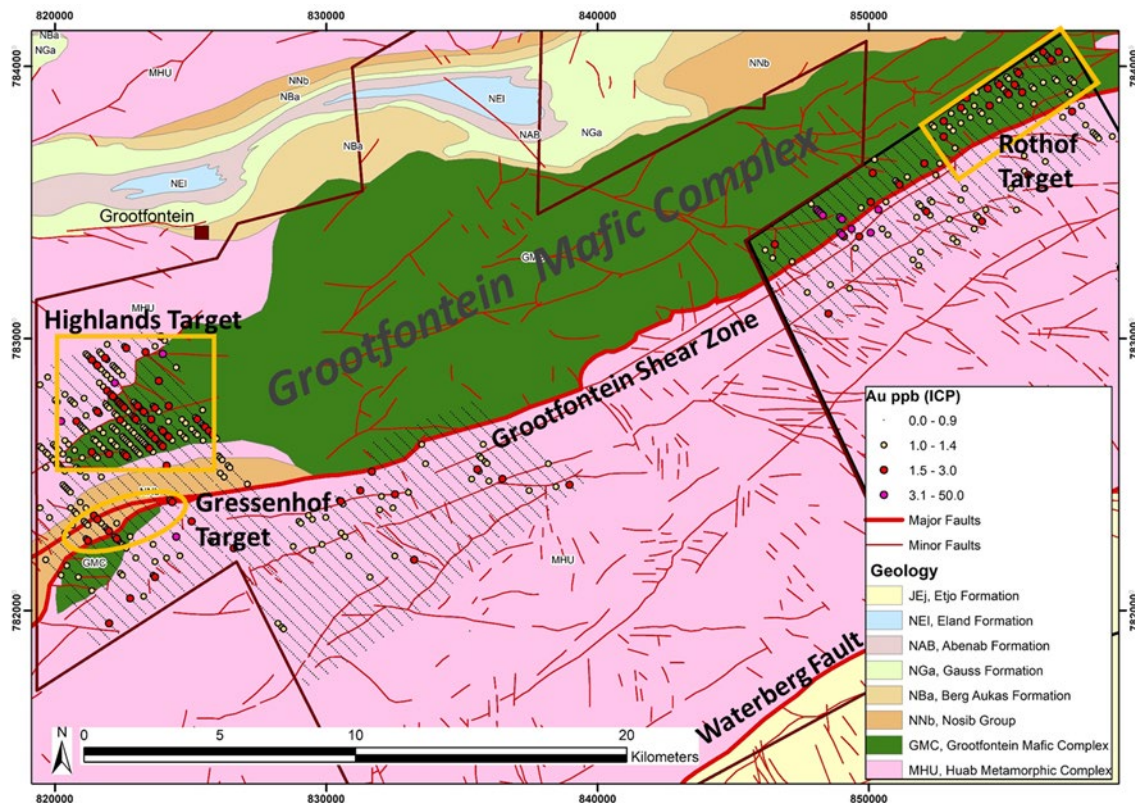


Figure 12 - Key gold exploration targets at the Grootfontein Project (low detection limit gold ICP analyses of soils). Sampling lines 400 m apart. Structural and lithological interpretations by Earthmaps Consulting.

Results have outlined three large, low-grade gold anomalies of gold related to the GSZ as shown in Figure 12:

- The Highlands Target covers an area of 25 km² situated 2.5 km north of the Grootfontein Shear Zone. Gold anomalies are associated with second order structures over strike lengths up to 6 kilometers within the Grootfontein Mafic Complex (GMC) and following the contact zone of the GMC and the Huab basement. Orogenic gold deposits in sheared mafic intrusive rocks are well documented and this represents the first such target in the Central Namibian Gold Belt
- The Gressenhof Target is coincident with the Grootfontein Shear Zone over a strike length of 3 kilometers and is underlain by metasediments of the Damaran Supergroup
- The Rothof Target is a well-defined, linear corridor following second order structures over a strike length of 6 kilometers, immediately north of the Grootfontein Shear Zone within the GMC.

The three targets were followed-up with UAV-borne high-resolution magnetic surveys and induced polarization geophysical surveys to delineate drill targets. The data show clearly defined structural zones which were 3D-modelled for drill target generation.

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The IP data from the first test area of the Rothof target show chargeability contrasts along the Grootfontein Shear Zone and its subparallel second order structures (Figures 13).

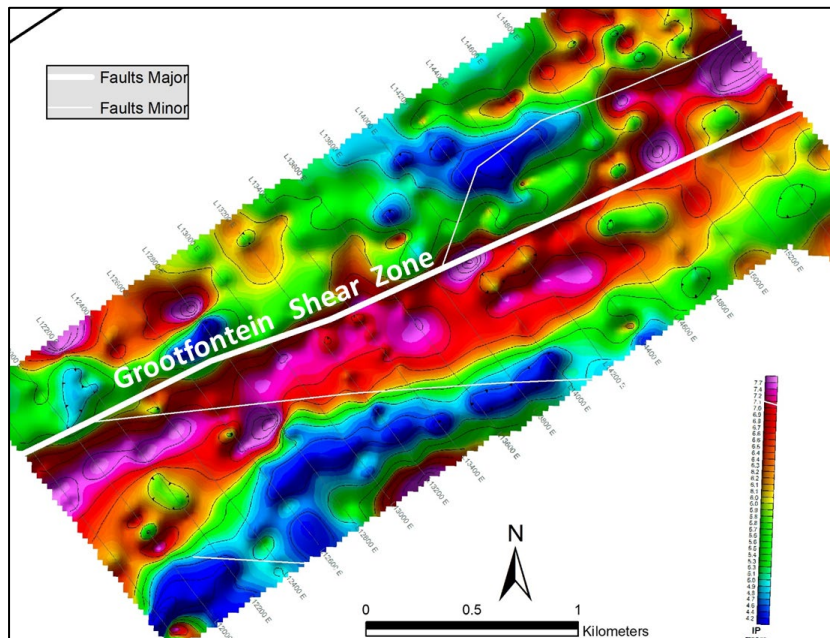


Figure 13: Result of the IP survey area at the Rothof Target: The Grootfontein Shear Zone is clearly marked with a zone of higher chargeability.

The planned SkyTEM EM survey over large parts of the Grootfontein Project had to be cancelled as the Namibian Air Force extended the “no-fly” zone from 5 to 10 nautical miles around the Grootfontein Air Base centrally located on EPL 6561. All communication of the Company and SkyTEM with the Ministry of Defense was to no avail and SkyTEM demobilised from Namibia. This was a major setback for exploration of the Grootfontein Project as most of the potentially gold mineralised structures fell into the newly declared “no-fly” zone. The planned airborne survey will now have to be off-set with time intense ground EM surveys.

In order to comply with the technical exploration commitment towards the Ministry of Mines and Energy, the Company decided to go ahead with stratigraphic and reconnaissance drilling on inferred structural targets delineated based on broad magnetic and electromagnetic anomalies (see Press Release July 28, 2021). 24 reverse circulation (RC) drill holes of a total of 4,466 m were drilled in Q3-4 2021. The holes on the Eastern Bend target showed an anomalous gold value of 71 ppb over 1 metre possibly and several low-grade base metal intercepts. The gold anomaly underlines the principle fertility of the structural zones for gold mineralisation but also points to the missing targeting precision without guiding conductivity anomalies produced by EM surveys. The holes in the west on Highland target returned weak base metal anomalies. The drilling and geophysical data will be re-evaluated.

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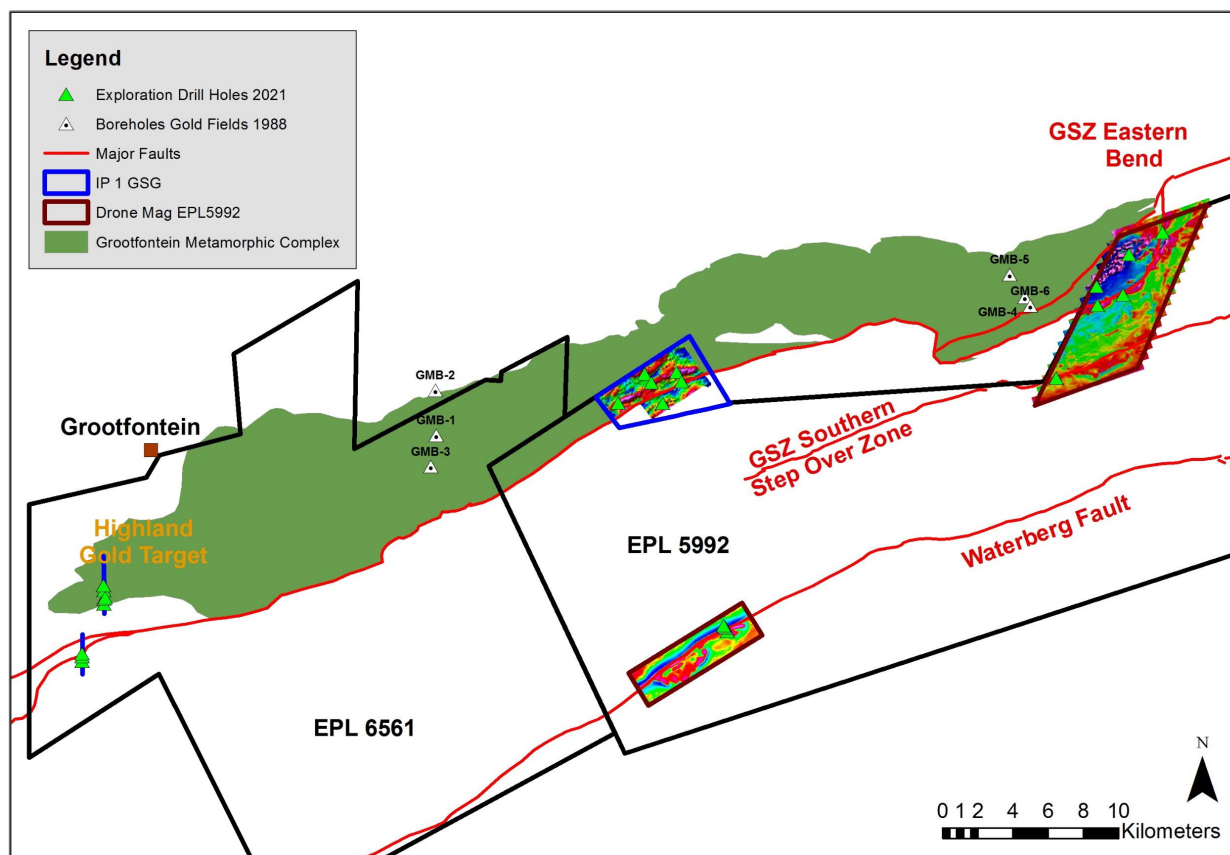


Figure 14: Grootfontein Project with main structures of the Grootfontein Shear Zone (GSZ), drill collar positions of the 2021 reconnaissance drilling program and the key target areas.

Due to the restrictions on air-borne surveys, the Company plans to enroll an extended ground-based IP program over the identified main structural targets with a focus on the “Eastern Bend” target.

Grootfontein Gold Expenditures

For the year ended November 30, 2022, the Company incurred \$38,116 (2021 - \$778,626) in exploration and evaluation expenditures on the Grootfontein Gold property.

Erongo Gold Project

The Erongo gold project originally covers an area of 263 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 orogeny hosting lithium and titanium minerals and semi-precious stones and structurally controlled gold mineralisation. Historical figures indicate small scale mining for all those deposit types on the property.

Namibia Critical Metals holds ground underlain by the same stratigraphic sequence as occurs at Osino’s Twin Hills project and the Company has therefore assigned priority to its non-Lofdal exploration program over this area.

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The Erongo Project is largely underlain by metasediments of the Damaran Supergroup dominated by a turbiditic sequence of metapelites of the Kuiseb Formation and syntectonic granites of the Damaran Orogen. The Kuiseb Formation hosts the Twin Hills gold project of Osino Resources just 20 km south of the Erongo Project. A structural interpretation of the entire project area by Earthmaps Consulting delineated the Omaruru Fault Zone and the Kanona Fault Zone, both of which are considered prospective for structurally controlled orogenic gold mineralization. Over 8,000 soil samples have been collected and analyzed by handheld XRF for base metals and gold pathfinder elements like arsenic and three distinct gold anomalies coinciding with arsenic anomalies associated with the Kanona Fault (Figure 15):

- **The Kanona North Target** has a strike length of **4 kilometers** which clearly follows a lower order structure splaying off the main Kanona Fault. This target is defined by the most intense arsenic anomaly in the area coinciding with a low-level gold anomaly and occurs within the Kuiseb Formation and syntectonic leucogranites (orthogneisses)
- **The Kanona Central Target** is similarly situated along the Kanona Fault over a strike length of **6 kilometers** but displays a broader, less confined arsenic anomaly within the Kuiseb Formation and syntectonic leucogranites
- **The Kanona East Target** is a northeast trending linear anomaly with a strike length of **2.5 kilometers** coincident with an interpreted dyke swarm cross cutting the Karibib Formation into Salem granite.

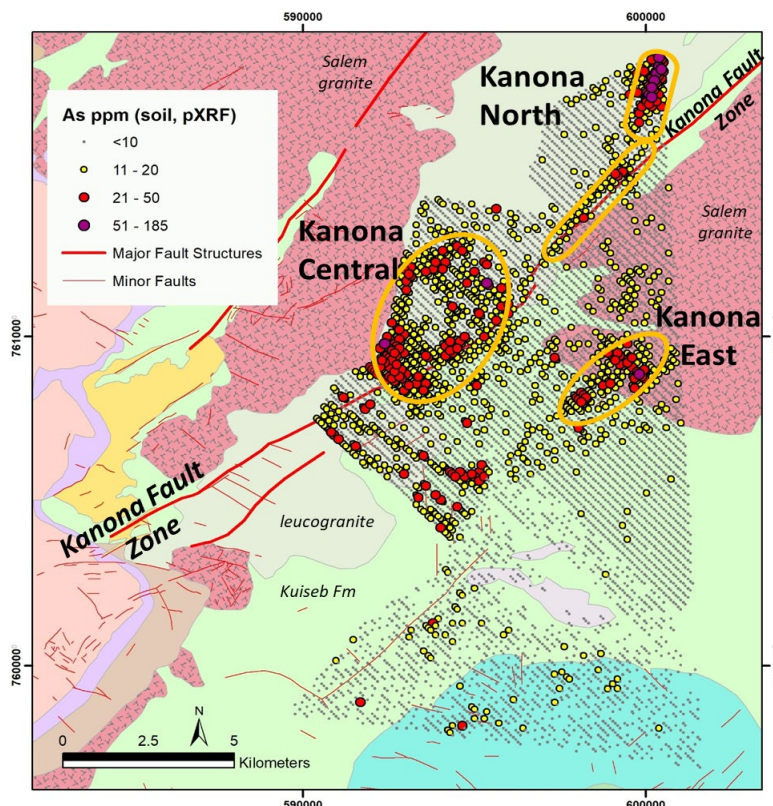


Figure 15 - Key gold exploration targets at the Erongo Project (arsenic anomalies from handheld XRF analyses of soils). Sampling lines 200 m apart.

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Ground geophysics

The central 1.5 km long Kanona North Target was prioritised for ground geophysical surveys. Combined ground magnetics, gradient array induced polarization, and pole-dipole induced polarization surveys were conducted by Gregory Symons Geophysics (GSG) in December 2021 to identify drill targets and to develop an efficient combination of survey tools and set-ups for further ground geophysics in the area. A total of 57 line kilometers of ground magnetics was surveyed over the target. One setup of gradient array induced polarization (GAIP) with 12 lines and 7 lines of pole-dipole induced polarization (PDIP) were surveyed.

The strongest IP anomaly based on GAIP and PDIP data occurs in the southeast ("Anomaly 1", Figure 16 and Figure 18). A slightly weaker and shallower IP "Anomaly 2" appears to the west and northwest. IP Anomaly 1 correlates with a strong magnetic anomaly, showing a divergence to the north. Based on the EM, magnetic and mapping data, the host structure is interpreted as a fold zone along the Kanona North second order fault, a structural setting generally conducive for structurally controlled gold mineralisation.

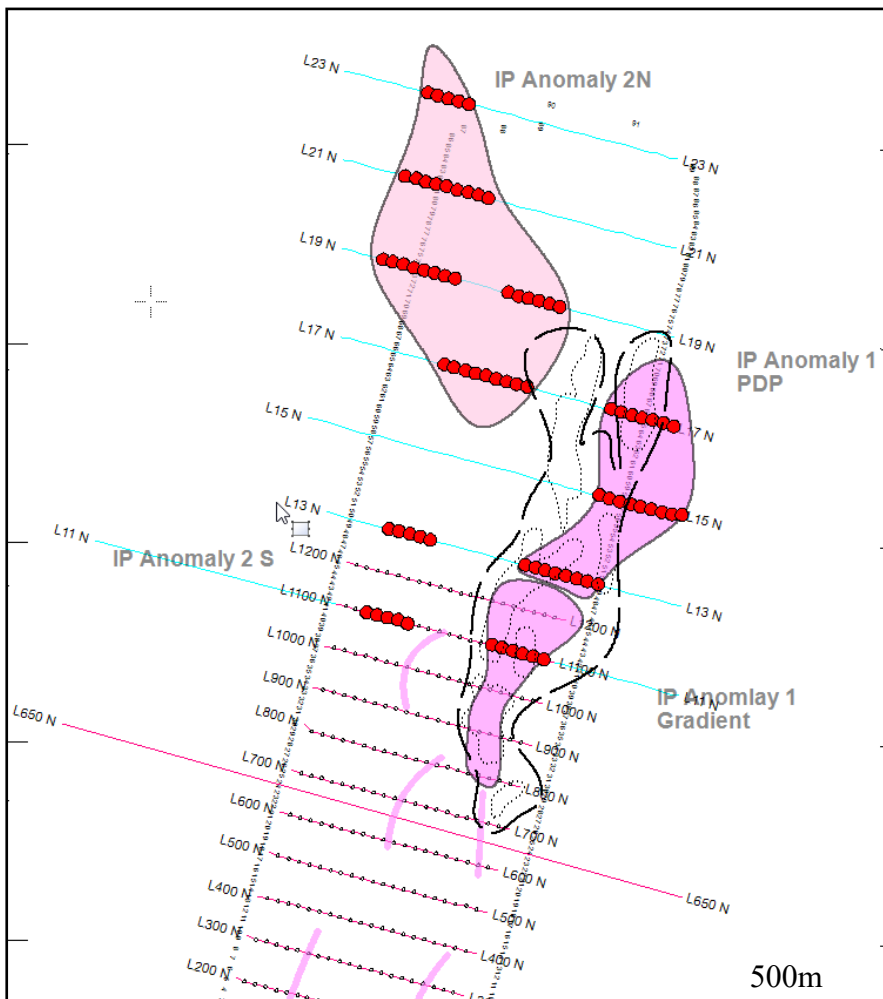


Figure 16: Plan with the interpretation of geophysical data at Kanona North target. Pink polygons show the position of the IP Anomalies 1 (east) and 2 (northwest). The red dots are the positions of the IP anomalies as taken off the PDIP modelled IP sections. Pink lines are weaker trends in the gradient array IP.

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The stippled line is an area of a broad magnetic anomaly defined by the RTP magnetic image while the dotted lines indicate magnetic units based on the RTP-TDR image.

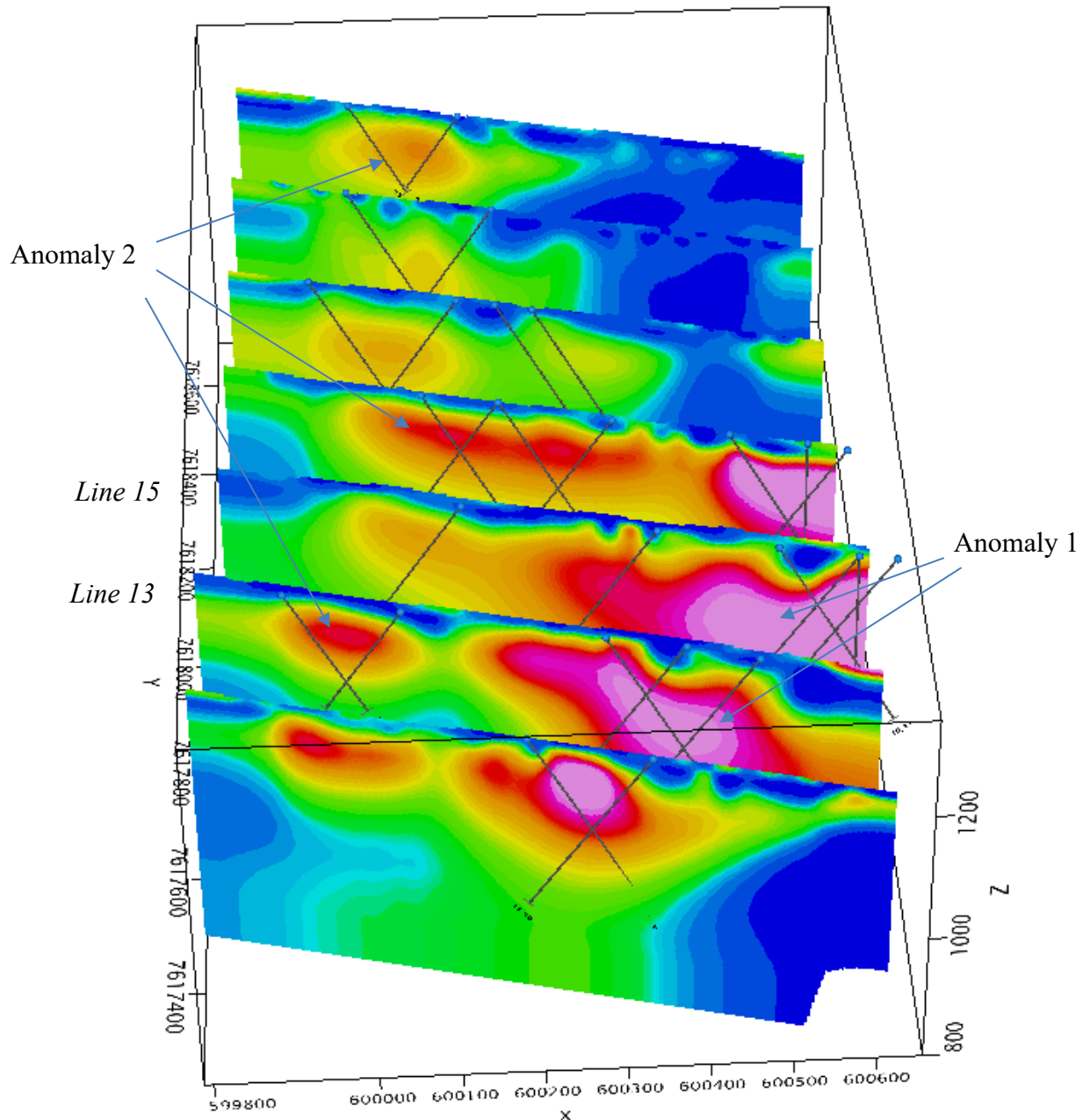


Figure 17: Reconnaissance drill plan (black lines) on 3D perspective showing the PDP IP response from Line 11 in the South to Line 21 in the north. Anomaly 1 in the east is well defined. Anomaly 2, to the west, is distinctly weaker and shallower.

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Drill results Kanona North Target

Based on the geophysical targets an initial drill program of 10 RC holes for a total of 2,462 m was conducted in April-May 2022.

Table 6: Drill statistics of the RC drill program at Kanona North target

Planned_Hole	Final Hole ID	UTM_E	UTM_N	Altitude_Z	EOH_m	Dip	Azi true N	Date Start	Date Completed
13_17	EROR001	600384	7617511	1247	97	-60	103	08-Apr-22	09-Apr-22
13_17	EROR002	600384	7617510	1248	295	-60	283	09-Apr-22	13-Apr-22
13_09	EROR003	600286	7617538	1246	289	-60	103	13-Apr-22	16-Apr-22
15_21	EROR004	600366	7617717	1230	271	-60	283	18-Apr-22	19-Apr-22
15_11	EROR005	600512	7617679	1230	300	-60	103	20-Apr-22	22-Apr-22
17_11	EROR006	600548	7617875	1247	295	-90	103	22-Apr-22	25-Apr-22
17_09	EROR007	600465	7617901	1238	300	-60	103	26-Apr-22	28-Apr-22
17_16	EROR008	600316	7617943	1235	205	-60	283	28-Apr-22	29-Apr-22
19_06	EROR009	600224	7618172	1245	211	-60	103	06-May-22	07-May-22
19_12	EROR010	600127	7618200	1237	199	-60	283	09-May-22	10-May-22
		Total			2462				

Intercepts of broader alteration zones and samples with high arsenic values (pXRF) were sampled. Sampling and sample assaying of the RC reconnaissance campaign at Erongo Kanona North have been monitored through a quality assurance quality control ("QAQC") program. Samples were taken as 2 kg split. Sample submissions to the laboratory included Certified Reference Material, blanks and duplicate samples. QAQC samples make up 10% of all samples submitted. Logging and sampling were completed at the Company's exploration base in Omaruru, Namibia. The samples were securely transported to the Activation Laboratories Ltd. sample prep facility in Windhoek, Namibia. The samples were dried and crushed to 95% <2 mm, split to 350 g and pulverized to 95% <75 µm. Sample pulps were sent to Activation Laboratories Ltd. in Ontario, Canada for analysis. Gold & PGEs analysis was done by 50 g fire assay (Actlabs code: 1C-Exploration) with nitric acid fusion and ICP-MS finish. In addition, pulps underwent 4-Acid digestion and multi-element analysis by INAA combined with the ICP-MS techniques for base metal analysis.

Final assays were received from Actlabs in September 2022. Generally, the assays reveal low, uneconomic gold grades over very wide intervals. The structurally controlled alteration zones show a good correlation of the arsenic values produced by on-site pXRF readings and the gold values from the final assays. The gold anomalism in the alteration zones is extensive over several tens of meters, and thus proves the exploration concept of combined soil sampling and ground IP surveys. However, gold mineralisation is of very low and uneconomic grade (e.g. in hole EROR002 70m@0.02 ppm Au). The best intercepts are 1m@0.42ppm Au (hole EROR007 from 45 m) and 1m@0.1ppm Au (hole EROR002 from 93 m)

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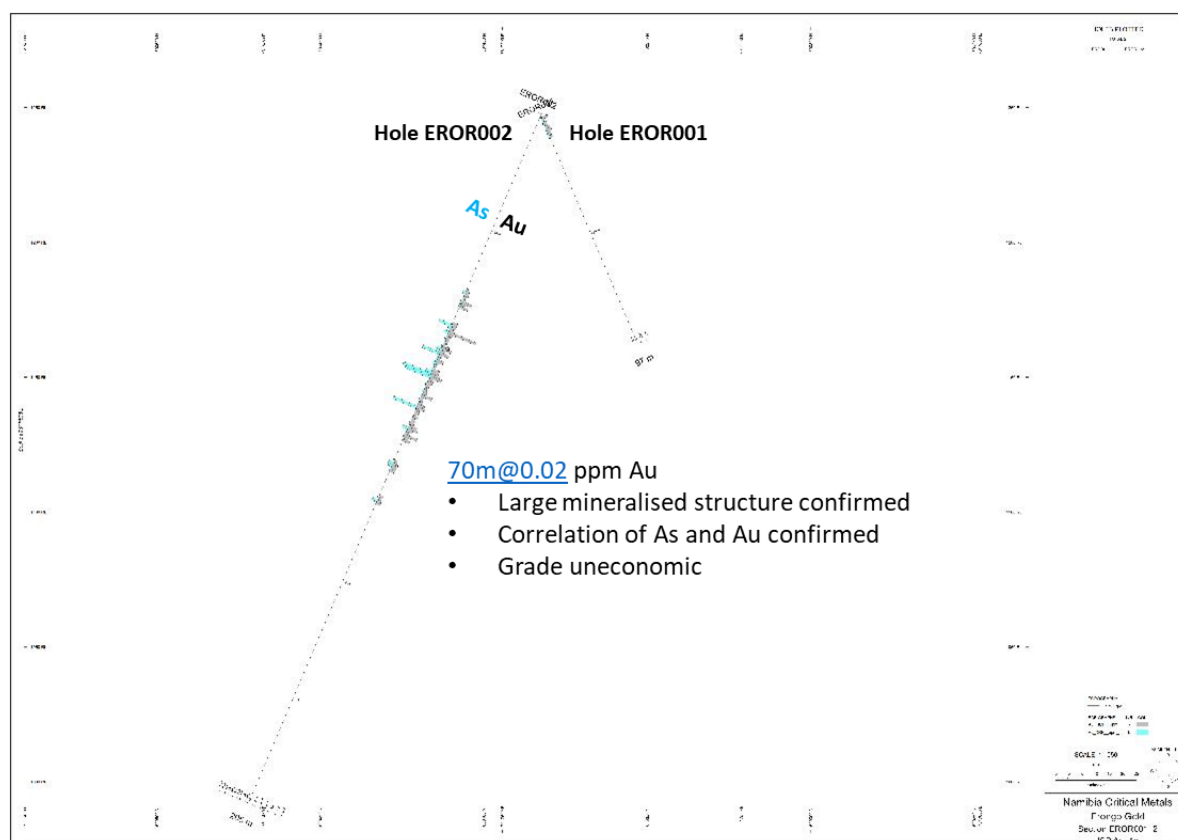


Figure 18: Section through Kanona North target with drill results for borehole EROR002: As – arsenic values from pXRF readings in ppm; Au – gold values from gold assay in ppb.

Other Property Expenditures

For the year ended November 30, 2022, the Company incurred \$209,510 (2021 – \$45,509) in exploration and evaluation expenditures on its other properties, which includes the Erongo Gold Project. The Company is evaluating all potential options on its gold licenses including additional exploration expenditures, seeking a joint venture partner and divesture.

Results of Operations

Years ended November 30, 2022 and 2021

For the year ended November 30, 2022, the Company capitalized acquisition and exploration costs of \$497,000 (2021 – \$1,385,233) related to expenditures on the following properties: Lofdal Rare Earths Project - \$217,301 (2021 – \$422,558); Kunene Cobalt-Copper Project - \$29,968 (2021 – \$112,112); Grootfontein (renamed from Kunene) Gold Project - \$38,116 (2021 – \$778,626), Epembe Tantalum-Niobium Project - \$2,105 (2021 – \$26,428) and Erongo Gold and Other Properties - \$209,510 (2021 – \$45,509).

For the year ended November 30, 2022, the Company reported a net loss of (\$651,709) compared to (\$5,473,973) for the prior year.

NAMIBIA CRITICAL METALS INC.
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Expenses were \$1,492,887 for the year compared to \$5,493,177 for 2021, primarily due to the following:

Write-down of exploration and evaluation assets decreased to \$690,822 compared to \$4,747,952 in 2021;

Shareholder communications decreased to \$99,463 compared to \$249,750 in 2021;

Share-based payments expense increased to \$243,560 compared to \$56,700 in 2021;

Foreign currency exchange was a gain of \$25,448 compared to loss of \$34,817 in 2021; and

Listing and filing fees increased to \$66,784 compared to \$30,252 in 2021.

Other income and interest income increased to \$841,178 from \$19,204 in 2021 primarily due to a gain on disposal of subsidiaries of \$818,682 in the year.

Summary of Quarterly Results

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

For the quarters ended	Nov. 30 2022	Aug. 31 2022	May 31 2022	Feb. 28 2022	Nov. 30 2021	Aug. 31 2021	May 31 2021	Feb. 28 2021
								\$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	511,291	118,821	746,691	113,764	4,836,968	182,608	308,304	165,297
Interest/Other income	(797,924)	(8,016)	(25,899)	(9,339)	(992)	(858)	47,155	(64,509)
Net loss (income)	(286,633)	110,805	720,792	104,425	4,835,976	181,750	355,459	100,788
Net loss (income) attributable to shareholders	(288,816)	110,320	707,053	104,023	4,705,508	181,098	354,795	100,728
Net loss attributable to non-controlling interest	4,503	485	13,739	402	130,468	652	664	60
Loss per share – basic and diluted	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00
Total assets (millions)	27.6	27.3	28.1	28.1	27.9	32.1	32.1	30.9

As the Company has capitalized all exploration expenditures to date in accordance with IFRS 6, the expenses are primarily related to administration and write-down of exploration evaluation assets. Higher expenses in the quarter ended November 30, 2022 are primarily due to share-based payments. Higher expenses in the quarters ended May 31, 2021, November 30, 2021 and May 31, 2022 are primarily due to write-downs of exploration and evaluation assets.

NAMIBIA CRITICAL METALS INC.
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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.

Fourth Quarter

During the fourth quarter, the Company incurred exploration costs of \$191,039 on Lofdal (2021 - \$222,867) and \$23,649 on its Grootfontein and Erongo Gold and Other projects (2021 - \$228,035). The disposition of EPL 5885 was represented by \$118,295 (2021 - \$nil). The Company incurred \$511,291 (2021 - \$196,188) in administration expenses including \$243,560 in non-cash share-based payments during the quarter.

Liquidity and Capital Resources

At November 30, 2022, the Company had working capital of \$473,599 compared to a working capital deficit of \$553,291 at November 30, 2021 as follows:

	November 30 2022 \$	November 30 2021 \$
Cash and short-term deposits	1,035,869	1,163,035
Taxes and other receivables	610,808	387,385
Deposits and prepaid expenses	73,991	56,102
Accounts payable and accrued liabilities	(398,974)	(1,323,181)
Advance received for future exploration work	(848,095)	(836,632)
Working capital (deficit)	473,599	(553,291)

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 other than operator fees earned under the JOGMEC agreement. Management and the Board of Directors are cognizant of difficult market conditions and have undertaken steps to secure additional financing.

On August 24, 2020 the Company announced it had entered into an agreement for a draw-down equity financing facility to provide the Company with up to CD\$5,000,000 over a 24-month period. Drawdowns are at the Company's discretion in increments of up to CD\$250,000. The Company completed a first draw-down of \$100,000 in 2020 and an additional \$100,000 draw-down on January 8, 2021. As of August 24, 2022, the facility has expired.

On March 12, 2021 the Company closed a \$662,500 non-brokered private placement.

On October 28, 2021, 2,916,667 warrants were exercised for one common share each at \$0.18 for proceeds of \$525,000.

On November 28, 2021, 1,410,000 options were exercised for one common share at \$.05, increasing common shares by the fair value of the options and cash proceeds of \$70,500, or a total of \$119,780.

NAMIBIA CRITICAL METALS INC.
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On March 31, 2022, the Company closed a private placement for \$750,000 gross proceeds consisting of 3,750,000 units at a price of \$0.20 per unit. Each unit consists of one common share and one warrant and subject to a four-month hold period, expiring August 1, 2022. Each whole warrant is exercisable for one common share at a price of \$0.35 until March 12, 2024. The Company also extended 2,650,000 warrants previously due to expire March 12, 2022 by another year to March 12, 2023.

On March 31, 2022, 150,000 options were exercised for one common share at \$.08, increasing common shares by the fair value of the options and cash proceeds of \$12,000, or a total of \$23,800.

Contractual Obligations

There are no contractual obligations other than those under the JOGMEC Agreement which stipulate that advance funds received are to be spent on the Lofdal property as agreed.

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 196,634,399 common shares.

A summary of the stock options outstanding as of the date of this MD&A is as follows:

Exercise price \$	Options outstanding and exercisable	Expiry date	Remaining contractual life (in years)
0.21	4,850,000	September 19, 2023	0.80
0.26	4,550,000	September 28, 2025	2.83
0.26	1,825,000	April 5, 2026	3.35
0.14	4,000,000	October 3, 2027	4.84
	15,225,000		2.77

Warrants

As of November 30, 2022 there were 6,625,989 warrants outstanding (2021 – 3,153,766) with a weighted average exercise price of \$0.35 (2021 – \$0.35). The change in warrants during the year ended November 30, 2022 is as follows:

	Number	Weighted average exercise price \$
At November 30, 2021	3,153,766	0.35
Issued	3,750,000	0.35
Expired	(277,777)	(0.34)
At November 30, 2022	6,625,989	0.35

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The following table summarizes information about the Company's warrants outstanding as at November 30, 2022:

Exercise Price	Warrants	Expiration Date	Remaining contractual life
\$	outstanding		(in years)
0.413	225,989	January 8, 2023	.11
0.350	2,650,000	March 12, 2023	.28
0.350	3,750,000	March 31, 2024	1.33
	6,625,989		0.87

Related party transactions

Transactions with key management personnel for the years ended November 30, 2022 and 2021 are as follows:

	2022	2021
	\$	\$
Share-based payments	175,078	56,700
Consulting fees	82,000	85,119
Payments to a shareholder for administrative services	-	908
Total charged to net loss	257,078	142,727
Share-based payments charged to exploration and evaluation assets	15,206	365,800
Payments to a shareholder charged to exploration and evaluation assets	146,419	690,071
Total	418,703	1,198,598

Key management personnel include officers and directors and companies directly controlled by key management personnel or shareholders; payments are for consulting fees, share-based payments and are directly related to their position in the Company.

During the year, related party transactions charged to JOGMEC in respect of the Lofdal project, included consulting fees of \$150,000 (2021 – \$145,850), payments to a shareholder of \$442,356 (2021 – \$547,549) and share-based payments of \$202,746 (2021 - \$nil).

Included in accounts payable and accrued liabilities are amounts owing to related parties of \$16,970 (2021 - \$891,363). Included in deposits and prepaid expenses is an amount of \$7,000 (2021 - \$7,000) representing retainers on services contracts with officers 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.

NAMIBIA CRITICAL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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

NAMIBIA CRITICAL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Accounting Policies

There were no changes in accounting policies during the period.

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 November 30, 2022, 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.

There have been no material changes in the Company's internal controls over financial reporting during the year ended November 30, 2022 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 fair value and are subsequently measured at amortized cost. The Company's financial assets include cash and short-term deposits and taxes and other receivables.

Impairment of financial assets at amortized cost

Impairment provisions on taxes and other receivables are based on credit risk characteristics, collateral and speculative and non-speculative historical default rates. All 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 advances received for future exploration work and are measured at amortized cost.

NAMIBIA CRITICAL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

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. Beyond obtaining the permits and necessary approvals to proceed with the development of the Lofdal property, the Company 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. 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 2023. 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 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; 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

NAMIBIA CRITICAL METALS INC.
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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.

Additional Information

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

Namibia Critical Metals Inc.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2022 AND 2021



Independent auditor's report

To the Shareholders of Namibia Critical Metals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Namibia Critical Metals Inc. and its subsidiaries (together, the Company) as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at November 30, 2022 and 2021;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
Cogswell Tower, 2000 Barrington Street, Suite 1101, Halifax, Nova Scotia, Canada B3J 3K1
T: +1 902 491 7400, F: +1 902 422 1166

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



The engagement partner on the audit resulting in this independent auditor's report is Maxime Lessard.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Halifax, Nova Scotia
March 27, 2023

Namibia Critical Metals Inc.

Consolidated Statements of Financial Position

As at November 30, 2022 and 2021 (in Canadian dollars)

	November 30, 2022 \$	November 30, 2021 \$
Assets		
Current assets		
Cash and short-term deposits	1,035,869	1,163,035
Taxes and other receivables (note 5)	610,808	401,579
Deposits and prepaid expenses	73,991	56,102
	<u>1,720,668</u>	<u>1,620,716</u>
Taxes receivable (note 5)	115,863	251,615
Equipment (note 7)	46,667	43,281
Exploration and evaluation assets (note 8)	<u>25,719,495</u>	<u>26,031,612</u>
	<u>27,602,693</u>	<u>27,947,224</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	398,975	1,323,181
Advances received for future exploration work (note 8)	848,095	836,632
	<u>1,247,070</u>	<u>2,159,813</u>
Loan payable (note 17)	<u>39,324</u>	<u>34,650</u>
	<u>1,286,394</u>	<u>2,194,463</u>
Equity		
Equity attributable to the shareholders of the Company (note 11)	26,496,129	25,915,671
Non-controlling interest	(179,830)	(162,910)
	<u>26,316,299</u>	<u>25,752,761</u>
	<u>27,602,693</u>	<u>27,947,224</u>

Nature of operations and going concern (note 1)

Approved by the Board of Directors on March 27, 2023:

/s/“William L. Price
Director

/s/“Adrian Hickey”
Director

Namibia Critical Metals Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended November 30, 2022 and 2021 (in Canadian dollars except share and per share amounts)

	2022 \$	2021 \$
Operating expenses		
Salaries and benefits (note 9)	96,120	95,412
Office and administration	80,882	73,706
Consulting fees (note 9)	82,760	97,619
Professional fees	132,495	106,969
Share-based payments (notes 9,11)	243,560	56,700
Travel	25,449	-
Listing and filing fees	66,784	30,252
Shareholder communications	99,463	249,750
Foreign currency exchange loss (gain)	(25,448)	34,817
Write-down of exploration and evaluation assets (note 8)	690,822	4,747,952
	(1,492,887)	(5,493,177)
Other income		
Interest income	10,069	3,454
Government assistance benefit (note 17)	-	13,000
Gain on disposal of subsidiary (note 10)	818,682	-
Gain on disposal of equipment	-	2,750
Other income	12,427	-
Net loss and comprehensive loss for the year	(651,709)	(5,473,973)
Net loss attributable to:		
Shareholders of the Company	(632,580)	(5,342,129)
Non-controlling interest	(19,129)	(131,844)
	(651,709)	(5,473,973)
Loss per share - basic and diluted	(0.00)	(0.03)
Weighted average number of shares outstanding – basic and diluted	195,341,522	187,972,685

Namibia Critical Metals Inc.

Consolidated Statements of Changes in Equity

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

	Common Shares Without Par Value		Share-based Payments	Contributed		Total Shareholders'	Non-controlling	Total
	Shares	Amount	Reserve	Surplus	Deficit	Equity	interests	Equity
	#	\$	\$	\$	\$	\$	\$	\$
Balance, Nov 30, 2020	185,305,755	44,987,573	2,099,397	5,792,503	(23,558,224)	29,321,249	143,934	29,465,183
Issuance of shares per private placements	3,101,977	743,551	-	-	-	743,551	-	743,551
Share-based payments	-	-	422,500	-	-	422,500	-	422,500
Warrants exercised	2,916,667	525,000	-	-	-	525,000	-	525,000
Options exercised	1,410,000	119,780	(49,280)	-	-	70,500	-	70,500
Subscription of subsidiary shares (note 6)	-	-	-	-	175,000	175,000	(175,000)	-
Net loss and comprehensive loss	-	-	-	-	(5,342,129)	(5,342,129)	(131,844)	(5,473,973)
Balance, Nov 30, 2021	192,734,399	46,375,904	2,472,617	5,792,503	(28,725,353)	25,915,671	(162,910)	25,752,761
Balance, Nov 30, 2021	192,734,399	46,375,904	2,472,617	5,792,503	(28,725,353)	25,915,671	(162,910)	25,752,761
Issuance of shares per private placements	3,750,000	750,000	-	-	-	750,000	-	750,000
Share issue costs	-	(25,362)	-	-	-	(25,362)	-	(25,362)
Share-based payments	-	-	476,400	-	-	476,400	-	476,400
Options exercised and expired	150,000	23,800	(188,889)	177,089	-	12,000	-	12,000
Disposition of subsidiaries (note 10)	-	-	-	-	-	-	2,209	2,209
Net loss and comprehensive loss	-	-	-	-	(632,580)	(632,580)	(19,129)	(651,709)
Balance, Nov 30, 2022	196,634,399	47,124,342	2,760,128	5,969,592	(29,357,933)	26,496,129	(179,830)	26,316,299

Namibia Critical Metals Inc.

Consolidated Statements of Cash Flows

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Net loss for the year	(651,709)	(5,473,973)
Adjustments for:		
Unrealized foreign currency exchange loss (gain)	(25,448)	34,817
Share-based payments	243,560	56,700
Interest income recognized in net loss	(10,069)	(3,454)
Write-down of exploration and evaluation assets	690,822	4,747,952
Non-cash interest expense on loan payable	4,674	4,243
Gain on sale of equipment	-	(2,750)
Gain on disposal of subsidiary	(818,682)	-
	(566,852)	(636,465)
Net change in non-cash working capital balances related to operations		
Increase in amounts receivable, deposits and prepaid expenses	(109,594)	(276,844)
(Decrease) increase in accounts payable and accrued liabilities (note 14)	(162,215)	1,151,224
Advances received for future exploration work, net of expenditures (note 8)	11,463	222,847
	(827,198)	460,762
Investing activities		
Interest income received	10,069	3,454
Purchase of equipment	(23,716)	-
Proceeds from disposal of equipment	-	2,750
Proceeds from disposal of subsidiary	350,585	-
Expenditures on exploration and evaluation assets, net of recoveries (note 14)	(401,751)	(1,168,205)
	(64,813)	(1,162,001)
Financing activities		
Loan proceeds, net of government assistance	-	7,000
Issuance of share capital, net of costs	724,638	743,551
Proceeds from exercise of warrants	-	525,000
Proceeds from exercise of options	12,000	70,500
	736,638	1,346,051
Effect of exchange rate changes on cash	28,207	(75,473)
Net change in cash during the year	(127,166)	569,339
Cash and short-term deposits – Beginning of year	1,163,035	593,696
Cash and short-term deposits – End of year	1,035,869	1,163,035
Supplemental cash flow information (note 14)		

Namibia Critical Metals Inc.

Notes to Consolidated Financial Statements

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

1. Nature of operations and going concern

Namibia Critical Metals Inc. (the “Company”) 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 November 30, 2022 has an accumulated deficit of \$29,357,933 (2021 - \$28,725,353) and working capital (deficit), as defined by the excess of current assets over current liabilities, of \$473,599 (2021 - (\$539,097)). The Company does not generate income or sufficient 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.

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. During the year ended November 30, 2022, the Company issued 3,900,000 common shares (2021 - 7,428,644), raising \$736,638 cash proceeds (2021 - \$1,339,051) through a private placement and an exercise of options.

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 in exploration and development expenditures (note 8).

In addition to the above, management continues to evaluate alternatives to secure additional favorable 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. These circumstances cast significant doubt upon the Company’s ability to continue as a going concern. 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”) as issued by the International Accounting Standards Board.

These consolidated financial statements were authorized for issue by the Board of Directors on March 27, 2023.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting.

Namibia Critical Metals Inc.

Notes to Consolidated Financial Statements

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company's subsidiaries as at November 30, 2022 listed below. All inter-company balances and transactions are eliminated upon consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. Non-controlling interest represents the portion of a subsidiary's income and losses and net assets that is not held by the Company.

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	95%
Gecko Gold Holdings (Pty) Ltd.	Namibia	Asset holding company	95%
Gecko Gold Mining (Pty) Ltd.	Namibia	Asset holding company	95%
Epembe Holdings (Pty) Ltd.	Namibia	Asset holding company	95%
Epembe Mining (Pty) Ltd.	Namibia	Asset holding company	95%
Solarwind Investments (Pty) Ltd.	Namibia	Asset holding company	95%
Philco One Hundred Seventy-Four (Pty) Ltd.	Namibia	Asset holding company	95%
Philco One Hundred Eighty (Pty) Ltd.	Namibia	Asset holding company	95%
Philco One Hundred Ninety-One (Pty) Ltd.	Namibia	Asset holding company	95%
Philco One Hundred Ninety-Three (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 used to estimate the value of options and incorporates assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate and expected life of the options. Expected forfeitures are also estimated, which impacts the amount of share-based expense recognized. Changes in these assumptions may result in a material change to the expense recorded for the issuance of stock options.

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.

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.

Namibia Critical Metals Inc.

Notes to Consolidated Financial Statements

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

Critical accounting judgments

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

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

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Cash and short-term deposits

Cash consists of cash on hand, demand deposits and money market funds.

b) Foreign Currency Translation

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. Primary and secondary indicators are used to determine the functional currency. The primary indicator which applies to the Company is the currency that mainly influences expenses. Secondary indicators include the currency in which funds from financing activities are generated.

Transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions except for depreciation which is translated at historical exchange rates. At each consolidated statement of financial position date, monetary assets and liabilities are translated using the period-end exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the consolidated statement of loss and comprehensive loss.

c) Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study and the Company's decision to proceed with development, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to resource property and development assets.

An impairment review of exploration and evaluation assets is performed, either individually or at the cash generating unit level, when there are indicators the carrying amount of the assets may exceed their recoverable amounts. One or more of the following facts and circumstances indicate that the Company should test exploration and evaluation assets for impairment:

- a) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or
- d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. To the extent this occurs, the excess is fully provided against the carrying amount, in the period in which this is determined.

Namibia Critical Metals Inc.

Notes to Consolidated Financial Statements

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

Exploration and evaluation assets are assessed on an annual basis and these costs are carried forward provided at least one of the following conditions is met: such costs are expected to be recovered through successful exploration and development and of the area of interest or by its sale; or exploration and evaluation activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned in the future.

The Company may enter in joint arrangements to further pursue exploration and development activities on its exploration and evaluation assets. When funding is received by a third party to be spent on exploration and development activities on the Company's exploration and evaluation assets, such as the JOGMEC agreement (note 8), the funding received is deferred and recognized as a liability until costs are incurred. The costs are not capitalized to the Company's exploration and evaluation assets when the costs are funded by a third party. In certain instances, the Company may act as the operator and receive an operator fee to cover its overhead costs. This operator fee is first recognized against costs incurred and the excess is recognized as other income on the consolidated statement of loss and comprehensive loss.

d) Equipment

Items of equipment are recorded at cost and depreciated over their estimated useful lives. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Depreciation is recognized using the following rates and methods:

Motor vehicles	20% declining balance
Exploration equipment	20% declining balance
Office equipment	30% declining balance

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

e) Share-based payments

The fair value of options granted is recognized as an expense or capitalized as exploration and evaluation assets as appropriate, with a corresponding increase in equity.

The fair value of options granted to employees or those providing similar services is measured using the Black-Scholes option pricing model. The fair value is determined at the grant date and is expensed or capitalized over the period during which the share purchase options vest and is based on the Company's estimate of the shares that will eventually vest.

The fair value of options granted to non-employees is measured at the fair value of the goods or services received, on the date they are received. If the fair value of the services received cannot be estimated reliably, the fair value of the share purchase options is measured using the Black-Scholes option pricing model.

At each financial position reporting date, the amount recognized is adjusted to reflect the actual number of options that are expected to vest.

f) Income taxes

Income tax consists of current and deferred tax and is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable for previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

Namibia Critical Metals Inc.

Notes to Consolidated Financial Statements

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities of the same taxable entity are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, they relate to income taxes levied by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

g) Government assistance

The Canada Emergency Business Account (CEBA) loan offered from the Canadian Government in response to the COVID-19 pandemic is an interest-free loan of \$60,000 and up to \$20,000 is forgivable if the loan is repaid by the repayment deadline (note 17).

The CEBA loan is initially recognized at fair value and the difference between the fair value and proceeds is treated as a government grant (the interest-free benefit). Subsequently, the CEBA loan is measured at amortized cost using the effective interest rate method.

h) Earnings (loss) per share

Earnings (loss) per share is computed by dividing the net loss attributable to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding and in-the-money stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

i) Financial instruments

Financial assets

Financial assets are classified as financial assets at amortized cost; fair value through profit and loss ("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 fair value and are subsequently measured at amortized cost. The Company's financial assets include cash and short-term deposits and other receivables.

Financial liabilities

Financial liabilities 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, advances received for future exploration work and loan payable and are subsequently measured at amortized cost.

j) Decommissioning liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value of the expected future cash flows. These costs are charged to the consolidated statement of loss and comprehensive loss over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the consolidated statement of loss and comprehensive loss. The liability is assessed at each reporting date for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental liabilities as restoration and environmental compliance work related to exploration activities is completed on an ongoing basis and therefore the disturbance to date is minimal.

Namibia Critical Metals Inc.

Notes to Consolidated Financial Statements

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

l) Warrants

Proceeds on the issuance of warrants are recorded in a separate component of equity as the warrants give right to a fixed number of the Company's common shares. Costs incurred on the issuance of warrants are recognized as a deduction from warrant proceeds. Warrants issued with common shares are measured using the residual fair value method. The fair value is included as a component of equity and is transferred from warrants to share capital on exercise.

4. New or amendments to accounting standards not yet adopted

There are no new or amendments to accounting standards not yet adopted that are expected to have a significant impact on the Company's consolidated financial statements based on its current activities.

5. Taxes and other receivables

	2022 \$	2021 \$
HST receivable – Canada	11,401	11,927
Other receivables	1,923	2,267
	<u>13,324</u>	<u>14,194</u>
VAT receivable - Namibia	713,347	639,000
Less: VAT receivable - long-term	(115,863)	(251,615)
VAT receivable - current	<u>597,484</u>	<u>387,385</u>
Total taxes and receivables - current	<u>610,808</u>	<u>401,579</u>

Due to a lack of clarity regarding the collectability of the Namibian VAT refund claims dating prior to a court decision allowing refund claims to exploration companies by the Namibian Ministry of Finance, the VAT totaling \$713,347 (2021 - \$639,000) has been segregated between long-term and current based on when the Company was awarded its Mining Licence for Lofdal. VAT receivable of \$597,484 (2021 - \$387,385) generated from post May 2021 Namibian expenditures has been presented as current as it is expected that the majority of the amount \$406,576 (2021 - \$387,385) will be recovered through the Company's agreement with JOGMEC. The remaining VAT receivable of \$115,863 (2021- \$251,615) has been presented as a long-term asset as at November 30, 2022.

6. Loan receivable

In May 2021, the Company was awarded a Mining Licence ("ML200") for the Lofdal Heavy Rare Earth Dysprosium-Terbium Project ("Lofdal") by the Republic of Namibia Ministry of Mines and Energy. ML200 is valid for a 25-year period through to May 10, 2046 and was issued to the Company's 100% owned subsidiary, Namibia Rare Earths (Pty) Ltd ("NRE"). Certain conditions of ML200 mandate that historically disadvantaged Namibians represent a minimum 20% of the management structure, including the board of NRE and hold at least 5% of the voting shares of NRE.

Namibia Critical Metals Inc.

Notes to Consolidated Financial Statements

For the years ended November 30, 2022 and 2021 (in Canadian dollars)

The Company completed a re-structuring of the management and shareholdings of NRE in 2021 year to comply with these conditions. A company owned by historically disadvantaged Namibians, Philco One Hundred Ninety-Six (Pty) Ltd. ("Philco 196"), subscribed to 5% of the voting shares of NRE. To facilitate the investment, the Company's subsidiary, Cayman Namibia Rare Earths Ltd., extended a loan to Philco 196 for \$2,500,000. The loan is non-interest bearing and is to be repaid from future profit distributions of NRE. As a result of the transaction, a decrease in non-controlling interest of \$175,000 was recognized on the consolidated statement of changes in equity in 2021, with the offset recognized to deficit.

7. Equipment

Cost	Exploration equipment	Motor vehicles	Total equipment
November 30, 2021	90,428	127,090	217,518
Additions	-	23,716	23,716
November 30, 2022	90,248	150,806	241,234

Accumulated Depreciation	Exploration equipment	Motor vehicles	Total equipment
November 30, 2021	72,371	101,866	174,237
Depreciation	6,385	13,945	20,330
November 30, 2022	78,756	115,811	194,567

Net book value	Exploration equipment	Motor vehicles	Total equipment
November 30, 2021	18,057	25,224	43,281
November 30, 2022	11,672	34,995	46,667

Depreciation charged on exploration equipment and motor vehicles of \$20,330 (2021 - \$18,514) has been capitalized to exploration and evaluation assets.

8. Exploration and evaluation assets

	November 30, 2021	Acquisitions and Expenditures	Disposals	Write-downs	November 30, 2022
	\$	\$	\$	\$	\$
Lofdal Rare Earths property	23,693,664	217,301	-	-	23,910,965
Kunene Cobalt-Copper	320,464	29,968	118,295	232,137	-
Grootfontein Gold	1,322,016	38,116	-	-	1,360,132
Epembe Tantalum-Niobium	455,292	2,105	-	457,397	-
Erongo Gold and Other	240,176	209,510	-	1,288	448,398
	26,031,612	497,000	118,295	690,822	25,719,495

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 and received ML200 in May 2021, subject to certain ownership and management requirements (see note 6). The property is subject to a 2% net smelter revenue royalty.

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Partnership with JOGMEC on Lofdal

On January 27, 2020, the Company announced that it had signed an agreement with 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 a total of \$20,000,000 in exploration and development expenditures under the following terms:

Term 1 – JOGMEC will fund \$3,000,000 in exploration expenditures up to March 31, 2021. The first term funding amount is non-refundable and JOGMEC earns no interest in the Lofdal project;

Term 2 – JOGMEC is entitled to elect to contribute an additional \$7,000,000 in exploration expenditures from April 1, 2021 – March 31, 2024 to earn a 40% interest in the Lofdal project; and

Term 3 – JOGMEC is entitled to elect to contribute an additional \$10,000,000 in exploration and development expenditures from April 1, 2024 – March 31, 2028 to earn an additional 10% interest in the Lofdal project.

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 April 1, 2021, the Company announced that JOGMEC elected to move to Term 2.

During the year ended November 30, 2022, the Company received \$2,000,000 (2021 - \$2,796,545) from JOGMEC for exploration expenditures on the Lofdal property. As of November 30, 2022, \$7,251,905 (2021 - \$5,263,368) in exploration expenditures have been incurred. The Company has recorded \$848,095 (2021 - \$836,632) as a liability for advances received for future exploration work.

As of November 30, 2022 JOGMEC has advanced \$8,100,000 of the \$10,000,000 commitment for Terms 1 and 2 and has approved up to \$10.075 million to be spent by May 31, 2023.

The expenditures incurred related to the JOGMEC agreement for the year ended November 30, 2022 are summarized in the following table:

	November 30, 2021 \$	Acquisitions and Expenditures \$	November 30, 2022 \$
Project Management	199,730	120,311	320,041
Geology, Drilling, Sample Analysis	3,266,652	917,600	4,184,252
43-101 Resource and Mine Model Update	506,415	322,394	828,809
Metallurgy	874,090	431,640	1,305,730
Operator's Fee	288,858	111,037	399,895
Mine planning	95,545	70,992	166,537
Other	32,078	14,563	46,641
	5,263,368	1,988,537	7,251,905

As part of the agreement with JOGMEC, the Company is entitled to an operator fee of 10% of the direct costs incurred, which is limited to 5% for any contracts requiring aggregate payments of more than \$100,000. The Company first recognized the operator fees against evaluation and exploration expenditures, as cost recoveries, and recognized the excess as other income in the consolidated statement of loss and comprehensive loss. The portion of the operator fee recognized as income during the year ended November 30, 2022 amounted to \$nil (2021 - \$nil).

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Other properties

During the year, the Company abandoned certain of its non-core properties by licences EPL7115, EPL5847 and MRDL 3299 and sold EPL 5885 as part of the sale of its subsidiary Kunene Resources Namibia (Pty) Ltd., resulting in a write-down of exploration and evaluation assets of \$690,822.

The Company's current property portfolio is summarized as follows:

Licence	Subsidiary Company	Project
EPL3400	Namibia Rare Earths (Pty) Ltd.	Lofdal
ML200	Namibia Rare Earths (Pty) Ltd.	Lofdal
EPL5992	Philco One Hundred Ninety-Three (Pty) Ltd.	Grootfontein
EPL6561	Philco One Hundred Ninety-Three (Pty) Ltd.	Grootfontein
EPL7873	Philco One Hundred Ninety-Three (Pty) Ltd.	Grootfontein
EPL8345	Gecko Gold Mining (Pty) Ltd.	Erongo
EPL6440	Gecko Gold Mining (Pty) Ltd.	Erongo

9. Related party transactions

Transactions with key management personnel for the years ended November 30, 2022 and 2021 are as follows:

	2022 \$	2021 \$
Share-based payments	175,078	56,700
Consulting fees	82,000	85,119
Payments to a shareholder for administrative services	-	908
Total charged to net loss	257,078	142,727
Share-based payments charged to exploration and evaluation assets	15,206	365,800
Payments to a shareholder charged to exploration and evaluation assets	146,419	690,071
Total	418,703	1,198,598

Key management personnel include officers and directors and companies directly controlled by key management personnel or shareholders; payments are for consulting fees, share-based payments and are directly related to their position in the Company.

During the year, related party transactions charged to JOGMEC in respect of the Lofdal project, included consulting fees of \$150,000 (2021 – \$145,850), payments to a shareholder of \$442,356 (2021 – \$547,549) and share-based payments of \$202,746 (2021 - \$nil).

Included in accounts payable and accrued liabilities are amounts owing to related parties of \$16,970 (2021 - \$891,363). Included in deposits and prepaid expenses is an amount of \$7,000 (2021 - \$7,000) representing retainers on services contracts with officers of the Company.

10. Sale of subsidiaries

On September 12, 2022, the Company sold its equity interest in two of its subsidiaries, Kunene Resources Holdings (Pty) Ltd. and Kunene Resources Namibia (Pty) Ltd. (the "Subsidiaries"), to a third party for a combination of cash and services in kind of \$923,733. The Subsidiaries held EPL 5885, which had a carrying amount of \$118,295 before disposition. The gain on disposal of the shares amounted to \$818,682.

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11. Capital stock

Authorized capital stock

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

	November 30, 2022		November 30, 2021	
	Number of Shares	\$	Number of Shares	\$
Balance, beginning of year	192,734,399	46,375,904	185,305,755	44,987,573
Issuance of shares per private placements, less share issuance costs	3,750,000	724,638	3,101,977	743,551
Warrants exercised	-	-	2,916,667	525,000
Options exercised	150,000	23,800	1,410,000	119,780
Balance, end of year	196,634,399	47,124,342	192,734,399	46,375,904

On January 8, 2021 pursuant to an equity facility, the Company issued 451,997 units at a price of \$0.22125 per unit for gross proceeds of \$100,000. Each unit in the second tranche consists of one common share and one-half warrant. Each whole warrant is exercisable for one common share at a price of \$0.413 until January 7, 2023. The value of the warrants was estimated at nil using the residual method.

On March 12, 2021 pursuant to a non-brokered private placement, the Company issued 2,650,000 units at price of \$0.25 per unit for gross proceeds of \$662,500. Each unit consists of one common share and one warrant, subject to a four-month holding period, expiring July 13, 2021. Each whole warrant is exercisable for one common share at a price of \$0.35 until March 12, 2023. The value of the warrants was estimated at nil using the residual method.

On October 28, 2021, 2,916,667 warrants were exercised for one common share each at \$0.18 for proceeds of \$525,000.

On November 28, 2021, 1,410,000 options were exercised for one common share at \$.05, increasing common shares by the total of the reclassification of the share-based reserve of \$49,280 and the cash proceeds of \$70,500, or a total of \$119,780.

On March 31, 2022, the Company closed a private placement for \$750,000 gross proceeds consisting of 3,750,000 units at a price of \$0.20 per unit. Each unit consists of one common share and one warrant and subject to a four-month hold period, expiring August 1, 2022. Each whole warrant is exercisable for one common share at a price of \$0.35 until March 31, 2024. The value of the warrants was estimated at nil using the residual method. The Company also extended 2,650,000 warrants previously due to expire March 12, 2022 by another year to March 12, 2023.

On March 31, 2022, 150,000 options were exercised for one common share at \$.08, increasing common shares by the fair value of the options and cash proceeds of \$12,000, or a total of \$23,800.

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 year ended November 30, 2022, the Company issued 4,000,000 options (2021 – 1,825,000) at an exercise price of \$0.14 (2021 – \$0.26). The assumptions used to fair value the options issued during the year ended November 30, 2022 were a risk-free rate of 3.24% (2021-0.94%), expected volatility of 125% (2021-142%) based on actual historical volatility, expected life of 5 years and a dividend yield of 0%. Share-based payments expense of \$243,560 (2021-\$56,700) was charged to the consolidated statement of loss, \$15,206 (2021-\$365,800) was charged to exploration and evaluation assets and \$217,634 (2021-\$nil) was charged to the Lofdal project.

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The change in stock options during the year ended November 30, 2022 and 2021 is as follows:

	Number	Weighted average exercise price \$
At November 30, 2020	11,860,000	0.21
Exercised	(1,410,000)	(0.05)
Issued	1,825,000	0.26
At November 30, 2021	12,275,000	0.24
Exercised	(150,000)	(0.08)
Expired	(900,000)	(0.23)
Issued	4,000,000	0.14
At November 30, 2022	15,225,000	0.21

The following table summarizes information about options outstanding at November 30, 2022:

Exercise price \$	Options outstanding and exercisable	Expiry date	Remaining contractual life (in years)
0.21	4,850,000	September 19, 2023	0.80
0.26	4,550,000	September 28, 2025	2.83
0.26	1,825,000	April 5, 2026	3.35
0.14	4,000,000	October 3, 2027	4.84
	15,225,000		2.77

Warrants

As of November 30, 2022 there were 6,625,989 warrants outstanding (2021 – 3,153,766) with a weighted average exercise price of \$0.35 (2021 – \$0.35). The change in warrants during the year ended November 30, 2022 and 2021 is as follows:

	Number	Weighted average exercise price \$
At November 30, 2020	3,194,444	0.19
Exercised	(2,916,667)	(0.18)
Issued	2,875,989	0.36
At November 30, 2021	3,153,766	0.35
Expired	(277,777)	(0.34)
Issued	3,750,000	0.35
	6,625,989	0.35

The following table summarizes information about warrants outstanding at November 30, 2022:

Exercise Price \$	Warrants outstanding	Expiration Date	Remaining contractual life (in years)
0.413	225,989	January 8, 2023	.11
0.350	2,650,000	March 12, 2023	.28
0.350	3,750,000	March 31, 2024	1.33
	6,625,989		0.87

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12. 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 year ended November 30, 2022. Total managed capital was as follows:

	2022	2021
	\$	\$
Working capital (deficit)	473,599	(539,097)
Equity	26,496,129	25,915,671

There are no externally imposed capital requirements.

13. Financial instruments and risk management

The Company's financial instruments consist of cash and short-term deposits, taxes and other receivables, accounts payable and accrued liabilities, and advances received for future exploration work. 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, other than the loan payable (note 17), 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

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.

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14. Supplemental cash flow information

During the year ended November 30, 2022, the Company incurred expenditures on exploration and evaluation assets of \$157,921 which were recorded as a decrease in accounts payable (2021 - increase in accounts payable \$207,942) and \$20,330 in amortization of equipment which was recorded to exploration and evaluation assets (2021 - \$18,514). Services in kind of \$573,148 received as proceeds towards the sale of the subsidiaries were recorded as expenditures on exploration and evaluation assets. These items are non-cash transactions and have been excluded from the consolidated statement of cash flows.

15. Income taxes

A reconciliation of income taxes at statutory rates with the reported income taxes is as follows:

	2022 \$	2021 \$
Combined tax rate	29%	29%
Computed tax recovery	(188,995)	(1,587,452)
Share-based payments	70,632	16,443
Other	(239,461)	(11,978)
Non-recognition of deferred tax assets due to unused tax losses and deductible temporary differences	357,824	1,582,987
Total income taxes	-	-

Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

	2022 \$	2021 \$
Canadian and foreign non-capital losses carried forward	20,668,593	21,579,075
Canadian and foreign exploration and related deferred costs	6,641,868	10,469,492
	27,310,461	32,048,567

The realization of benefits related to these future potential tax deductions is uncertain and cannot be viewed as probable. Accordingly, no net future income tax asset has been recognized for accounting purposes.

As at November 30, 2022, the Namibian subsidiaries have available business losses for income tax purposes of approximately \$4,605,000 (2021 - \$5,980,000) which may be carried forward indefinitely and applied against future taxable income when earned in Namibia, and the Canadian parent entity has non-capital losses for income tax purposes of approximately \$16,064,000 (2021 - \$15,550,000) which may be carried forward and applied against future taxable income when earned in Canada.

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Expiration of the Canadian losses is as follows:

Year	\$
2030	286,000
2031	1,928,000
2032	2,215,000
2033	2,666,000
2034	2,965,000
2035	2,086,000
2036	1,158,000
2038	640,000
2039	626,000
2040	392,000
2041	584,000
2042	518,000

16. 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.

17. Loan payable

On October 8, 2020, the Company received a \$40,000 emergency business loan under the CEBA initiative. An additional amount of \$20,000 was received on December 29, 2020 under the same initiative. In the event the Company repays \$40,000 by December 31, 2023, there will be no interest payable on the loan and the remaining \$20,000 will be forgiven. In the event there is a loan balance outstanding on January 1, 2024, the loan will be renewed for a 3-year term with an annual fixed rate of interest of 5%. The Company plans to repay \$40,000 before December 31, 2023. A government assistance benefit of \$13,000 was recognized during year ended November 30, 2021.