



NAMIBIA CRITICAL METALS INC.

Management's Discussion and Analysis

Three and nine months ended August 31, 2024

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" or "NMI") is dated October 24, 2024, and provides an analysis of the Company's financial results and progress for the three and nine months ended August 31, 2024 and 2023. This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements as at and for the three and nine months ended August 31, 2024 and 2023 and related notes thereto, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All amounts are expressed in Canadian dollars unless otherwise noted.

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

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

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

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

Overall Performance

The Company is engaged in the exploration for critical metals and gold in Namibia through its 95% owned subsidiary, Namibia Rare Earths (Pty) Ltd., a Namibian company ("Namibia Pty") and its 95% interest in two 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 been granted a number of exclusive prospecting licences, and a mining licence for the Lofdal project.

The major focus of the Company's activities from 2010 to February 2018 was the Lofdal Heavy Rare Earths Project. On February 21, 2018, the Company completed the acquisition of six critical metal and gold properties in Namibia from Gecko Namibia (Pty). The portfolio of properties acquired from Gecko Namibia expanded the Company's commodity interest from solely heavy rare earths to a variety of critical commodities which includes gold, cobalt, and copper, lead, zinc, nickel.

Since 2020, the Company has focused on further development of the Lofdal project through its joint venture with Japan Organization for Metals and Energy Security Corporation ("JOGMEC") currently undergoing a Pre-Feasibility Study (PFS) for the project "Lofdal 2B-4".

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Current ground holdings are summarized in Figure 1 and Table 1.

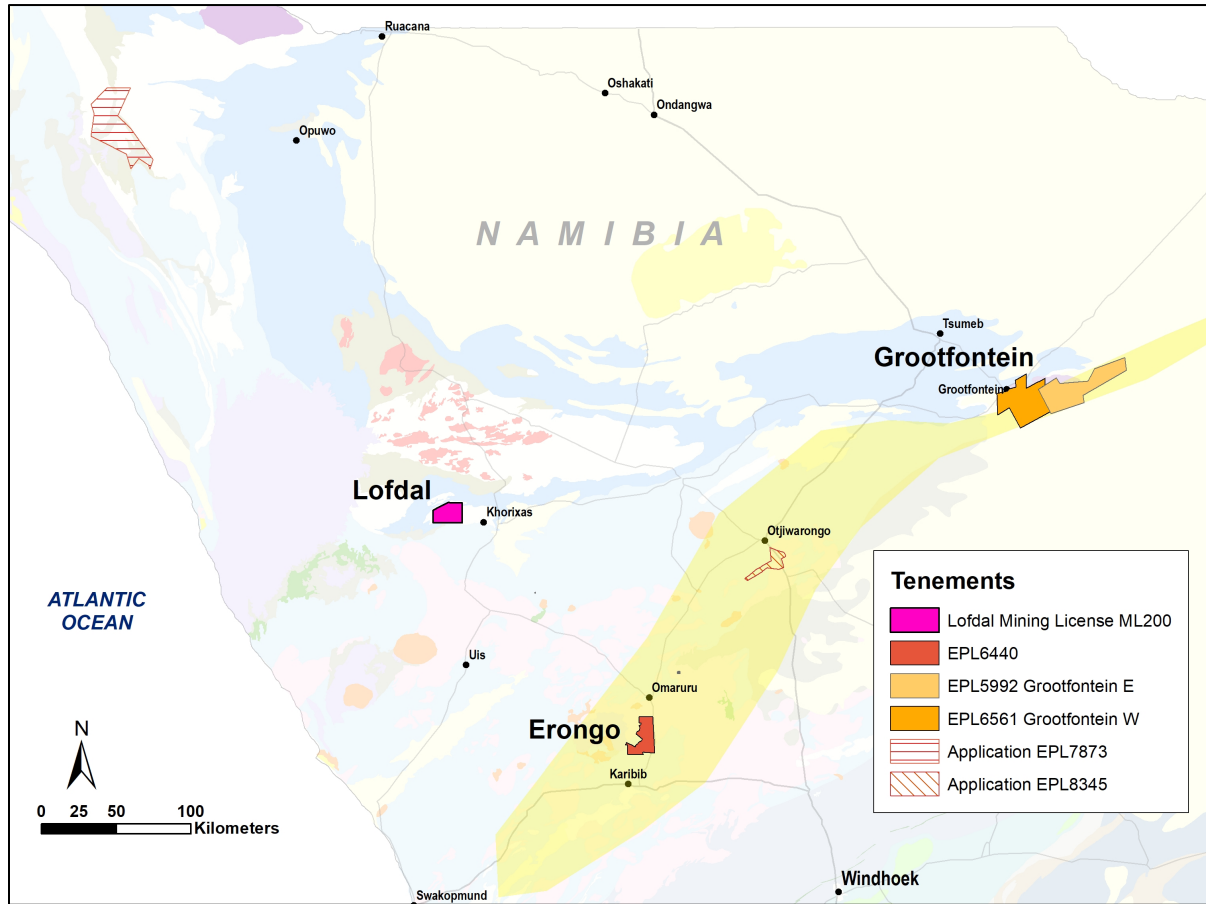


Figure 1 Location of NMI’s critical metals and gold projects.

Table 1 Summary of Namibia Critical Metals’ Project Portfolio

License	Subsidiary company	Project	Applied	Granted	Status	Size (km ²)
ML200	Namibia Rare Earths (Pty) Ltd.	Lofdal	16-Nov-16	11-May-21	Active	210
EPL5992	Philco 193 (Pty) Ltd	Grootfontein	16-Apr-15	13-Oct-16	Active	731
EPL6440	Gecko Gold Mining (Pty) Ltd.	Erongo	07-Sep-16	14-Jul-17	Active	263
EPL6561	Philco 193 (Pty) Ltd	Grootfontein	25-Jan-17	29-Nov-17	Active, renewal pending	509
Total granted EPLs						1,503
EPL7873	Philco 193 (Pty) Ltd	Kaoko copper	30-Sep-19		EPL Application	983
EPL8345	Gecko Gold Mining (Pty) Ltd.	Otjiwarongo	01-Sep-20		EPL Application	51
Total EPL applications						1,034

ML = Mining Licence EPL = Exclusive Prospecting Licence

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Lofdal Heavy Rare Earth Project

The Lofdal Heavy Rare Earth Project (“Lofdal” or “the project”) is the Company’s most advanced project and comprises a Mining Licence (“ML200”). Lofdal is being developed in partnership with JOGMEC.

Lofdal is located approximately 450 kilometers northwest of the capital city of Windhoek and 25 kilometers northwest of the town of Khorixas in the Kunene Region. The Lofdal property is centered on the Lofdal intrusive complex, a regional geological feature associated with numerous occurrences of heavy rare earth mineralization hosted by albitic alteration zones and carbonatitic dykes.

ML200 is valid for a 25-year period through to May 10, 2046, and is issued to the Company’s 95% owned subsidiary, Namibia Rare Earths (Pty) Ltd. with the balance held by Philco One Hundred Ninety-Six (Pty) Ltd. (“Philco 196”), a company incorporated to fulfil the licence requirement of a 5% shareholding of Historically Disadvantaged Namibians.

Regional Assessment of Rare Earths Potential

The first systematic exploration for rare earths over Lofdal was initiated by Namibia Rare Earths Pty in 2008, and since that time exploration results have demonstrated the occurrence of rare earth mineralization on a district scale (Figure 2).

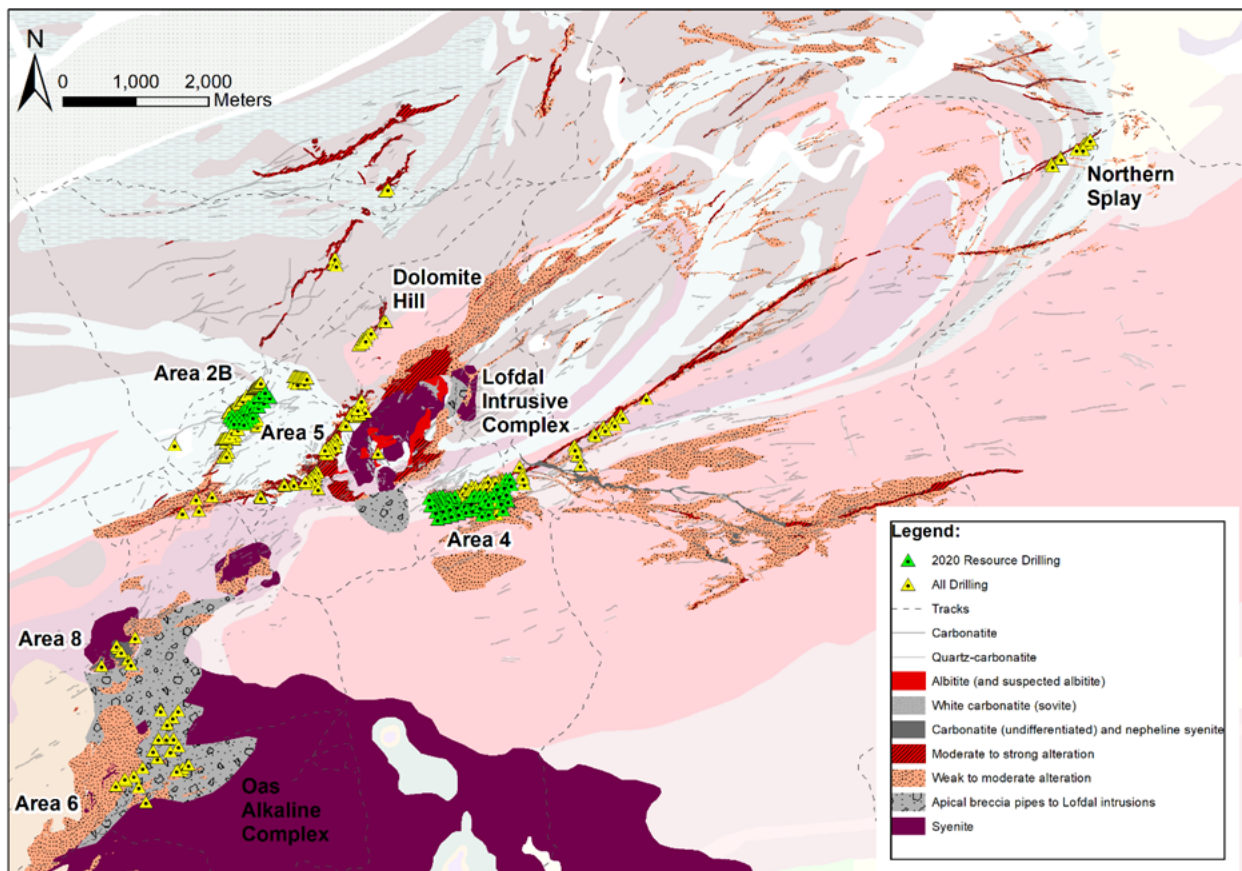


Figure 2 Simplified geology of the Lofdal project showing the location of the Area 4 and Area 2B Deposits in relation to other structures with rare earth mineralization which underwent reconnaissance drilling.

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Rare earth mineralization at Lofdal is hosted in structurally controlled alkaline alteration zones exhibiting grades between 0.05-3% total rare earths oxides ("TREO"²) and generally exhibiting exceptional heavy rare earth ("HREE") grades. The mineralized zones stretch in northeasterly directions over several kilometers (Figure 2) which results in an overall prospective area of 20 km by 10 km.

Partnership with Japan Organization for Metals and Energy Security Corporation ("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. JOGMEC is a Japanese government agency which seeks to secure stable commodity supply for Japan. Rare earths are of critical importance to Japanese industrial interests. Japan was responsible for 9% of global dysprosium consumption. JOGMEC has a strong reputation as a long term, strategic partner in mineral projects globally. JOGMEC facilitates opportunities with Japanese private companies to secure supply of natural resources for the benefit of the country's economic development.

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%.

To date, JOGMEC has completed Term 2 and earned a 40% interest by reaching the \$10,000,000 expenditure requirement. Total approved project funding to date is \$14,541,000 of the \$20,000,000 contribution required to earn a 50% interest.

Work Program of NMI-JOGMEC

Drilling Program (2020)

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. Drill target areas identified at Lofdal for resource development are shown in Figure 3.

Total drilling at the Lofdal project to date is 56,771 m (Table 2).

² The Company uses a 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).

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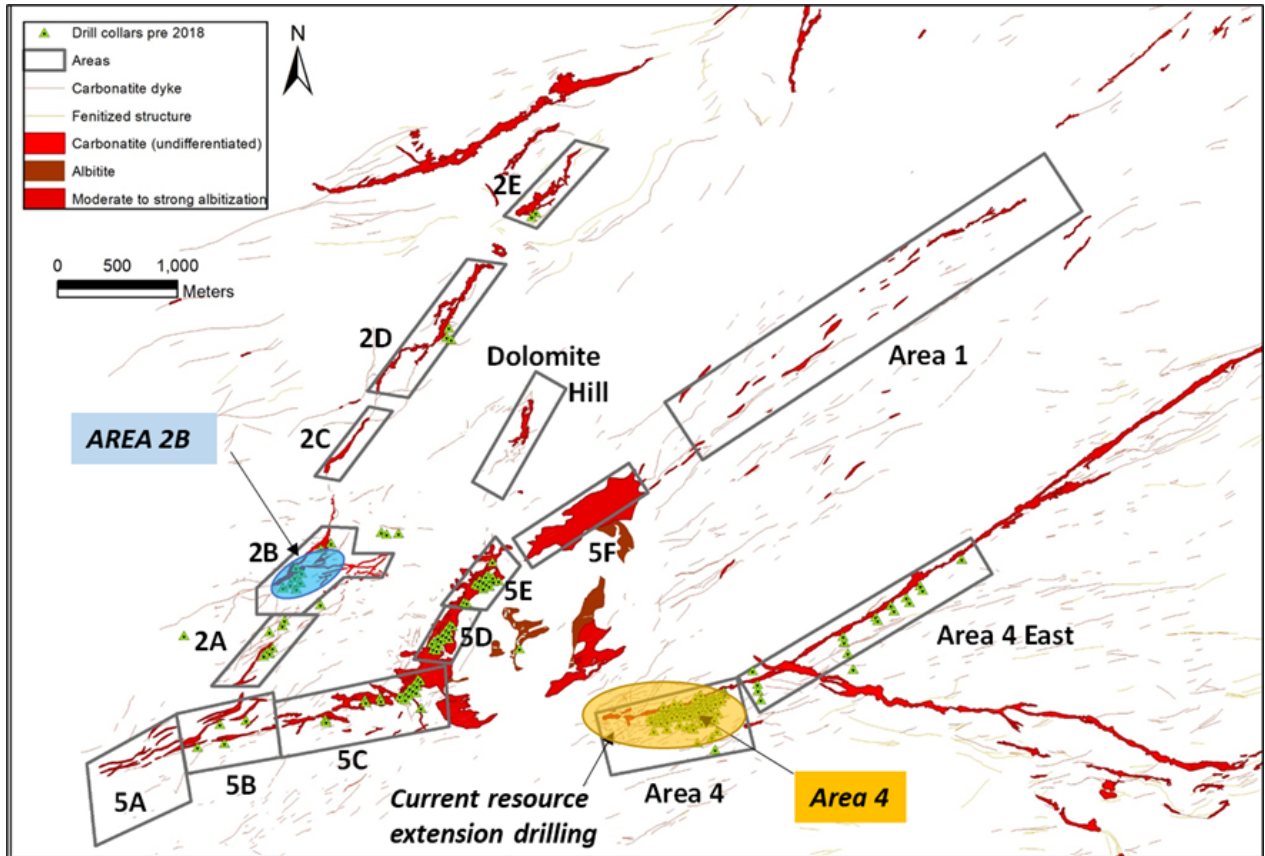


Figure 3 Drill target areas at Lofdal for resource development. In 2020-2021, focus was on Area 4. Area 2B is the first satellite deposit with resource drilling.

Table 2 Summary of drilling conducted at the Lofdal Project

Area	Type Drilling	NRE 2008 - 2016		JOGMEC 2020 - 2023		TOTAL	
		No of Holes	Length (m)	No of Holes	Length (m)	No of Holes	Length (m)
2, 2A, 2C	Diamond	13	1 265			13	1 265
2B Resource	Diamond	17	2 134	29	4 400	46	6 534
2B Resource	RC			12	1 780	12	1 780
2B Geotech	Diamond			3	273	3	273
4 Resource	Diamond	101	11 808	56	10 162	157	21 970
4 Resource	RC			44	9 043	44	9 043
4 Metallurgy	Diamond	8	1 022			8	1 022
4 East	Diamond	9	827			9	827
4 Geotech	Diamond			4	1 054	4	1 054
4-8 Reconnaissance	Diamond	89	11 351			89	11 351
Northern Splay	Diamond			10	1 276	10	1 276
Dolomite Hill	Diamond			4	377	4	377
Total Drilling		237	28 407	162	28 365	399	56 771

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Infill drilling at Area 4 and Area 2B for PFS Lofdal “2B-4”

A resource infill and expansion drilling program was conducted at Area 4 and Area 2B between 2021 and 2023 which forms part of the Pre-Feasibility Study (“PFS”) of the significantly expanded “Lofdal 2B-4” Project (Figure 4). The drill program was developed by the Company, with the support of The MSA Group, to increase the level of resource categories as required for the PFS.

A total of 10,823m was completed in this RC drilling campaign. 44 RC drill holes for a total of 9,043 m were drilled at Area 4 (Figure 5). The drill results confirm the geological model of structural zones acting as fluid channels and controlling intensity, pinching and swelling as well as splaying of the wide mineralized zones.

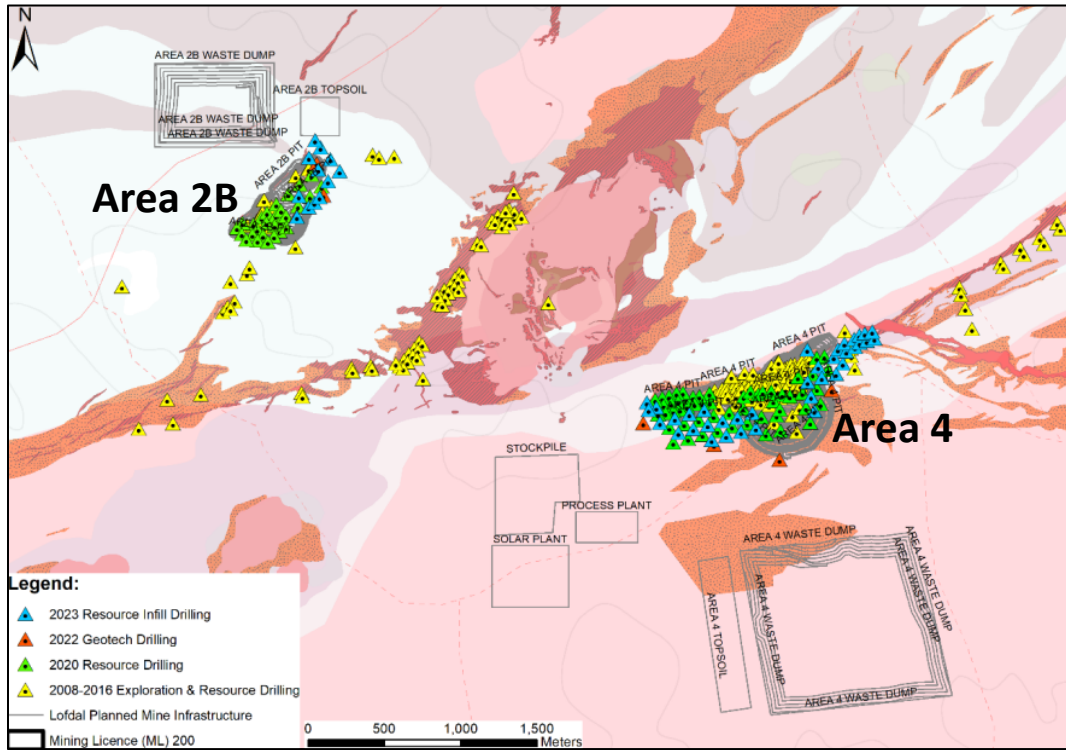


Figure 4 Drill collars in the central Lofdal project area. Blue triangles indicate the collar positions of 2023 RC infill drilling.

Resource infill drilling was completed in November 2023 which brought total drilling for Area 2B and Area 4 to 268 holes with a total of 40,153 m of both diamond core drilling (DC) and reverse circulation drilling (RC) (Table 3).

Table 3 Drill statistics at Areas 2B and 4

Area	Type Drilling	NRE 2008-2016		JOGMEC 2020-2023		TOTAL	
		Holes	Meters	Holes	Meters	Holes	Meters
2B Resource	Diamond	17	2 134	29	4 400	46	6 534
2B Resource	RC			12	1 780	12	1 780
4 Resource	Diamond	101	11 808	56	10 162	157	21 970
4 East	Diamond	9	827			9	827
4 Resource	RC			44	9 043	44	9 043
TOTAL		127	14 768	141	25 385	268	40 153

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Sampling, Analysis and QAQC

5,729 samples of average 1.8 kg per sample were collected at the drill rig’s cyclone (“A-sample”) and submitted to Actlabs preparatory laboratory in Windhoek, Namibia, in batches of 200 to 300 samples.

The samples were dried and crushed to 2 mm, split using a riffle splitter and pulverised to 105 µm. Pulverised sub-samples were homogenised in a stainless-steel riffle splitter and a 15 g sample and duplicate were drawn for analysis. The pulverised sample aliquots were shipped to the ISO/IEC 17025 accredited Actlabs analytical facility in Ancaster, Ontario, Canada. The samples were assayed using lithium metaborate-tetraborate fusion and Inductively Coupled Plasma Mass Spectrometry (ICP-MS). Actlab’s analytical code “8-REE” includes 45 trace elements, 10 major oxides, Loss on Ignition, and mass balance.

The samples were subjected to a quality assurance and quality 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 umpire sample analysis by ALS Global. A selection of 263 samples (every 20th sample of the original sample set), was sent to Actlabs Okahandja, Namibia for further shipment to ALS Global, Johannesburg, South Africa. Samples were analysed using analytical code ME-MS81h (lithium meta-borate fusion and ICP-MS).

The Qualified Person is satisfied that the assay results are of sufficient accuracy and precision for use in the future update of the Mineral Resource Estimate.

Drill Results

Drill results in Area 4 have been consistent with expected grades and thickness as predicted from the resource model. Several intercepts in boreholes drilled in the periphery of the planned pit shell for Area 4 open pit, show wide mineralized zones which might form significant additional resources. An example for a mineralized zone is depicted in the section through the western periphery of planned Area 4 open pit with borehole L4D0207 returning 9 mineralized intervals using a cut-off of 0.1% TREO³, including 14 m at 0.17% TREO from 295 m and 21 m at 0.11% TREO from 262 m (see NMI Press Release of 6 September 2023).

Sampling was extended to the hanging wall of the “main mineralized zone”. Assays show wide zones of up to 100 m of additional low to moderate grade HREO mineralization which currently undergo an assessment for upgrade and beneficiation by XRF and XRT sorting technologies, and thus might potentially further increase mine life or throughput of the future Lofdal mine.

Intercepts were generally selected based on an assumed cut-off of 0.1% TREO as previously used in the PEA “Lofdal 2B-4” (see NMI Press Release of 14 November 2022). However, the intercepts partly include a significant number of samples with <0.1% TREO to reflect the width of the mineralized zone potentially forming consecutive ore blocks in a large-scale open pit operation. By including lower grade mineralization, the combined mineralized intervals may reach more than 100 m length in total, as in borehole L4R0208 with 63 m length from 275 m and 53 m length from 173 m (see Figure 5), and borehole L4R0210 with 51 m length from 285 m, 27 m length from 252 m and 29 m from 213 m (for details see NMI Press Release of 6 September 2023). The longest consecutive mineralized interval is 105 m length from 123 m in borehole L4R0199.

³ “TREO” refers to total rare earth oxides plus yttrium oxide; “HREO” refers to heavy rare earth oxides plus yttrium oxide; “heavy rare earths” as used in all Company presentations comprise 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).

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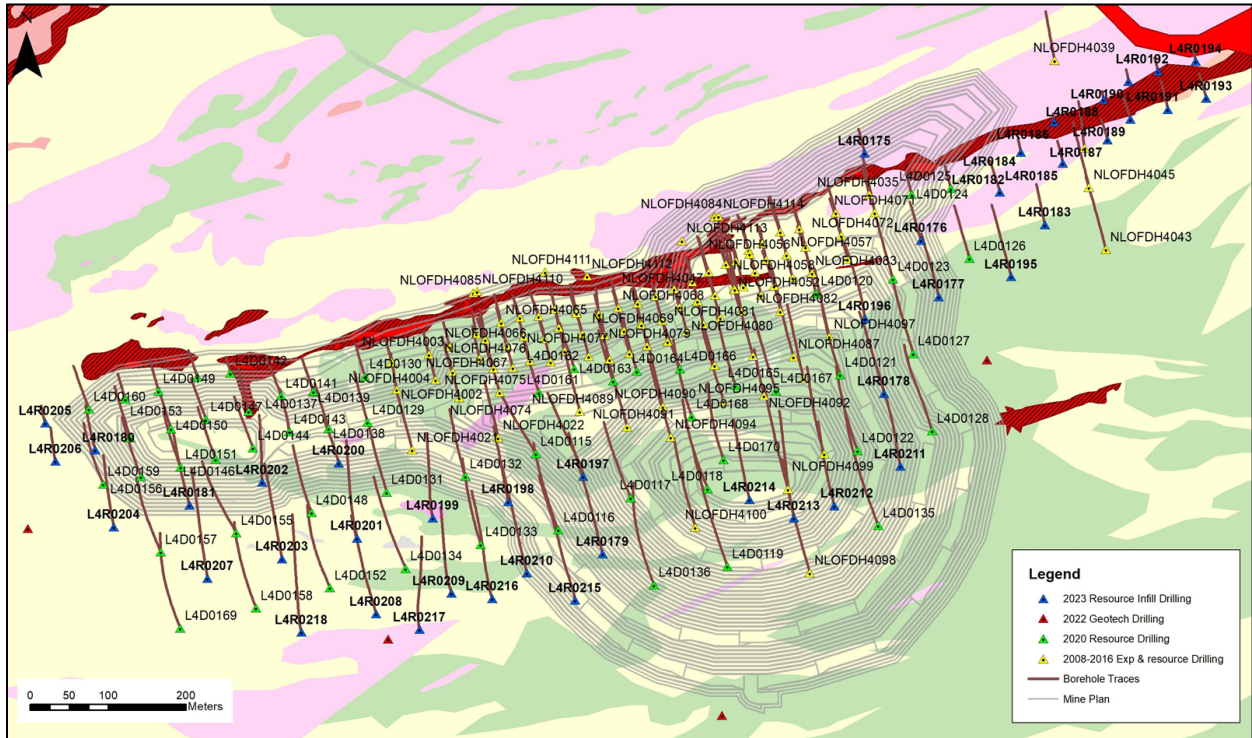


Figure 5 Geological map of Area 4 with the location of drill collars and drill traces at the planned Area 4 pit

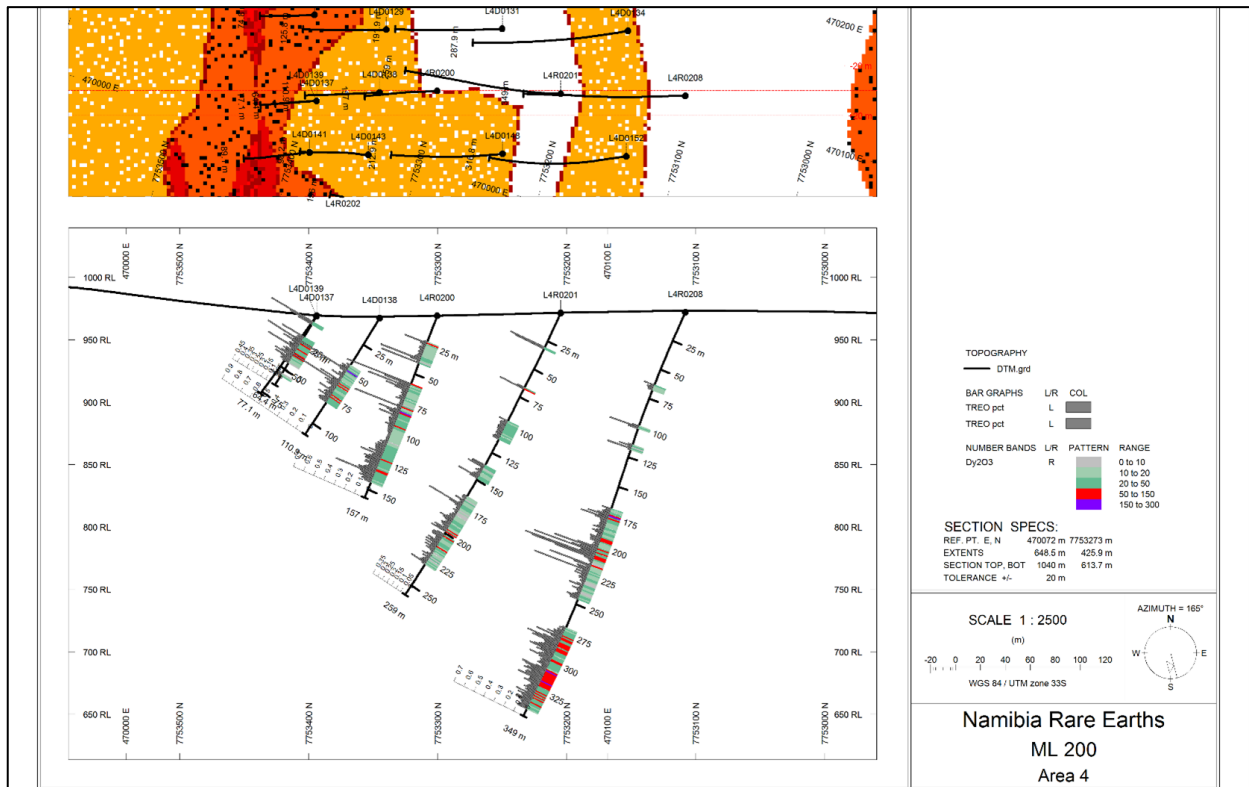


Figure 6 Drill section through the western part of Area 4. Color coding along the drill traces indicate TREO grade, and grey bars reflect Dy2O3 concentrations

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In Area 2B, 12 RC holes were drilled for a total of 1,780 m (Figure 7). Drilling was expanded by 4 boreholes to cover the mineralized zone extending to the east of the currently planned pit shell (Figure 6). Infill drilling at Area 2B was completed for the update and increase of resource categories of the Mineral Resource Estimate as recommended by MSA for the PFS/DFS level for Lofdal’s planned satellite open pit “Pit 2B”.

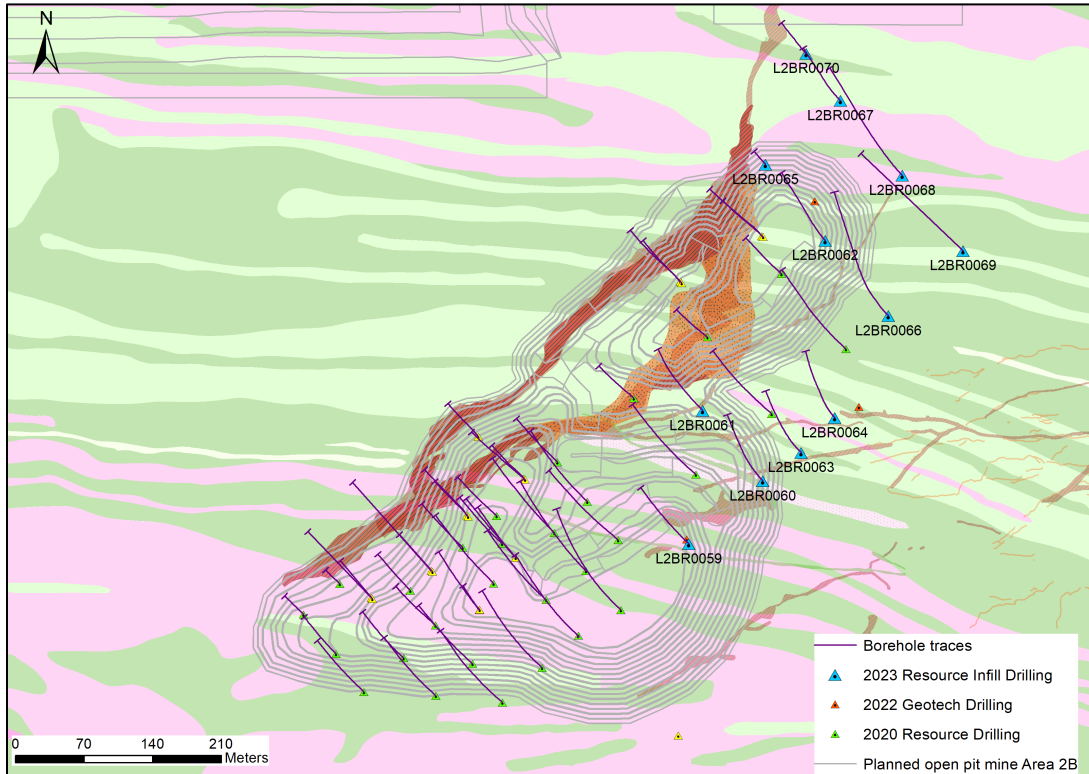


Figure 7 Geological map of Area 2B indicating all historical and the 2023 RC infill drill collars

Updated Mineral Resource Statement

The MSA Group (Pty) Ltd of South Africa (“MSA”) was contracted to update the Mineral Resource Statement for Lofdal’s Area 2B-4. The Mineral Resource was estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Best Practice Guidelines and is reported in accordance with the 2014 CIM Definition Standards, which have been incorporated by reference into National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101).

MSA completed a site visit to review all technical aspects of the project including the Company’s standard operating procedures and quality assurance quality control (“QAQC”) programs. Considerable time was dedicated to vetting the geological model and continuity of the mineralization. Field operations follow strict company Standard Operating Procedures regarding 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. The Mineral Resource Estimate (“MRE”) was based on geochemical analyses and density measurements of core samples obtained by diamond drilling and samples obtained from RC drilling undertaken by Namibia Rare Earths from 2010 to 2012, in 2015, and by NMI from 2020 to 2023.

Sample preparation and analytical work for the drilling program was provided by Activation Laboratories Ltd. (“Actlabs” Windhoek, Namibia and Ancaster, Ontario). Actlabs is an ISO/IEC 17025 accredited laboratory. Half core samples of one-meter lengths intervals were taken for analysis. The bagged core samples were given a unique

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sample reference number and dispatched for preparation at Actlabs’ sample preparation facility in Windhoek. The core samples were crushed to 2 mm, split using a riffle splitter and pulverised to 105 µm. Pulverised sub-samples were homogenised in a stainless-steel riffle splitter and a 15 g sample and duplicate were drawn for analysis. The pulverised sample aliquots were shipped to the ISO/IEC 17025 accredited Actlabs analytical facility in Ancaster, Ontario, Canada. The REE’s were assayed using lithium metaborate-tetraborate fusion and Inductively Coupled Plasma Mass Spectrometry (ICP-MS). Samples from RC drilling were collected at the drill rig’s cyclone (“A-sample”) and submitted to Actlab’s preparatory laboratory in Windhoek, Namibia, in batches of 200 to 300 samples. The samples were dried and crushed to 2 mm, split using a riffle splitter and pulverised to 105 µm. Pulverised sub-samples were homogenised in a stainless-steel riffle splitter and a 15 g sample and duplicate were drawn for analysis.

The samples were subjected to a quality assurance and control (QAQC) program consisting of the insertion of blank samples and certified reference materials at Lofdahl 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 Global, Johannesburg, South Africa). MSA was 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. 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 (TREO refers to Total Rare Earth Oxides including Y₂O₃), 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.

Mineral Resource Statement of April 2024

The Mineral Resource is classified into the Measured, Indicated and Inferred categories and is reported at a cut-off grade of 0.1% total rare earth oxides (TREO). A summary of the Mineral Resource estimates is shown in Table 4 for Area 4 and Table 5 for Area 2B.

The Mineral Resource is presented at a variety of cut-off grades as shown in Table 6 (Measured and Indicated) and Table 7 (Inferred) for Area 4, and Table 8 (Indicated) and Table 9 (Inferred) for Area 2B. The following notes apply to Tables 4 to 9:

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. *TREO = Total Rare Earth Oxides and includes Y₂O₃
4. **HREO = Total Heavy Rare Earth Oxides and includes Y₂O₃
5. ***LREO = Total Light Rare Earth Oxides

Table 4 Area 4 Mineral Resource Estimate above 0.1% TREO cut-off grade*

Category	Tonnes (Mt)	TREO* %	HREO** %	LREO*** %	Dy ₂ O ₃ ppm	TREO* (kt)
Measured	6.6	0.21	0.14	0.07	130	13.7
Indicated	49.2	0.15	0.07	0.08	69	75.7
Measured & Indicated	55.8	0.16	0.08	0.08	76	89.4
Inferred	10.5	0.14	0.06	0.08	58	15.0

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Table 5 Area 2B Mineral Resource Estimate above 0.1% TREO cut-off grade*

Category	Tonnes (Mt)	TREO* %	HREO** %	LREO*** %	Dy₂O₃ ppm	TREO* (kt)
Indicated	2.7	0.16	0.09	0.07	97	4.4
Inferred	4.4	0.15	0.07	0.08	75	6.6

Table 6 Area 4, Measured and Indicated Resources Grade-Tonnages

Cut-off TREO %	Tonnes (Mt)	TREO* %	HREO** %	LREO** %	Dy₂O₃ ppm	TREO (kt)
0.10	55.8	0.16	0.08	0.08	76	89.4
0.15	20.4	0.23	0.13	0.10	120	46.5
0.20	8.4	0.31	0.20	0.11	186	26.0
0.25	4.2	0.40	0.29	0.11	262	16.8
0.30	2.6	0.48	0.38	0.10	333	12.4

Table 7 Area 4, Inferred Resources Grade-Tonnages

Cut-off TREO %	Tonnes (Mt)	TREO* %	HREO** %	LREO*** %	Dy₂O₃ ppm	TREO (kt)
0.10	10.5	0.14	0.06	0.08	58	15.0
0.15	3.4	0.18	0.08	0.11	76	6.3
0.20	0.7	0.24	0.12	0.12	118	1.7
0.25	0.2	0.30	0.20	0.09	193	0.6

Table 8 Area 2B, Indicated Resources Grade-Tonnages

Cut-off TREO %	Tonnes (Mt)	TREO* %	HREO** %	LREO*** %	Dy₂O₃ ppm	TREO (kt)
0.10	2.7	0.16	0.09	0.07	97	4.4
0.15	1.3	0.21	0.11	0.10	117	2.7
0.20	0.6	0.25	0.12	0.13	133	1.5
0.25	0.3	0.29	0.14	0.15	150	0.8

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Table 9 Area 2B, Inferred Resources Grade-Tonnages

Cut-off TREO %	Tonnes (Mt)	TREO* %	HREO** %	LREO*** %	Dy₂O₃ ppm	TREO (kt)
0.10	4.4	0.15	0.07	0.08	75	6.6
0.15	1.6	0.20	0.09	0.11	96	3.3
0.20	0.6	0.25	0.10	0.15	111	1.6
0.25	0.2	0.31	0.10	0.20	115	0.8

The grade-tonnage curves (Figure 8) underline the large upside potential of the Lofdal project by potentially benefiting lower grade resources, likely by sorting technologies, in future.

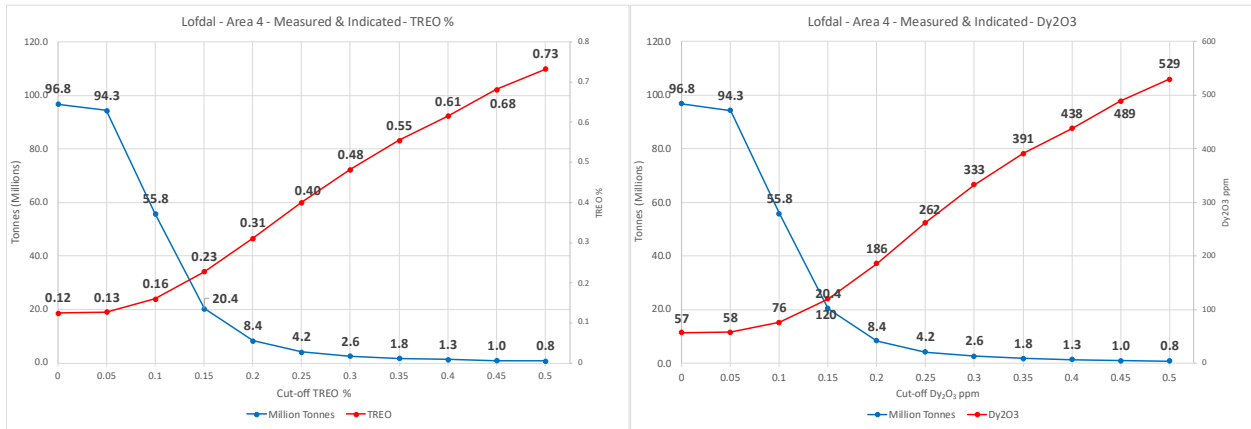


Figure 8 Area 4 Grade-Tonnage-Curves for Measured and Indicated Resources, Dy₂O₃ (in ppm)

The Mineral Resource is reported at a 0.1% TREO cut-off for each individual Rare Earth Oxide (REO) for Area 4 (Table 10) and for Area 2B (Table 12). Quantities for each individual REO are reported in tonnes (t) at a 0.1% TREO cut-off for Area 4 (Table 11) and for Area 2B (Table 13).

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Table 10 Area 4 Mineral Resource Estimate above 0.1% TREO cut-off grade*

Class	Tonnes Mt	TREO* %	La ₂ O ₃ ppm	Ce ₂ O ₃ ppm	Pr ₂ O ₃ ppm	Nd ₂ O ₃ ppm	Sm ₂ O ₃ ppm	Eu ₂ O ₃ ppm	Gd ₂ O ₃ ppm	Tb ₂ O ₃ ppm	Dy ₂ O ₃ ppm	Ho ₂ O ₃ ppm	Er ₂ O ₃ ppm	Tm ₂ O ₃ ppm	Yb ₂ O ₃ ppm	Lu ₂ O ₃ ppm	Y ₂ O ₃ ppm
Measured	6.57	0.21	173	313	34	124	42	18	81	19	130	28	83	12	76	11	935
Indicated	49.22	0.15	217	383	40	145	40	14	55	11	69	14	41	6	36	5	463
M&I	55.79	0.16	211	374	39	142	40	15	58	12	76	16	46	7	41	6	519
Inferred	10.52	0.14	217	389	42	150	40	13	49	9	58	12	34	5	30	4	369

Notes:

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. *TREO = Total Rare Earth Oxides and includes Y₂O₃

Table 11 Area 4 TREO and Individual REO Quantities above 0.1% TREO cut-off grade*

Class	Tonnes Mt	TREO* Tonnes	La ₂ O ₃ Tonnes	Ce ₂ O ₃ Tonnes	Pr ₂ O ₃ Tonnes	Nd ₂ O ₃ Tonnes	Sm ₂ O ₃ Tonnes	Eu ₂ O ₃ Tonnes	Gd ₂ O ₃ Tonnes	Tb ₂ O ₃ Tonnes	Dy ₂ O ₃ Tonnes	Ho ₂ O ₃ Tonnes	Er ₂ O ₃ Tonnes	Tm ₂ O ₃ Tonnes	Yb ₂ O ₃ Tonnes	Lu ₂ O ₃ Tonnes	Y ₂ O ₃ Tonnes
Measured	6.57	13 650	1 137	2 055	220	815	276	120	531	124	855	186	545	82	496	72	6 136
Indicated	49.22	75 728	10 660	18 832	1 983	7 134	1 962	694	2 713	528	3 391	695	2 009	291	1 781	257	22 798
M&I	55.79	89 378	11 797	20 888	2 203	7 950	2 238	814	3 243	653	4 246	881	2 554	373	2 277	329	28 934
Inferred	10.52	14 955	2 279	4 089	437	1 580	426	137	520	97	611	124	356	51	317	46	3 886

Notes:

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. *TREO = Total Rare Earth Oxides and includes Y₂O₃

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Table 12 Area 2B Mineral Resource Estimate above 0.1% TREO cut-off grade*

Class	Tonnes Mt	TREO* %	La₂O₃ ppm	Ce₂O₃ ppm	Pr₂O₃ ppm	Nd₂O₃ ppm	Sm₂O₃ ppm	Eu₂O₃ ppm	Gd₂O₃ ppm	Tb₂O₃ ppm	Dy₂O₃ ppm	Ho₂O₃ ppm	Er₂O₃ ppm	Tm₂O₃ ppm	Yb₂O₃ ppm	Lu₂O₃ ppm	Y₂O₃ ppm
Indicated	2.65	0.16	187	303	32	126	51	20	73	15	97	19	55	8	51	7	596
Inferred	4.37	0.15	196	320	36	160	76	25	80	13	75	14	40	6	36	5	440

Notes:

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. *TREO = Total Rare Earth Oxides and includes Y₂O₃

Table 13 Area 2B TREO and Individual REO Quantities above 0.1% TREO cut-off grade*

Class	Tonnes Mt	TREO* Tonnes	La₂O₃ Tonnes	Ce₂O₃ Tonnes	Pr₂O₃ Tonnes	Nd₂O₃ Tonnes	Sm₂O₃ Tonnes	Eu₂O₃ Tonnes	Gd₂O₃ Tonnes	Tb₂O₃ Tonnes	Dy₂O₃ Tonnes	Ho₂O₃ Tonnes	Er₂O₃ Tonnes	Tm₂O₃ Tonnes	Yb₂O₃ Tonnes	Lu₂O₃ Tonnes	Y₂O₃ Tonnes
Indicated	2.65	4 353	496	805	85	334	136	52	193	40	257	51	147	22	135	19	1581
Inferred	4.37	6 647	856	1398	156	701	331	108	351	56	326	62	174	25	157	23	1922

Notes:

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. *TREO = Total Rare Earth Oxides and includes Y₂O₃

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Tables 14 and 15 (see below) compare the MRE of April 2024 with the MRE of 2021, with the following key results:

- Contained tonnages of Dysprosium and Terbium - the most valuable heavy rare earth elements - amount to 4,503 tonnes Dysprosium oxide and 693 tonnes Terbium oxide in the combined Measured and Indicated Resource categories which represents an increase of 11% and 12%, respectively, compared to the previous Mineral Resource Statement (filed on SEDAR on 30 June 2021);
- 38% increase in contained Dysprosium oxide and 39% increase in contained Terbium oxide in the Inferred Resources for the combined Area 4 and Area 2B deposits;
- 31% increase in contained Total Rare Earth Oxide (TREO¹) tonnage in the combined Measured and Indicated Resource categories from 72,680 tonnes to 93,731 tonnes;
- The combined Measured and Indicated Mineral Resources increased from 44.8 million tonnes at 0.17% TREO to 58.5 million tonnes at 0.16% TREO for the combined Area 4 and Area 2B deposits based on the same cut-off of 0.1 % TREO as in the previous Mineral Resource Statement (filed on SEDAR on 30 June 2021).

Table 14 Comparison of Lofdal Mineral Resource Estimates of 2021 and 2024 at a 0.1% TREO cut-off grade

Year of Mineral Resource Estimate	2021		2024	
	Million tonnes (Mt)	Grade %TREO	Million tonnes (Mt)	Grade %TREO
Measured Resource Area 4	5.93	0.21	6.6	0.21
Indicated Resource Area 4	36.63	0.16	49.2	0.15
Indicated Resource Area 2B	2.2	0.19	2.7	0.16
Total Measured & Indicated Resources	44.76	0.17	58.5	0.16
Inferred Resource Area 4	6.09	0.17	10.5	0.14
Inferred Resource Area 2B	2.58	0.19	4.4	0.15
Total Inferred Resources	8.67	0.17	14.9	0.14

Table 15 Comparison of contained TREO, Dysprosium oxide and Terbium oxide in Mineral Resource Estimates of 2021 and 2024 at a 0.1% TREO cut-off grade

Year of Mineral Resource Estimate	TREO		Dy ₂ O ₃		Tb ₂ O ₃	
	2021	2024	2021	2024	2021	2024
	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes
Measured Resources	12,710	13,650	820	855	120	124
Indicated Resources	59,970	80,081	3,240	3,648	500	568
Total Measured & Indicated Resources	72,680	93,731	4,060	4,503	620	692
Total Inferred Resources	10,120	21,602	680	937	110	153

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The Mineral Resource Estimate was reported from within a Whittle optimised pit shell using the following assumed parameters and a cut-off grade of 0.1% TREO+Y2O3.

- Basket price USD 91.64 per kg TREO¹,
- Mining Cost USD 2.65 per tonne,
- Processing Cost USD 32.00 per tonne of run-of-mine feed,
- General and Administration Cost (G&A) USD 1.41 per tonne run-of-mine feed,
- Offshore treatment cost and shipment priced in discounted basket price,
- Metallurgical recovery 65% of contained run-of-mine TREO,
- Transport cost of USD 36.31 per tonne of concentrate.

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 assessment to satisfy the criteria of RPEEE is a high-level estimate and is not an attempt to estimate Mineral Reserves.

The Qualified Person for the Mineral Resource Estimate is Mr. Jeremy C. Witley (BSc Hons, MSc (Eng.)), a geologist with more than 35 years' experience in base and precious metals exploration and mining and in Mineral Resource evaluation and reporting. He is a Principal Resource Consultant for The MSA Group (an independent consulting company), is registered with the South African Council for Natural Scientific Professions (SACNASP) and is a Fellow of the Geological Society of South Africa (GSSA). Mr. Witley has the appropriate relevant qualifications and experience to be considered a "Qualified Person" for the style and type of mineralization and activity being undertaken as defined in National Instrument 43-101 Standards of Disclosure of Mineral Projects. The information in this MD&A that relates to the Mineral Resource Estimate for the Lofdal Project is based upon, and fairly represents, information and supporting documentation compiled by Mr. Witley. Mr. Witley has reviewed and approved the information in this MD&A.

Environmental Impact Assessment

SLR Environmental Consulting (Namibia) Pty Ltd. ("SLR") was contracted to update the Environmental Impact Assessment ("EIA") of the expanded Lofdal HREE project. In 2016, SLR undertook an EIA for the same project which focussed on Area 4. Since then, the Company has made significant changes to the original mine plan and increased the Life of Mine from 7 years to over 16 years.

The current EIA process commenced in 2023 and is expected to be concluded by Q1 2025. The EIA process involves several specialist studies including the Socio-Economic, Avifauna, Radiation, Heritage and Visual. Key changes to the Lofdal mine plan since the 2016 EIA process that necessitated an update of the current EIA are:

- Two open pits (Area 4 open pit and Area 2B open pit). The 2016 EIA comprised of one small open pit at A4;
- Flotation plant with an increased throughput from 0.9 Mt/a to 2.1 Mt/a;
- Increase of Life of Mine ("LoM") from 7 years to over 16 years;
- Waste Rock Dump ("WRD") at Area 2B and a second WRD located south of the Area 4 open pit;
- Tailings Storage Facility ("TSF") will have the capacity to store about 30 million tons (Mt), over 137 ha, with a life of 16 years. The 2016 EIA considered a capacity to store 3.24 Mt over a footprint of 5.3 ha;
- Solar Photovoltaic ("Solar PV") Plant and associated infrastructure;
- A Return Water Dam ("RWD") and associated stormwater management pond;
- Support infrastructure within the ML area including the internal access and haul roads, a stormwater management pond (part of the RWD), powerlines, pumps, pipelines, and other associated infrastructure and services such as processing plant buildings and fuel storage facilities;
- On-site power supply and linear infrastructure for power and water supply to the mine.

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

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

Bulk samples were sent to TOMRA (Hamburg, Germany) and Rados (Johannesburg, South Africa) for sorting tests. Further, samples went to Geolabs (South Africa) for geotechnical tests and to SGS Canada Inc. in Lakefield, Ontario ("SGS Lakefield") for pilot-scale flotation and hydrometallurgical test work.

Metallurgical Test Work Program

Ore Sorting

Initial X-Ray Fluorescence ("XRF") sorting tests have been completed by Rados International at their test facility in Pretoria, South Africa. Mineralization at Lofdal is amenable to XRF sorting by analyzing for yttrium which is directly proportional to the concentration of the heavy rare earth mineral xenotime. Results indicate that XRF sorting technology can provide significant upgrades to the ROM. XRF sorting tests continued in September 2024 with further improved hardware and software.

Initial X-Ray Transmission ("XRT") sorting tests have been completed by TOMRA Hamburg and IMS Engineering Johannesburg, South Africa. Mineralization at Lofdal is amenable to XRT sorting by detection of higher density minerals which host the xenotime. Results indicate that XRT sorting technology can provide significant upgrades to the ROM by rejecting waste in form of albitite, muscovite and chlorite schists. XRT sorting tests will continue in Q4 2024 with TOMRA's AI based and deep learning application OBTAIN.

Gravity and Magnetic Separation

Systematic evaluations of gravity separation technologies had been undertaken by Light Deep Earth and SGS Lakefield. Test work has been completed to evaluate dense media separation on coarse size fractions between 1-10 mm, shaking table separation on size fractions between 0.05-1.0 mm and multi gravity separation on size fractions between <0.05-0.1 mm. Previous metallurgical test work at Lofdal had demonstrated the amenability to magnetic separation using wet high intensity magnetic separation ("WHIMS").

Flotation

Flotation test work was carried out at SGS Lakefield with over 150 individual flotation tests using several types of collectors, depressants and considered thrifting of physical flotation conditions. SGS Lakefield has extensive experience in mineral processing of rare earth deposits.

Flotation is the key step in beneficiation of the xenotime-mineralised ore. The earlier test program compared upgrades and recoveries of XRF and XRT products through direct flotation followed by magnetic separation, and through magnetic separation followed by flotation. The test program was further amended to include flotation tests directly on the fresh, low-grade sample, by-passing initially planned XRT and XRF sorting.

The impact of high intensity conditioning ahead of flotation yielded clearly improved flotation performance. Best flotation results regarding upgrade, recoveries and operating costs were achieved using moderate dosages of the collector Florrea 3900 and Calgon as depressant. Cleaner flotation concentrates from positive test runs produced at an overall mass pull of 2.7-3.9% with a product grade of 4-6% TREO and a recovery of up to 70% TREO. More

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importantly, the high value Heavy Rare Earth Elements, mainly hosted in xenotime, showed significantly better recoveries (58-75% HREO) than the Light Rare Earth Elements (49-58% LREO).

After defining the optimal flotation conditions, bulk flotation tests were conducted in quadruplicate to produce a flotation concentrate for downstream hydrometallurgical testing. Four bulk flotation tests demonstrated repeatable flotation performances on the low-grade feed material. Four bulk flotation tests demonstrated repeatable flotation performances on the low-grade direct run-of-mine feed material. The cleaner flotation from the bulk test runs produced a concentrate grade TREO ranging from 4.7 – 6%.

The objective of the latest test program was to scale up tests, locked-cycle testing for a higher level of confidence in metallurgy, and confirmation of engineering design criteria for PFS capital and operating cost estimation. To further simplify the flowsheet and improve recoveries, future testing will focus on iron removal with optimal temperatures during acid bake.

A 5 ton run of mine ore sample was shipped to SGS Lakefield laboratories for pilot plant testing in a continuous milling and flotation regime during October and November 2023 for recovery of a rare earth concentrate. The main objectives were to evaluate the flowsheet that had been developed at bench scale in a continuous pilot plant and to generate a large amount of flotation concentrate for downstream hydrometallurgical test work.

The metallurgical test work program included sample preparation, head characterization, benchmark flotation testing, and pilot plant flotation test work. Subsamples of pilot plant products were submitted for environmental testing and solid liquid separation test work. The flotation pilot plant was conducted on the ROM Bulk-1 sample, at an average throughput of 44 kg/h, for a total of about 105 hours of operation. The results of the flotation pilot plant closely matched the benchmark results and demonstrated the viability of the flowsheet in a scaled up and continuous operation. The total rare earth recovery in the second cleaner concentrate was 55.5% at a grade of 2.65% TREO (including yttrium) and an average mass pull of 3.8%. The average recoveries of terbium and dysprosium were 55.2% and 56.2%, respectively.

The locked cycle tests were completed and confirm a steady circuit. No significant detrimental effect was observed due to the recirculation.

Variability tests on 9 samples from the peripheries of planned Area 2B and Area 4 pits were completed. With the low-grade nature and varying mineralogy of the first set of variability samples taken from RC boreholes in the periphery of Area 4 and at TREO grades near cut-off, it was decided to extend the variability test program by a further 7 samples. Changes were made to flotation recipe in second and third rounds of variability testing with changes to the dosage for depressant and collectors in attempt to increase mineral selectivity and enhance flotation response. These tests are still ongoing.

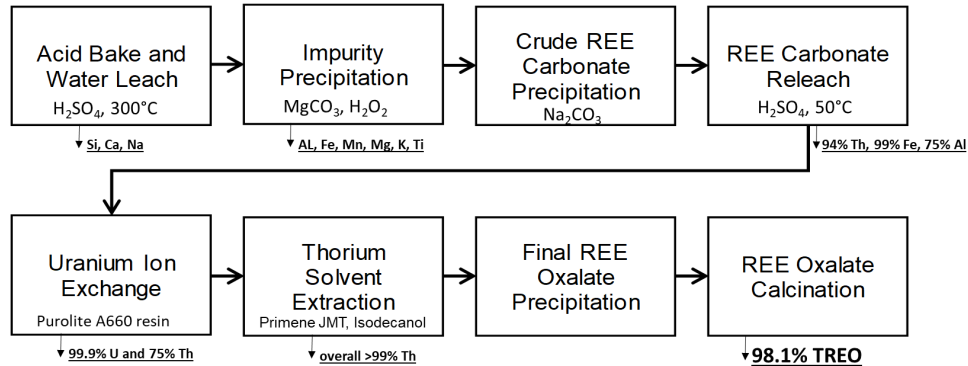
Hydrometallurgical test work

The previous hydrometallurgical test work at SGS Lakefield had demonstrated the acid bake route is preferred due to lower reagent costs and higher recovery of the heavy rare earths compared to the caustic crack route.

The Company has successfully completed hydrometallurgical test work to develop a flowsheet capable of producing a high-grade rare-earth oxide product from a xenotime flotation concentrate. The Company's lead metallurgical consultants at SGS Lakefield have simplified the final process stage with an acid bake to crack the mineral xenotime, to purify the pregnant leach solution and to precipitate a rare earth oxalate, which subsequently can be calcined to form a product containing >98% TREO.

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The acid bake process and concurrent removal of impurities is highly efficient and resulted in a 95% recovery of Dysprosium and Terbium in the leaching operation of the processing flow sheet. The high-quality product is practically free of typical deleterious elements like thorium and uranium (<3 ppm combined U+Th).



A total of 12 acid bake and water leach tests were completed throughout the test program to investigate the dissolution of rare earth elements (REE) and the behaviour of gangue minerals through the addition of sulphuric acid at elevated temperatures. Optimum results were achieved with an acid bake process using 1250 kg/t H₂SO₄ at 300°C followed by a water leach with 20% solids by weight at 25°C. At this regime the tests showed very good REE recoveries with 97-98% for yttrium, 95% for dysprosium and 94-95% for terbium.

Impurity removal test work resulted in the preference of using magnesium carbonate for a maximum precipitation of iron and thorium from the slurry while minimizing REE co-precipitation. The final impurity removal test in this program included a stoichiometric addition of hydrogen peroxide to oxidize iron in solution for it to precipitate. Crude REE precipitation generated an intermediate product assaying at 43% total REE with 1.86% Al and less than 0.5% iron, thorium, and uranium when adjusting the liquor to pH 6.5. This mixed REE precipitate contained all of the yttrium and dysprosium along with 94.5% of the terbium.

REE precipitate re-leach consisted of a two-stage sulphuric acid process wherein solids were slurried in de-ionized water and heated to 50°C followed by addition of sulphuric acid to achieve pH 1.0. Following this, additional REE precipitate was added to the slurry to increase the pH to 3.5. This step resulted in a concentrated REE liquor representing 99% of the available REE and rejected 94% of the thorium, 85% of the aluminum, and 99% of the iron.

Current test work entails high temperature acid bake tests between 580°C and 700°C to test iron removal in the form of insoluble hematite from the REE-rich liquor and to recycle acid from off-gas while the resulting liquid will require less neutralization by MgCO₃. Suppressing iron dissolution was a goal of the higher temperature acid bakes at 700°C, 670°C and 640°C. The higher two temperatures showed practically no dissolution of iron, while the lower temperature (640°C) showed about 2% dissolution. It is expected that some iron dissolution will occur to ensure maximum REE dissolution continues, with any reduction seen as a benefit to downstream solution neutralization and impurity removal steps. Based on the observed results, lower acid bake temperatures were tested (620°C, 600°C and 580°C) to determine the optimum point between lower iron dissolution and higher rare earth dissolutions.

Further continuous pilot hydrometallurgical testing is ongoing on the circa 100 kg of flotation concentrate produced from the flotation pilot plant. This program is designed to facilitate effective scale up of the Acid Bake and Water Leach ("ABWL") process and generate sufficient leach liquor to conduct a thorough investigation into optimizing downstream REE recovery steps. Key program deliverables include:

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- Phase 1 – Acid Bake Scale Up consists of bench-scale test work (ABWL and impurity removal) followed by scale-up acid bake testing (in a pilot rotary kiln) with bulk water leaching and impurity removal to produce samples for liquor treatment and solid/liquid separation testing
- Phase 2 – Intermediate REE Recovery Testing consists of IR residue re-leaching and bench-scale crude REE precipitation (RP1) test work followed by mini pilot campaign of RP1 including LSS testing.
- Phase 3 – Downstream REE Recovery Testing consists of crude REE re-leaching, uranium IX testing, thorium SX testing, and final REE precipitate generation and calcination.
- Detailed and interpretative reporting of results for process engineering design and costing for the PFS.

While the interim results are very positive, there remains room to optimise these processes regarding operating expenditures and capital expenditures as well as recoveries in continuous pilot plant testing.

The addition of a hydrometallurgical plant at Lofdal would create additional jobs in the southern Kunene Region of Namibia and provide a marketable product for export. The rare earth oxalate or carbonate product with thorium and uranium levels below 3 ppm would be acceptable for import into Japan without restrictions or penalties. The Company also continues its assessment of feasible options for a REE metal separation plant in Namibia together with 2 other advanced REE explorers.

Preliminary Economic Assessment (PEA) Lofdal “2B-4” in 2022

The company finalised the financial analysis of its Preliminary Economic Assessment³ (“PEA”) “2B-4” in 2022. This PEA aims at a significantly larger annual run-of-mine and plant throughput of 2 million tonnes per year and longer mine life than the historical PEA of 2014 by mining from two sub-deposits namely “Pit 2B” and “Pit 4”. Further, the processing flow sheet was simplified to a direct flotation of the run-of-mine material and expanded to include a hydrometallurgical unit producing a >98% mixed rare earth oxide as final product (as described above) rather than a simple xenotime concentrate.

A price deck was developed for the Lofdal project based on an internal review of pricing as well as peer reports (Mkango Resources Ltd. DFS July, 2022, and Search Minerals PEA June, 2022) which were developed based on third party independent market forecast analysis. The projected REO distribution for Lofdal concentrates is shown in Table 8. The projected basket price is US\$103.64 (US\$91.64 after estimated refining charges of \$12/kg TREO).

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

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

³ *Cautionary Note: The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them to enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have a demonstrated economic viability.

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Product Pricing (Note: Pricing used before refining charges of \$12/kg TREO):

Pricing Forecast for REE	Pricing used for analysis	Distribution
La2O3	\$ 0	9.2%
Ce2O3	\$ 0	16.0%
Pr2O3	\$ 201.00	1.7%
Nd2O3	\$ 212.00	6.3%
Sm2O3	\$ 5.00	2.2%
Eu2O3	\$ 36.00	1.1%
Gd2O3	\$ 109.00	4.3%
Tb2O3	\$ 2,493.00	0.9%
Dy2O3	\$ 587.00	6.2%
Ho2O3	\$ 290.00	1.3%
Er2O3	\$ 64.00	3.8%
Yb2O3	\$ 20.00	3.5%
Lu2O3	\$ 947.00	0.5%
Y2O3	\$ 17.00	42.4%
Tm2O3	\$ 500.00	0.6%
Average Basket Value	\$ 103.64	

SGS Lakefield provided the capital costs for the expanded project Lofdal "2B-4" totalling to about US\$207 million.

Total Capital Costs Summary (US\$)

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

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

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

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

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

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Sensitivity Analysis

Pre Tax NPV at Range of Operating Costs

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

Pre-Tax NPV at Range of Capital Costs

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

Pre-Tax NPV at Basket Price Levels

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

Pre-Tax NPV at Varying Recovery Ranges

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

NAMIBIA CRITICAL METALS INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS

PEA 2022 Recommendations

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

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

Pre-Feasibility Study “Lofdal 2B-4”

The company has commenced a Pre-Feasibility Study (“PFS”) on the expanded project “Lofdal 2B-4” based on the parameters and outcome of the PEA in 2022. SGS Bateman was contracted as lead consultant to oversee the study process and integrate all specialists’ contributions. The key consultancies for the PFS are:

SLR, Namibia	Environmental Impact Assessment
The MSA Group, South Africa	Geological Model and Mineral Resource Estimate
SGS Lakefield, Canada	Process development (flotation and hydrometallurgy)
CREO, Namibia	Infrastructure, Water and Electricity Supply
SRK, South Africa	Geotechnical studies
Qubeka, Namibia	Mine model, mine plan, reserves
KnightPiesold, Namibia	Tailings facility, tailings management
SGS Bateman, South Africa	Engineering design, financial model, overall lead and integration

Due to delays in contributions from the relevant authorities for electricity and water supply as well as the revision of specialist studies for the environmental impact assessment, the completion of the PFS Lofdal 2B-4 is now scheduled for Q1 2025.

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Expenditures

During the nine months ended August 31, 2024, the Company received \$2,566,000 (2023 - \$2,875,000) from JOGMEC for exploration expenditures on the Lofdal property, for a cumulative total amount received of \$14,041,000 (2023 - \$10,975,000). As of August 31, 2024, \$13,429,708 (2023 - \$9,662,796) in exploration expenditures had been incurred. The Company has recorded the remaining \$611,292 (2023 - \$1,312,204) as an advance received for future exploration work.

The joint venture expenditures for the period ended August 31, 2024 are summarized in the following table:

	November 30, 2023	Expenditures	August 31, 2024
	\$	\$	\$
Project Management	440,222	89,718	529,940
Geology, Drilling, Sample Analysis	6,449,058	680,990	7,130,048
43-101 Resource and Mine Model Update	931,135	863,402	1,794,537
Metallurgy	1,925,808	948,168	2,873,976
Operator's Fee	577,426	140,974	718,400
Mine planning	166,537	-	166,537
Other	98,611	117,659	216,270
	10,588,797	2,840,911	13,429,708

Pursuant to 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 recognizes the operator fees against evaluation and exploration expenditures, as cost recoveries, and recognizes the excess, if any, as other income in the consolidated statement of loss and comprehensive loss. The portion of the operator fee recognized as income during the nine months ended August 31, 2024 was \$100,783 (2023 – \$114,097).

NAMIBIA CRITICAL METALS INC.
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Other Exploration Activities of Namibia Critical Metals

The Company's gold exploration projects Erongo and Grootfontein are situated within the Central Namibian Gold Belt (Figure 9). 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.

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

The Grootfontein Project, covering 1,240 km², is an early-stage conceptual prospect based on geophysical and historical evidence for a large buried mafic-ultramafic intrusive complex. It is a poorly explored geological complex due to the extensive coverage with Kalahari sands and calcrete.

Based on historic drill holes and airborne magnetic survey interpretations, Grootfontein constitutes a huge mafic complex covering 360 km² with the potential to host magmatic nickel, copper, vanadium, platinum group elements and chromite mineralisation as cumulates or late magmatic disseminations and stockworks. Previous work demonstrated that the main intrusive phases are depleted in nickel and copper. The metals were likely fractionated as sulphides during the intrusive phase, gravitationally accumulated in the magma and intruded in the adjacent, pre-existing rocks. As in other mafic hosted copper-nickel deposits such as Norilsk and Voisey's Bay, sulphidization by scavenging of sulphur from country rocks and tectono-magmatic concentration of the sulphide-rich melts are the key for the formation of this type of magmatic copper nickel deposits. Only two shallow drill fences (total of 1,386 m) were drilled by Anglo American in 1988 leaving 55 km of strike length untested.

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

The Grootfontein project area comprises two EPLs covering 1,392 km² located 80 kilometers northeast of B2 Gold's Otjikoto Gold Mine (see Figure 9).

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 10). Gold anomalies identified to date at Grootfontein occur within the mafic rocks of the GMC itself and in basement and Damaran Supergroup rocks in proximity to the Grootfontein Shear Zone. The project area has extensive alluvial and calcrete cover up to 60 meters in thickness.

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

NAMIBIA CRITICAL METALS INC.
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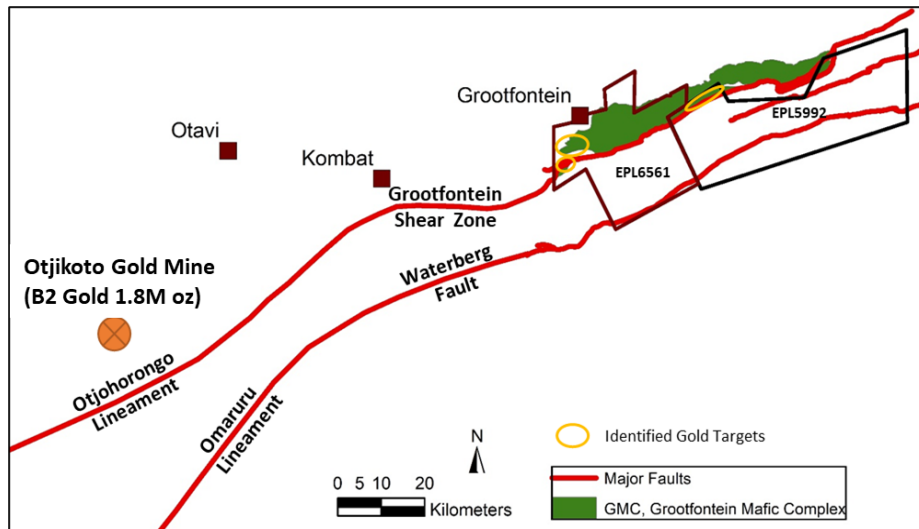


Figure 9 Location of the Grootfontein EPLs and relationship to major structures within the Central Namibian Gold Belt

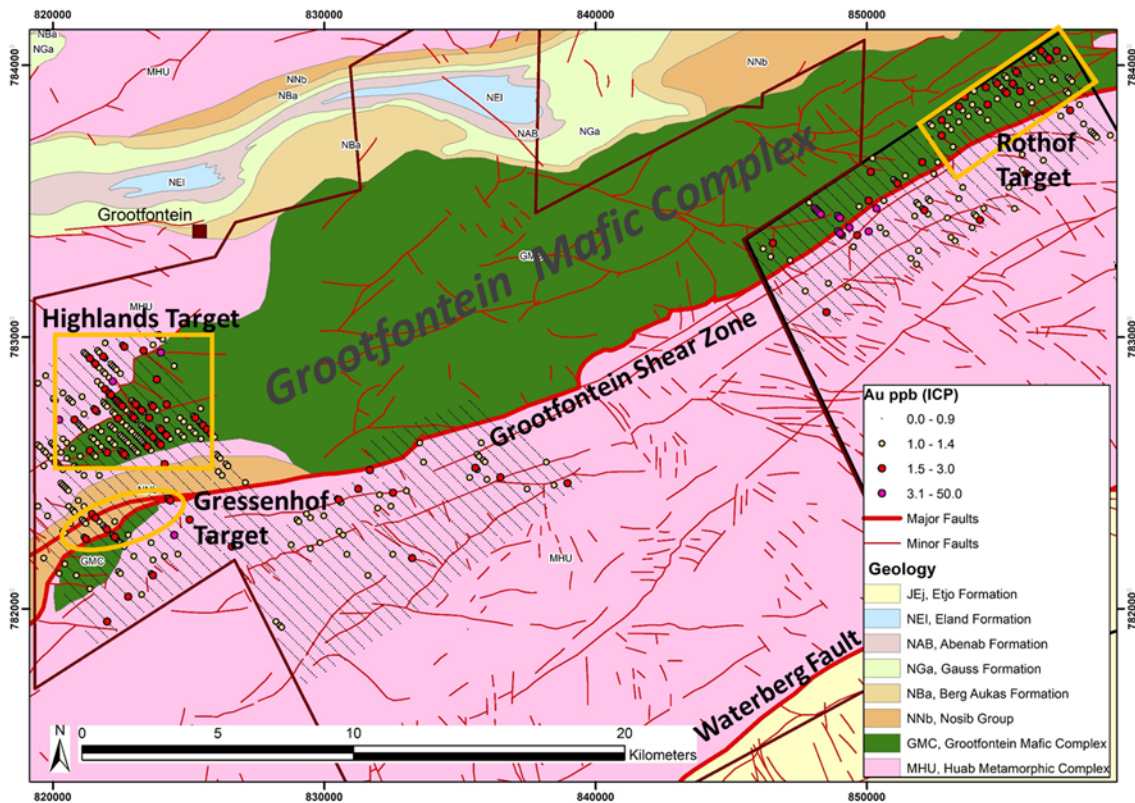


Figure 10 Key gold exploration targets at the Grootfontein Project (low detection limit gold ICP analyses of soils). Sampling lines 400 m apart. Structural and lithological interpretations by Earthmaps Consulting

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Results have outlined three large, low-grade gold anomalies of gold related to the GSZ as shown in Figure 10. The three targets were followed-up with UAV-borne high-resolution magnetic surveys and induced polarization geophysical surveys to delineate drill targets. The data show clearly defined structural zones which were 3D-modelled for drill target generation.

The planned SkyTEM EM survey over large parts of the Grootfontein Project had to be cancelled in 2021 as the Namibian Air Force extended the “no-fly” zone from 5 to 10 nautical miles around the Grootfontein Air Base centrally located on EPL 6561 and SkyTEM demobilised from Namibia. This was a major setback for exploration of the Grootfontein Project as most of the potentially gold mineralised structures fell into the newly declared “no-fly” zone.

The Company conducted stratigraphic and reconnaissance drilling on inferred structural targets delineated based on broad magnetic and electromagnetic anomalies (see NMI press release dated July 28, 2021), and 24 RC drill holes of a total of 4,466 m were drilled in Q3-4 2021. The holes on the Eastern Bend target showed an anomalous gold value of 71 ppb over 1 metre possibly and several low-grade base metal intercepts. The gold anomaly underlines the principal fertility of the structural zones for gold mineralisation but also points to the missing targeting precision without guiding conductivity anomalies produced by airborne EM surveys. The holes in the west on Highland target returned weak base metal anomalies.

Erongo Gold Project

The Erongo gold project covers an area of 263 km² within the Navachab-Ondundu gold trend. The area has been prospected but not systematically explored. Potential targets include pegmatites formed during the late Damaran orogeny hosting lithium and structurally controlled gold mineralisation.

The Erongo Project is largely underlain by metasediments of the Damaran Supergroup dominated by a turbiditic sequence of metapelites of the Kuiseb Formation and syntectonic granites of the Damaran Orogen. The Kuiseb Formation hosts the Twin Hills gold project of Osino Resources just 20 km south of the Erongo Project. A structural interpretation of the entire project area by Earthmaps Consulting delineated the Omaruru Fault Zone and the Kanona Fault Zone, both of which are considered prospective for structurally controlled orogenic gold mineralization. Over 8,000 soil samples have been collected and analyzed by handheld XRF for base metals and gold pathfinder elements like arsenic and three distinct gold anomalies coinciding with arsenic anomalies associated with the Kanona Fault (Figure 11):

- **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.

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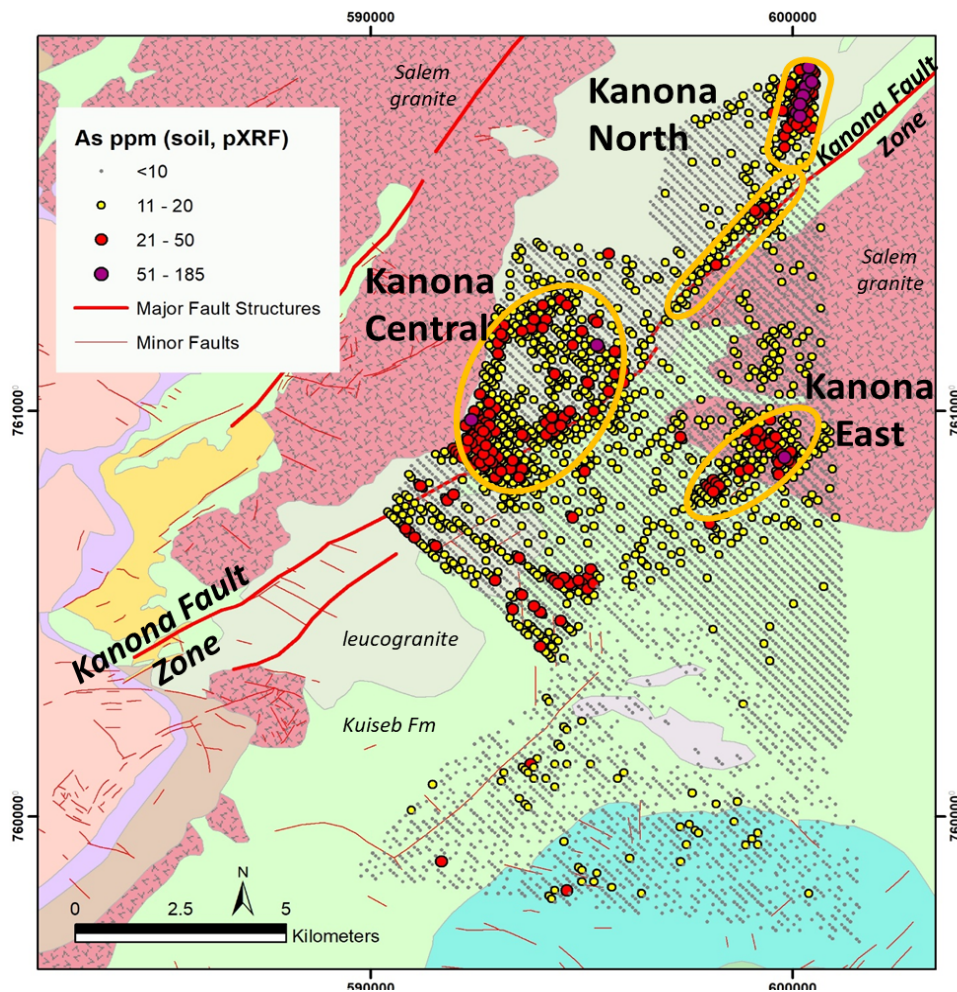


Figure 11 Key gold exploration targets at the Erongo Project (arsenic anomalies from handheld XRF analyses of soils). Sampling lines 200 m apart

Ground geophysics

The central 1.5 km long Kanona North Target was prioritised for ground geophysical surveys. Combined ground magnetics, gradient array induced polarization, and pole-dipole induced polarization surveys were conducted by Gregory Symons Geophysics (GSG) in December 2021 to identify drill targets and to develop an efficient combination of survey tools and set-ups for further ground geophysics in the area. A total of 57 line-kilometers of ground magnetics was surveyed over the target. One setup of gradient array induced polarization (GAIP) with 12 lines and 7 lines of pole-dipole induced polarization (PDIP) were surveyed. Based on the EM, magnetic and mapping data, the host structure is interpreted as a fold zone along the Kanona North second order fault, a structural setting generally conducive for structurally controlled gold mineralisation.

Drill results Kanona North Target

Based on the geophysical targets an initial drill program of 10 RC holes for a total of 2,462 m was conducted in April-May 2022. The structurally controlled alteration zones show a good correlation of the arsenic values produced by on-site pXRF readings and the gold values from the final assays. The gold anomalism in the alteration zones is extensive over several tens of meters, and thus proves the exploration concept of combined soil sampling and ground IP surveys. However, gold mineralisation is of very low and uneconomic grade.

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Gold Property Expenditures

In March 2024, the Company signed a share purchase agreement which valued the Company's non-core gold properties at approximately \$250,000 and the properties were written down at November 30, 2023. The agreement was mutually terminated on July 23, 2024.

For the nine months ended August 31, 2024, the Company incurred \$5,779 (2023 – \$3,347) in exploration and evaluation expenditures on its gold projects.

Results of Operations

Three months ended August 31, 2024 and 2023

For the three months ended August 31, 2024, the Company's partner JOGMEC incurred exploration costs of \$297,599 on the Lofdal project (2023 - \$370,526). For the three months ended August 31, 2024, the Company capitalized exploration costs of \$41,294 on the Lofdal project (offset by recoveries and operator fees) and \$nil on its other properties (2023 - Lofdal project - \$41,371 (offset by recoveries and operator fees); other properties - \$3,204).

For the three months ended August 31, 2024, the Company reported a net loss of \$109,721 compared to a net loss of \$43,755 for the same quarter in the prior year.

Expenses were \$119,297 for the quarter compared to \$51,287 for the same quarter in 2023, primarily due to the following:

- Foreign currency exchange in the current quarter was a gain of \$21,270 compared to a gain of \$63,633 for the same quarter in the prior year, primarily due to changes in the exchange rate of the Namibian dollar; and
- Consulting fees increased to \$37,500 compared to \$18,651 in 2023 due to staff changes and increases in consulting fees.

Other income and interest income was \$9,576 compared to \$7,532 in 2023.

Nine months ended August 31, 2024 and 2023

For the nine months ended August 31, 2024, the Company's partner JOGMEC incurred exploration costs of \$2,840,911 on the Lofdal project (2023 - \$2,410,891). For the nine months ended August 31, 2024, the Company capitalized exploration costs of \$116,109 on the Lofdal project (offset by recoveries and operator fees) and \$5,779 on its other properties (2023 - Lofdal project - \$113,743 (offset by recoveries and operator fees); other properties - \$9,206).

For the nine months ended August 31, 2024, the Company reported a net loss of \$368,118 compared to a net loss of \$434,908 for the same period in the prior year.

Expenses were \$494,498 for the nine month period ended August 31, 2024 compared to \$602,378 for the same period in 2023, primarily due to the following:

- Foreign currency exchange loss decreased to \$11,121 compared to \$124,560 in 2023, primarily due to changes in the exchange rate of the Namibian dollar.
- Consulting fees increased to \$102,500 compared to \$53,901 in 2023 primarily due to staff changes and an increase in rates;
- Professional fees increased to \$98,260 compared to \$86,286 in 2023 primarily due to timing;
- Listing and filing fees decreased to \$44,197 compared to \$59,237 in 2023 primarily due to the OTCQB listing in the prior year; and

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- Shareholder communications decreased to \$74,906 compared to \$106,901 in the prior year due to a reduced investor relations program in the current year.

Other income and interest income decreased to \$126,380 compared to \$167,470 in 2023 primarily due to income from a mining claim in 2023.

Summary of Quarterly Results

The following table sets out selected financial information for the quarters indicated:

(expressed in thousands of Canadian dollars except per share amounts and total assets)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	119	194	181	1,897	51	264	287	513
Interest/Other income	(9)	(75)	(42)	37	(7)	(86)	(74)	(798)
Net loss (income)	110	119	139	1,934	44	178	213	(285)
Net loss (income) attributable to shareholders	105	119	136	1,848	40	178	214	(289)
Net loss (income) attributable to non-controlling interest	5	-	3	86	4	-	(1)	4
Loss per share – basic and diluted	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00
Total assets (millions)	25.2	25.0	25.8	25.7	27.4	27.2	27.2	27.3

As the Company has capitalized all exploration expenditures to date in accordance with IFRS 6, the expenses are primarily related to administration and write-down of exploration evaluation assets. Higher expenses in Q4 2022 are primarily due to share-based payments. Higher expenses in Q4 2023 are primarily due to write-downs of exploration and evaluation assets.

Included in expenses are foreign exchange gains and losses arising mainly due to variations in the Canadian dollar and the Namibian dollar exchange rate during the periods, as certain of the Company's expenditures are paid in Namibian dollars, while the Company's functional and reporting currency is the Canadian dollar. The Company has interest revenue related to excess cash invested in an interest-bearing account with a major chartered bank.

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Liquidity and Capital Resources

At August 31, 2024, the Company had working capital of \$141,057 compared to \$47,452 at November 30, 2023 comprised of the following:

	August 31	November 30
	2024	2023
	\$	\$
Cash and short-term deposits	705,608	1,235,705
Taxes and other receivables	284,398	260,813
Deposits and prepaid expenses	29,415	24,037
Accounts payable and accrued liabilities	(267,072)	(586,900)
Advance received for future exploration work	(611,292)	(886,203)
Working capital	141,057	47,452

Although the Company’s principal assets are not in commercial production, the Company is earning operator fees under the JOGMEC agreement (see “Partnership with JOGMEC on Lofdal”). JOGMEC is also funding expenditures on the Lofdal property and has the right to earn a 50% interest in the Lofdal rare earths property by funding \$20 million in exploration and development expenditures (of which \$13,429,708 has been spent to August 31, 2024).

The Company’s consolidated financial statements were prepared on a going concern basis. 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 December 22, 2023, the Company raised \$492,815 in net cash proceeds through a private placement. JOGMEC continues to fund the Lofdal project and has moved to Term 3 under the agreement. In addition, 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.

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 204,967,732 common shares.

Stock option plan

As of the date of this MD&A there were 14,350,000 options outstanding (2023 – 15,225,000) with a weighted average exercise price of \$0.17 (2023 -\$0.21). During the nine months ended August 31, 2024, 325,000 options expired unexercised.

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The following table summarizes information about options outstanding as of the date of this MD&A:

Expiration Date	Exercise price \$	Options outstanding and exercisable	Remaining contractual life (in years)
September 28, 2025	0.26	4,550,000	1.08
April 5, 2026	0.26	1,750,000	1.60
October 3, 2027	0.14	3,750,000	3.09
October 4, 2028	0.07	4,300,000	4.09
Total outstanding		14,350,000	

Warrants

As of the date of this MD&A there 8,333,333 warrants outstanding (2023 – 3,750,000) with a weighted average exercise price of \$0.10 (2023 -\$0.35) and an expiry date of December 22, 2025. The change in warrants from year-end to the date of this MD&A is as follows:

	Number	Weighted average exercise price \$
At November 30, 2023	3,750,000	0.35
Issued	8,333,333	0.10
Expired March 31, 2024	(3,750,000)	(0.35)
Total outstanding	8,333,333	0.10

Related party transactions

Transactions with key management personnel for the three and nine months ended August 31, 2024 and 2023 are as follows:

	Three months ended August 31		Nine months ended August 31	
	2024	2023	2024	2023
	\$	\$	\$	\$
Consulting fees charged to net loss	37,500	18,652	102,500	53,902
Consulting and administration fees charged to exploration and evaluation assets	-	16,255	-	45,655
Total	37,500	34,907	102,500	99,557

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

During the nine months ended August 31, 2024, related party transactions charged to JOGMEC in respect of the Lofdal project included consulting fees of \$261,147 (2023 – \$379,128).

Included in accounts payable and accrued liabilities are amounts owing to related parties of \$27,962 (2023 - \$15,891). Included in deposits and prepaid expenses is an amount of \$11,000 (2023 - \$7,000) representing retainers on services contracts with officers of the Company.

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Critical Accounting Estimates and Judgments

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

- (i) Valuation of exploration and evaluation assets: The value of the Company's exploration and evaluation assets is dependent upon the success of the Company in discovering economic and recoverable mineral resources, the ability of the Company to obtain financing to complete development of the properties, and future production or proceeds from disposition. The estimation of future revenue flows relating to these assets is uncertain and will also be affected by competition, relative exchange rates between the Canadian dollar and the Namibian dollar and potential new legislation and related environmental requirements.
- (ii) Decommissioning liabilities: The Company makes estimates of future site restoration costs based upon current legislation in Namibia, technical reports and estimates provided by the Company's senior employees and advisors. These estimates will be affected by actual legislation in place, actual mining activity to be performed and actual conditions of the relevant sites when the restoration activity is to be performed in future periods.
- (iii) Share-based payments: Share-based payments expense is calculated using the Black-Scholes model, a recognized option/warrant valuation formula, which is highly dependent on the expected volatility of the market price of the Company's common shares. Due to the Company's short trading history, the Company uses a volatility rate based on past share trading data from similar entities to predict future volatility, and actual volatility may be different from the estimate used in the valuation formula. Share-based payments expense represents a non-cash expense and, as such, has no impact on the Company's financial position or liquidity.

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

- (i) The determination of a cash-generating unit for assessing and testing impairment, which management has determined to be the mineral property;
- (ii) The determination of functional currency;
- (iii) The determination of when an exploration and evaluation asset move from the exploration stage to the development stage;
- (iv) The determination of when an exploration and evaluation asset has indicators of impairment;
- (v) Whether exploration and evaluation costs are eligible for capitalization;
- (vi) The determination of whether exploration and evaluation assets are considered to be asset acquisitions or business combinations; and
- (vii) The assessment of the Company's ability to continue as a going concern.

Changes in Accounting Policies

There were no changes in accounting policies during the period.

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

NAMIBIA CRITICAL METALS INC.
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subsequently measured at amortized cost. The Company's financial assets include cash and short-term deposits and taxes and other receivables.

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

Impairment of financial assets at amortized cost

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

Risk exposure

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

Risks and Uncertainties

In conducting its business, the principal risks and uncertainties faced by the Company relate primarily to exploration results and, to a lesser extent, metal and commodity prices. The Company's ability to continue as a going concern is dependent on a number of factors, including the ability of the Company to arrange financing. Exploration for minerals and development of mining operations involve many risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration and mining, the Company has the following risks specific to conducting its exploration activities in Namibia: there is no assurance that the supportive political and economic conditions that currently exist in Namibia will remain; the Company's ability to obtain, sustain, renew or vary the necessary licences, permits and authorizations to carry on the activities that it is currently conducting on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental bodies and there can be no assurance that the Company will be able to obtain, sustain, renew or vary any such licences, permits or authorizations on acceptable terms or at all; environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees, and any failure by the Company to comply with applicable environmental regulations or the stoppage of exploration or production activities could have a materially

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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.

Additional Information

The financial statements and additional information regarding the Company are available on SEDAR+ at www.sedarplus.ca.