Report to Shareholders for the Quarter Ended February 28, 2020
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 interim consolidated financial statements for the three and nine month periods ended February 28, 2020 and the 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.

<u>DESCRIPTION OF BUSINESS</u>

a) 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. 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 registered 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 nine months ended February 28, 2020 there was a loss of $297,007 or $0.014 per share compared to an income of 11,939,945 or $0.701 per share in the same period of last year. For the 3 months ended February 28, 2020 there was an incomes of $56,142 or $0.004 per share compared to an income of $12,282,549 or $0.734 per share in the same period of last year.

During the nine month period ended February 28, 2020 there were no operating mining costs. During last year net mining costs were incurred in the amount of $39,900. During this quarter ended February 28, 2020 the company recorded no interest costs compared to $12,370 for the same period last year. Legal fees of $6,500 were incurred for this period and compared to $197,794 for the same period last year which were incurred in relation to the sale of the assets as described earlier. Listing, transfer agent and filing fees were incurred of $18,222 and for the same period last year were $10,133 related to the activities regarding the sale of the assets. Interest income of $7,346 was earned for the 3 months ended February 28, 2020 and $17,482 for same period last year. Interest income of $28,433 was earned for the 9 months ended February 28, 2020 and $17,482 for the same period last year.

On April 26, 2019, the Company announced that it had entered into 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, which in turn acquired its interest from Peloton Minerals Corporation. 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.

The Project hosts two past producing gold-silver mines, the Silver Bell Mine on the west and the St. Lawrence Mine on the east. Both mines operated in the early 1900s and the St. Lawrence was reactivated and operated in the early 1980s. Historical production records are incomplete but available information suggests that historical production at the St. Lawrence was approximately 0.22 ounces per ton ("opt") gold and 3.8 opt silver. Smelter receipts for small shipments from the St. Lawrence indicate that some ore with much higher grades was shipped. For example, a smelter receipt from October 30, 1964 states that 8.027 tons were received grading 0.76 opt gold and 20.0 opt silver. Historical production at the Silver Bell averaged approximately 0.2 opt gold and 15.1 opt silver.

The shafts for each of the former mines are located 3,600 feet apart and the exploration hypothesis is that the two mines shared mineralized systems that may in part be contiguous. Surface mapping and geophysical surveying by the Company support this initial hypothesis and indicate an offset extension of the vein system farther east along strike from the St. Lawrence mine.

A 2,112 foot core drilling program was conducted in late 2019 on this property. A total of 12 holes were drilled in addition to surface sampling of veins, wall rocks and dumps.

The 2019 drilling tested the gold vein system in and around the St. Lawrence mine.

For further information please refer to the Company's filings reported at the SEDAR.com website.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Solvency

As at February 28, 20120 the Company had cash of $1,904,361 compared to $2,774,022 as of May 31, 2019. The Company had a positive working capital at February 28, 2020 of $1,851,287 compared to a positive working capital of $2,326,699 at May 31, 2019. As at February 28, 2020 the Company had an accumulated deficit of $35,252,149 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 February 28, 2020 was use of funds of $691,257 compared to an increase of $7,749,852 in funds for the same period last year.

Financing Activities

During this quarter ended February 28, 2020 the Company issued no common shares. No such activities occurred during the same period last year.

Investing Activities

During this quarter ended February 28, 2020, the Company had investing activities for exploration and evaluation assets totaling $53,869 compared to no activities for the same period last year. The total investing activities for the nine month period was $279,574 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 the three and nine month periods ended February 28, 2019 the Company did not enter into any off-balance sheet agreements or arrangements.

Proposed transactions

At the date of this MD&A, there are no proposed transactions.

RELATED PARTY TRANSACTIONS

For the nine month period ended February 28, 2020, management fees totalling $126,000 (May 31, 2019 - $84,000) were incurred with directors of the Company as follows: $18,000 to a company controlled by David Mason (May 31, 2018 $24,000); $45,000 (May 31, 2019 - $60,000) to Simeon Tshisangama. Additional fees totalling $45,000 were incurred to a company related to Daniel Gregory, Chief Financial Officer (May 31, 2019 $60,000). As at February 28, 2020, $16,622 (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. Legal fees of $18,000 (May 31, 2019 – 183,504) were paid to John F. O'Donnell, a director. During the quarter ended February 28, 2020, management fees totalling $42,000 (February 28, 2019 - $36,000) were incurred with directors of the Company as follows: $6,000 to a company controlled by David Mason (February 28, 2019 - $6,000); $15,000 (February 28, 3019 - $15,000) to Simeon Tshisangama, Chief Executive Officer. Additional fees totalling $15,000 were incurred to a company related to Daniel Gregory, Chief Financial Officer (February 28, 2019 $15,000). Legal fees totalling $6,000 were paid to John F. O'Donnell, a Director, (February 28, 2019 - $177,504).

No stock options were issued to offices and directors of the Company during this quarter ended February 28, 2019.

CHANGES IN ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS

New standards adopted during the year

During the year ended May 31, 2019 the Company adopted IRFS 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 the three and nine months ended February 28, 2020 no common shares were issued.

OUTSTANDING SHARE CAPITAL DATA

As at February 28, 2020, 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:	Feb 28	Nov 30	Aug 31	May 31	Feb 28	Nov 30,	Aug 31,	May 31,
Year:	2020	2019	2019	2019	2019	2018	2018	2018
Total Revenues	$ -	$ -	$ -	$ -	$ -	$ –	$ -	$ -
Net Income (Loss)	$ 56,142	$ (94,617)	$ (459,126)	$ 2,474,307	$ 8,150,937	$ (182,253)	$ (47,047)	$ (154,308)
Income (Loss) per share basis(1)	$ 0..004	$ (0.005)	$ (0.033)	$ 0.176	$ 0.581	$ (0.013)	$ (0.003)	$ (0.01)

(1) *post consolidated*

SUBSEQUENT EVENTS

Subsequent to the quarter February 28, 2020 period, the Company completed or undertook certain corporate transactions as follows:

After the sale of the Company's assets in the DRC, the Company no longer required its DRC subsidiary, Luisha Mining Enterprises, Sprl, ("LME"), and therefore dissolved LME on June 1, 2020.

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 mineral properties and administrative expenses as it has sufficient funds 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