AFRICAN METALS CORPORATION

Report to Shareholders for the Quarter Ended November 30, 2020
Management Discussion and Analysis

Dear Shareholders:

The following discussion and analysis were prepared as of January 24, 2021 and should be read in conjunction with the Company's interim consolidated financial statements for the three and six month periods ended November 30, 2020 and 2019 and the audited annual consolidated financial statements for the years ended May 31, 2020 and 2019. 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, regulatory policies or stock exchange requirements, 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 July 27, 2016 The DRC Government, in accordance with the Article 71 of the DRC Mining Code (2002) granted a full Exploitation Permit license valid until April 3, 2046. As per the DRC Mining Code (2002), the Company transferred 5% of the existing LME shares to the DRC Government ("DRC Interest"). 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. 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.

Due to the sale of the mine (see "Sale of Assets" below) as of June 1, 2020 both LME and KMR were no longer required and as such were dissolved. The above existing subsidiaries, Chevalier Resources Inc. is inactive. Both African Metals Holdings (BVI) Ltd., and African Metals Resources (BVI) Ltd. have been struck off the BVI Corporate register.

SALE OF ASSETS:

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. On December 17, 2020 the British Columbia Securities Commission (the BCSC") lifted a "cease trading order" ("CTO") which it issued on December 1, 2016 for failing to file financial statements and MD&A on a timely basis. Further, the TSX Venture Exchange (the "TSXV") reinstated the Company for trading on the NEX board of the TSXV (symbol AFR.H) effective January 4, 2021. The Company is in the process of applying to be reinstated for trading on Tier 2 of the TSXV.

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 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 six months ended November 30, 2020, there was a loss of $200,594 or $0.016 per share compared to a loss of $579,059 or $0.056 per share in the same period of the previous year. For the three months ended November 30, 2020 ("Q2 2020") there was a loss of $73,599 or $0.005 per share compared to a loss of $315,041 or $0.023 per share in the same period of the previous year.

There were no operating mining activities during either Q2 2020 and the three months ended November 30, 2019 ("Q2 2019"). During Q2 2020, the company recorded interest costs of $NIL compared to $NIL for Q2 2019. Legal fees of $35,240 for Q2 2020 as compared to $18,647 for Q2 2019. Management fees for Q2 2020 was $84,000 which was the equal to Q2 2019. Legal fees had increased over Q2 2019 due to costs regarding the process to reinstate the Company on the TSXV. The transfer agent fees had increased over Q1 2019 due to the extra fees for filing the annual May 31, 2020 audited statements and related quarterlies. These filings allowed the company to be in compliance with its SEDAR requirements. Interest income for Q2 2020 was significantly lower than Q2 2019 due to significant reduction in interest rates on US dollars.

During the quarter ended August 31, 2020 ("Q1 2020"), with an effective date of June 1, 2020 the Company adopted a voluntary change in accounting policy, as permitted and accepted under IFRS 6 - *Exploration and Evaluation of Mineral Resources* ("IFRS 6"), with respect to exploration and evaluation ("E&E") expenditures. Previously, as permitted under IFRS 6, the Company capitalized costs relating to both the acquisition and exploration of its E&E assets, net of recoveries received. The Company expensed exploration and evaluation costs of $7,329 during Q2 2020 and $225,909 during Q2 2019.

A continuity of the exploration and evaluation assets is as follows:

Balance – May 31, 2019	**$ -**
Assay	13,454
Drilling	187,497
Geology and field operations	86,951
Property payments	5,664
Balance – May 31, 2020	**$ 293,566**

Balance – May 31, 2020	**$ 293,566**
For the six months ended November 30, 2020	
Evaluation and Exploration Acquisition – property fees	7,329
Acquisition costs – November 30, 2020	**7,329**
Balance – November 30, 2020	**$ 300,895**

On April 26, 2019, the Company announced that it has 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 November 30, 2020, the Company had cash and cash equivalents of $1,536,695 compared to $1,842,910 as of May 31, 2020. The Company had a positive working capital at November 30, 2020 of $1,563,913 compared to a positive of $1,754,316 at May 31, 2020. As at November 30, 2020 the Company had an accumulated deficit of $34,495,355 compared to $34,294,761 at May 31, 2020.

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 Q2 2020 was a use of funds of $324,204 compared to a use of $819,259 in funds for the same period last year.

Financing Activities

During Q2 2020 the Company issued no common shares.

Investing Activities

During Q2 2020 the Company had no investing activities. During Q2 2019 had investing activities totaling $220,220 for exploration and evaluation assets in the USA which were restated as an expense.

FINANCIAL INSTRUMENTS

Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized profit or loss.

All financial assets except those measured at fair value through profit or loss is subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

The Company has classified its cash as fair value through profit and loss. The Company’s accounts payable and accrued liabilities, and loan payable are classified as other financial liabilities.

Off-balance sheet agreements

During Q2 2020 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.

RELATED PARTY TRANSACTIONS

For the six months period ended November 30, 2020, management fees totalling $84,000 (May 31, 2019 - $84,000) were incurred with directors of the Company as follows: $12,000 to a company controlled by David Mason (May 31, 2020 $24,000); $30,000 (May 31, 2020 - $60,000) to Simeon Tshisangama. Additional fees totalling $30,000 were incurred to a company related to Daniel Gregory, Chief Financial Officer (May 31, 2020 $60,000). Legal fees totalling $12,000 were paid to John F. O’Donnell, a Director, (May 31, 2020 $24,000).

For Q2 2020 management fees totalling $42,000 (November 30, 2019 - $42,000) were incurred with directors of the Company as follows: $6,000 to a company controlled by David Mason (November 30, 2019 - $6,000); $15,000 (November 30, 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 (November 30, 2019 - $15,000). Legal fees totalling $6,000 were paid to John F. O'Donnell, a Director, (November 30, 2019 $6,000).

As at November 30, 2020, $Nil (May 31, 2020 - $16,123) 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 Q2 2020.

<u>CHANGES IN ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS</u>

Exploration and Evaluation Expenditures

During the quarter ended August 31, 2020, with an effective date of June 1, 2020 the Company adopted a voluntary change in accounting policy, as permitted and accepted under IFRS 6 - *Exploration and Evaluation of Mineral Resources* ("IFRS 6"), with respect to exploration and evaluation ("E&E") expenditures. Previously, as permitted under IFRS 6, the Company capitalized costs relating to both the acquisition and exploration of its E&E assets, net of recoveries received.

The Company's new policy on accounting for E&E expenditures is to expense these costs until such time as the technical feasibility and commercial viability has been established that supports future development of the mineral property, and such development receives appropriate board approvals.

The Company has determined that the voluntary change in accounting policy results in financial statements providing more reliable and relevant information. The change in accounting policy is consistent with the accounting conceptual framework for the recognition of assets and is an accepted accounting practice in the mining industry. This change in accounting policy has been applied to all of the Company's E&E activities for its property.

Under the previous accounting policy, the Company was required to perform an impairment assessment on the carrying value of the E&E assets. As of May 31, 2020, impairment indicators were noted and resulted no impairment charge being recorded.

The Company's new significant accounting policy in respect of exploration and evaluation assets is as follows:

All direct costs related to the acquisition of exploration and evaluation assets are capitalized upon acquiring the legal right to explore a property. Exploration and evaluation costs are expensed as incurred while the Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. If and when the Company's management determines that economically extractable proven or probable mineral reserves have been established, the subsequent costs incurred to develop such property, including costs to further delineate the ore body will be capitalized.

When the Company receives proceeds in the form of cash and/or common shares from an option of interest or a partial sale in a property, the payments are credited against the carrying value of the property and the excess amount of the proceeds over the carrying value is recorded as a gain in profit or loss when received. When all of the interest in a property is sold, the accumulated E&E costs are written-off with any gain or loss recorded in profit or loss in the period the transaction occurs.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

As required by IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*, the change in accounting policy has been made retrospectively and comparatives have been restated accordingly to all periods presented, as if the policy had always been applied.

The financial statement impact as at and for the year ended May 31,2020 is as follows:

	As previously reported	Effect of change in accounting policy	As restated
Consolidated statement of financial position			
Exploration and evaluation assets	$ 293,566	$ (293,566)	$ -
Total assets	2,265,763	(293,566)	1,972,197
Deficit	(34,001,195)	(293,566)	(34,294,761)
Total equity	2,082,298	(293,566)	1,788,732
Total liabilities and equity	2,265,761	(293,566)	1,972,197

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS
(continued)

	As previously reported	Effect of change in accounting policy	As restated
Consolidated statement of loss and comprehensive loss			
Exploration and evaluation expenses	$ -	$ 293,566	$ 293,566
Income for the year	953,947	(293,566)	660,381
Comprehensive loss for the year	(244,401)	(293,566)	(537,967)
Basic and diluted income (loss) per common shares	0.07	(.02)	0.05

	As previously reported	Effect of change in accounting policy	As restated
Consolidated statement of cash flow			
Income for the year	$ 953,947	$ (293,566)	$ 660,381
Expenditures on exploration and evaluation assets	(291,030)	291,030	-

The financial statement impact as at June 1, 2020 is as follows:

	As previously reported	Effect of change in accounting policy	As restated
Consolidated statement of financial position			
Exploration and evaluation assets	$ -	$ -	$ -
Total assets	1,972,197	-	1,972,197
Deficit	(34,294,761)	-	(34,294,761)
Total equity	1,788,732	-	1,788,732
Total liabilities and equity	1,972,197	-	1,972,197

IFRS 16 'Leases' ("IFRS 16")

The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short -term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has adopted this standard effective June 1, 2019 and has determined it has no impact on its financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' ("IFRIC 23")

IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income taxes, when there is uncertainty over income tax treatments. It specifically addresses whether an entity considers each tax treatment independently or collectively, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and how an entity considers changes in facts and circumstances. IFRIC 23 became effective for fiscal years beginning on or after January 1, 2019, with earlier application permitted. The Company has adopted this interpretation as of June 1, 2019 has assessed no significant impact as a result of the adoption of this interpretation.

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 six month period no common shares were issued.

OUTSTANDING SHARE CAPITAL DATA

As at November 30, 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, 2020.

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:	**Nov 30**	**Aug 31**	**May 31**	**Feb 28**	**Nov 31**	**Aug 31,**	**May 31,**	**Feb 29,**
Year:	**2020**	**2020**	**2020**	**2020**	**2019**	**2019**	**2019**	**2019**
Total Revenues	$ -	$ -	$ -	$ -	$ -	$ –	$ -	$ -
Net Gain (Loss)	$ (73,599)	$ (126,995)	$ 1,250,954	$ 56,142	$ (94,617)	$ (258,532)	$ 7,033,359	$ 3,591,885
Gain (Loss) per share basis (1)	$ (0.005)	$ (0.010)	$ 0.089	$ 0.004	$ (0.007)	$ (0.018)	$ 0.501	$ 0.26

(1) *post consolidated*

SUBSEQUENT EVENTS

Subsequent to Q2 2020, the Company completed certain corporate transactions, summarized as follows:

The Company (NEX: AFR.H) announced that the common shares in the capital of the Company were reinstated for trading on the NEX board (the "NEX") of the TSX Venture Exchange (the "TSXV") effective January 4, 2021 (the "Effective Date").

As previously announced in a press release dated December 21, 2020, the British Columbia Securities Commission ("BCSC"), the Company's principal regulator under Division 4 of National Policy 11-207, fully revoked the Management Cease Trade Order issued against certain insiders of the Company on September 30, 2016 and the Failure-to-File Cease Trade Order issued against the Company on December 1, 2016, and the Company has provided an undertaking to the BCSC that it will hold an Annual General Meeting on March 17, 2021. Further, the Company intends to apply to the TSXV to transfer its listing from NEX to the TSXV as a Tier 2 issuer, all in accordance with applicable rules and policies of the TSXV.

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 or its administrative expenses in the reasonably foreseeable future as it has sufficient cash to meet obligations for at least the next 12 months.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. The Company's market conditions related to the COVID-19 global pandemic; the duration and extent of COVID-19; changes in general economic conditions; the imposition of government restrictions on business related to COVID-19; any positive cases of COVID-19 at a project site or in the area which may cause a reduction or suspension in operations and activities which may ultimately affect and delay the exploration timeline; changes in prices for gold and other metals; and other as yet unknown or unidentified risks. Concerning the Company's day to day operations, the Company follows the Canadian Federal and Province of Ontario guidelines and restrictions. Although the Company does not believe that the worldwide COVID-19 situation will have any immediate or long-term effect on its projects, no assurance can be given as to future events, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of its stated plans and expectations. The factors underlying current expectations are dynamic and subject to change.

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: January 24, 2021

ON BEHALF OF THE BOARD OF DIRECTORS OF AFRICAN METALS CORPORATION

"Simeon Tshisangama"

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Simeon Tshisangama
President and CEO, Director