AFRICAN METALS CORPORATION

Report to Shareholders for the Quarter Ended August 31, 2019
Management Discussion and Analysis

Dear Shareholders:

The following discussion and analysis were prepared as of August 17, 2020 and should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended May 31, 2019 and 2018. These consolidated accounts, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standards ("IAS").

This Management Discussion and Analysis contains forward-looking statements. Forward-looking statements are statements that relate to future events. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our industry, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

DESCRIPTION OF BUSINESS

African Metals Corporation ("the Company" or "AFR") was incorporated on May 12, 1980 in British Columbia, Canada. On March 26, 2010, the Company acquired 100% of Chevalier Resources Inc, ("Chevalier") a company incorporated under the Canada Business Corporations Act, which held a 57% interest in Luisha Mining Enterprise SARL, ("LME") a company incorporated in the Democratic Republic of the Congo ("DRC"), and which held a 100% interest in the Luisha copper-cobalt property in DRC. In the period ended February 29, 2010, the Company through its subsidiary, Chevalier, acquired an additional 18% interest bringing its total interest in Luisha to 75%. On 27 July 2016 The DRC Government, in accordance with the Article 71 of the DRC Mining Code (2002) granted a full Exploitation Permit license valid until 3 April 2046. As per the DRC Mining Code (2002), the Company transferred 5% of the existing LME shares to the DRC Government ("DRC Interest"), the 5% interest held by the DRC Government cannot be diluted. Chevalier also owned 100% of Chevalier Congo, Sprl, a dormant DRC company, which is in the process of being wound up. The Company incorporated Kundelungu Minerals Resources Sprl ("KMR") in the DRC, which was intended to be used for other mineral property acquisitions and related business activities in that country. The Company also incorporated two BVI subsidiaries, African Metals Holdings (BVI) Ltd. which owned the 75% interest in LME in replacement of Chevalier, and African Metals Resources (BVI) Ltd. KMR was 99% owned by the Company. On July 27, 2016, the application for the renewal and conversion of the Luisha South PEPM 4881 permit to a full 30-year mining exploitation permit ("PE") was approved and granted. As a condition of the granting of the permit in accordance with the DRC Mining Code Article 71, the Company approved the transfer to the DRC government of a 5% interest in the shares of Luisha Mining Enterprises ("LME"), which held the exploitation permit for the Luisha South project, as one of the final stages before the issuance of the PE 4881 permit certificates. The DRC Government share interest was to be free of charge and could not be diluted. Following the Article 71 share transfer, the Company held a 71.25% interest in the Luisha South project and TSM Entreprise S.A.R.L. ("**TSM**") held the remaining 23.75% interest. All fees were paid for the PE 4881 permit and the permit was issued to LME.

SALE OF ASSETS:

The company entered into a purchase agreement dated May 23, 2018 (the "**Original Agreement**") with Luisha Mining Enterprises SARL, ("LME"), Excellen Minerals SARL ("**Project Company**") and Simeon Tshisangama ("Tshisangama") (collectively, the "**Parties**"), with the intention of effecting the Sale by transferring the Target Assets to the Project Company. Such Original Agreement was subsequently amended and supplemented by the Parties by a supplemental agreement dated August 9, 2018 (the "**Supplemental Agreement**").

The sale of the Target Assets included, through LME, an indirect subsidiary of the Company (the Company indirectly owned 71.25% of LME) the Company controlled the ownership of: (i) mining rights in the mining area governed by No. 4881 Mining License (the "**Mining License**") in the DRC; (ii) ore mined from the Mining Area; and (iii) other movables and real estates (collectively, the "**LME Assets**"). The balance of the ownership of the License was as follows: TSM owned 23.75% of LME, and the government of the Democratic Republic of Congo ("**DRC**") owned 5% of LME. The Company also directly or indirectly through a subsidiary owned a 100% interest in a dense medium separation plant (the "**DMS Plant**", and collectively with the **LME Assets**, the "**Target Assets**").

Under the Original Agreement, as amended and supplemented by the Supplemental Agreement (the "**Amended Agreement**"), the Parties intended that, on closing of the Sale (the "**Closing**"), the Target Assets would be transferred to the Project Company.

On October 5, 2018 a Special Shareholder meeting was held to approve by special resolution, the sale of all or substantially all of the Company's assets and guarantee of Luisha Mining Enterprise SARL's obligations under the related sale agreement (the "Special Resolution"), as more particularly described and set forth in the Management Information Circular (the "Circular") which was sent to the shareholders.

The Company required a special majority ($66^{2/3}$%) of the votes cast at the Meeting as well as approval of a simple majority of the votes cast at the Meeting of the disinterested Shareholders, which Shareholders are all Shareholders other than TSM and Tshisangama who are considered "related parties" under MI 61-101. Of the 14,038,681 issued and outstanding shares of the Company, 4,987,134 shares were represented at the Meeting in person or by proxy. The results of the vote were 4,987,084 (99.999%) in favour of the Special Resolution and 50 (0.001%) against.

On December 6, 2018, the Company completed the sale of all or substantially all of its assets as approved by special resolution of its shareholders.

The sale price was $10,000,000 USD (Ten Million US Dollars). Upon closing all relevant documentation and conditions were satisfied including approval from the relevant authorities in the DRC of the transfer of the Mining License, and payment of $6,000,000 USD (Six Million US Dollars) to the secured creditor, Traxys Europe SA.

The Company is a mineral exploration company with a registered office in Vancouver, British Columbia which, as of December 6, 2018, no longer has mineral properties in the Democratic Republic of the Congo ("DRC"). The Company is a reporting issuer in British Columbia and Alberta. The Company currently has a "cease trading" order issued and is listed on the NEX board of the TSX Venture Exchange (symbol AFR.H) whose shares are suspended from trading while the Company completes the necessary SEDAR filings and applications to allow it to be reinstated as a reporting issuer in good standing and reinstating for trading on the TSX Venture Exchange.

The functional currency of the Company, Chevalier Resources Inc., African Metals Holdings (BVI) Ltd., and African Metals Resources (BVI) Ltd. is the Canadian dollar. The functional currency of KMR and LME is the United States dollar. The Company's subsidiaries with a United States dollar functional currency have been translated into Canadian dollars as follows: assets and liabilities are translated at year end exchange rates, while revenues and expenses are translated using average rates over the year.

RESULTS OF OPERATIONS

For the 3 months ended August 31, 2019 there was a loss of $459,126 or $0.033 per share compared to a loss of $47,047 or $0.003 per share in the same period of last year.

There were no mining activities during this period. During the same period last year net mining costs were incurred of $13,300 related to mining activities of the stockpile. During this quarter ended August 31, 2019 the company recorded interest costs of $NIL compared to $103,455 for the same period last year. Legal fees of $6,890 for this period as compared to $6,300 for the same period last year. Management fees for this quarter was $36,000 which was the equal to the same period last year.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Solvency

As at August 31, 2019, the Company had cash of $2,343,500 compared to $2,774,022 as of May 31, 2019. The Company had a working capital at August 31, 2019 of $2,263,275 compared to a working capital of $2,326,699 at May 31, 2019. As at August 31, 2019 the Company had an accumulated deficit of $35,213,675 compared to $34,955,142 at May 31, 2019.

Prior to the election of the current Board of Directors, the Company was essentially insolvent. Following the completion of the sale of all or substantially all its assets, which was arranged by the current Board of Directors and management, the Company became solvent and had sufficient working capital to meet its obligations for at least the subsequent twelve months.

Operating Activities

Cash flow from operating activities for the quarter ended August 31, 2019 was a use of funds of $625,633 compared to a $41,578 increase in funds for the same period last year.

Financing Activities

During this quarter ended August 31, 2019 the Company issued no common shares.

Investing Activities

During this quarter ended August 31, 2019, the Company had investing activities totaling $5,485 for exploration and evaluation assets compared to no activities for the same period last year.

FINANCIAL INSTRUMENTS

On June 1, 2018, the Company adopted IFRS 9, which replaced *IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39")*, on a retrospective basis using certain available transitional provisions. In accordance with the transitional provisions, the comparative information for prior periods have not been restated and the information presented for 2018 reflects the requirements of IAS 39 rather than IFRS 9.

The nature and effect of the changes to IFRS 9 are as follows:

i) Financial instrument classification and measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

IFRS 9 provides a revised model for the classification and measurement of financial assets that eliminates the previous categories of financial assets under IAS 39 of "available-for-sale", "held-to-maturity", or "loans and receivables." Under IFRS 9, on initial recognition, a financial asset is classified as and measured at: amortized cost, FVPL, or FVOCI. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held.

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is available on an investment-by-investment basis.

The following table summarizes the impact of transition from IAS 39 to IFRS 9:

	Measurement Category		
Asset/Liability	**Original (IAS 39)**	**New (IFRS 9)**	**Subsequent measurement**
Cash	Amortized cost	Amortized cost	Amortized cost
Receivables	Loans and receivables	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Amortized cost
Loan payable	Other financial liabilities	Amortized cost	Amortized cost

The adoption of IFRS 9 did not result in any changes in the carrying values of any of the Company's financial instruments on the transition date.

ii) Impairment of financial assets

IFRS 9 replaced the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets classified as and measured at amortized cost, contract assets and investments in debt instruments measured at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The adoption of the ECL model under IFRS 9 did not have an impact on the carrying values of any of the Company's financial assets on the transition date.

Off-balance sheet agreements

During this quarter ended August 31, 2018 the Company did not enter into any off-balance sheet arrangements.

Proposed transactions

At the date of this MD&A, there are no proposed transactions other than the option agreement with Frederick PEC regarding the SBSL mineral exploration project in Montana as noted in the Subsequent Events Note below.

RELATED PARTY TRANSACTIONS

Management fees totalling $19,000 (May 31, 2019 - $84,000) were incurred with directors of the Company as follows: $4,000 to a company controlled by David Mason (May 31, 2019 $24,000); $15,000 (May 31, 2019 - $60,000) to Simeon Tshisangama. Additional accounting fees totalling $15,000 were incurred to a company related to Daniel Gregory, Chief Financial Officer (May 31, 2019 $60,000). Legal fees totalling $6,000 were paid to John F. O'Donnell, a Director. As at August 31, 2019, $28,275 (May 31, 2019 - $32,248) was due to directors of the Company, and to companies owned by directors and former directors of the Company. The balances do not bear interest, are unsecured and have no fixed payment terms.

No stock options were issued to offices and directors of the Company during this quarter ended August 31, 2019.

CHANGES IN ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS

New standards adopted during the year

During the year ended May 31, 2019 the Company adopted IFRS 9 Financial Instruments. The rest of the accounting policies followed in the presentation of these condensed consolidated interim financial statements are consistent with those of the previous financial year.

New standards and interpretations not yet adopted

The Company has not yet adopted the following new accounting pronouncements which are effective for fiscal periods of the Company beginning on or after June 1, 2019:

International Financial Reporting Standard 16 Leases ("IFRS 16")
This standard was published in January 2016 and becomes effective on January 1, 2019, replacing the existing guidance in IAS 17, 'Leases'. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company will adopt this standard effective January 1, 2019. Under this standard, the present value of lease commitments will be shown as a liability on the statement of financial position together with an asset representing the right of use, including those leases classified as operating leases under the current standard IAS 17. This implies higher amounts of depreciation expense and interest expense on lease liabilities will be recorded in the Company's consolidated net earnings or loss in 2019 and future years. Additionally, a corresponding reduction in general and administrative costs and/or production costs is expected.
The Company has not entered any lease contracts and as such there is no impact of adopting this standard.

International Financial Reporting Standard 23 ("IFRIC 23") Uncertainty over Income Tax Treatments
IFRIC 23 is a new standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. The Company sold its assets located in the DRC during the year ended May 31, 2019 and utilized loss carry forwards to offset any potential taxes. While the Company concluded that the risk of any taxes owing in the DRC is remote, the adoption of this standard may have a material impact on the Company's financial statement

OTHER SIGNIFICANT TRANSACTIONS

During the year ended May 31, 2019, the Company entered into an agreement to sell the assets of the Company. The description of the sale was stated on page 1 of this MD&A.

Share Capital Transactions

During this quarter no common shares were issued.

OUTSTANDING SHARE CAPITAL DATA

As at August 31, 2019, there were 14,038,682 common shares and 650,000 stock options outstanding to purchase shares of which 500,000 exercisable at $0.05 until December 18, 2020; and 150,000 exercisable at $0.05 until January 28, 2021. No changes have occurred since May 31, 2019.

DISCUSSION OF OPERATIONS

Securing Finance

During this period, the Company did not seek financing as it was successful in securing financing due to the sale of its assets as described on page 1 of this MD&A.

SUMMARY OF QUARTERLY RESULTS

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended:	Aug 31	May 31	Feb. 28	Nov. 30	Aug 31	May 31,	Feb 29,	Nov. 30,
Year:	2019	2019	2019	2018	2018	2018	2018	2017
Total Revenues	$ -	$ -	$ -	$ -	$ -	$ –	$ -	$ -
Net Gain (Loss)	$ (459,126)	$ 2,474,307	$ 8,150,937	$ (182,253)	$ (47,047)	$ (154,308)	$ (154,308)	$ (154,308)
Gain (Loss) per share basis (1)	$ (0.033)	$ 0.176	$ 0.581	$ (0.013)	$ (0.003)	$ (0.01)	$ (0.01)	$ (0.01)

(1) *post consolidated*

SUBSEQUENT EVENTS

Subsequent to the quarter August 31, 2019 period, the Company has completed or undertaken certain corporate transactions, summarized as follows:

African Metals Corporation and Frederick Private Equity Corporation Sign Agreement on the Silver Bell - St. Lawrence Gold Project, Montana

On April 26, 2019, African Metals Corporation announced that it has entered an agreement whereby the Company may acquire a majority interest in the Silver Bell - St. Lawrence Gold Project, in the Virginia City Mining District of Montana, U.S.A. from Frederick Private Equity Corporation ("Frederick PEC"). Under the Agreement, the Company may initially earn a 51% interest in the Project by making annual US$10,000 option payments and spending US$1,000,000 in exploration expenditures within four years with a minimum of $200,000 in expenditures during the first year. The Project comprises a 390-acre claim package located about 4 miles southwest of Virginia City in Madison County, Montana, and about 50 miles southeast of Butte, Montana. There is also an area of interest around the Project.

Pursuant to an underlying Exploration Agreement with Venture Option (the "Underlying Agreement") by and between SBSL Subsidiary Corporation, a Montana corporation ("SBSL"), the address of which is 380 Wellington Street, Tower B 6th Floor, London, Ontario N6A 5B5, and Frederick Private Equity Corporation, an Ontario corporation ("Frederick"), the address of which is Suite 802, 159 Frederick Street, Toronto, Ontario, Frederick PEC may first earn a 51% interest in the Project by making annual US$10,000 option payments to SBSL and spending US$1,000,000 in exploration expenditures within four years with a minimum of $200,000 in expenditure during the first two years. Frederick PEC may earn a further 24% interest (the "Second Earn-In Option") in the Project by then making annual US$25,000 option payments and spending an additional US$1,000,000 in exploration expenditures over a two-year period following the establishment of the first 51% interest, for a total of US$2,000,000 to earn a 75% interest. After Frederick PEC has earned either a 51% or a 75% interest, as the case may be, a mining venture or mining company may be formed with respect to the Project, and Frederick PEC and Peloton will contribute their respective share of further exploration and development expenditures. In the event that either party's interest is diluted to ten percent (10.0%) or less, it shall relinquish its interest to the other party, in return for a royalty agreement that conveys to the diluting party a royalty of two percent (2.0%) of net smelter returns on all minerals thereafter produced and removed from the Project. In the event that either party's interest is diluted to ten percent (10.0%) or less, it shall relinquish its interest to the other party, in return for a royalty agreement that conveys to the diluting party a royalty of two percent (2.0%) of net smelter returns on all minerals thereafter produced and removed from the Property. The non-diluting party may, at any time, buy-down that royalty by one percent (1.0%), so that the total royalty is one percent (1.0%) of net smelter returns, by paying US$250,000.00 to the royalty holder. With respect to the claims comprising the Property which are subject to an existing 2% NSR with no buy-down rights, if SBSL is unable to negotiate a buy-down right from the holder, in the event that either party's interest is diluted to ten percent (10.0%) or less, it shall with respect to such claims relinquish its interest to the other party, in return for a royalty agreement that conveys to the diluting party a royalty of one percent (1.0%) of net smelter returns on all minerals thereafter produced and removed from the Property. The non-diluting party may, at any time, buy-down that royalty by one-half of one percent (0.5%), so that the total royalty is one-half of one percent (0.5%) of net smelter returns, by paying US$250,000.00 to the royalty holder. The Project is subject to an earlier outstanding 2% NSR, the majority of which can be bought down to one percent (1%), and a buy down option on the remaining claims is being sought.

The Company agreed to make all of the exploration expenditures and annual option payments required to be made by Frederick PEC to SBSL to exercise the Option and the minimum exploration expenditures to be made in the first two years pursuant to the Underlying Agreement within one year of the execution of the Underlying Agreement.

Frederick PEC retains the right to earn the additional 24% Second Earn-In Option if it chooses to do so. If it elects not to earn the Second Earn-In Option, it shall transfer and assign the right to do so to the Company upon payment to Frederick PEC of 1,000,000 fully paid and non-assessable common share of the Company or an Affiliate company into which the rights under this Agreement may have been further transferred or assigned by the Company, subject to all regulatory and stock exchange requirements. To be clear, this provision shall not apply unless the Company is successful in having its current cease trading order lifted, otherwise this provision shall be null and void with no force and effect. In such event, the Company will be responsible for funding all additional exploration expenditures and option payments required to earn the Second Earn-In Option. If Frederick PEC elects to earn the Second Earn-In Option, it shall make the necessary exploration expenditures and option payments required to earn the Second Earn-In Option, provided however that the Company will be responsible for paying its proportionate share of such exploration expenditures and option payments equal to a ratio of 51 to 24 reflecting the respective proportionate interests of the parties in the Property. In the event that the Company does not contribute its proportionate share of such exploration expenditures and option payments and Frederick PEC has earned the Second Earn-In Option, the interest of the Company shall be diluted to 24% and the interest of Frederick PEC shall be increased to 51%.

If Frederick PEC completes an initial offering of its securities to raise funds to cover its activities, it shall offer at least half of such securities to the shareholders of AFR in proportion to their shareholdings in AFR with or without a back stop or standby purchaser agreement. Such right is limited to the first offering of securities by Frederick.

John O’Donnell is an officer and/or director of Peloton, Frederick PEC, and the Company and, as such, recused himself from the approval process of the transactions.

AFRICAN METALS CORPORATION

TRENDS, RISKS AND UNCERTAINTIES

The Company operated in the DRC, an emerging market, and currently operates in the U.S.A, giving rise to risks from changes in foreign exchange rates. The Company is exposed to fluctuations in world metals prices, over which it has no control. Lower prices could cause the Company to discontinue exploration or production of its properties, as it would become difficult to raise funds.

The Company is not at risk as to its ability to meet its financial obligations on its administrative expenses as it has sufficient cash to meet its obligations for at least the next 12 months.

INVESTOR RELATIONS

There are no investor relations agreements in effect currently.

APPROVAL

The Board of Directors of the Company has approved this Management Discussion and Analysis. Further information is available on the SEDAR website, www.sedar.com.

DATED: August 17, 2020

ON BEHALF OF THE BOARD OF DIRECTORS OF AFRICAN METALS CORPORATION

"Simeon Tshisangama"

Simeon Tshisangama
President and CEO, Director