NAMIBIA CRITICAL METALS INC.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
WITH MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2021 AND 2020

(CANADIAN DOLLARS)

NAMIBIA CRITICAL METALS INC.

Management's Discussion and Analysis

Three and six months ended May 31, 2021

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 July 22, 2021 and provides an analysis of the Company's financial results and progress for six months ended May 31, 2021 and May 31, 2020. This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the six months ended May 31, 2021 and May 31, 2020 and related notes thereto, which were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise noted.

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

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

Overall Performance

The Company is engaged in the exploration for critical metals in Namibia through its 100% owned subsidiary, Namibia Rare Earths (Pty) Ltd., a Namibian company ("Namibia Pty") and its 95% interest in nine 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 properties in Namibia from Gecko Namibia (Pty). This transaction provides Namibia Critical Metals with a highly prospective, diversified portfolio of critical metals (Figure 1) and at the same time has secured a highly experienced strategic partner.

Gecko Namibia and its subsidiaries are substantial participants in the Namibian resource sector with a proven track record in the mining industry. The portfolio of properties acquired from Gecko Namibia has expanded the Company's commodity interest from solely heavy rare earths to a variety of highly critical commodities which currently includes gold, cobalt, 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 2018-2019. Since 2020 the Company has focused on further development of the Lofdal project through its joint venture with JOGMEC and also on initial exploration of its gold properties in Namibia.

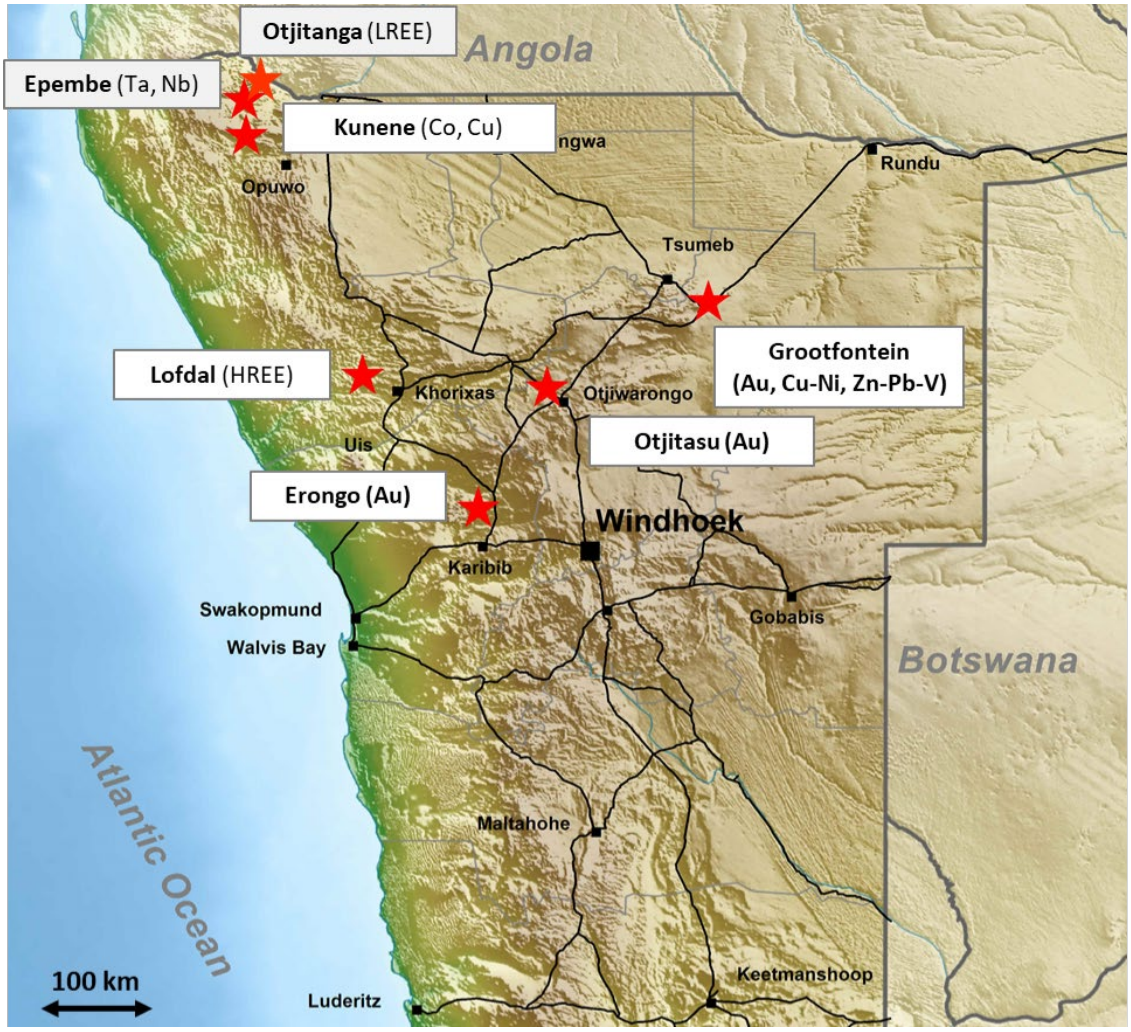


Figure 1 – *Location of NCMI's critical metals projects*

Table 1 – *Summary of Namibia Critical Metals Project Portfolio*

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

No.	Licence	Subsidiary Company	Project	Size (km^2)
1	EPL3400	Namibia Rare Earths (Pty) Ltd.	Lofdal	314
2	EPL3825	Solarwind Investments (Pty) Ltd.	Kunene	368
3	EPL4347	Kunene Resources Namibia (Pty) Ltd.	Kunene	303
4	EPL5601	Kunene Resources Namibia (Pty) Ltd.	Kunene	111
5	EPL5773	Kunene Resources Namibia (Pty) Ltd.	Kunene	511
6	EPL5847	Kunene Resources Namibia (Pty) Ltd.	Otjitazu	69
7	EPL5885	Kunene Resources Namibia (Pty) Ltd.	Otjitanga	783
8	EPL5992	Kunene Resources Namibia (Pty) Ltd.	Grootfontein	977
9	EPL6440	Gecko Gold Mining (Pty) Ltd.	Erongo	337
10	EPL6561	Kunene Resources Namibia (Pty) Ltd.	Grootfontein	661
11	EPL7115	Philco One Hundred Eighty (Pty) Ltd.	Marienfluss	540
12	MDRL3299	Epembe Mining (Pty) Ltd.	Epembe	57
				5,031

Lofdal Rare Earths Project and Development Strategy

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

The Lofdal property is the Company's most advanced project and comprises an exclusive prospecting license ("EPL 3400") located approximately 450 kilometers northwest of the capital city of Windhoek and 25 kilometers northwest of the town of Khorixas in the Kunene Region of north-western Namibia. The Lofdal property covers a total area of 314 square kilometers centered on the Lofdal carbonatite complex, a regional geological feature known to be associated with numerous occurrences of rare earth mineralization hosted by carbonatitic dykes, dyke swarms and to a lesser extent by intrusive plugs.

EPL 3400, which provides for mineral rights to base and rare metals, and precious metals, was originally granted in 2005. It was renewed by the Government of Namibia on May 14, 2019 for a two-year period to May 14, 2021. A renewal application for EPL 3400 for a further 2 years was submitted to the Ministry of Mines and Energy. In November 2016, the Company submitted an application to the Ministry of Mines and Energy for a Mining License. In December of 2020 the Company received a Notice of Preparedness to Grant the Application for a Mining Licence ("ML 200") from the Ministry of Mines and Energy. On July 22, 2021, the Company announced that ML 200 has been issued for the Lofdal Heavy Rare Earth Dysprosium-Terbium Project ("Lofdal" or the "project") by the Republic of Namibia Ministry of Mines and Energy. ML200 is valid for a 25-year period through to May 10, 2046 and is issued to the Company's 100% owned subsidiary, Namibia Rare Earths (Pty) Ltd. Lofdal is a joint venture between the Company and Japan Oil, Gas and Metals National Corporation (see section **Partnership with JOGMEC on Lofdal).**

The property is subject to a 2% net smelter revenue royalty in addition to royalties payable to the Government of Namibia.

The Company released an initial mineral resource estimate on Area 4 in September 2012 and completed a Preliminary Economic Assessment ("PEA") on the Lofdal Rare Earths Project in October, 2014. The PEA was based on mineral resources defined in the 2012 estimate. The Company completed an Environmental Impact Assessment ("EIA") in 2016 and received Environmental Clearance Certificates ("ECCs") and approvals from the Ministry of Environment and Tourism for proposed mine site infrastructure, power and water line corridors for the project in 2017. The ECCs were renewed in 2021 and are valid to May 11, 2024. In May 2021 the Company released an updated mineral resource estimate which provided a significant increase in tonnage to Area 4 and an initial resource estimate for the Area 2B satellite deposit.

The project has been taken from discovery in 2011, through to a maiden 43-101 mineral resource in 2012, and a Preliminary Economic Assessment ("PEA") in 2014 (based on the 2012 resource statement). **The PEA should not be considered to be a pre-feasibility or feasibility study, as the economics and technical viability of the Project has not been demonstrated at this time. The PEA is preliminary in nature and included Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Furthermore, there is no certainty that the PEA will be realized.** An updated mineral resource estimated was completed in 2021.

All three technical reports were completed in accordance with National Instrument 43-101 ("43-101") guidelines and are available on SEDAR at www.sedar.com. Rare earth prices significantly declined since 2014 and the viability of the project is dependent in part upon improved pricing for the target oxides of dysprosium, terbium and yttrium. Most recently rare earths prices gained significantly due to the increased demand for electric vehicles and wind turbines.

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 0.2-3% total rare earths oxides ("TREO" which includes yttrium oxide) and often exhibiting exceptional heavy rare earth ("HREE") enrichment greater than 50%. The more significant mineralized structures have associated alteration haloes which can carry anomalous concentrations of rare earth elements.

The Company uses classification nomenclature which considers heavy rare earths comprising europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb), lutetium (Lu) and yttrium (Y). Light rare earths comprise lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd) and samarium (Sm). "Heavy rare earth enrichment" is the ratio of HREO:TREO, expressed as a percentage.

Mineralization at Area 4 is associated with large scale hydrothermal systems rather than primary magmatic emplacement as discrete dykes. Many of the larger, lower grade "dykes" previously mapped on surface are in fact alteration zones associated with these systems which in some areas significantly increases the strike and width potential of the heavy rare earths exploration target.

There are two intrusive carbonatite bodies on the property. 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 Emanya plug is some 350 meters in diameter in outcrop and carries anomalous concentrations of rare earths typically in the range of 0.2-1% TREO but is not enriched in heavy rare earths.

Detailed mineralogical studies have confirmed that the principal heavy rare earth mineral at Lofdal is xenotime. The potential ore mineral assemblage 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.

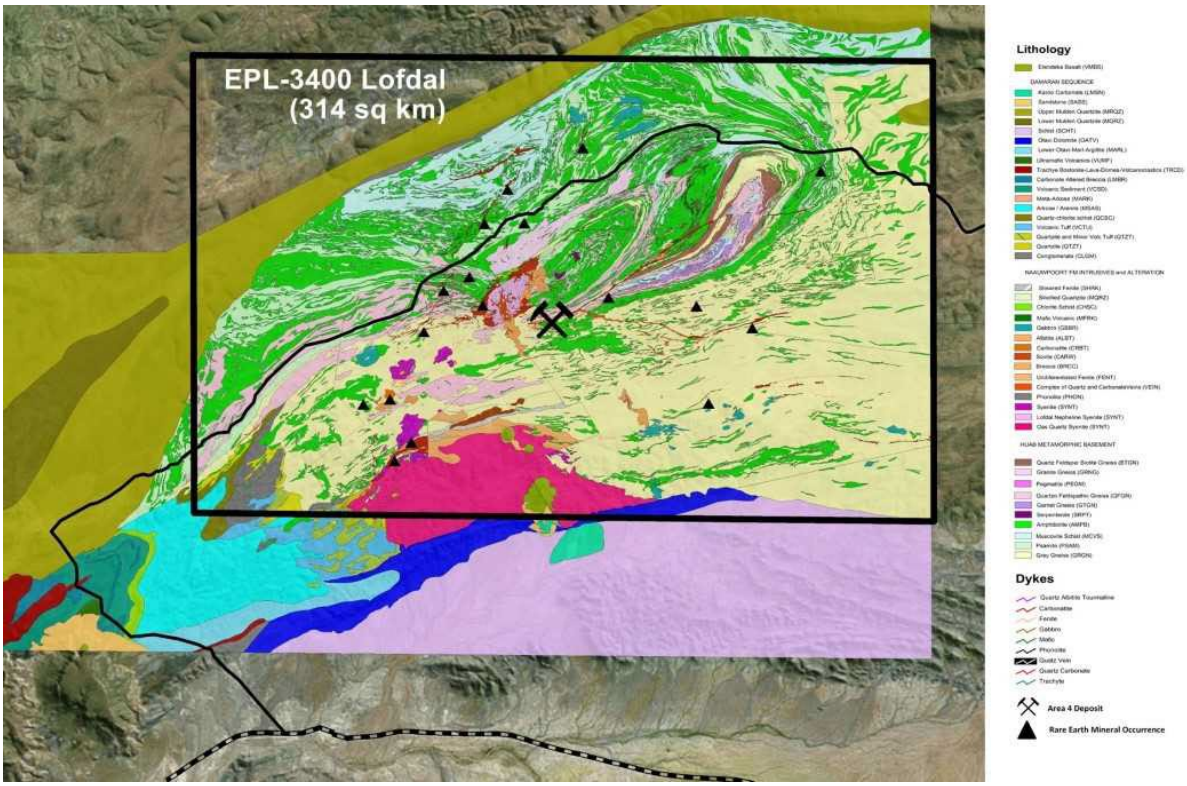


Figure 2 – *General geology of EPL 3400 showing the location of the Area 4 Deposit in center and other rare earth occurrences*

Lofdal Area 4 Mineral Resource Estimates

In September 2012, the Company released an initial mineral resource estimate for Area 4 of the Lofdal Rare Earths Project which was incorporated into the 2014 PEA. Based on metallurgical outcomes, the PEA utilized the initial mineral resource estimate for the Area 4 deposit at a cut-off grade of 0.1% total rare earth oxides ("TREO") which provided 2.88 Mt of indicated mineral resources yielding 9,234 t REO containing 664 t of dysprosium oxide and 93 t of terbium oxide and 3.28 Mt of inferred mineral resources yielding 8,973 t REO containing 631 t of dysprosium oxide and 88 t terbium oxide. The main value drivers of the heavy rare earth mineralization at Lofdal are dysprosium and terbium.

In May 2021 the Company released an updated mineral resource estimate for Area 4 and for Area 2B, the first resource estimate for a satellite deposit at Lofdal. This updated resource added considerable tonnage including the first measured resources reported on the project (Table 2 and Table 3). Current resources from both deposits at a cut-off grade of 0.1% total rare earth oxides ("TREO") now provide 44.76 Mt of measured and indicated mineral resources yielding 72,680 t of REO containing 4,060 t of dysprosium oxide and 620 t of terbium oxide and 8.67 Mt of inferred mineral resources yielding 10,120 t of REO containing 680 t of dysprosium oxide and 110 t terbium oxide. Note that mineral resources which are not mineral reserves do not have demonstrated economic viability.

Table 2: Area 4 Mineral Resources Estimate for 0.1% TREO cut-off (as of May 20, 2021)

Area 4 Mineral Resource Estimate above 0.1% TREO* cut-off grade						
Category	**Tonnes**	**TREO***	**HREO****	**LREO*****	**Dy_2O_3**	**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 Table 3,4 and 5):

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 Y_2O_3*
5. ***HREO = Heavy Rare Earth Oxides and includes Y_2O_3*
6. ****LREO = Light Rare Earth Oxides*
7. *Mt = Million tonnes, kt = Thousand tonnes.*

Table 3: Area 2B Mineral Resources Estimate for 0.1% TREO cut-off (as of May 20, 2021)

Area 2B Mineral Resource Estimate above 0.1% TREO* cut-off grade						
Category	**Tonnes**	**TREO***	**HREO****	**LREO*****	**Dy_2O_3**	**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

Area 4 Preliminary Economic Assessment

The Company released a PEA on Area 4 of Lofdal on November 13, 2014. Based on the available resources at that time, the PEA concluded that the Lofdal Rare Earth Project had the potential to produce an average of 1,500 tonnes per annum of separated rare earth oxides ("REO").

The PEA should not be considered to be a pre-feasibility or feasibility study, as the economics and technical viability of the Project have not been demonstrated at this time. The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves.

One of the main recommendations from the PEA was to undertake additional drilling to establish larger mineral resources that would provide for an extended life of mine. This led to the 2020 drilling program and an updated mineral resource.

Environmental Impact Assessment

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

The EIA covers all aspects of mining at Area 4 and mineral processing through to the production of a xenotime mineral concentrate at site. The EIA was submitted to the Ministry of Environment and Tourism in June 2016 and the Company received Environmental Clearance Certificates ("ECC") and approvals in December 2017 for the proposed mine site infrastructure, power and water line corridors for the Lofdal property. The ECC was issued for an initial three period of validity and has been renewed to May 11, 2024.

An ECC is required as part of the process for the granting of a Mining Licence in Namibia. The EIA submission included the provision of Environmental Management Plans ("EMP") for mine site activities and the construction and maintenance of power and water pipeline services to the mine site. Detailed reports were compiled with the assistance of nine expert agencies related to groundwater, surface water, geochemistry, socio-economic, air quality, noise, avifauna, vertebrate, invertebrate, archaeological, radiological and visual impact assessments. Public and community consultations were held as part of the EIA process.

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

Metallurgical Studies

The PEA provided an economic assessment of the project based on the beneficiation of the Lofdal run-of-mine feed to 20% TREO mineral concentrate grade with an overall recovery of 64%. Beneficiation comprised upfront coarse crush and sorting with x-ray transmission sorters followed by fine grinding to magnetic separation, flotation and gangue acid leaching. This mineral concentrate would then be subjected to "cracking" in a hydrometallurgical plant to remove thorium and uranium to provide an acceptable mixed rare earth oxide product for separation.

Test work at Mintek in South Africa and at Nagrom in Australia has indicated the sensitivity of the flow sheet to increased levels of ankerite (iron carbonate), which can diminish the effectiveness of the magnetic separation stage.

Kyspy Investments Pty. of Australia conducted flotation test work on the ankerite-rich sample which indicated that 73.1% of the TREO could be recovered into three separate concentrates (sulphide, carbonate recleaner and xenotime recleaner concentrates). The Company has initiated further studies into

the optimization of ore sorting technologies. The objective is to develop a robust flow sheet that can mitigate fluctuations in ankerite/calcite ratios in the gangue.

The PEA considered the use of XRT sorters based on results from tests carried out by Tomra in Germany on HQ diameter core samples.

Subsequent test work on Lofdal samples provided to RADOS in South Africa has confirmed the potential of XRF sorting to effectively upgrade run of mine at a cut-off of 0.1% TREO. This offers the potential to consider primary XRF sorting or to use XRF sorting as a scavenger following XRT sorting which has demonstrated a potential for 90% recovery of the rare earths. An 18 t bulk sample of representative material from surface covering the 600 meter strike length of the 43-101 Area 4 resource was collected in 2018. This sample was transported to Light Deep Earth in Pretoria for sample preparation for a metallurgical test work program. Sorting tests on bulk sample have been completed by Rados using XRF sorting technology and by IMS using XRT sorting technology. The tests provided positive results with a clear sensor distinction and supplementary upgrade and recovery of TREO, Dy, and Y, with a lesser recovery of Fe and Ca, and a deportment of Si to waste. .

On-going metallurgical test work continues at SGS (Canada) which will optimize the flow sheet with further investigation of magnetic separation, flotation and hydrometallurgical processes to produce a mixed rare earth carbonate product.

Potential to Expand Resources at Lofdal

There are a number of other rare earth occurrences on EPL 3400. Exploration drilling was carried out in Area 5 in 2011 but no definitive resources have been estimated. Mineralization at the Northern Splay is very similar in tenure and character to that seen in Area 4 and has been mapped over a strike length of nearly 700 meters. This exploration target together with the Dolomite Hill exploration target have been tested as part of the Term 1 program with JOGMEC. While the mineralised zones could be confirmed at both of those prospects, higher grade mineralisation occurred only in relatively narrow and discontinuous mineralised zones. Additional drilling was recommended for Area 2B which is situated 3 kilometers northwest of Area 4. As discussed below, this drilling has confirmed the potential for additional mineral resources at Area 2B.

Partnership with JOGMEC on Lofdal

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

On April 1, 2021 the Company announced that JOGMEC officially elected to move to Term 2 of the JV Agreement and provide additional preliminary funding of $2,063,000 for further exploration and development programs at Lofdal.

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. The mandated areas of responsibilities within JOGMEC relate to oil and natural gas, metals, coal and geothermal energy. JOGMEC facilitates opportunities with Japanese private companies to secure supply of natural resources for the benefit of the country's economic development.

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

Japan is the most important consumer of dysprosium outside of China. Adamas Intelligence estimates that from 2013 through 2017 China produced 98% of the global supply of dysprosium and was responsible for approximately 90% of global dysprosium oxide (or oxide equivalent) consumption each year. Japan was responsible for 9% of global consumption and other nations (including the United States) for 1%. With 2017 dysprosium production estimated at 1,500 tonnes, Japanese consumption is estimated at 160 tonnes per annum.

Work Program with JOGMEC

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 and will further investigate optimization of the processing flow sheet with specific metallurgical test programs. JOGMEC also retains the right to accelerate spending and in this regard has elected to move on to Term 2 of the JV Agreement with an additional budget funding commitment of $2,063,000. This brings the total funding commitment up to $6,163,000.

The initial focus of the metallurgical program has been on XRT and XRF sorting using the 18 tonne representative sample that has been prepared by Light Deep Earth at their test facility in South Africa. Sorter tests were conducted by Rados International using a Rados XRF sorter and by IMS Engineering using a Steinert XRT sorter. Products generated from this first step test work are being utilized for subsequent process stage test work.

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. 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**

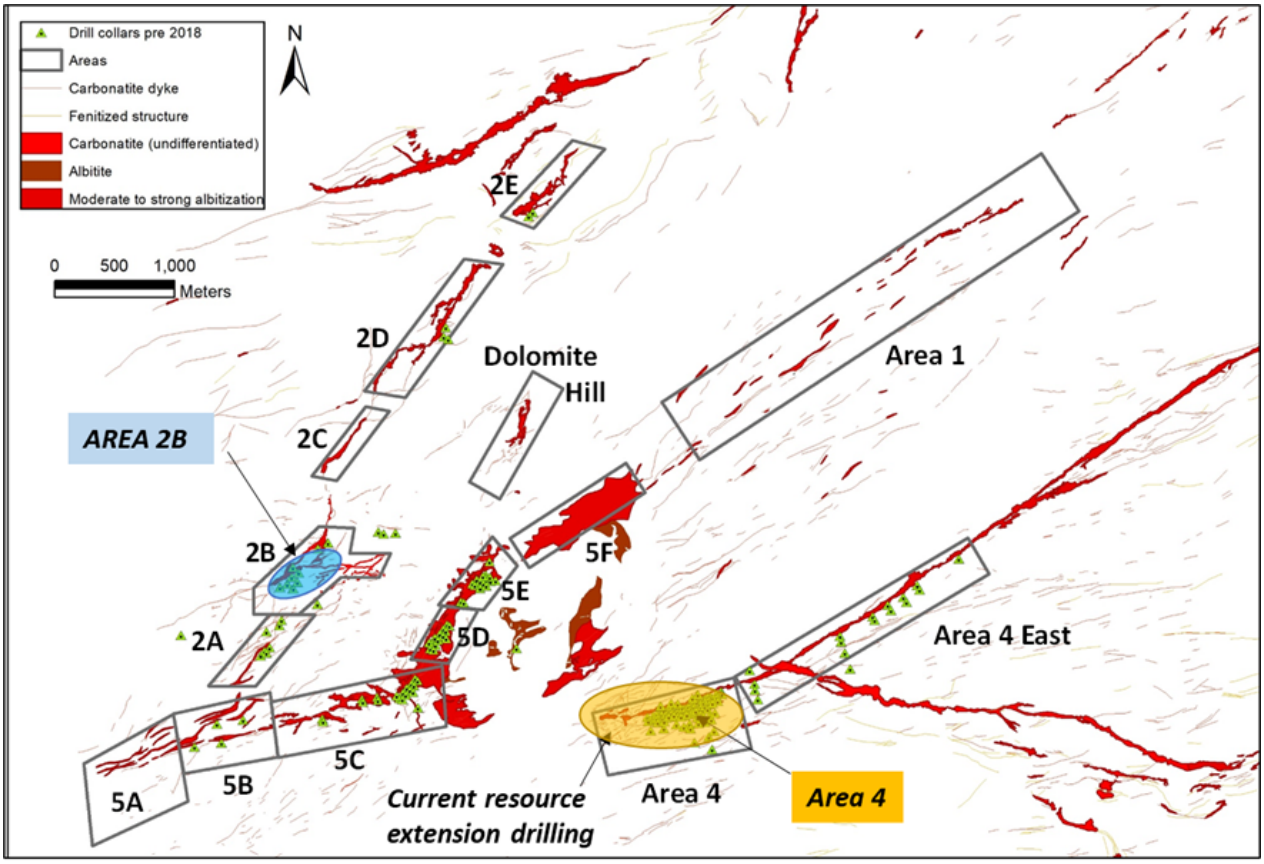


Figure 3 - *Drill target areas at Lofdal for resource development. Focus was on Area 4. Area 2B is the first satellite deposit with resource drilling.*

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 levels of heavy rare earth enrichment occur in the central portion of the deposit together with the highest concentrations of dysprosium. 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).

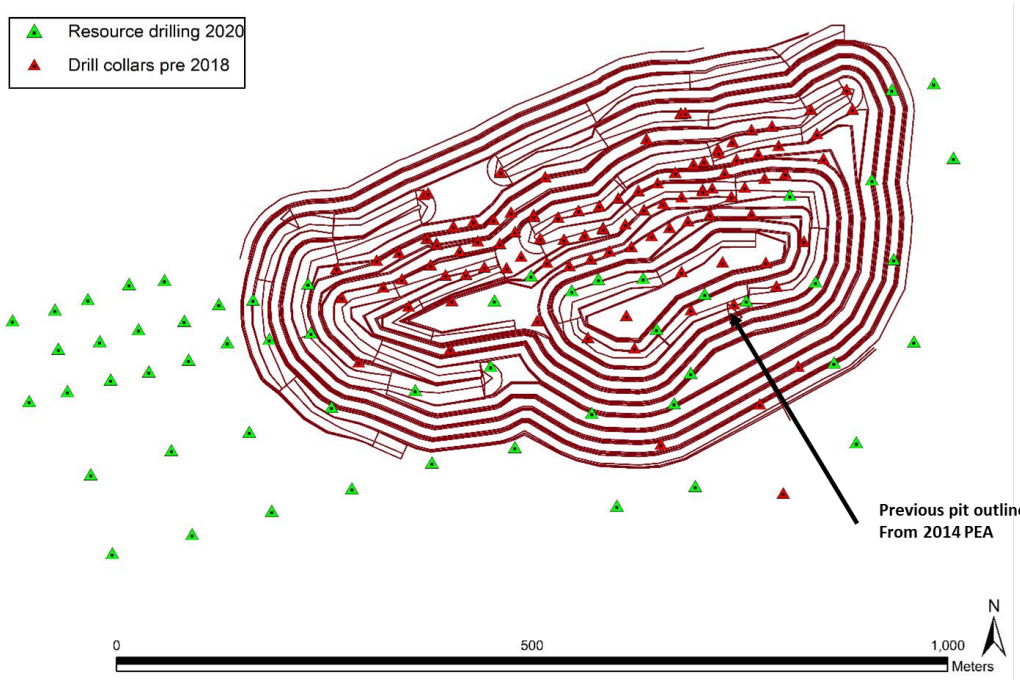


Figure 4 – *Final drill hole collars Area 4 deposit. 2020 drill collars shown in green and historic holes in red.*

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 and was first identified by trenching and reconnaissance drilling in 2011. Seventeen holes had been drilled in the area 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 very similar to Area 4 with two to three narrow dysprosium mineralized zones as reported from the last nine holes in Table 4. Drilling at Area 2B has confirmed mineralization over a strike length of 600 meters to depths of 190 meters (Figure 5).

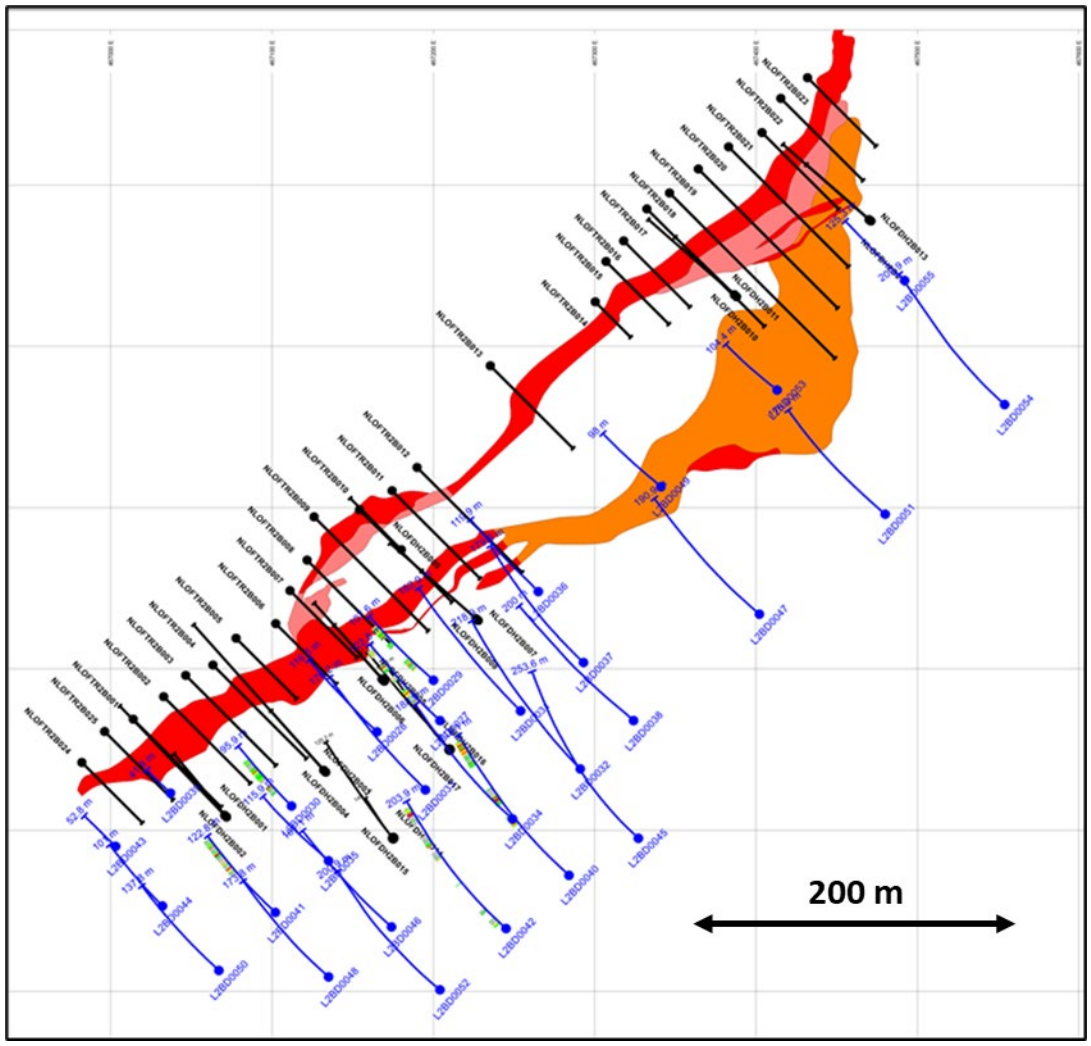


Figure 5 – *Final drill plan for Area 2B. 2020 drill holes in blue and historic drill holes and trenches in black*

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 one week site/in-country 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.

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 more recently 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.

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 microns. 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). The Qualified Person is satisfied that the assay results are of sufficient accuracy and precision for use in Mineral Resource estimation.

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 Dy_2O_3 threshold for Area 4 and 12 ppm Dy_2O_3 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 Y_2O_3). As previously noted 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***	Dy_2O_3	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):

8. *All tabulated data have been rounded and as a result minor computational errors may occur.*
9. *Mineral Resources, which are not Mineral Reserves, have no demonstrated economic viability.*
10. *Quantities reported are the total quantities for the project regardless of ownership.*
11. **TREO = Total Rare Earth Oxides and includes Y_2O_3*
12. ***HREO = Heavy Rare Earth Oxides and includes Y_2O_3*
13. ****LREO = Light Rare Earth Oxides*
14. *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***	Dy_2O_3	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

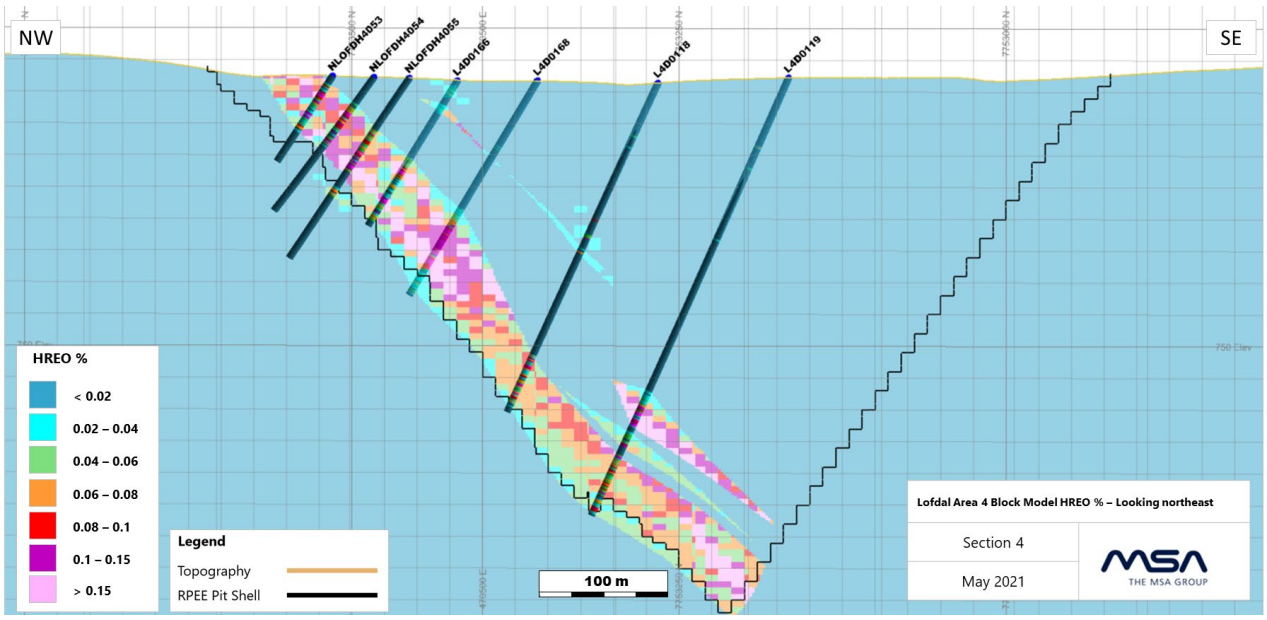


Figure 6: Section through block model of central part of Area 4 displaying HREO block grades

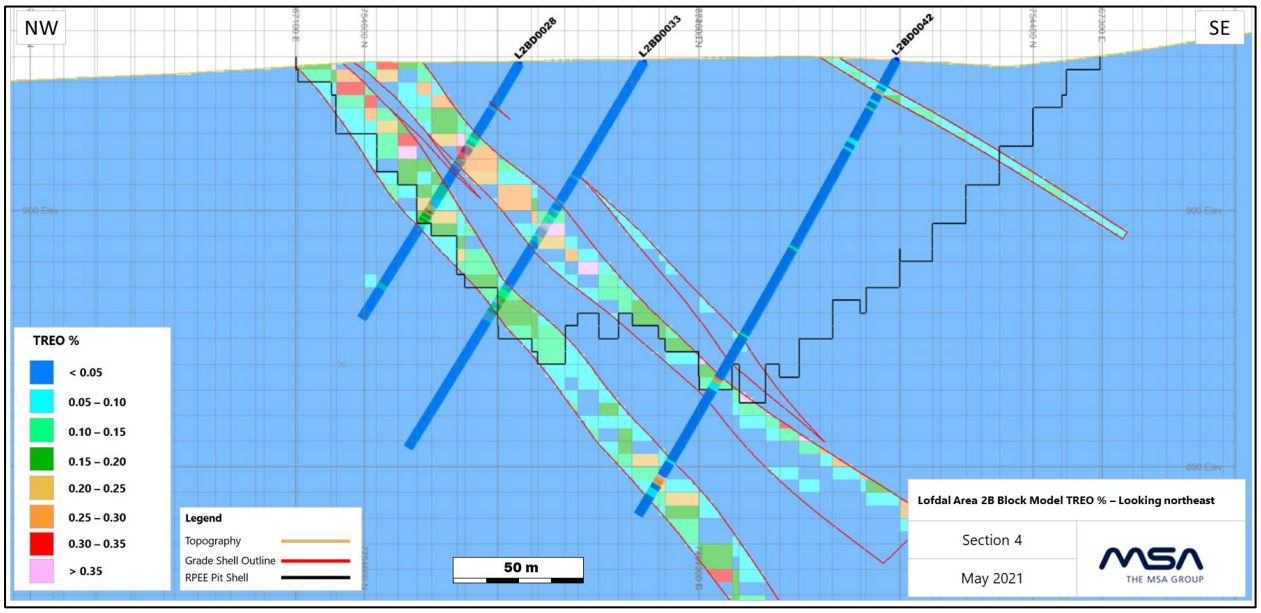


Figure 7: Section through block model of western part of Area 2B displaying TREO block grades

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).

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

v) Progress on Metallurgical Program

A number of sequential processing stages have been recommended for treatment of the xenotime mineralization at Lofdal and include upfront sorting, magnetic separation, flotation and gangue acid leaching to produce a mineral concentrate. Each of these stages will be further evaluated with the initial focus on XRF and XRT sorting using a representative 18 tonne sample that was collected from trenches along 650 meters of strike length from the Area deposit.

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 related to the concentration of the heavy rare earth mineral xenotime. Detailed calibration tests were carried out using 500 individual rock particles from Area 4 to determine the relationship between concentrations of yttrium as determined from a handheld XRF analyzer and the Rados XRF analyzer. Data was used to develop a final algorithm that will determine the efficiency of the technology to eliminate waste from run-of-mine ("ROM") prior to milling and to further upgrade the ROM by sorting at specific cut-off grades. 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 also been completed by IMS Engineering at their test facility in Johannesburg, South Africa using a Steinert KSS LXT sorter which incorporates laser sensor technology with XRT. 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). Detailed calibration tests were carried out using 750 individual rock particles from Area 4 to determine the relationship between %TREO as estimated from concentrations of yttrium from a handheld XRF analyzer and the Steinert XRT analyzer. 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. 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.

Very clear grade, recovery and mass pull curves were established for both technologies and can be used to evaluate the most favourable economic scenarios available to the project. 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.

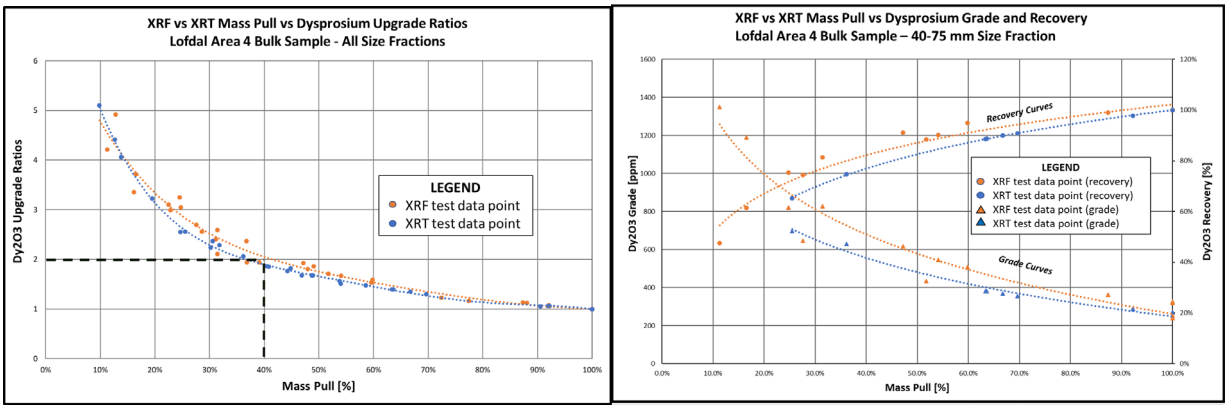


Figure 8 – *Mass pull vs dysprosium upgrade ratios on all size fractions (left) and mass pull vs dysprosium grade and dysprosium recovery for the 40-75 mm size fractions (right). Test results from Lofdal Area 4 bulk sample showing XRF (orange) and XRT (blue). Operator can pre-select desired upgrade or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

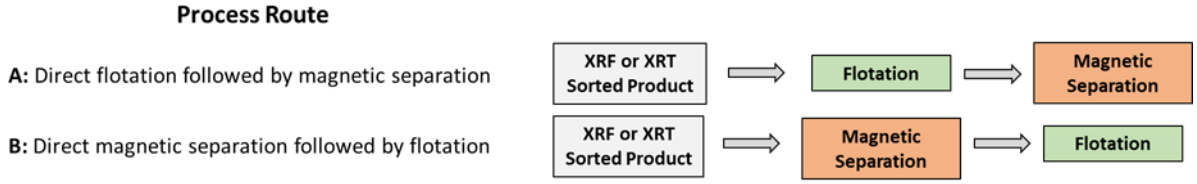
In addition to quantifying outcomes for upgrading of heavy rare earths the test work will also be evaluated for efficiencies in rejecting unwanted iron, calcium and silica. Scavenging tests on XRF discard products have demonstrated opportunities for further increased recoveries with minimal additional 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, Magnetic Separation and Flotation

Systematic evaluations of gravity separation technologies had not been previously undertaken on Lofdal. This work has been undertaken by Light Deep Earth using sorted XRF sample 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 of the mineralization 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. The focus of magnetic separation test work at LDE is to evaluate wet belt rare earth magnet separation technology ("WRER") to compare with WHIMS. Test work on this has been completed and reports are pending.

Flotation has also been demonstrated to be an important step in beneficiation and is being undertaken by SGS (Canada) 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:



During the year ended November 30, 2020, the Company received $3,303,455 from JOGMEC for exploration expenditures on the Lofdal property. As of November 30, 2020, $2,689,670 in exploration expenditures have been incurred. The Company has recorded $613,785 as a liability for advances received for future exploration work. During the six-month period ended May 31, 2021, the Company received an additional $2,296,545 from JOGMEC for exploration expenditures on the Lofdal property. As of May 31, 2021, $4,227,200 in exploration expenditures have been incurred. The Company has recorded the remaining $1,372,800 as an advance received for future exploration work. Amounts received in excess of the Term 1 amount of $3 million are non-refundable and will be credited to Term 2 expenditures.

The joint venture expenditures for the period ended May 31, 2021 are summarized in the following table:

	November 30, 2020 $	Acquisitions and Expenditures $	May 31, 2021 $
Project Management	81,756	57,136	155,547
Geology, Drilling, Sample Analysis	2,132,324	856,262	2,995,852
43-101 Resource and Mine Model Update	63,394	219,483	311,270
Metallurgy	255,381	307,323	685,557
Operator's Fee	139,374	87,850	246,917
Other	17,441	9,476	383,604
	2,689,670	1,537,530	4,227,200

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 period ended May 31, 2021 amounted to $nil (2020 --$nil).

Other Lofdal Expenditures

For the period ended May 31, 2021, the Company incurred $217,151 (2020: $48,507) in exploration and evaluation expenditures on the Lofdal property that were in addition to the joint venture with JOGMEC.

Other Project Activities

Kunene Cobalt-Copper Project

The Kunene project builds upon the recent exploration success led by Dr. Rainer Ellmies (Vice President Exploration and Managing Director of Gecko Exploration) to explore for "copper belt" style deposits in northern Namibia. This work led to the first recorded discovery of stratabound cobalt-copper mineralization in Namibia in a sedimentary horizon termed the dolostone ore formation ("DOF"). The mineralization is uniformly 5 to 10 meters thick, stratabound within a dolomitic shale horizon, and averages between 0.1% and 0.2% cobalt with around 0.5% copper.

The initial discovery (Opuwo deposit) is held by Celsius Resources Ltd. (ASX: CLA) which has established an initial JORC compliant mineral resource of 72.0 million tonnes at a grade of 0.11% cobalt, 0.42% copper and 0.41% zinc in the Indicated category, and a further 40.5 million tonnes at a grade of 0.12% cobalt, 0.41% copper and 0.46% zinc in the Inferred category at a cut-off of 0.06% cobalt (Celsius Resources press release dated April 16, 2018). It is noted that the mineralization on the Celsius property may not be indicative of mineralization that may be found on the Kunene project area held by Namibia Critical Metals. The JORC resource covers a strike length on 10 kilometers and is open in all directions. The deposit is very significant and establishes this part of northern Namibia as an important district-scale opportunity for the discovery of world-class deposits of cobalt.

The EPLs comprising the Company's project area cover over 2,000 km^2 and host a number of cobalt target areas including sedimentary horizons related to the DOF (Figure 9).

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

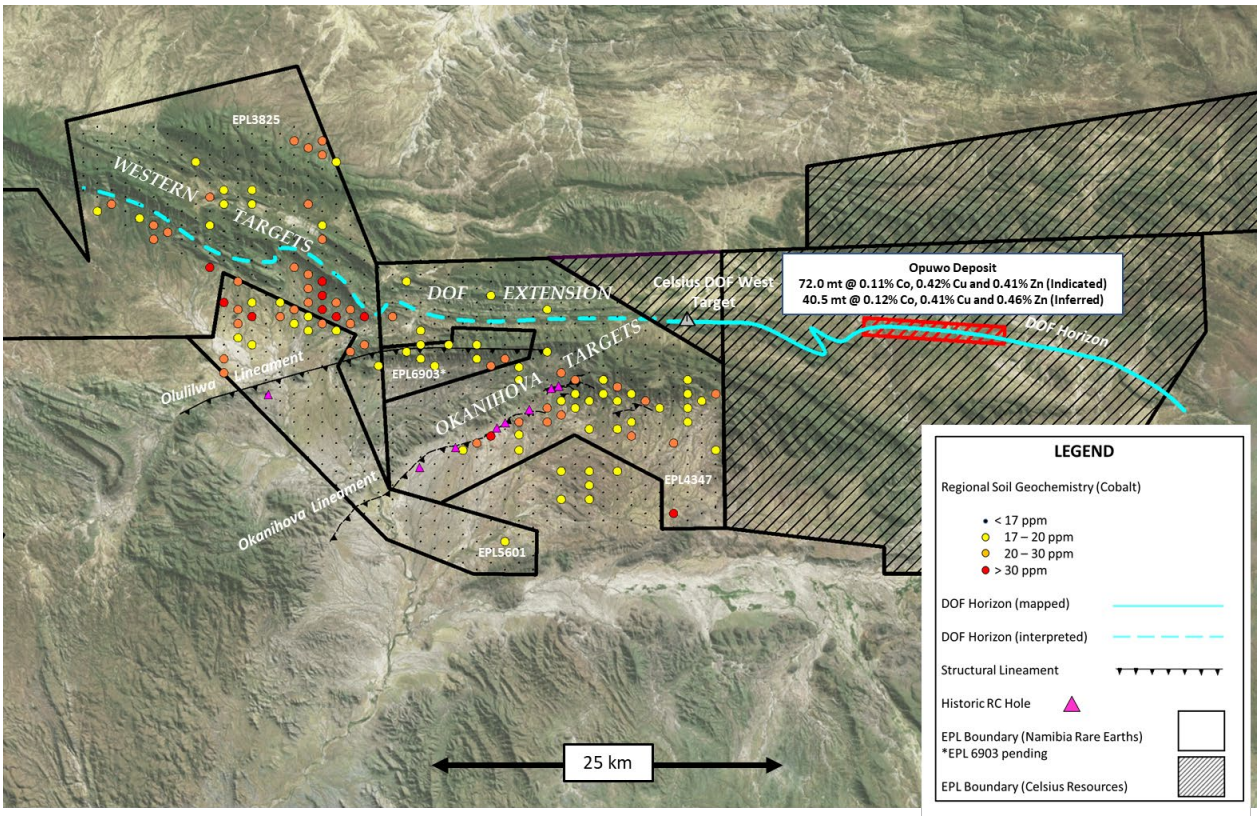


Figure 9 – *Kunene Co-Cu Project area showing contiguous ground position to west of the Opuwo cobalt discovery by Celsius Resources. Target areas on Company ground identified by historic regional soil geochemical anomalies and interpreted extension of the DOF*

Kunene Exploration Program

The Company has undertaken an ambitious, staged exploration program at Kunene. Following an extensive program of re-analysis of archived soil samples for cobalt, the historic soil geochemical anomalies depicted in Figure 9 have been confirmed in more detail (Figure 10).

Field teams have been systematically mapping these areas in conjunction with an airborne electromagnetic ("EM") geophysical survey which was completed in August 2018.

The geochemical surveys, mapping and geophysical survey results were used to develop the first drilling programs by Namibia Critical Metals at Kunene. Drilling commenced in October 2018 to test high priority targets and to date a total of 5,860 m has been completed.

Soil Geochemistry Program

The regional soil anomalies shown in Figure 10 were delineated by previous workers (joint venture with First Quantum Minerals) as part of a regional assessment of the area for copper deposits. These archived samples were submitted to Analytical Laboratories Ltd. ("Actlabs") for ICP analysis to confirm the position and scale of the regional anomalies.

The results of this program validated the regional anomalies and confirmed the scale of the priority target areas (Figure 8). A number of discrete broad anomalies (>30 ppm Co) of 0.5-1-kilometer extent on surveyed lines south of the Okanihova lineament, and two lower level anomalies (17-30 ppm Co) of 4–5 kilometers in length parallel to the Olulilwa lineament. Isolated low-level cobalt anomalies occur along or proximal to, the interpreted Western Extension of the DOF horizon which has been shown to be mineralized on the adjacent ground being explored by Celsius Resources. In the Western Targets area anomalies extend over strike lengths of up to 7 kilometers in basement rocks (high grade metamorphic gneisses and amphibolites) or possibly intrusive bodies, proximal to thrust contacts with younger sedimentary rocks, and for over 1-3 kilometers in favourable sedimentary horizons (black shales and dolostones).

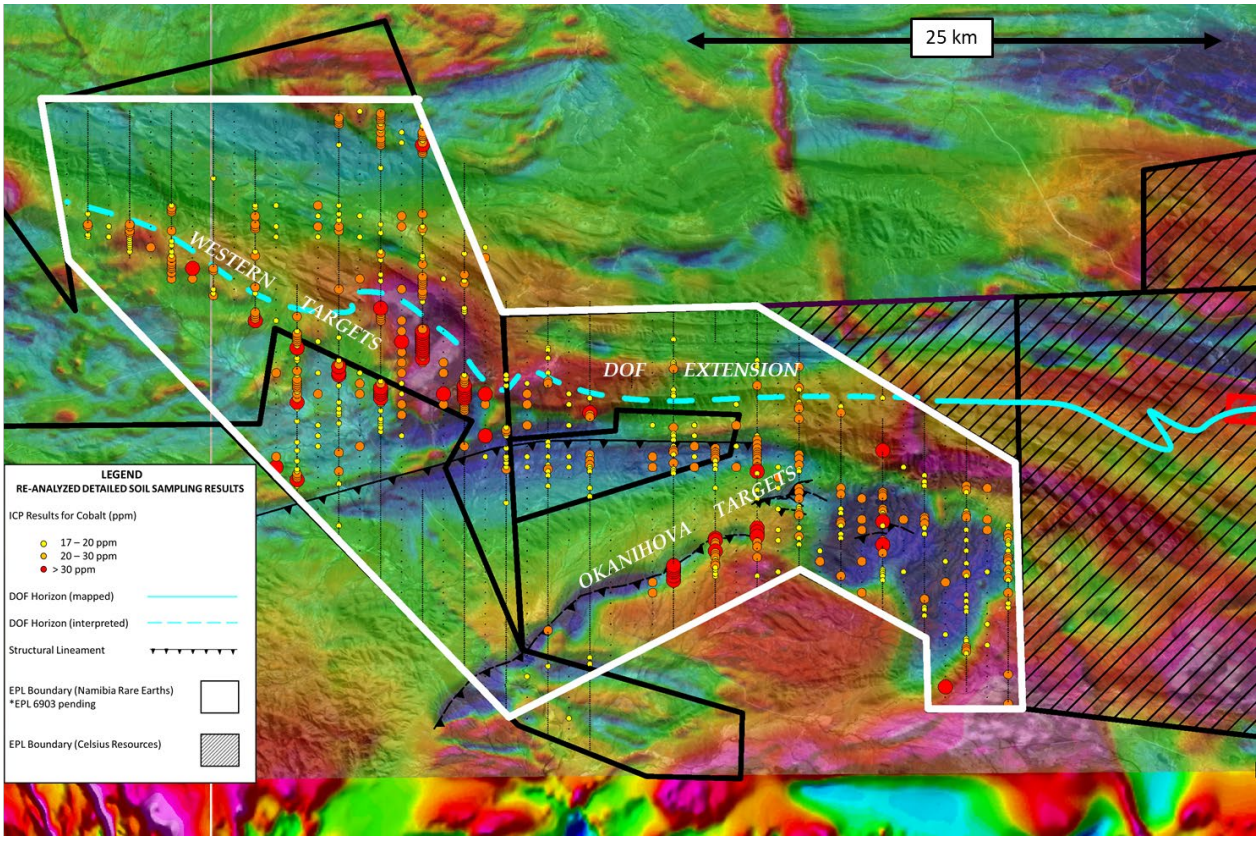


Figure 10 – *Kunene Co-Cu Project area showing results of re-analyses of soil samples and outline of airborne geophysical survey area (white). Background is total magnetic intensity and satellite imagery superimposed.*

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

Priority Target Areas and Geological Mapping

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

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

In the Western Targets area, the highest cobalt values (40-50 ppm Co) in the soil samples are associated with a large (24 km^2) magnetic anomaly which is spatially related to mafic dykes and breccia zones with carbonate-chert veining and to the contact zone of the basement rocks with the overlying Damaran sediments. Any conductors delineated by the airborne EM survey associated with this magnetic anomaly might represent sulphide mineralisation associated with the mafic intrusive and would be priority drill targets. Conductive zones between the basement and the Damaran sedimentary sequence to the north as well as parallel to fault zones in the Damaran sediments might be associated with sediment-hosted Co-Cu-Zn mineralisation.

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

Geological interpretations and target generation were assisted by an airborne database that was acquired using a SkyTEM combined electromagnetic-magnetic survey system covering 720 km^2 at a flight line spacing of 200 meters. The electromagnetic ("EM") data show clear conductive trends associated with favourable sedimentary horizons and structures (Figure 11).

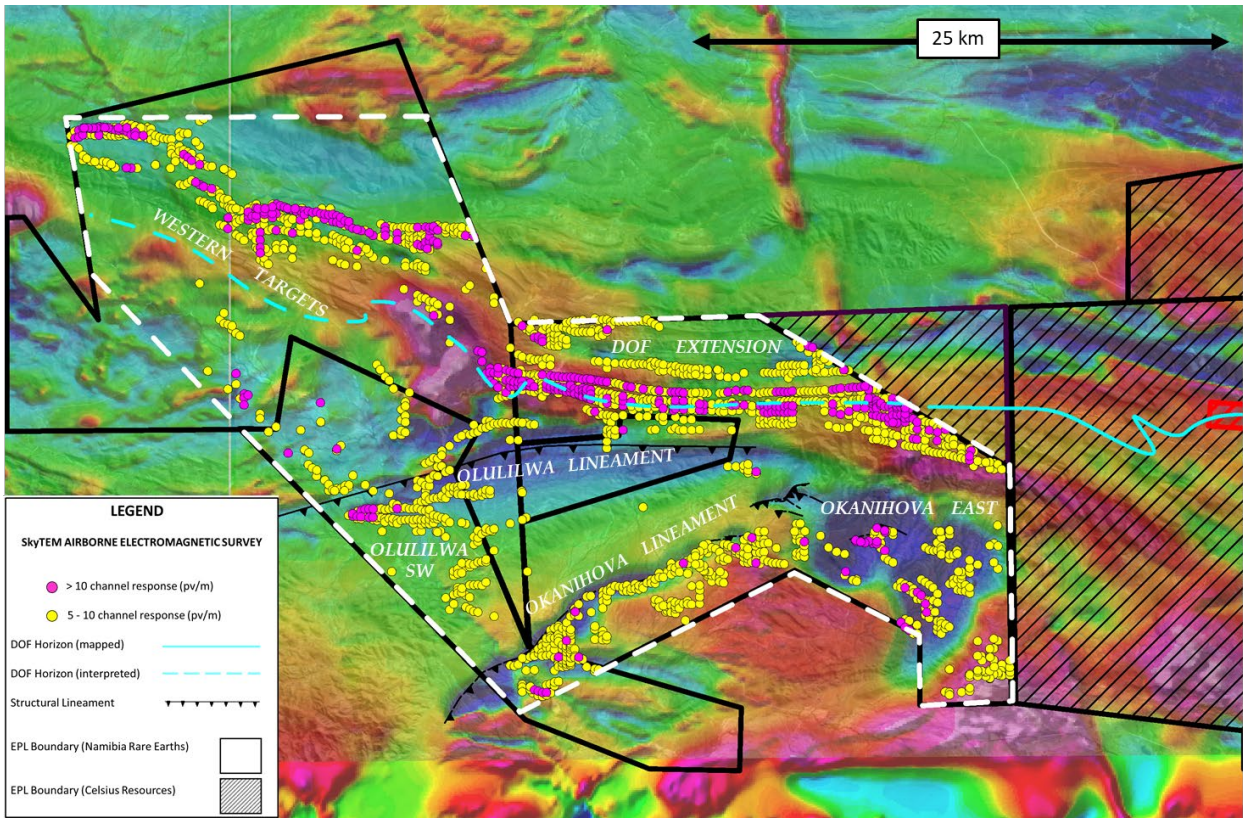


Figure 11 – *Kunene Co-Cu Project Area showing SkyTEM airborne survey area (white dash) and preliminary EM conductor picks for 5-10 channel and > 10 channels responses. Responses for < 5 channels not shown. Channel responses are provided in picovolts/meter. Background image is total magnetic intensity from the Namibian Geological Survey database combined with satellite surface topography.*

Drilling Program

The Company commenced a drilling program at Kunene in early October 2018 with one diamond rig deployed to the DOF Extension and a reverse circulation drill deployed to the Okanihova lineament targets. A total of 5,681 meters in 29 drill holes has been completed in a number of target areas (1,481 meters of diamond drilling and 4,380 meters of reverse circulation drilling). Drilling tested seven separate target areas and five target areas remain to be tested (Figure 12).

Drilling at DOF East has confirmed the continuation of stratabound Co-Cu mineralization, similar to Celsius Resources' Opuwo Co-Cu-Zn deposit on to Namibia Critical Metals' land holdings (Table 7 below). In addition to the Co-Cu horizons, two vanadium-enriched horizons have been intersected within the same stratigraphic sequence. The DOF Extension was tested with 3 drill holes approximately 20 kilometers further along strike however the mineralized horizon was not intersected.

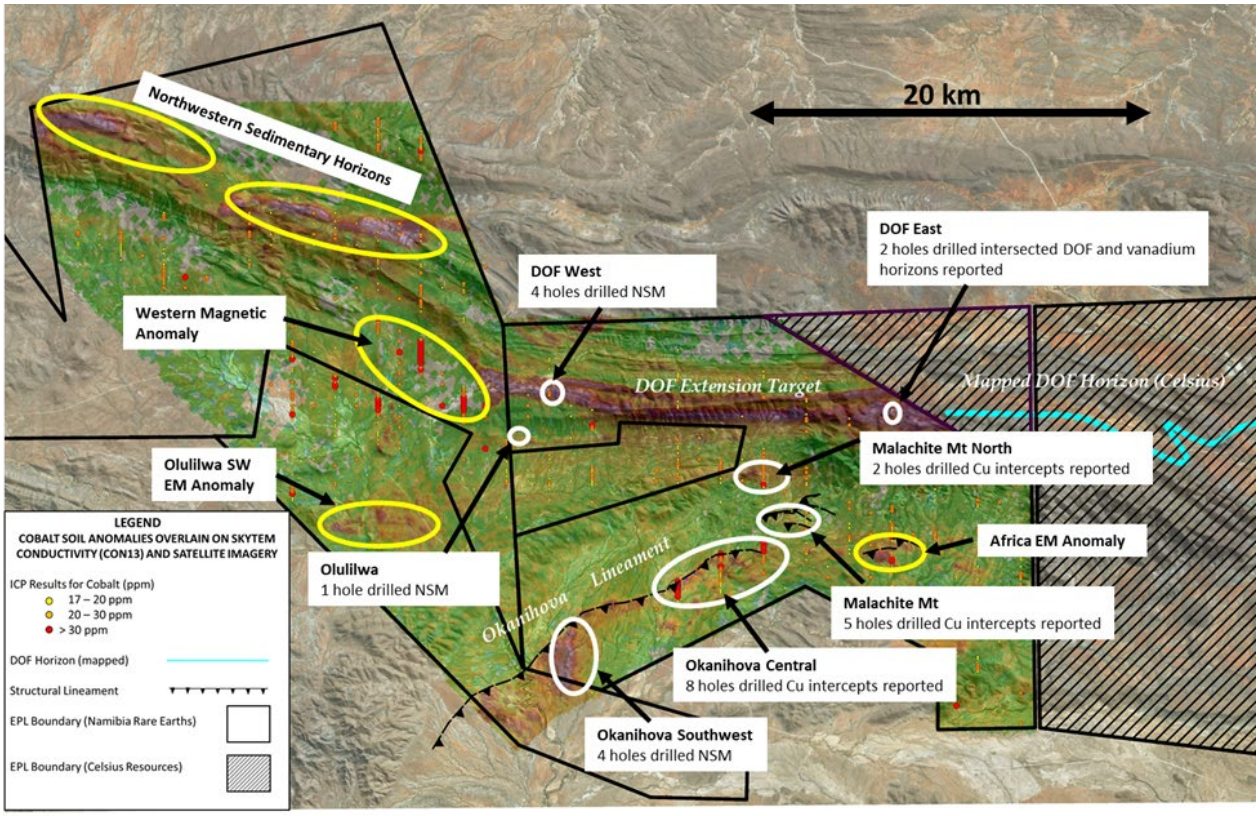


Figure 12 – *Kunene Co-Cu Project Area showing drill target areas tested to date (white ovals) and remaining target areas recommended for drilling (yellow ovals). NSM = no significant mineralization. Cobalt soil anomalies are shown on SkyTEM airborne EM conductivity layer (Con13 = approximately 70 vertical meter depth) and satellite topography image.*

Table 7 – *Diamond Drill Results DOF Extension Target (DOF East)*

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

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

Results from eight reverse circulation holes on the Okanihova Central Target have confirmed widespread copper mineralization in the sedimentary strata in the hanging wall of the Okanihova lineament and five reverse circulation holes at Malachite Mountain have intersected similar broad zones of low-grade copper mineralization (Table 8 below).

Table 8 – *Reverse Circulation Drill Results Significant Copper Intercepts*

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

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

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

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

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 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 Expenditures

For the six months ended May 31, 2021, the Company incurred $24,864 (2020: $66,232) in exploration and evaluation expenditures on the Kunene property which were focused on geological mapping and soil sampling. The Company and recorded a write down of $48,746 in relation to a non-core EPL 4136.

For 2021, the Company estimates its work program to range from $0.2 - $0.5 million depending on future financing, which will focus on additional drill programs.

Epembe Tantalum-Niobium Property

Epembe is an advanced stage exploration project with a well-defined, very large multiphase carbonatite dyke that has been mapped and sampled at surface over a strike length of 10 kilometers of which at least 7 km of strike length is mineralised. Detailed mapping and over 11,000 meters of drilling has been completed on the dyke, along with preliminary mineralogical and metallurgical studies. The carbonatite contains variable concentrations of pyrochlore which is unusually enriched in tantalum. The other commodities of interest are niobium (hosted in pyrochlore) and apatite. Drilling covered only 15% of the pyrochlore hosting carbonatite.

Grades of the drilled portion of the carbonatite average on the order of 150 ppm Ta2O5, 1,300 ppm Nb2O5 and 2.4% P2O5 (Figure 13). Initial sorting tests (XRT) indicate the potential for significant physical upgrading. Planned work will focus on improving grade by optimizing XRT sorting and investigating amenability to XRF sorting. There is potential to delineate a substantial open pit resource by further exploration, both by extending known mineralized zones along strike and vertically.

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

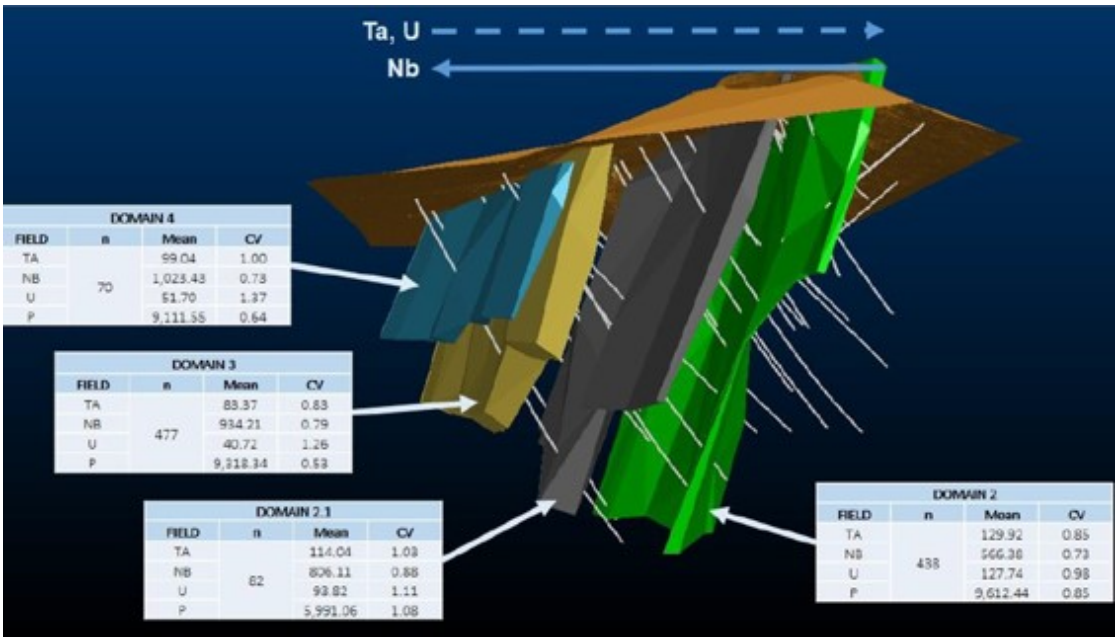


Figure 13 – *Modeled mineralized zones at Epembe from historic drilling*

Epembe Expenditures

During the period ended May 31, 2021, the Company incurred $6,295 (2020: $Nil) in exploration and evaluation expenditures on the Epembe property.

For 2021, the Company estimates its work program at approximately $0.1 million to complete sorting test work.

Gold Project Portfolio

Three of the Company's projects are situated within the Central Namibian Gold Belt (Figure 14) – namely Erongo, Grootfontein and Otjitasu. 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 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 just over 2,000 km^2 in this emerging gold belt.

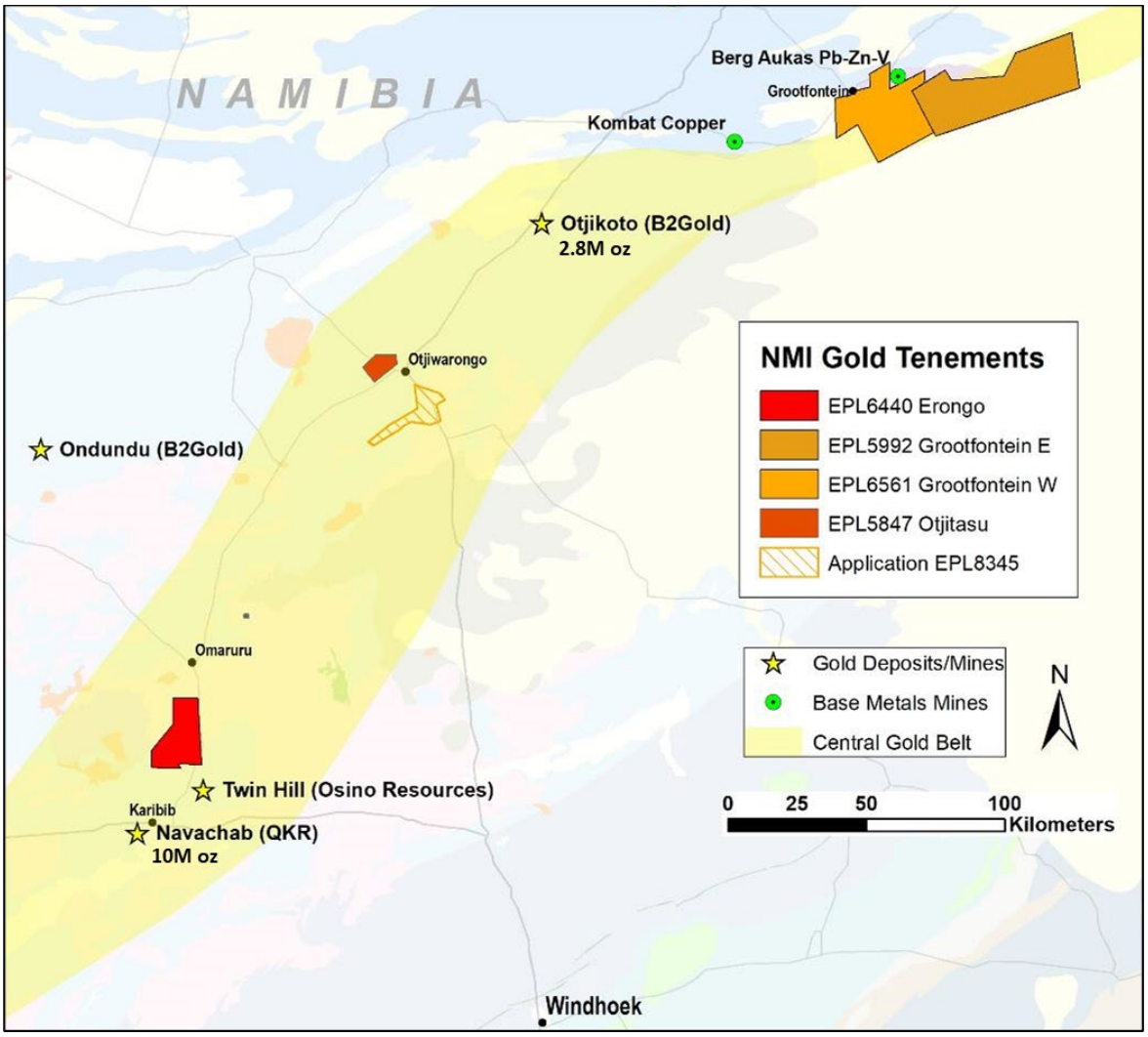


Figure 14 – *Project areas in the Central Namibian Gold Belt*

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 km^2 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.

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% V_2O_5 during the period 1967-1975.

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

The Grootfontein project area comprises two EPLs covering 1,643 km^2 located 80 kilometers northeast of B2 Gold's Otjikoto Gold Mine and 20 kilometers northeast of Osino Resources' Otjikoto East Project.

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 15). 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 40 meters in thickness.

A structural interpretation of the entire project area was undertaken by Earthmaps Consulting using airborne magnetic and radiometric geophysical data together with 1:250,000 scale geological maps. The study provided a detailed structural analysis of the area delineating the Grootfontein Shear Zone and the Waterberg Fault, and associated second and third order structures considered favourable for gold mineralization, with a focus on the potential of a 50 kilometer long segment of the GSZ. Given the extensive calcrete cover, regional-scale soil sampling was undertaken to identify potentially mineralized zones associated with the GSZ (Figure 16).

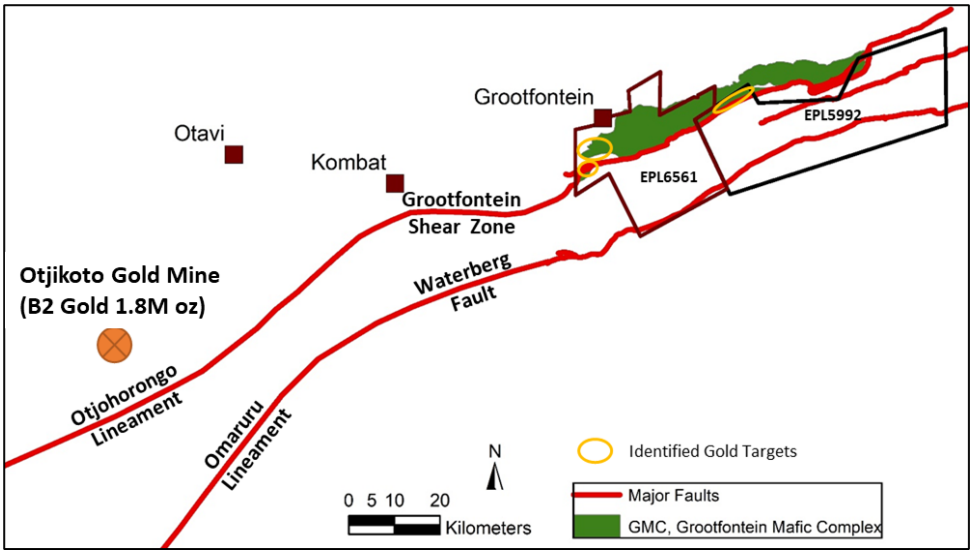


Figure 15 *- Location of the Grootfontein EPLs and relationship to major structures within the Central Namibian Gold Belt.*

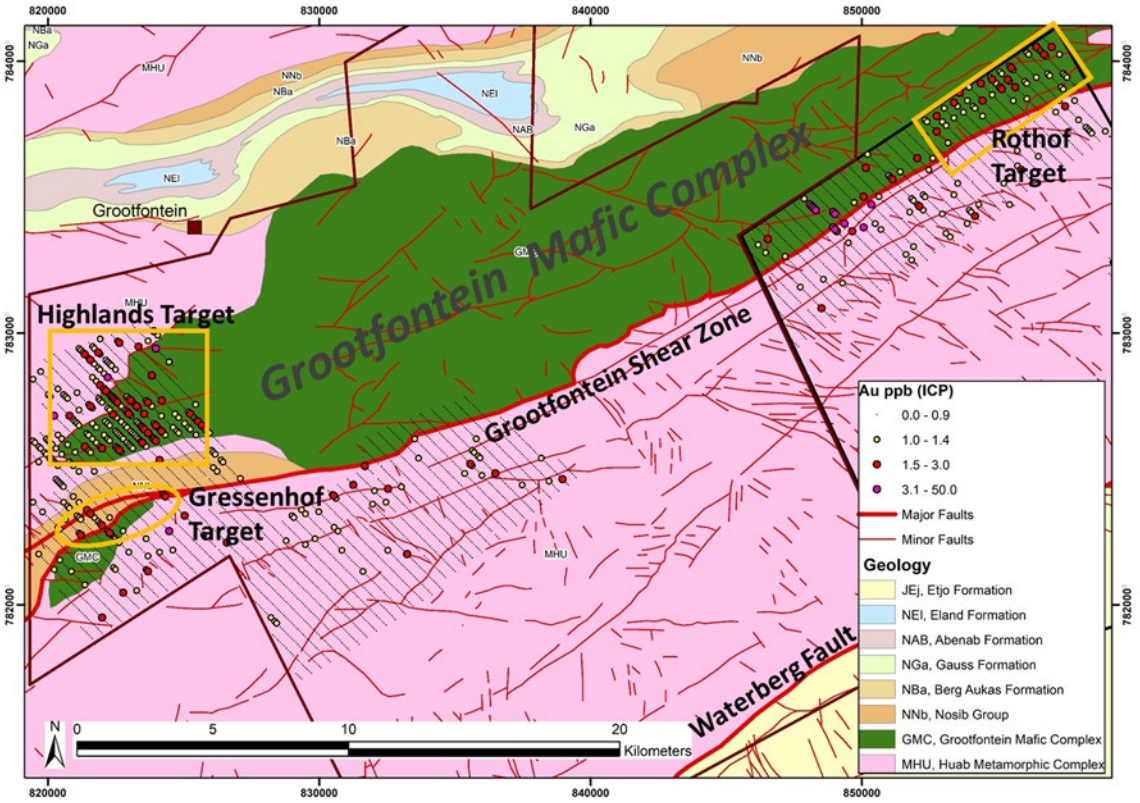


Figure 16 - *Key gold exploration targets at the Grootfontein Project (low detection limit gold ICP analyses of soils). Sampling lines 400 m apart. Structural and lithological interpretations by Earthmaps Consulting.*

Results have outlined three large, low-grade gold anomalies of gold related to the GSZ as shown in Figure 16:

- The Highlands Target covers an area of 25 km^2 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.

Follow-up of the three targets has commenced 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 (Figure 17).

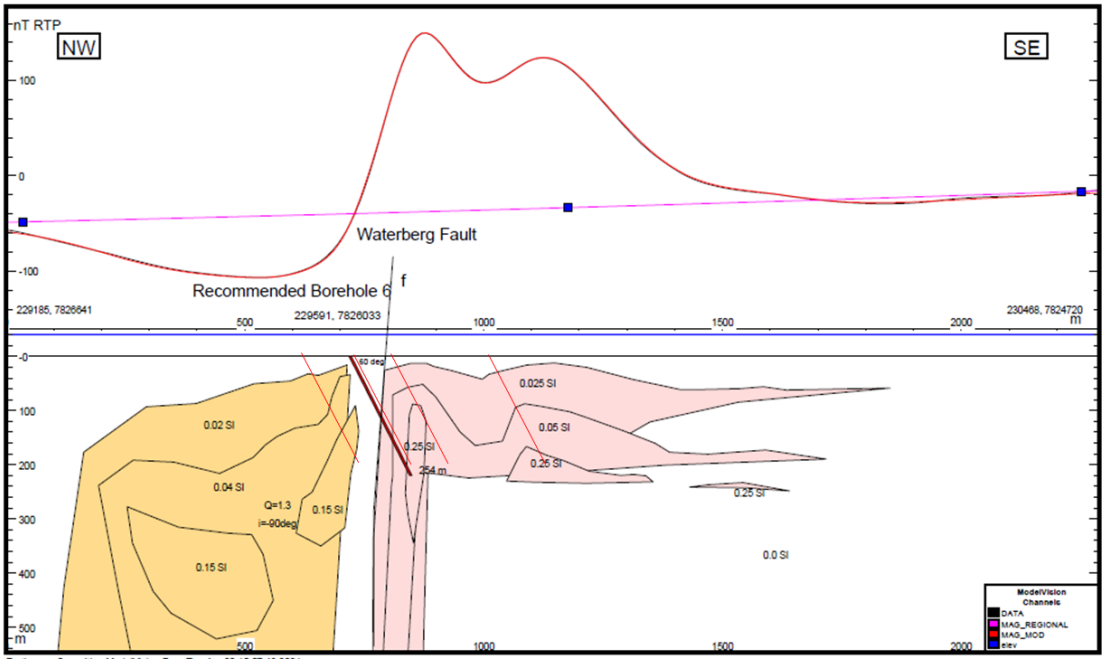


Figure 17: Interpretation of magnetic data produced by a ultra-high resolution UAV-based survey at the Waterberg Fault Target: A drill fence of 4 boreholes are planned for drilling in the next quarter to test the magnetic anomalies.

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 (Figure 18). Based on detailed data interpretation, drill targets will be defined in the next quarter.

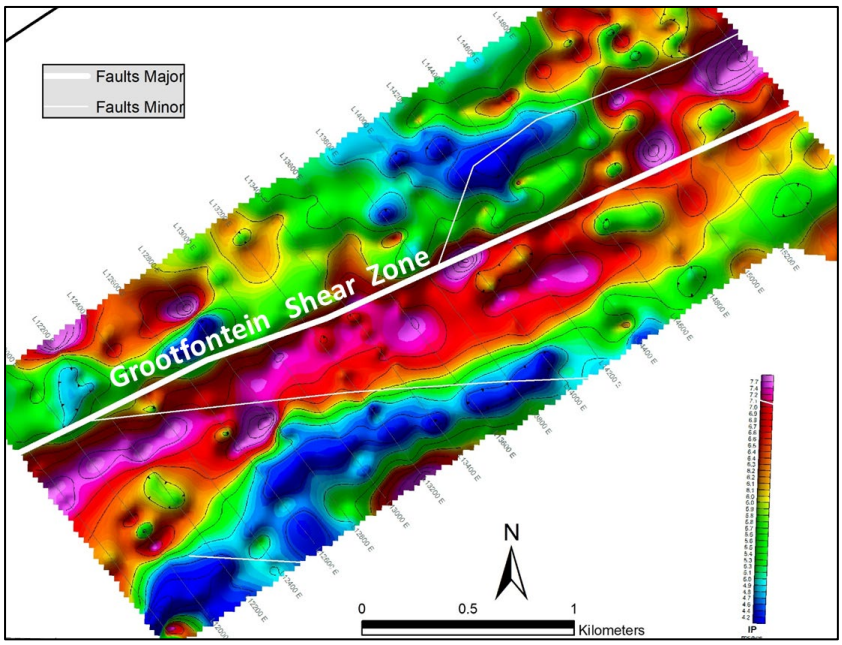


Figure 18: Result of the first IP survey area at the Rothof Target: The Grootfontein Shear Zone is clearly marked with a zone of higher chargeability. Further, zones of higher chargeability occur along second order structures within the GMC

SkyTEM of Denmark has been contracted to survey a total of 2,004 line kilometres over the Grootfontein project. The survey was further delayed due to an undefined no-fly zone of the Namibian Defence Force around the Grootfontein air base. The company remains in discussion with the military to define the outline of the no-fly zone.

A budget of $1,500,000 has been proposed for this purpose which includes 5,000 m RC drilling.

Otjitasu Gold Project

Otjitasu (formerly referred to as Otjiwarongo) is another early-stage conceptual target based on remote sensing data in proximity to known alkaline intrusive complexes, most notably the Okorusu complex which hosts the Okorusu fluorspar deposits. Initial interest in area was focused on a circular magnetic anomaly measuring one kilometer in diameter that was interpreted as possible alkaline intrusive plug. Soil sampling and field investigations did not support this interpretation and focus has now returned to the gold potential on the project area. As was noted for Grootfontein, there is potential on Otjitasu for Otjikoto type gold mineralization associated with magnetic anomalies and structures. As previously reported, selected samples were analysed for gold at an accredited laboratory which returned low levels of gold. No further work was undertaken during this reporting period however a budget of $66,000 has been proposed for this purpose.

Erongo Gold Project

The Erongo gold project originally covered an area of over 600 km^2 within the Navachab-Ondundu gold trend. The EPL has recently been renewed with a reduction to 336.8 km^2. 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 of those deposit types on the property.

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

The 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 (Figure 19). 1,300 samples were sent for low level detection limit gold analyses and returned three distinct gold anomalies with the Kanona North target forming the priority of further ground geophysics and drill testing in the next quarter.

Based on arsenic anomalies in soils from handheld XRF analyses, three target areas associated with the Kanona Fault have been identified (Figure 16):

- **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.

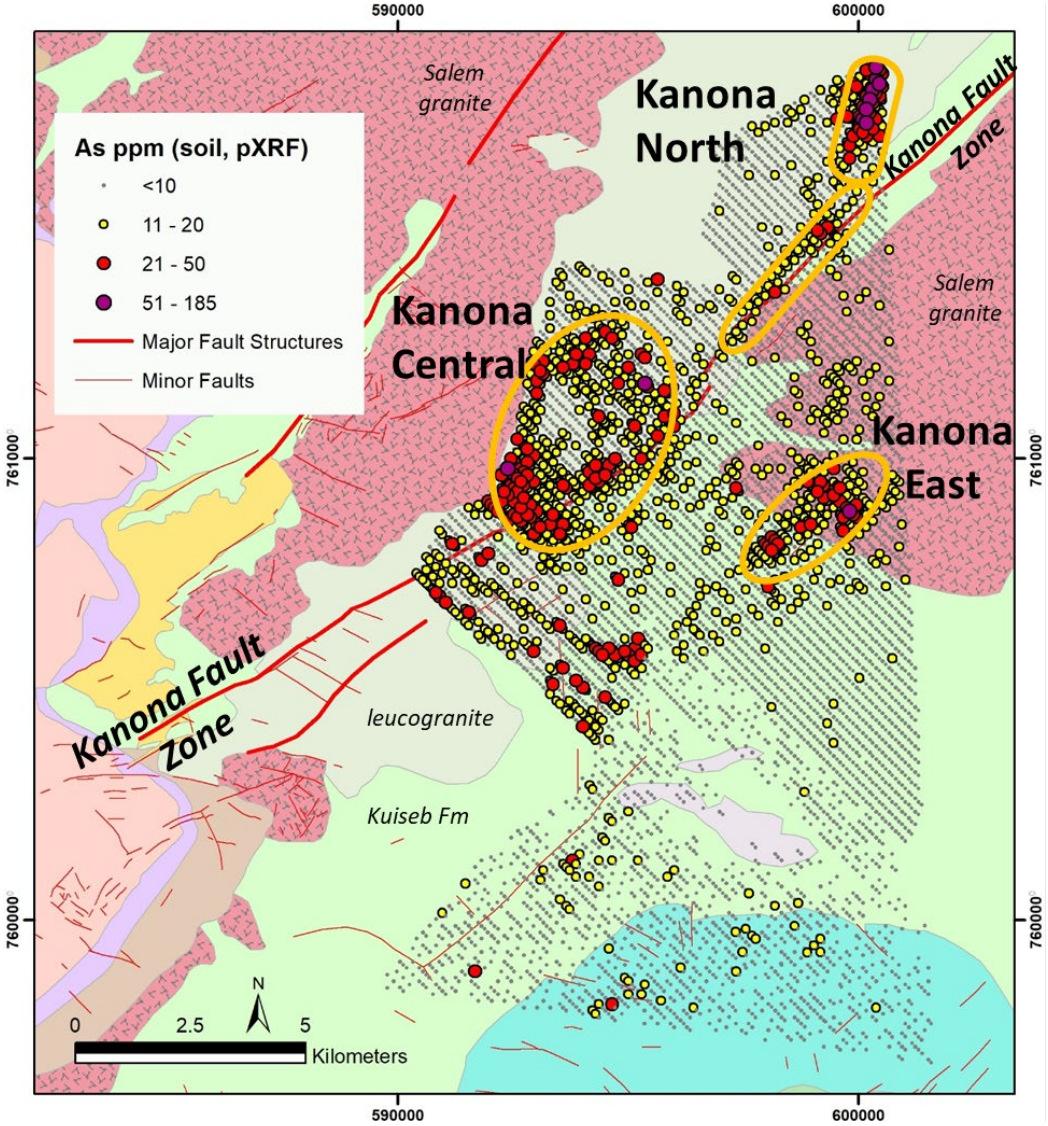


Figure 19 - Key gold exploration targets at the Erongo Project (arsenic anomalies from handheld XRF analyses of soils). Sampling lines 200 m apart. Structural and lithological interpretations by Earthmaps Consulting.

A budget of CD$1,000,000 has been proposed for this this project which includes 3,000 m drilling.

Other Property Expenditures

For the period ended May 31, 2021, the Company incurred $12,096 (2020: $44,479) in exploration and evaluation expenditures on its other properties. For 2021, the Company estimates its work program at approximately $0.25 million, which will focus on selected exploration programs and metallurgical studies.

Results of Operations

Three months ended May 31, 2021 and May 31, 2020

For the three months ended May 31, 2021, the Company capitalized acquisition and exploration costs of $548,803 (2020 - $14,494) related to expenditures on the following properties: Lofdal Rare Earths Project - $217,151 (2020 - $(14,218)); Kunene Cobalt-Copper Project - $305,160 (2020 - $1,690); Epembe Tantalum-Niobium Project - $19,695 (2020-$6,055) and Other Properties - $6,797 (20 - $23,512).

For the three months ended May 31, 2021, the Company reported a net loss of ($355,459) compared to ($121,319) for the same three months in the prior year.

Expenses were $308,304 for the period compared to $125,961 for 2020, primarily due to the following:

Shareholder communications increased to $125,586 compared to $14,779 in 2020;

Share-based payments increased to $56,700 compared to $nil in 2020;

Write-down of exploration and evaluation assets increased to $60,009 compared to $Nil in 2020;

Consulting fees decreased to $23,706 compared to $45,663 in 2020; and

Foreign currency exchange gain increased to $35,976 compared to gain of $18,193 in 2020, due to greater working capital.

Other income and interest income decreased to a negative $47,155 from $4,642 in 2020 due to a year to date adjustment of operator fees earned on the JOGMEC Lofdal joint venture.

Six months ended May 31, 2021 and May 31, 2020

For the six months ended May 31, 2021, the Company capitalized acquisition and exploration costs of $585,480 (2020 - $166,963) related to expenditures on the following properties: Lofdal Rare Earths Project - $217,151 (2020 - $48,507); Kunene Cobalt-Copper Project - $330,244 (2020 - $67,922); Epembe Tantalum-Niobium Project - $25,989 (2020-$6,055) and Other Properties - $12,096 (20 - $44,479).

For the six months ended May 31, 2021, the Company reported a net loss of ($456,247) compared to ($251,667) for the same six months in the prior year.

Expenses were $473,601 for the period compared to $257,062 for 2020, primarily due to the following:

Shareholder communications increased to $128,782 compared to $21,677 in 2020;

Share-based payments increased to $56,700 compared to $nil in 2020;

Consulting fees decreased to $55,844 compared to $99,361 in 2020; and

Write-down of exploration and evaluation assets increased to $106,631 compared to $Nil in 2020.

Other income and interest income increased to $17,354 from $5,395 in 2020 due to government assistance benefit received during the period.

Summary of Quarterly Results

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

For the quarters ended	May 31 2021	Feb. 28 2021	Nov. 30 2020	Aug. 31 2020	May 31 2020	Feb. 29 2020	Nov. 30 2019	Aug. 31 2019
		$	$	$	$	$	$	$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	308,304	165,297	1,101,706	93,445	125,961	131,101	162,892	154,181
Interest/Other income	47,155	(64,509)	(53,289)	(108)	(4,642)	(753)	(12,596)	(10,164)
Gain on debt settlement	Nil	Nil	Nil	(75,421)	Nil	Nil	Nil	Nil
Net and comprehensive loss	355,459	100,788	1,031,417	125,572	121,319	130,348	150,296	144,017
Net and comprehensive loss attributable to shareholders	354,795	100,728	1,031,072	125,979	121,052	130,017	148,986	143,667
Net and comprehensive (gain) loss attributable to non-controlling	664	60	345	(407)	267	331	1,310	350
Loss per share – basic and diluted	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Total assets (millions)	32.1	30.9	30.4	30.7	30.9	30.1	29.6	29.6

As the Company has capitalized all exploration expenditures to date in accordance with IFRS 6, the expenses are primarily related to administration. Lower expenses in quarter ended August 31, 2019 were primarily related to lower unrealized exchange rate losses. Lower expenses in the quarters ended Feb 29, 2020, May 31, 2020 and August 31, 2020 are primarily due to lower travel, director compensation, shareholder communications and gain on debt settlement. Higher expenses in the quarter ended November 30, 2020 are primarily due to share-based payments. Higher expenses in the quarter ended May 31, 2021 are primarily due to a write-down of exploration and evaluation assets and share-based payments. 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.

Liquidity and Capital Resources

At May 31, 2021, the Company had working capital of $281,744 compared to $32,464 at November 30, 2020 as follows:

	May 31, 2021	November 30, 2020
	$	$
Cash and short-term deposits	1,629,532	593,696
Taxes and other receivables	537,019	404,496
Deposits and prepaid expenses	56,648	27,956
Accounts payable and accrued liabilities	(568,655)	(379,899)
Advance received for future exploration work	(1,372,800)	(613,785)
Working capital	**281,744**	**32,464**

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 and an additional $100,000 draw-down on January 8, 2021.

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

During the six months ended May 31, 2021, the Company increased cash of $410,236 for operating activities (2020 – $963,067) and used cash of $141,323 for investing activities (2020 - $101,155). During the period the Company increased cash of $750,551 from financing activities (2020- $343,614). The increased source of cash in operating activities was primarily due to an advance from JOGMEC for future exploration work on the Lofdal property.

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 188,407,732 common shares.

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

Exercise price $	Number of Shares	Expiry Date
0.05	1,410,000	November 28, 2021
0.08	150,000	April 7, 2022
0.21	5,350,000	September 19,2023
0.26	4,950,000	September 28, 2025
0.26	1,825,000	April 5, 2026
	13,685,000	

Warrants

As of the date of this MD&A there were 5,945,433 warrants outstanding with a weighted average exercise price of $0.27. The following table summarizes information about the Company's warrants outstanding as at May 31, 2021:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding May 31, 2021
April 28, 2020	October 28, 2021	$0.180	2,916,667
August 24, 2020	August 24, 2022	$0.336	277,776
January 8, 2021	January 7, 2023	$0.413	225,989
March 12, 2021	March 12, 2022	$0.350	2,650,000
Total outstanding			6,070,433

Related party transactions

Transactions with key management personnel for the six months ended May 31, 2021 and 2020 are as follows:

	Six months ended May 31 2021 $	Six months ended May 31 2020 $
Consulting fees	**44,344**	69,361
Share-based payments	**56,700**	-
Total charged to net and comprehensive loss	**101,044**	69,361
Charged to exploration and evaluation assets:		-
Share-based payments	**365,800**	-
Consulting fees	**70,850**	174,975
Payments to a shareholder	**318,225**	277,699
Total	**855,919**	522,035

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

Included in accounts payable and accrued liabilities and deferred amounts payables are amounts owing to related parties of $248,390 (2020 - $277,030). Included in deposits and prepaid expenses is an amount of $7,000 (2020 - $3,500) representing a retainer on a service 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.

Critical Accounting Estimates and Judgments

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

(i) Valuation of exploration and evaluation assets: The value of the Company's exploration and evaluation assets is dependent upon the success of the Company in discovering economic and recoverable mineral resources, the ability of the Company to obtain financing to complete development of the properties, and future production or proceeds from disposition. The estimation of future revenue flows relating to these assets is uncertain and will also be affected by competition, relative exchange rates between the Canadian dollar and the Namibian dollar and potential new legislation and related environmental requirements.

(ii) Decommissioning liabilities: The Company makes estimates of future site restoration costs based upon current legislation in Namibia, technical reports and estimates provided by the Company's senior employees and advisors. These estimates will be affected by actual legislation in place, actual mining activity to be performed and actual conditions of the relevant sites when the restoration activity is to be performed in future periods.

(iii) Share-based payments: Share-based payments expense is calculated using the Black-Scholes model, a recognized option/warrant valuation formula, which is highly dependent on the expected volatility of the market price of the Company's common shares. Due to the Company's short trading history, the Company uses a volatility rate based on past share trading data from similar entities to predict future volatility, and actual volatility may be different from the estimate used in the valuation formula. Share-based payments expense represents a non-cash expense and, as such, has no impact on the Company's financial position or liquidity.

(iv) Realizable Amount of Deferred Tax Assets: The Company reviews its deferred tax assets at each balance sheet date and reduces the carrying amount to the extent that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

(i) The determination of a cash-generating unit for assessing and testing impairment, which management has determined to be the mineral property;

(ii) The determination of functional currency;

(iii) The determination of when an exploration and evaluation asset move from the exploration stage to the development stage;

(iv) The determination of when an exploration and evaluation asset is impaired;

(v) Whether exploration and evaluation costs are eligible for capitalization;

(vi) The determination of whether exploration and evaluation assets are considered to be asset acquisitions or business combinations; and

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

Changes in Accounting Policies

There were no changes in accounting policies during the period.

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 May 31, 2021, 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 six months ended May 31, 2021 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 receivables.

Impairment of financial assets at amortized cost

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

Financial liabilities

Initial recognition and measurement

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

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

Risks and Uncertainties

In conducting its business, the principal risks and uncertainties faced by the Company relate primarily to exploration results and, to a lesser extent, metal and commodity prices. In addition, the Company has working capital of $47,226. 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 2021. 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 of authorizations on acceptable terms or at all; in particular, the Company currently has an application pending for a mining permit over Area 4 of the Lofdal property and there is no guarantee that the permit will be granted; environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees, and any failure by the Company to comply with applicable environmental regulations or the stoppage of exploration or production activities could have a materially adverse effect on the Company's business, financial condition and results of operations; the per capita incidence of the HIV/AIDS virus in Namibia has been estimated as being in the mid to high range, according to public sources, and if the number of new HIV/AIDS infections in Namibia continues to increase and if the Government of Namibia imposes more stringent obligations on employers related to HIV/AIDS prevention and treatment, the Company's operations in Namibia and its profitability and financial condition could be adversely affected; as a result of a substantial portion of the Company's assets being located in Namibia, there may be difficulties in enforcing against the Company judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities legislation for misrepresentations contained in the Company's public disclosure documents and, in particular, it may be practically impossible to enforce foreign court judgments against the Company in Namibia; and Namibia is part of the South African Rand Common Monetary Area ("CMA") which has exchange controls that require that dividends, loans, repayment of loans and payment of all invoices to parties outside the CMA require prior approval of the Bank of Namibia and there can be no assurance that the Company will obtain the requisite approvals in the future to repay loans or pay invoices to parties outside the CMA, thereby potentially restricting the Company from repatriating funds and using those funds for other purposes.

Covid-19 - During the first quarter of 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian and Namibian governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may

cause reduced customer demand, supply chain disruptions and staff shortages, all of which may negatively impact the Company's business and financial condition. Exploration operations including our site camps were minimally impacted during the period.

Additional Information

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

NOTICE TO READER

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

The accompanying unaudited condensed consolidated interim financial statements of Namibia Critical Metals Inc. have been prepared by management. Management have compiled the unaudited condensed consolidated interim statement of financial position of Namibia Critical Metals Inc. as at May 31, 2021 and November 30, 2020 (audited), the unaudited condensed consolidated interim statements of net and comprehensive loss, changes in equity and cash flows for the six months ended May 31, 2021 and 2020. The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the May 31, 2021 and 2020 condensed consolidated interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Financial Position

As at May 31, 2021 (in Canadian dollars)

	May 31, 2021 $	November 30, 2020 $
Assets		
Current assets		
Cash and short-term deposits	**1,629,532**	593,696
Taxes and other receivables	**537,019**	404,496
Deposits and prepaid expenses	**56,648**	27,956
	2,223,199	1,026,148
Equipment (note 4)	**52,518**	61,795
Exploration and evaluation assets (note 5)	**29,870,257**	29,394,331
	32,145,974	30,482,274
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 1 and 6)	**568,655**	379,899
Advance received for future exploration work (note 5)	**1,372,800**	613,785
	1,941,455	993,684
Loan payable (note 13)	**32,433**	23,407
	1,973,888	1,017,091
Shareholders' Equity		
Equity attributable to the shareholders of the Company (note 7)	**30,031,777**	29,321,249
Non-controlling interest	**140,309**	143,934
	30,172,086	29,465,183
	32,145,974	30,482,274

Nature of operations and going concern (note 1)
Subsequent event (note 14)

See accompanying notes to the condensed consolidated interim financial statements.

Approved on behalf of the Board

/s/ "Steve E. Kapp"
Director

/s/ "William Price"
Director

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three and six months ended May 31, 2021 and 2020 (in Canadian dollars)

	Three months ended May 31		Six months ended May 31	
	2021	2020	**2021**	2020
	$	$	**$**	$
Expenses				
Salaries and benefits (note 6)	**23,693**	23,665	**46,893**	47,421
Office and administration	**18,840**	25,770	**36,381**	41,248
Consulting fees (note 6)	**23,706**	45,663	**55,844**	99,361
Professional fees	**24,643**	18,178	**42,040**	43,671
Travel	**-**	2,846	**-**	6,648
Listing and filing fees	**11,103**	13,253	**23,432**	23,902
Shareholder communications	**125,586**	14,779	**128,782**	21,677
Share-based payments (notes 6 and 7)	**56,700**	-	**56,700**	-
Foreign currency exchange loss (gain)	**(35,976)**	(18,193)	**(23,102)**	(26,866)
Write-down of exploration and evaluation asset	**60,009**	-	**106,631**	-
	308,304	125,961	**473,601**	257,062
Interest income	**(1,330)**	(2,112)	**(1,604)**	(2,865)
Government assistance benefit (note 13)	**-**	-	**(13,000)**	-
Gain on disposal of equipment	**-**	-	**(2,750)**	-
Other income	**48,485**	(2,530)	**-**	(2,530)
Net loss and comprehensive loss for the period	**355,459**	121,319	**456,247**	251,667
Net loss and comprehensive loss attributable to:				
Shareholders of the Company	**354,795**	121,052	**455,523**	251,069
Non-controlling interest	**664**	267	**724**	598
	355,459	121,319	**456,247**	251,667
Loss per share - Basic and diluted	**(0.00)**	(0.00)	**(0.00)**	(0.00)
Weighted average number of shares outstanding – Basic and diluted	**188,062,080**	181,403,020	**186,825,715**	180,867,015

See accompanying notes to the condensed consolidated interim financial statements.

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended May 31, 2021 and 2020 (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, November 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 placement	3,101,977	743,551	-	-	-	743,551	-	743,551
Share based payments	-	-	422,500	-	-	422,500	-	422,500
Write-down of exploration and evaluation asset	-	-	-	-	-	-	(2,901)	(2,901)
Net and comprehensive loss	-	-	-	-	(455,523)	(455,523)	(724)	(456,247)
Balance, May 31, 2021	**188,407,732**	**45,731,124**	**2,521,897**	**5,792,503**	**(24,013,747)**	**30,031,777**	**140,309**	**30,172,086**

	Common Shares Without Par Value		Share-based Payments	Contributed		Total Shareholders'	Non-controlling	Total
	Shares	Amount	Reserve	Surplus	Deficit	Equity	interests	Equity
	#	$	$	$	$		$	$
Balance, November 30, 2019	180,325,121	44,249,508	1,601,344	5,272,556	(22,150,104)	28,973,304	150,871	29,124,175
Issuance of shares	2,916,667	343,614	-	-	-	343,614	-	343,614
Expiry of options	-	-	(335,947)	335,947	-	-	-	-
Net and comprehensive loss	-	-	-	-	(251,069)	(251,069)	(598)	(251,667)
Balance, May 31, 2020	183,241,788	44,593,122	1,265,397	5,608,503	(22,401,173)	29,065,849	150,273	29,216,122

See accompanying notes to the condensed consolidated interim financial statements.

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the six months ended May 31, 2021 and 2020 (in Canadian dollars)

	May 31, 2021	May 31, 2020
	$	$
Cash provided by (used in)		
Operating activities		
Net loss for the period	**(456,247)**	(251,667)
Adjustments for:		
Share-based payments	**56,700**	-
Unrealized foreign currency exchange loss(gain)	**(23,102)**	(26,570)
Interest income recognized in net loss	**(1,604)**	(2,865)
Write-down of exploration and evaluation assets	**106,631**	-
Gain on disposal of equipment	**(2,750)**	-
	(320,372)	(281,102)
Net change in non-cash working capital balances related to operations		
Decrease (increase) in amounts receivable, deposits and prepaids	**(140,572)**	(132,109)
(Decrease) increase in accounts payable and accrued liabilities and deferred amounts payable	**112,165**	358,217
Advance for exploration work, net of expenditures	**759,015**	1,018,061
	410,236	963,067
Investing activities		
Interest income received	**1,604**	2.865
Proceeds on disposition of equipment	**2,750**	-
Expenditures on exploration and evaluation assets (note 10)	**(145,677)**	(104,020)
	(141,323)	(101,155)
Financing activities		
Loan proceeds, net of government assistance (note 13)	**7,000**	-
Issuance of share capital, net of costs	**743,551**	**343,614**
	750,551	**343,614**
		-
Effect of exchange rate changes on cash	**16,372**	(61,308)
Net change in cash during the period	**1,035,836**	1,144,218
Cash and short-term deposits – Beginning of period	**593,696**	183,602
Cash and short-term deposits – End of period	**1,629,532**	1,327,820

Supplemental cash flow information (note 10)

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of operations and going concern

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

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

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

The Company has reported losses to date and as at May 31, 2021 has an accumulated deficit of $24,013,747 (2020 - $22,401,173) and working capital of $281,744 (2020 - working capital deficit of $206,223). The Company does not generate income or cash flows from operations. In addition to its working capital requirements, the Company must secure sufficient funding to maintain legal title to its exploration and evaluation assets and to fund its exploration and development activities and its general and administration costs. These circumstances cast significant doubt upon the Company's ability to continue as a going concern. Management continues to evaluate alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements, and eventually to generate positive cash flows, either from operations or sale of its properties. On January 27, 2020 the Company entered into an agreement ("Lofdal JV Agreement" or "Agreement") with Japan Oil, Gas and Metals National Corporation ("JOGMEC"), which provides JOGMEC with the right to earn a 50% interest in the Lofdal rare earths property by funding $20 million (note 5). As of April 1, 2021, JOGMEC elected to move to Term 2 of the Agreement.

During the year ended November 30, 2020, the Company secured a $5 million drawdown Equity Facility with Alumina Partners (Ontario) Ltd. ("Equity Facility"), an affiliate of New York-based private equity firm Alumina Partners, LLC., on August 24, 2020 that is structured to provide the Company with timely access to private placement financing as and when required. Under the terms of the Equity Facility agreement, the Company has the right to draw down on the $5,000,000 facility, for a two-year period ending August 24, 2022, at its sole discretion, through equity private placement tranches of up to $250,000 each. On August 24, 2020 and January 8, 2021, the Company drew down tranches of $100,000 each.

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.

During the first quarter of 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian and Namibian governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions and staff shortages, all of which may negatively impact the Company's business and financial condition. Exploration operations, including our site camps, were minimally impacted during the six months ended May 31, 2021.

2. Basis of preparation

a) Statement of Compliance

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

These consolidated financial statements were authorized for issue by the Audit Committee of the Board of Directors on July 22, 2021.

b) Basis of Measurement

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

c) Basis of Consolidation

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

Subsidiary	Jurisdiction	Nature of business	Direct or Indirect ownership
Cayman Namibia Rare Earths Ltd.	Cayman Islands	Asset holding company	100%
Namibia Rare Earths (Pty) Ltd.	Namibia	Asset holding company	100%
Gecko Gold Holdings (Pty) Ltd.	Namibia	Asset holding company	95%
Gecko Gold Mining (Pty) Ltd.	Namibia	Asset holding company	95%
Epembe Holdings (Pty) Ltd.	Namibia	Asset holding company	95%
Epembe Mining (Pty) Ltd.	Namibia	Asset holding company	95%
Kunene Resources Holdings (Pty) Ltd.	Namibia	Asset holding company	95%
Kunene Resources Namibia (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%

d) Critical Accounting Estimates and Judgments

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

Critical accounting estimates

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

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

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 period.

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

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

3. Significant accounting policies

These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements and accompanying notes for the year ended November 30, 2020. These condensed consolidated interim financial statements have been prepared using the same accounting policies and judgments and estimates as described in the Company's November 30, 2020 annual consolidated financial statements.

Accounting Standards Adopted in the Current Year

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

Future Changes in Accounting Policies

The following new amendment to standards and interpretations under IFRS, is not yet effective for the period ended May 31, 2021 and has not been applied in preparing these consolidated statements:

IAS 1 – Presentation of Financial Statements
On January 23, 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty.

The amendment is effective for annual periods beginning on or after January 1, 2023 and is to be applied retrospectively, with early adoption permitted. The Company is assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

4. Equipment

Cost	Exploration equipment	Motor vehicles	Total equipment
November 30, 2020	90,428	149,038	239,466
Disposals	-	(21,948)	(21,948)
May 31, 2021	90,428	127,091	217,518

Accumulated Depreciation	Exploration equipment	Motor vehicles	Total equipment
November 30, 2020	65,551	112,120	177,671
Depreciation	3,417	5,861	9,278
Disposals	-	(21,948)	(21,948)
May 31, 2021	68,968	96,033	165,001

Net book value	Exploration equipment	Motor vehicles	Total equipment
November 30, 2020	24,877	36,918	61,795
May 31, 2021	21,459	31,057	52,517

Depreciation charged on exploration equipment and motor vehicles of $9,278 (2020 - $9,106) has been capitalized to exploration and evaluation assets.

5. Exploration and evaluation assets

	November 30, 2020 $	Acquisitions and Expenditures $	Disposals and write-downs $	May 31, 2021 $
Lofdal Rare Earths property	23,271,106	217,151	-	**23,488,257**
Kunene Cobalt-Copper	4,922,790	330,244	(49,883)	**5,203,151**
Epembe Tantalum-Niobium	951,893	25,990	-	**977,882**
Other	248,542	12,096	(59,671)	**200,967**
	29,394,331	**585,480**	**(109,554)**	**29,870,257**

Lofdal rare earths property

The Lofdal rare earths property ("Lofdal") 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 Republic of Namibia Ministry of Mines and Energy for a Mining License and received notice in December 2020 of the Ministry's preparedness to grant the Mining License. The property is subject to a 2% net smelter revenue royalty. The Republic of Namibia Ministry of Mines and Energy issued the Mining License subsequent to May 31, 2021 (note 14).

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 September 21, 2020, the Company announced that JOGMEC elected to provide an additional $1,100,000 to Term 1 to fund additional and accelerated drilling at the Lofdal Heavy Rare Earth Project.

During the year ended November 30, 2020, the Company received $3,303,455 from JOGMEC for exploration expenditures on the Lofdal property. As of November 30, 2020, $2,689,670 in exploration expenditures have been incurred. The Company has recorded $613,785 as a liability for advances received for future exploration work. During the six-month period ended May 31, 2021, the Company received an additional $2,296,545 from JOGMEC for exploration expenditures on the Lofdal property. As of May 31, 2021, $4,227,200 in exploration expenditures have been incurred. The Company has recorded the remaining $1,372,800 as an advance received for future exploration work. Amounts received in excess of the Term 1 amount of $3 million are non-refundable and will be credited to Term 2 expenditures.

The expenditures incurred related to the JOGMEC Agreement for the period ended May 31, 2021 are summarized in the following table:

	November 30, 2020 $	Acquisitions and Expenditures $	May 31, 2021 $
Project Management	81,756	57,136	**155,547**
Geology, Drilling, Sample Analysis	2,132,324	856,262	**2,995,852**
43-101 Resource and Mine Model Update	63,394	219,483	**311,270**
Metallurgy	255,381	307,323	**685,557**
Operator's Fee	139,374	87,850	**246,917**
Other	17,441	9,476	**383,604**
	2,689,670	1,537,530	**4,227,200**

Property Acquisitions

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 six months ended May 31, 2021 amounted to $nil (2020 - $nil).

Other properties

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

Licence	Subsidiary Company	Project
EPL3400	Namibia Rare Earths (Pty) Ltd.	Lofdal
EPL3825	Solarwind Investments (Pty) Ltd.	Kunene
EPL4347	Kunene Resources Namibia (Pty) Ltd.	Kunene
EPL5601	Kunene Resources Namibia (Pty) Ltd.	Kunene
EPL5773	Kunene Resources Namibia (Pty) Ltd.	Kunene
EPL5847	Kunene Resources Namibia (Pty) Ltd.	Otjitazu
EPL5885	Kunene Resources Namibia (Pty) Ltd.	Kunene
EPL5992	Kunene Resources Namibia (Pty) Ltd.	Grootfontein
EPL6440	Gecko Gold Mining (Pty) Ltd.	Erongo
EPL6561	Kunene Resources Namibia (Pty) Ltd.	Grootfontein
EPL7115	Philco One Hundred Eighty (Pty) Ltd.	Marienfluss
MDRL3299	Epembe Mining (Pty) Ltd.	Epembe

During the six months ended May 31, 2021, the Company reduced its non-core portfolio by licence EPL6903.

6. Related party transactions

Transactions with key management personnel for the three and six months ended May 31, 2021 and 2020 are as follows:

	Three months ended May 31 2021 $	Three months ended May 31 2020 $	**Six months ended May 31 2021 $**	Six months ended May 31 2020 $
Consulting fees	**16,706**	30,662	**44,344**	69,361
Share-based payments	**56,700**	-	**56,700**	-
Total charged to net and comprehensive loss	**73,406**	30,662	**101,044**	69,361
Charged to exploration and evaluation assets:				-
Share-based payments	**365,800**	-	**365,800**	-
Consulting fees	**35,000**	90,960	**70,850**	174,975
Payments to a shareholder	**144,345**	174,756	**318,225**	277,699
Total	**618,551**	296,378	**855,919**	522,035

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

Included in accounts payable and accrued liabilities and deferred amounts payables are amounts owing to related parties of $248,390 (2020 - $277,030). Included in deposits and prepaid expenses is an amount of $7,000 (2020 - $3,500) representing retainers on a 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.

7. Capital stock

Authorized capital stock

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

Issued common shares are as follows:	Number of Shares	Value $
Balance, November 30, 2020	185,305,755	44,987,573
Shares issued by private placement (i)	451,977	100,000
Shares issued by private placement (ii)	2,650,000	662,500
Share issuance costs	-	(18,949)
Balance, May 31, 2021	**188,407,732**	**45,731,124**

(i) On January 8, 2021, pursuant to the Equity Facility (note 1), the Company issued 451,977 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.

(ii) On March 12, 2021, the Company issued 2,650,000 units at a 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 hold period, expiring July 13, 2021. Each whole warrant is exercisable for one common share at a price of $0.35 until March 12, 2022. The value of the warrants was estimated at nil using the residual method.

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 six months ended May 31, 2021, share-based payments expense of $56,700 (2020- $Nil) was charged to the consolidated statement of loss and comprehensive loss and $365,800 (2020 - $Nil) was charged to exploration and evaluation assets. The assumptions used to fair value the options were a risk-free rate of 0.94%, expected volatility of 142% (based on actual historical volatility), expected life of 5 years, and a dividend yield of 0%.

The balance of stock options outstanding at May 31, 2021 was 13,685,000 at a weighted average exercise price of $.22.

The following table summarizes information about options outstanding at May 31, 2021:

Exercise price $	Options outstanding and exercisable	Expiry date	Remaining contractual life (in years)
0.05	1,410,000	November 28, 2021	.50
0.08	150,000	April 7, 2022	.85
0.21	5,350,000	September 19, 2023	2.30
.0.26	4,950,000	September 28, 2025	4.33
0.26	1,825,000	April 5, 2026	4.85
	13,685,000		**3.17**

Warrants

As of May 31, 2021 there were 6,070,433 warrants outstanding (2020 – 2,916,667) with a weighted average exercise price of $0.27 (2020 -$0.18).

The following table summarizes information about the Company's warrants outstanding as at May 31, 2021 and November 30, 2020:

Grant Date	Expiration Date	Exercise Price	May 31, 2021	November 30, 2020
April 28, 2020	October 28, 2021	$0.180	2,916,667	2,916,667
August 24, 2020	August 24, 2022	$0.336	277,777	277,777
January 8, 2021	January 8, 2023	$0.413	225,989	-
March 12, 2021	March 12, 2022	$0.350	2,650,000	-
Total outstanding			6,070,433	3,194,444

8. Capital disclosures

The Company manages its capital to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and to maintain the necessary corporate and administrative functions to facilitate these activities. The capital structure consists of working capital and equity. The Company raises capital, as necessary, to meet its needs and to take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. The Company invests all capital that is surplus to its immediate operational needs in highly liquid financial instruments such as high interest cash accounts. There were no changes to the Company's approach to capital management during the six months ended May 31, 2021.

Total managed capital was as follows:

	May 31, 2021 $	November 30, 2020 $
Working capital	281,744	32,464
Equity	30,031,777	29,321,249

There are no externally imposed capital requirements.

9. Financial Instruments and risk management

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

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

Credit risk

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

Liquidity risk

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

Market risk

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

Foreign exchange risk

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

At May 31, 2021, the Company had the following amounts denominated in the above currencies and converted to Canadian dollars: $1,239,559 in cash, $17,526 in deposits and prepaids, $523,839 in amounts receivable, and $402,059 in accounts payable and accrued liabilities. A 10% change in the exchange rates would impact the Company's working capital as follows:

Currency	$
Namibia dollars and South African rand	124,214
All other currencies	1,137

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

Interest rate risk

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

Commodity price risk

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

10. Supplemental cash flow information

During the six months ended May 31, 2021, the Company made expenditures on exploration and evaluation assets of $44,828 which were recorded as a decrease in accounts payable (2020 - $53,837 decrease in accounts payable) and $9,278 in amortization of equipment which was recorded to exploration and evaluation assets (2020 - $9,106). These items are non-cash transactions and have been excluded from the consolidated statements of cash flows.

11. Commitments

The Company has no commitments.

12. Segmented reporting

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

13. Loan payable

On October 8, 2020, the Company received a $40,000 emergency business loan under the federal government Canada Emergency Business Account ("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, 2022, 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, 2023, 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, 2022. A government assistance benefit of $13,000 was recognized during the six months ended May 31, 2021.

14. Subsequent event

On July 22, 2021, the Company announced that the Mining Licence ("ML 200") has been issued for Lofdal by the Republic of Namibia Ministry of Mines and Energy. ML 200 is valid for a 25-year period through to May 10, 2046 and is issued to the Company's 100% owned subsidiary, Namibia Rare Earths (Pty) Ltd.