NAMIBIA CRITICAL METALS INC.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED FEBRUARY 28, 2022 AND 2021

(CANADIAN DOLLARS)

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 February 28, 2022 and November 30, 2021 (audited), the unaudited condensed consolidated interim statements of net and comprehensive loss, changes in equity and cash flows for the three months ended February 28, 2022 and 2021. The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the February 28, 2022 and 2021 condensed consolidated interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Financial Position

As at February 28, 2022 (in Canadian dollars)

	February 28, 2022 $	November 30, 2021 $
Assets		
Current assets		
Cash and short-term deposits	1,187,657	1,163,035
Taxes and other receivables (note 5)	437,942	401,579
Deposits and prepaid expenses	36,725	56,102
	1,662,324	1,620,716
Taxes receivable (note 5)	274,113	251,615
Equipment (note 6)	38,839	43,281
Exploration and evaluation assets (note 7)	26,085,531	26,031,612
	28,060,807	27,947,224
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	1,315,959	1,323,181
Advance received for future exploration work (note 7)	1,062,224	836,632
	2,378,183	2,159,813
Loan payable (note 15)	35,788	34,650
	2,413,971	2,194,463
Shareholders' Equity		
Equity attributable to the shareholders of the Company (note 9)	25,810,148	25,915,671
Non-controlling interest	(163,312)	(162,910)
	25,810,148	25,752,761
	28,060,807	27,947,224

Nature of operations and going concern (note 1)
Subsequent event (note 16)

See accompanying notes to the condensed consolidated interim financial statements.

On behalf of the Board:

/s/ "Steve E. Kapp"
Steve E. Kapp
Director

/s/ "William Price"
William Price
Director

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

	Three months ended February 28	
	2022	**2021**
	$	**$**
Expenses		
Salaries and benefits	25,212	23,200
Office and administration	20,327	17,541
Consulting fees (note 8)	17,573	32,138
Professional fees	34,528	17,397
Travel	130	-
Listing and filing fees	12,702	12,329
Shareholder communications	16,896	3,196
Foreign currency exchange loss (gain)	(14,892)	12,874
Write-down of exploration and evaluation asset	1,288	46,622
	(113,764)	(165,297)
Interest income	907	274
Government assistance benefit (note 15)	-	13,000
Gain on disposal of equipment	-	2,750
Other income (note 7)	8,432	48,485
Net loss and comprehensive loss for the period	(104,425)	(100,788)
Net loss and comprehensive loss attributable to:		
Shareholders of the Company	(104,023)	(100,728)
Non-controlling interest	(402)	(60)
	(104,425)	(100,788)
Loss per share - Basic and diluted	(0.00)	(0.00)
Weighted average number of shares outstanding – Basic and diluted	192,734,399	185,561,875

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 three months ended February 28, 2022 and 2021 (in Canadian dollars)

	Common Shares Without Par Value		Share-based Payments	Contributed	Total Shareholders'		Non-controlling	Total
	Shares	**Amount**	**Reserve**	**Surplus**	**Deficit**	**Equity**	**interests**	**Equity**
	#	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance, Nov 30, 2021	**192,734,399**	**46,375,904**	**2,472,617**	**5,792,503**	**(28,725,353)**	**25,915,671**	**(162,910)**	**25,752,761**
Share issue cost		(1,500)				(1,500)	-	(1,500)
Net and comprehensive loss					(104,023)	(104,023)	(402)	(104,425)
Balance, February 28, 2022	**192,734,399**	**46,374,404**	**2,472,617**	**5,792,503**	**(28,829,376)**	**25,810,148**	**(163,312)**	**25,646,836**
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	451,977	93,001	-	-	-	93,001	-	93,001
Write-down of exploration and evaluation asset	-	-	-	-	-	-	(2,320)	(2,320)
Net and comprehensive loss	-	-	-	-	(100,728)	(100,728)	(60)	(100,788)
Balance, February 28, 2021	185,757,732	45,080,574	2,099,397	5,792,503	(23,658,952)	29,313,522	141,554	29,455,076

See accompanying notes to the condensed consolidated interim financial statements.

Namibia Critical Metals Inc.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

	February 28, 2022 $	February 28, 2021 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(104,425)	(100,788)
Adjustments for:		
Unrealized foreign currency exchange loss(gain)	(14,892)	12,874
Interest income recognized in net loss	(907)	(274)
Non-cash interest on loan payable	1,138	-
Write-down of exploration and evaluation assets	1,288	46,622
Gain on disposal of equipment	-	(2,750)
	(117,798)	(44,316)
Net change in non-cash working capital balances related to operations		
Increase in amounts receivable, deposits and prepaids	(5,299)	(51,386)
Increase in accounts payable and accrued liabilities	88,198	184,821
Advances received for future exploration work, net of expenditures (note 7)	225,592	276,472
	190,693	365,591
Investing activities		
Interest income received	907	274
Proceeds on disposition of equipment	-	2,750
Expenditures on exploration and evaluation assets, net of recoveries (note 12)	(195,423)	(53,258)
	(194,516)	(50,234)
Financing activities		
Loan proceeds, net of government assistance (note 15)	-	7,000
Issuance of share capital, net of costs	(1,500)	93,001
	(1,500)	100,001
Effect of exchange rate changes on cash	29,945	(14,077)
Net change in cash during the period	24,622	401,281
Cash and short-term deposits – Beginning of period	1,163,035	593,696
Cash and short-term deposits – End of period	1,187,657	994,977

Supplemental cash flow information (note 12)

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 at February 28, 2022 has an accumulated deficit of $28,829,376 (2021 - $23,658,952) and working capital deficit, as defined by the excess (deficiency) of current assets over current liabilities of $715,859 (2021 - working capital $47,226). 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.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements, and eventually to generate positive cash flows, either from operations or sale of its properties. During the year ended November 30, 2021, the Company issued 7,428,644 common shares (2020 – 4,980,634), raising $1,339,051 cash proceeds (2020 - $738,065) through two private placements and exercise of warrants and options outstanding from the previous year. Subsequent to February 28, 2022, the Company raised $750,000 gross proceeds in a private placement that closed on March 31, 2022 (see note xx).

The Company holds 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., 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. As of February 28, 2022, the Company has utilized the facility twice, for a total of $200,000 gross proceeds.

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.

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that continued during the year ended November 30, 2021 may have an impact on the operations of the Company. The extent of the impact to the financial performance of the Company will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, (iv) the effects on the economy overall and (v) the effect on commodity prices, all of which are highly uncertain and cannot be predicted. The impact of COVID-19 to the Company was minimal during the period ended February 28, 2022.

2. Basis of preparation

a) Statement of Compliance

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

These consolidated financial statements were authorized for issue by the Audit Committee of the Board of Directors on April 26, 2022.

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

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	95%
Gecko Gold Holdings (Pty) Ltd.	Namibia	Asset holding company	95%
Gecko Gold Mining (Pty) Ltd.	Namibia	Asset holding company	95%
Epembe Holdings (Pty) Ltd.	Namibia	Asset holding company	95%
Epembe Mining (Pty) Ltd.	Namibia	Asset holding company	95%
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%
Philco One Hundred Ninety-One (Pty) Ltd.	Namibia	Asset holding company	95%
Philco One Hundred Ninety-Three (Pty) Ltd.	Namibia	Asset holding company	95%

d) Critical Accounting Estimates and Judgments

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

Critical accounting estimates

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is 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, 2021. 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, 2021 annual consolidated financial statements.

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

4. New or amendments to accounting standards not yet adopted

The following new amendment to standards and interpretations under IFRS, is not yet effective for the period ended February 28, 2022 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.

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

5. Taxes and other receivables

	February 28, 2022 $	November 30, 2021 $
HST receivable – Canada	9,668	11,927
VAT receivable	699,074	639,000
Other receivables	3,313	2,267
Total taxes and receivables	712,055	653,194
Less: VAT receivable - long-term	274,113	251,615
Taxes and other receivables - current	437,942	401,579

There is doubt of the collectability of the Namibian VAT refund claims totaling $699,074 (November 30, 2021 -$639,000) due to inconsistent treatment of approving and issuing refund claims to exploration companies by the Namibian Ministry of Finance. The Company has been advised that all outstanding VAT refund claims are being held pending the outcome of a current court case on this matter and further review by the Namibian government. The VAT receivable of $424,961 (November 30, 2021 - $387,385), generated from Namibia expenditures related to the Lofdal property, has been presented as current as it is expected that the amount will be recovered through the Company's agreement with JOGMEC. The remaining VAT receivable of $274,111 (November 30, 2021 - $251,615) has been presented as a long-term asset.

6. Equipment

Cost	Exploration equipment	Motor vehicles	Total equipment
November 30, 2021	90,428	127,090	217,518
Disposals	-	-	-
February 28, 2022	90,428	127,090	217,518

Accumulated Depreciation	Exploration equipment	Motor vehicles	Total equipment
November 30, 2021	72,371	101,866	174,237
Depreciation	1,636	2,806	4,442
February 28, 2022	74,007	104,672	178,679

Net book value	Exploration equipment	Motor vehicles	Total equipment
November 30, 2021	18,057	25,224	43,281
February 28, 2022	16,421	22,418	38,839

Depreciation charged on exploration equipment of $4,442 (2021 - $4,634) has been capitalized to exploration and evaluation assets.

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

7. Exploration and evaluation assets

	November 30, 2021 $	Acquisitions and Expenditures $	Disposals and write-downs $	February 28, 2022 $
Lofdal Rare Earths property	23,693,664	-	-	23,693,664
Kunene Cobalt-Copper	339,337	34,704	-	374,041
Kunene Gold	1,308,939	11,559	-	1,320,498
Epembe Tantalum-Niobium	455,292	25	-	455,317
Other	234,380	8,919	(1,288)	242,011
	26,031,612	**55,207**	**(1,288)**	**26,085,531**

Lofdal rare earths property

The Lofdal rare earths property comprises an exclusive prospecting license ("EPL 3400") located approximately 450 kilometres northwest of the capital city of Windhoek and 25 kilometres northwest of the town of Khorixas in the Kunene Region of north-western Namibia. EPL 3400, which provides for mineral rights to base and rare metals, and precious metals, was originally granted in 2005. It was renewed by the Government of Namibia in February 2017 for a further two-year period to November 16, 2018 and again on May 14, 2019 for a two-year period to May 14, 2021. In May 2021, the Company was awarded a Mining Licence ("ML200") for the Lofdal Heavy Rare Earth Dysprosium-Terbium 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 ("NRE"). Certain conditions of ML200 mandate that historically disadvantaged Namibians represent a minimum 20% of the management structure, including the board of NRE and hold at least 5% of the voting shares of NRE. The property is subject to a 2% net smelter revenue royalty.

Partnership with JOGMEC on Lofdal

On January 27, 2020, the Company announced that it had signed an agreement with 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.

On April 1, 2021, the Company announced that JOGMEC elected to move to Term 2 and provide an additional $2,063,000 to fund further development and metallurgical work at the Lofdal Heavy Rare Earth Project.

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

During the year ended November 30, 2021, the Company received $2,796,545 from JOGMEC for exploration expenditures on the Lofdal property. As of November 30, 2021, $5,263,368 in exploration expenditures have been incurred. The Company has recorded $836,632 as a liability for advances received for future exploration work. As of November 30, 2021 JOGMEC has advanced $6,100,000 of the $10,000,000 commitment for Terms 1 and 2 and has approved up to $7 million to be spent by March 31, 2022.

During the three-month period ended February 28, 2022, the Company received $700,000 (2021 -$1,196,545) from JOGMEC for exploration expenditures on the Lofdal property. As of February 28, 2022, $5,737,776 (2021 - $3,609,743) in exploration expenditures have been incurred. The Company has recorded the remaining $1,062,224 (2021 - $890,257) 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 February 28, 2022 are summarized in the following table:

	November 30, 2021 $	Acquisitions and Expenditures $	February 28, 2022 $
Project Management	199,730	30,144	229,874
Geology, Drilling, Sample Analysis	3,266,652	154,358	3,421,010
43-101 Resource and Mine Model Update	506,415	128,847	635,262
Metallurgy	874,090	56,984	931,074
Mine planning	288,858	70,992	166,537
Operator's Fee	95,545	31,178	320,036
Other	32,078	1,905	33,983
	5,263,368	474,408	5,737,776

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 three months ended February 28, 2022 amounted to $8,432 (2021 - $48,485).

Other properties

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

Licence	Subsidiary Company	Project
EPL3400	Namibia Rare Earths (Pty) Ltd.	Lofdal
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
MDRL3299	Epembe Mining (Pty) Ltd.	Epembe
ML200	Namibia Rare Earths (Pty) Ltd.	Lofdal

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

8. Related party transactions

Transactions with key management personnel for the three months ended February 28, 2022 are as follows:

	Three months ended February 28, 2022
	$
Consulting fees	16,813
Total charged to net and comprehensive loss	16,813
Consulting fees charged to exploration and evaluation assets	-
Payments to a shareholder charged to exploration and evaluation assets	32,296
Total	49,109

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.

During the period, related party transactions charged to JOGMEC in respect of the Lofdal project, included consulting fees of $37,500 and payments to a shareholder of $171,950.

Included in accounts payable and accrued liabilities are amounts owing to related parties of $912,113 (2021 - $355,297). Included in deposits and prepaid expenses is an amount of $7,000 (2021 - $3,500) representing retainers on services contracts with officers of the Company.

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

9. Capital stock

Authorized capital stock

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

Issued and outstanding

At February 28, 2022, there were 192,734,399 common shares issued and outstanding (2021 – 185,757,732).

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.

There were no options issued during the period.

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

As of February 28, 2022 there were 12,275,000 options outstanding (2021 – 11,860,000) with a weighted average exercise price of $0.24 (2021 -$0.21). The change in stock options during the period ended February 28, 2022 and 2021 is as follows:

	Number	Weighted average exercise price $
At November 30, 2020 and February 28, 2021	11,860,000	0.21
Exercised	(1,410,000)	(0.05)
Issued	1,825,000	0.26
At November 30, 2021 and February 28, 2022	12,275,000	0.24

The following table summarizes information about options outstanding at February 28, 2022:

Expiration Date	Exercise price $	Options outstanding and exercisable	Remaining contractual life (in years)
April 7, 2022	0.08	150,000	0.10
September 19, 2023	0.21	5,350,000	1.55
September 28, 2025	0.26	4,950,000	3.58
April 5, 2026	0.26	1,825,000	4.10
Total outstanding		**12,275,000**	**2.73**

Warrants

As of February 28, 2022 there were 3,153,766 warrants outstanding (2021 – 3,420,433) with a weighted average exercise price of $0.35 (2021 -$0.21). The change in warrants during the period ended February 28, 2022 and 2021 is as follows:

	Number	Weighted average exercise price $
At November 30, 2020	3,194,444	0.190
Issued	225,989	0.413
At February 28, 2021	3,420,433	0.210
Issued	2,650,000	0.350
Exercised	(2,916,667)	0.180
At November 30, 2021 and February 28, 2022	3,153,766	0.350

The following table summarizes information about the Company's warrants outstanding as at February 28, 2022:

Expiration Date	Exercise Price	Warrants outstanding	Remaining contractual life (in years)
August 24, 2022	$0.336	277,777	0.48
January 8, 2023	$0.413	225,989	0.86
March 12, 2022	$0.350	2,650,000	0.03
Total outstanding		3,153,766	0.13

In March 2022, the expiration date of the 2,650,000 warrants due to expire was extended for 12 months to March 12, 2023 (see note 16)

For the three months ended February 28, 2022 and 2021 (in Canadian dollars)

10. Capital disclosures

The Company manages its capital to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and to maintain the necessary corporate and administrative functions to facilitate these activities. The capital structure consists of working capital and equity. The Company raises capital, as necessary, to meet its needs and to take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. The Company invests all capital that is surplus to its immediate operational needs in highly liquid financial instruments such as high interest cash accounts. There were no changes to the Company's approach to capital management during the three months ended February 28, 2021. Total managed capital was as follows:

	February 28, 2022 $	November 30, 2021 $
Working capital (deficit)	(715,859)	(539,097)
Equity	25,810,148	25,915,671

There are no externally imposed capital requirements.

11. 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 February 28, 2022, the Company had the following amounts denominated in the above currencies and converted to Canadian dollars: $945,234 in cash, $20,145 in deposits and prepaids, $756,742 in amounts receivable, and $1,279,760 in accounts payable and accrued liabilities. A 10% change in the exchange rates would impact the Company's working capital as follows:

	$
Namibia dollars and South African rand	74,724
All other currencies	2,532

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.

12. Supplemental cash flow information

During the three months ended February 28, 2022, the Company made expenditures on exploration and evaluation assets of $144,658 which were recorded as a decrease in accounts payable (2021 - $207,942 increase in accounts payable) and $4,442 in amortization of equipment which was recorded to exploration and evaluation assets (2021 - $18,514). These items are non-cash transactions and have been excluded from the consolidated statements of cash flows

13. Commitments

The Company has no commitments.

14. 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.

15. 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, 2023, there will be no interest payable on the loan and the remaining $20,000 will be forgiven. In the event there is a loan balance outstanding on January 1, 2024, the loan will be renewed for a 3-year term with an annual fixed rate of interest of 5%. The Company plans to repay $40,000 before December 31, 2023. A government assistance benefit of $13,000 was recognized during the three months ended February 28, 2021.

16. Subsequent events

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