DESERT LION ENERGY INC.
(FORMERLY DESERT LION ENERGY CORP.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2018

Date: May 30, 2018

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") relates to the financial results and related data of Desert Lion Energy Inc. ("Desert Lion" or the "Company"), formerly Desert Lion Energy Corp. for the three months ended March 31, 2018. This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended March 31, 2018 and its consolidated financial statements for the year ended December 31, 2017. The Company's interim financial statements have been prepared in accordance with International Financial Reporting Standard 34 – *Interim Financial Reporting* and do not include all the disclosures required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Except as otherwise disclosed all dollar figures in this report are stated in Canadian dollars.

The commentary is current to May 30, 2018. The reader should be aware that historical results are not necessarily indicative of future performance.

Mr. Mike Venter, Pr.Sci.Nat., the Company's Vice President, Exploration, is a Qualified Person as defined under National Instrument 43-101 guidelines and has reviewed the scientific and technical information contained in this MD&A.

The MD&A was prepared in accordance with the requirements set out in National Instrument 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators. The audit committee of the board of directors of the Company has reviewed this MD&A and the condensed interim consolidated financial statements for the three months ended March 31, 2018, and the board of directors of the Company has approved these documents prior to their release.

OVERVIEW

The principal activity of Desert Lion Energy Inc. (the "Company" or "Desert Lion") is the exploration and evaluation of lithium minerals. 2523701 Ontario Inc. was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated June 17, 2016 and on February 16, 2017 the Company was renamed Desert Lion Energy Corp. On November 10, 2016, the Company's subsidiaries, 9979735 Canada Inc. and 9979743 Canada Inc. were incorporated. On March 20, 2017, 9979735 Canada Inc., a wholly-owned subsidiary of the Company, completed the acquisition of 80% of the shares of !HUNI-/URIB Investments (Pty) Ltd., a Namibian company that holds a 100% interest in eight mining claims comprising the Rubicon lithium property in Namibia and exclusive prospecting license 5439 ("EPL"), which comprises the surrounding 301km^2 prospecting area. On April 18, 2017, 9979735 Canada Inc. and 9979743 Canada Inc. amalgamated with the surviving corporation called 9979735 Canada Inc. On May 22, 2017, the Company incorporated Desert Lion Energy (Mauritius) Ltd. to serve the purpose of an intermediary holding company. On June 21, 2017, 9979735 Canada Inc. continued into the Province of Ontario and was renamed 1976567 Ontario Inc. On August 14, 2017 1976567 Ontario Inc. amalgamated with Desert Lion Energy Corp. ("Desert Lion" of the "Company"). On August 2, 2017, !HUNI-//URIB Investments (Pty) Ltd. changed its name to Desert Lion Energy (Proprietary) Ltd. On December 16, 2017, the Company completed the acquisition of the Helikon mining interests. On February 22, 2018, Desert Lion Energy Corp. completed its going public transaction with Camex Energy Corp. ("Camex") (TSXV: CXE.V) and was renamed Desert Lion Energy Inc. Refer to "subsequent events" section of this MD&A for more details on the going public transaction and the management information circular filed on Feb 23, 2018 on www.sedar.com. The Company's head office is located at 65 Queen Street West, 8th floor, Toronto, Ontario, M5H 2M5, Canada.

PROPERTY

Desert Lion Energy Inc. holds an 80% interest through its Namibian subsidiary Desert Lion Energy (Pty) Ltd., in EPL 5439, granted on February 11, 2016, covering 301km^2 and located near Karibib, within the Erongo Region of Namibia.

The Property is located on open grazing, scarcely populated lands and is proximal to excellent infrastructure including grid powerlines, the sealed B2 highway and the railway that connects Windhoek to the ports of Swakopmund and Walvis Bay. Karibib is a centre for marble and granite quarrying and also supports the nearby Navachab gold mine. The Property is accessible via tarred and dirt roads throughout the year.

The lithium bearing pegmatites within the Erongo Region are part of one of the most extensive pegmatite fields in the world. The site was first discovered in the 1930s by a German mining company, herein referred to as Kloechner. There are three known significant historic mining sites within EPL 5439; Rubicon, Helikon and Microlite lithium mines. These mining sites were mined from 1950 to 1994 by the following groups; Anglo America, Awemde Holdings and Namibia Lithium Mining.

The previous miners of the Rubicon lithium mine extracted beryl, tantalum, amblygonite, petalite and lepidolite. Material that was either not required or did not meet the exceptionally high *in situ* grades was discarded in multiple stockpiles surrounding the Rubicon and Helikon mines.

On December 16, 2017, Desert Lion completed the purchase of the Helikon mining interests for ZAR 21 million ($2.1 million). The purchase was completed via an irrevocable surrender by the Helikon vendors of the Helikon mining interests back to the Government of Namibia with the legal effect that such Helikon mining interests were then subsumed and form part of the existing 301km^2 EPL.

OUTLOOK

Desert Lion has a three-stage execution plan that includes:

- Phase 1: Remediation, development and processing of the waste dumps, which commenced in December 2017 and will continue into the second half of 2019
- Phase 2: Development of a mine and concentrator near Karibib, with initial production expected Q4 2019
- Phase 3: Development of a conversion plant to produce lithium carbonate in Walvis Bay, first production expected end of 2020

The scope of the proposed Phase 1 operation includes reclaiming and processing of historic stockpiles to produce approximately 90 kt of 1.7%-2.0% Li_2O and 70 kt of 3.5-4.0% Li_2O concentrate over a 12 to 18 months period. Processing the historic stockpile rock includes screening, two stage crushing and sorting to make a lepidolite concentrate. The 3.5-4.0% Li_2O concentrate will be produced using a single state flotation circuit to process fines from the historic stockpiles. Lepidolite concentrates will be transported from the Rubicon mine to export facilities in Walvis Bay. Reclaiming the historic stockpiles commenced in December 2017 and the Company plans to commission a flotation plant, to be used in Phase 1 operations, in Q4 2018. The Company delivered its first shipment of concentrate totaling 30,321 tonnes on April 24, 2018.

To support the development of Phases 2 and 3, Desert Lion is currently in the process of completing a detailed Preliminary Economic Assessment ("PEA"), due to be completed at the end of Q2 2018. To support the PEA, the Company is in the process of defining a Mineral Resource estimate via an extensive drilling program; the Company's Maiden Resource Estimate is also expected to be published by the end of Q2 2018.

FIRST QUARTER HIGHLIGHTS

Exploration

During the first quarter 2018, the Company's exploration and evaluation programmes comprised of the following activities:

- Initiation of Phase 3 drilling program that focused on:
  - Closing off and completing twin drilling at Rubicon
  - Delineation drilling at Helikon 1 – 5
  - Scout drilling at Helikon 6, 7 and Marble Hill projects
- Completion of airborne geophysical survey
- Completion of structural interpretation and target generation studies
- Receipt of results from Phase 2 drilling
- Completed the planning for the next phase of exploration

A total of 10,828m of Diamond and Reverse Circulation (RC) drilling was completed at Rubicon, Helikon 1-7 and the Marble Hill projects.

Rubicon

During the quarter, exploration was focused on completing step-out drilling to close off downdip mineralisation at Rubicon and twin hole drilling in order to further define and generate confidence in the spatial distribution of lepidolite and tantalite mineralisation at Rubicon. A total of 13 diamond drill holes totalling 1,781m were completed. The Company is still awaiting some assays from Phase 2, however ,the following notable Li_2O and Ta_2O_5 intersections are highlighted below.

Project	Hole ID	Azi/Dip (°)		From (m)	To (m)	Length (m)	True Width (m)	Li_2O %	Ta_2O_5 ppm
RUBICON	RCDH017	220/-70		87.24	94.83	7.59	7.59	0.75	
	RCDH019	240/-70		78.67	84.00	5.33	5.33	0.54	
	RDH005	227/-70		12.70	18.00	5.30	5.30	1.30	
			including	12.70	16.00	3.30	3.30		156
	RDH017	240/-70		21.45	23.41	1.96	1.96	2.60	
	RDH024	227/-70		19.70	23.65	3.95	3.95	1.17	
	RDH035	227/-70		54.07	58.50	4.43	4.43	0.57	1,727
	RDH059	227/-70		1.13	19.14	18.01	18.01	0.64	
			including	1.13	3.13	2.00	2.00	1.59	
			and	9.15	13.70	4.55	4.55		182
	RDH066	220/-70		104.90	106.77	1.87	1.87	0.87	
	RDH067	220/-70		27.65	34.68	7.03	7.03		371
	RDH070	240/-70		102.51	107.74	5.23	5.23	1.15	
	RRCH012	227/-70		57.00	66.00	9.00	9.00	2.25	
	RRCH015	227/-70		51.00	60.00	9.00	9.00	0.72	243
	RRCH024	227/-70		105.00	108.00	3.00	3.00	0.75	
			and	101.00	106.00	4.00	4.00		475

Helikon and Marble Hill

The majority of the Phase 3 drilling efforts during the quarter were focused on further delineating downdip and strike extents of the lithium-caeseium-tantalum ("LCT") type pegmatites exposed through historical workings at Helikon 1-5. Scout drilling was completed over Helikon 6 and 7 as well as Marble Hill.

A total of 7,730m of drilling was completed at Helikon 1-7 prospects, comprising 51 diamond drill holes (5,244m) and 31 RC drill holes (2,486m). A total of 14 diamond drill holes were drilled at Marble Hill for a total of 1,317m. Although several assays are outstanding from this phase of drilling, the following notable Li_2O and Ta_2O_5 intercepts were recorded from Helikon 1 and 4.

Project	Hole ID	Azi/Dip (°)		From (m)	To (m)	Length (m)	True Width (m)	Li_2O %	Ta_2O_5 ppm
HELIKON 1	HDH002	000/-90		8.24	24.42	16.18	15.1	0.97	652
	HDH003	180/-55		1.10	8.88	7.78	7.78	1.03	
			including	1.10	5.00	3.90	3.90		173
	HDH004	000/-60		5.63	8.39	2.76	2.76	2.66	367
	HDH005	180/-60		1.00	15.00	14.00	4.27	0.95	
			and	0.00	9.26	9.26	2.82		271
	HDH016	195/-60		49.05	56.15	7.10	7.10	1.06	
			and	66.57	73.32	6.75	6.75	1.02	
	HDH017	195/-60		37.01	43.08	6.07	6.07	2.30	
			and	49.36	52.36	3.00	3.00	1.06	
			and	25.90	36.27	10.37	10.37		490
	HRCH004	198/-60		10.00	15.00	5.00	5.00	0.71	
HELIKON 4	HDH014	000/-50		58.26	66.26	8.00	2.1	0.81	
			and	63.28	68.11	4.83	1.28		263
	HDH015	000/-70		33.63	34.65	1.02	1.02	2.52	7,730
			and	44.52	51.30	6.78	5.25	1.79	
			and	43.44	50.30	6.86	5.28		338

Airborne Radiometric Survey

The high resolution airborne geophysical survey (magnetics and radiometrics) was successfully completed early during the quarter and covered EPL 5439, EPL 5718 and the EPLs applied for to the north of EPL 5439. A structural interpretation was completed by structural consultants to determine signature of source rocks (granites) to delineate preferred structural regimes that would host pegmatite emplacement. A total of 25 high priority targets were defined, most of which are located within EPL 5439 and under surficial cover. Planning has commenced for follow up validation and requisite geochemical programs to further delineate follow up targets for drill testing and Mineral Resource Estimation and evaluation.

Mining Operations

Following the execution of the offtake agreement with Jiangxi Jinhui Lithium Co Ltd. ("Jinhui") dated November 6, 2017, as set out in further detail below, the Company completed site establishments works in preparation for first production from the sorting plant. Site establishment included:

- Established and secured the mine site including administration offices, ablutions, core shed and on-site laboratory as well as site preparation for the construction of the floatation plant
- Upgraded an 18km access road connecting the mine to the Otjimbingwe bypass road
- Installed water infrastructure, including three production bore holes, pumps, pipeline and storage tank
- Installed additional accommodation, offices and associated amenities
- Mobilized mining contractor, sorter plant and laboratory service providers
- Recruited and trained additional operational staff

The process for producing concentrate from the sorting plant includes:

- Mining and reclamation of historic run of mine stockpiles at a rate of approximately 3,000 tonnes per day
- Crushing and screening to produce sized material suitable for sorting
- Processing of screened material through XRT sorters and NIR sorter; the latter was commissioned in February 2018

The product produced is a circa 2% Li_2O coarse concentrate. The concentrate is trucked from the mine site to the Port of Walvis Bay, where it is stockpiled ahead of shipping. The Company made its first 30,321 tonne shipment of concentrate on April 24, 2018. As of the date of this MD&A, the Company had not declared the commencement of commercial production.

Production Statistics

	Units	Q1 2018	Grade
Total Material Reclaimed	Tonnes	284,305	
DSO Concentrate Produced	Tonnes	18,224	1.6-2.0%
Work in Progress Stockpile for Floatation Plant			
WIP - Crushed Fines Produced for floatation	Tonnes	92,517	0.9%
WIP - Sorted Fines Produced for floatation	Tonnes	50,082	0.7%

Listing on the TSX Venture Exchange

On February 22, 2018, Desert Lion Energy Corp. completed its "reverse take-over" transaction, pursuant to an amalgamation agreement dated October 12, 2017 with Camex. On closing of the business combination, Desert Lion became a listed company trading on the TSX Venture Exchange trading under the name of Desert Lion Energy Inc., trading symbol "DLI". Trading of the shares commenced on February 26, 2018. Refer to the management information circular filed on www.sedar.com on February 23, 2018.

Prior to the closing of the transaction, Camex consolidated its common shares on the basis of one post-consolidation common share for each 12.0258 existing common shares and changed its name to "Desert Lion Energy Inc." (the Consolidation").

The transaction was completed by way of a three-cornered amalgamation, pursuant to which 2590945 Ontario Inc., a wholly owned subsidiary of Camex, amalgamated with Desert Lion Energy Corp. to form a newly amalgamated company named Desert Lion Energy Corp.

Pursuant to the transaction, the Company acquired all of the outstanding common shares of Desert Lion Energy Corp. and issued to Desert Lion Energy Corp. shareholders one new share in exchange for each common share of Desert Lion Corp. held.

Upon completion of the transaction, including the conversion of the $9,830,197 Subscription Receipts (shown as "restricted cash" in the Consolidated Statement of Financial Position) as at December 31, 2017 and the Consolidation, the Company had 46,306,497 common shares issued and outstanding, with approximately 96.4% held by former Desert Lion shareholders and approximately 3.6% held by former Camex shareholders, on an undiluted basis. The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") entered among Desert Lion, Haywood Securities Inc. and Computershare Trust Company of Canada. Upon closing of the transaction, each Subscription Receipt automatically converted without any further consideration or action by the holder thereof into one Desert Lion Share and one-quarter of one common share purchase warrant of Desert Lion (each whole warrant, a "SR Warrant"). Each SR Warrant will be exercisable to acquire one Desert Lion Share at a price of $2.28 for a period ending December 13, 2019.

Acquisition of Additional EPLs

On March 13, 2018, the Company announced that it has entered definitive transfer agreements for the acquisition of Exclusive Prospecting License 5555 and 5718 (the "Proposed Transaction"), both located adjacent to its existing Exclusive Prospecting Licenses ("EPL") 5439, where the historic Rubicon and Helikon lithium mines are located. EPL 5718 covers an area of 200km^2 and is located immediately adjacent to and south of Desert Lion's existing EPL 5439 and is believed to contain areas prospective for the delineation of lithium-cesium-tantalum ("LCT") type pegmatites. EPL 5555 covers an area of 553km^2 and is located adjacent and immediately west of EPL 5439, and also is believed to contain multiple LCT type pegmatite occurrences and workings.

In separate Transfer Agreements, Desert Lion has agreed to pay an aggregate consideration of approximately $180,000 for each EPL 5555 and EPL 5718, of which $30,000 was paid in cash on execution of the respective Transfer Agreements. An additional cash payment of approximately $100,000 will be paid on closing of each transaction and Desert Lion will issue the respective vendors, in aggregate, a number of common shares of Desert Lion equal to $50,000 at a price per share equal to the closing price of Desert Lion's common shares on the TSX Venture Exchange on the day immediately prior to closing.

Both EPLs are largely underexplored with respect to LCT pegmatite mineralization. Abundant late stage pegmatites (including LCT types) intrude throughout the EPL area and are thought to have been emplaced during the end of phases of Pan African age granite intrusion. The proposed acquisition of these two EPLs represents an opportunity for the Company to increase its ground holding in this prospective part of the recognized Southern pegmatite zone/field in Namibia's Erongo region. Upon closing of the Proposed Transaction, the Company's ground holding in Namibia will cover a total of 1,054km^2.

Closing of the Proposed Transaction is subject to receipt of approval of the transfer of the EPLs to Desert Lion by the Namibian Ministry of Mines and Energy as well as any required regulatory approvals, including the TSX Venture Exchange.

Off-take Agreement

The Company and Jiangxi Jinhui Lithium Co Ltd. ("Jinhui"), a private arm's length Chinese corporation, signed an offtake agreement dated November 6, 2017, which was subsequently amended on February 13, 2018 (the "Jinhui Lithium Offtake Agreement"). The effective date of the Jinhui Lithium offtake agreement is November 16, 2017, being the date of receipt by the Company of a prepayment in the amount of US$4.5 million ($5,021,513) (the "Deposit").

The Jinhui Lithium Offtake Agreement provides for the sale by the Company to Jinhui of the material (as defined below) located in the stockpile at the Company's Rubicon lithium project in Namibia.

The material consists of the following: (i) up to a maximum of 120,000 tonnes of lepidolite minerals containing 1.7% to 1.99% lithium oxide (the "low-grade concentrate"); and (ii) all lepidolite concentrate produced by the Company from the lepidolite minerals contained in the stockpile located at the mine site, which contain not less than 2% lithium oxide. The purchase price for the materials is determined as of the first day of each month, for that month, calculated as a percentage of the previous 30 day moving average price of 99.5% lithium carbonate as published by Asian Metals. The percentage of the benchmark is determined by the average lithium oxide and tantalum content of the material.

The prepayment depletes throughout the term by an adjustment to the purchase price, using a depletion factor of US$40.00 per tonne. Payments of the purchase price are to be collateralized by the delivery by Jinhui to the Company of irrevocable and unconditional letters of credit drawable on a major international bank with no less than an A credit rating.

The term of the Jinhui Lithium Offtake Agreement began on November 16, 2017 and ends on the earlier of 60 months following such date and the date that is 15 business days after all product produced from the stockpiled materiall has been loaded on to the vessel nominated by Jinhui; and has been paid for by Jinhui.

On May 2, 2018, the Company announced it completed delivery of 30,321 tonnes of lithium concentrate within the timeframe of the contract. As a result, the prepayment is no longer refundable (as outlined in the Jinhui Off Take Agreement) and the remaining balance shall continue to amortize against future shipments. Jinhui has 60 days from the date of delivery of the first shipment (April 24, 2018) to notify Desert Lion that it elects to subscribe to common shares of the Company that after such subscription equals 15% of the issued shares;in consideration of this option is $13.0 million.

This option represents an embedded derivative. At the date of issue, the fair value of the embedded derivative was estimated at $798,000 using the Black-Scholes model with the following assumptions: risk free rate of return 1.05%, expected volatility 59%, life 0.52 years, and expected dividend yield of nil. As at March 31, 2018, the fair value of the embedded derivative was estimated at $768,000 using the Black-Scholes model with the following assumptions: risk free rate of return 1.09%, expected volatility 59%, life 0.23 years, and expected dividend yield of nil.

The offtake prepayment liability was initially recorded as $4,847,250, being the residual value after allocating the estimated fair value of the embedded derivative. The offtake prepayment liability is subsequently measured on an amortized cost basis using the effective interest method over the expected life. The effective interest rate was estimated to be approximately 21%. At March 31, 2018, the offtake prepayment liability of $5,285,455 was reclassified as unearned revenue as the deposit is no longer refundable. For the three months ended March 31, 2018, $263,943 was recorded as accretion expense and recorded to mine development asset within property, plant and equipment.

Private Placements

On February 22, 2018, on closing of the business combination with Camex, the Company issued an aggregate of 5,401,207 common shares for the multiple brokered private placements completed during December 2017 for total gross proceeds of $9,830,197. On December 13, 2017, the Company completed a subscription of an aggregate of 3,075,408 Subscription Receipts at a price of $1.82 per Subscription Receipt for gross proceeds of $5,597,243. On December 22, 2017, the Company completed a non-brokered private placement of 1,504,395 Subscription Receipts to raise gross proceeds of $2,737,999. On December 29, 2017, the Company completed a non-brokered private placement of 821,404 Subscription Receipts to raise gross proceeds of $1,494,955. Each Subscription Receipt was converted into one Desert Lion Share and one-quarter of one common share purchase warrant of Desert Lion (each whole warrant, a “SR Warrant”). Each SR Warrant is exercisable to acquire one Desert Lion share at a price of $2.28 for a period of 24 months following closing of the offering. A total of 307,294 compensation warrants with a value of $157,204 were granted with an exercise price of $1.82 and 76,821 compensation warrants with a value of $31,898 were granted with an exercise price of $2.28.

On February 23, 2018, as part of the transaction with Camex, the Company issued 1,647,658 common shares at a price of $1.67 for a value of $2,751,589.

On February 23, 2018, 250,000 options were exercised at $0.20 per common share.

On March 15, 2018, 656 warrants were exercised at $0.50.

On March 15, 2018, the Company announced completion of a debt settlement with certain creditors (the “Shares for Debt Settlement”) after being granted approval by the TSX Venture Exchange. Pursuant to the Shares for Debt Settlement, the Company has issued a total of 8,241 common shares of Desert Lion at a deemed price of $1.82 per share based on the market price of shares in satisfaction of an outstanding loan of $15,000. In addition, the Company has issued 65,935 common shares of Desert Lion at a deemed price of $1.82 per share to settle $490,000 of unpaid consulting fees owed to Emprise Capital Corp., a private company of which Scott Ackerman, the former President and CEO of the Camex, is a principal. The common shares issued pursuant to the Shares for Debt Settlement are subject to a four month and one day hold period expiring on July 16, 2018.

Subsequent Events

On May 11, 2018, the Company announced that its common shares commenced trading on the OTCQB in the United States, under the trading symbol “DSLEF”.

On May 16, 2018, the Company announced the completion of the capital cost estimate for the Phase 1 floatation plant by Tulela Processing Solutions. The total estimated cost for the Company’s Phase 1 floatation plant, capable of processing between 350,000 tonnes (t) – 400,000t of feed per year, is estimated to be approximately C$7.0MM (N$70.0MM). The Phase 1 floatation plant will be used to process the fines from the historic run of mines stockpiles at the Rubicon and Helikon mines as part of a three-phase execution plan: (i) Phase 1, the processing of the historic run of mine stockpiles at the Rubicon and Helikon mines; (ii) Phase 2, large scale mining and concentrate production from in situ material to produce a total of 250,000t – 300,000t per year of lithium concentrate; and (iii) Phase 3, 25,000t per year of lithium carbonate production in Walvis Bay, Namibia.

SELECTED QUARTERLY FINANCIAL INFORMATION

Three months ended	31-Mar-18	31-Dec-17	30-Sep-17	30-Jun-17
	$	$	$	$
Cash flow from operating activities	3,083,522	7,902,588	(2,140,767)	(2,151,797)
Loss for the period	5,404,185	3,671,441	2,438,081	2,860,601
Comprehensive loss for the period	5,791,411	3,833,816	2,340,484	2,850,658
Loss per share	0.13	0.10	0.07	0.09
Total assets	25,889,257	25,714,922	8,442,036	3,471,285

Three months ended	31-Mar-17	31-Dec-16	June 17, 2016 to Sep 30, 2016
	$	$	$
Cash flow from operating activities	(1,090,165)	(594,406)	(32,999)
Loss for the period	1,177,477	793,326	137,833
Comprehensive loss for the period	1,177,477	793,326	137,833
Loss per share	0.04	0.04	0.02
Total assets	5,596,421	2,663,876	202,001

For the three months ended March 31, 2018, the Company reported a loss of $5,404,185 or $0.13 per share. For the three ended March 31, 2017, the Company reported a loss of $1,177,477 or $0.04 per share. Losses in the three months ended March 31, 2018 were mainly a result of exploration and evaluation expenditures related to: the Phase 1 and 2 drilling programs on the Rubicon lithium property in the amount of $1,737,552; marketing and promotion fees of $811,733; and share based compensation of $844,253. The consulting and management fees were $275,466 and professional fees totalled $283,642. There was also a change in the fair value of the offtake option liability of $1,001,000 and transaction cost of $3,255,481 with the acquisition of Camex. Losses for the three months ended March 31, 2017 were mainly a result of exploration and evaluation expenditures in the amount of $777,888, consulting and management fees of $159,600, share based compensation of $149,100 and travel expenses of $45,256.

REVIEW OF FINANCIAL RESULTS

	Three months ended	
	March 31, 2017	March 31, 2017
Loss for the period	5,404,185	1,177,477
Comprehensive loss for the period	5,791,411	1,177,477
Loss per share	0.13	0.04
General and administrative expenses:		
General office expenses	57,438	26,894
Consulting and management fees	275,466	159,600
Shareholder communications and filing fees	63,117	-
Marketing and promotion	811,733	14,120
Professional fees	283,642	7,630
Travel expenses	49,240	45,256
	1,540,636	253,500
Exploration and evaluation expenditures:		
Camp & support	117,664	194,891
Consulting and technical	238,525	29,673
Drilling & assay	1,072,710	416,668
Environmental permitting	17,343	106,402
Preliminary economic assessment	10,517	-
Field office and administration	57,320	-
Resource report	60,686	3,967
Travel	162,787	26,287
	1,737,552	777,888
Non-cash:		
Share based compensation	844,253	149,100
Amortization expense	46,618	2,963
Change in fair value of option liability	(1,001,000)	-
Transaction cost	3,255,481	-
Gain on debt settlement	(370,000)	-
	2,775,352	152,063

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2018

EXPENSES

General and Administrative

General office expenses of $57,438 for the three months ended March 31, 2018, include rent and office related expenses. The Company shares office space with several other resource companies and pays its proportionate share of expenses. $26,894 of general and office expenses were spent in the three months ended March 31, 2017.

The Company recorded consulting and management fees of $275,466 during the three months ended March 31, 2018 compared to $159,600 in the same period in the prior year. Additional management resources were added in 2018 to manage the Phase 1 and 2 drilling programs, commencement of mining operations and public listing efforts.

Professional fees of $283,642 and travel expenses of $49,240 were incurred during the three months ended March 31, 2018 compared to $7,630 and $45,256 in the comparative period.

The Company recorded marketing and promotion expenses of $811,733 and $63,117 for shareholder communications and filing fees during the three months ended March 31, 2018 compared to $14,120 for marketing and promotion in the same period in the prior year. The increase in marketing expenses in 2018 was incurred to prepare for the public listing via reverse take-over, which closed in February 2018.

Exploration and Evaluation Expenditures

The Company recorded exploration and evaluation expenses of $1,737,552 during the three months ended March 31, 2018. The main expenses incurred were drilling and assaying of $1,072,710 and $17,343 for environmental permitting. $117,664 was incurred for camp and support costs while $238,525 was spent on consulting and technical work. $10,517 was spent on the preliminary economic assessment while $60,686 was incurred for the mineral resource estimate report. $57,320 was spent on the field office and administration. Travel related expenses for the project were $162,787. For the three months ended March 31, 2017, the Company recorded a total of $777,888 in exploration and evaluation expenditures. The main expenses incurred were drilling and assay of $416,668 while $106,402 was spent on environmental permitting. $194,891 was incurred for camp and support costs while $29,673 was spent on consulting and technical. $26,287 was spent on travel related expenses and $3,967 was spent on the resource report.

Non-Cash Items

For the three months ended March 31, 2018, 1,405,000 options were granted to directors, officers and consultants of the Company with an exercise price of $1.82 per common share. The options vest over three equal tranches. 652,700 options vested immediately, 652,700 options vest on August 26, 2018 and the final 652,700 options vest on February 26, 2019. The fair market value of the options was estimated to be $844,253 at March 31, 2018. For the three months ended March 31, 2017, 800,000 options were granted to officers and consultants of the Company which vested immediately and resulted in an expense of $149,100.

The Company recorded amortization expense of $46,618 during the three months ended March 31, 2018 on property, plant and equipment in Namibia. The Company recorded $2,963 amortization expense for the three months ended March 31, 2017.

The offtake option liability decreased $1,001,000 from its December 31, 2017 value of $1,769,000 to $768,000 at March 31, 2018. Refer to note 10 in the condensed interim consolidated financial statements for the three months ended March 31, 2018 and 2017.

The acquisition of Camex had a transaction cost of $3,255,481, which is the excess of purchase price over fair value of liabilities for the three months ended March 31, 2018. Refer to note 16 in the condensed interim consolidated financial statements for the three months ended March 31, 2018 and 2017.

For the three months ended March 31, 2018, the Company issued 65,935 common shares of Desert Lion at a deemed price of $1.82 per share to settle $490,000 of unpaid consulting fees owed to Emprise Capital Corp., a private company of which Scott Ackerman, the former President and CEO of the Camex, is a principal. This resulted in a gain on debt settlement of $370,000.

CASH FLOWS

The Company's cash flows for operating activities were $3,083,522 during the three months ended March 31, 2018. The Company received the cash from the December 2017 private placement financings tied to the amalgamation with Camex on February 22, 2018. Expenditures in the period were primarily related to marketing and promotion, consulting and management fees, drilling and assaying, and for consulting and technical work on Rubicon. Cash raised by financing activities for the three months ended March 31, 2018 was $50,328 for the exercise of some options and warrants. The Company's investing activities for the three months ended March 31, 2018 totaled $2,175,441. $2,176,549 was used in the development of the mine and the purchase of vehicles, computers, furniture and equipment at the camp.

The Company used cash of $1,090,165 in operating activities during the three months ended March 31, 2017. Expenditures in the period was primarily related to consulting and management fees, drilling and assaying, and for consulting and technical work on the Rubicon lithium project. Cash raised by financing activities in the three months ended March 31, 2017 of $3,417,619 relates to the private placements held on March 20 and March 28, 2017. The Company's investing activities of $70,699 was for the purchase of vehicles.

	For the three months ended	
($ Canadian)	March 31, 2018	March 31, 2017
Cash flows (used in) operating activities	$ 3,083,522	$ (1,090,165)
Cash flows (used in) financing activities	50,328	3,417,619
Cash flows (used in) investing activities	(2,175,441)	(70,699)
Effect of exchange rate changes on cash	(387,226)	(421)
Net change in cash	$ 571,183	$ 2,256,334

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2018, the Company has no producing properties in commercial production. The recovery of the amounts expended for resource properties is dependent on the ability of the Company to obtain necessary financing to complete the development of the Rubicon lithium project or other potential projects and attain future profitable production. The Company's financial success will depend on its ability to raise financing to construct potential projects. At present, the Company has no established sources of income and the success of its exploration and development programs will be contingent upon the Company's ability to raise sufficient equity financing on terms favourable to the Company. The Company does not expect to generate any internal cash flows to help finance the development costs.

As at March 31, 2018, the Company had working capital surplus of $2,497,907 and $7,124,850 in cash compared to a working capital deficit of $1,627,192 and $6,553,667 of cash as at December 31, 2017. The Company's primary cash flow needs are for development of its mining and exploration activities, administrative expenses and working capital. The Company will maintain its excess working capital in a combination of Canadian and U.S. dollars, which will only be converted to Namibian Dollars as required.

RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation:

		Three months ended March 31, 2018		Three months ended March 31, 2017
Directors & officers' compensation	$	167,499	$	77,499
Share-based payments		811,181		41,934
	$	978,680	$	119,433

During the three months ended March 31, 2018, the Company paid or accrued $978,680 of management compensation relating to officers and directors of the Company and $119,433 for the three months ended March 31, 2017.

All of the related party transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed by the related parties.

COMMITMENTS AND CONTINGENCIES

Management Commitments

The Company is party to certain management contracts. These contracts require payments of approximately $1,675,000 to the officers of the Company upon the occurrence of a change in control of the Company, as such term is defined in each officers' respective consulting agreement. The Company is also committed to payments upon termination of approximately $343,000 pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these condensed interim consolidated financial statements.

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Contractor Commitments

The Company engaged third party contractors for its sorting operations in Namibia. The estimated cost to terminate the agreements unilaterally before the terms expire is approximately $1.5 million.

Royalties

The Company's products are subject to a royalty rate on revenue of 2% payable to the Namibian government.

ACCOUNTING POLICIES

Accounting changes:

The Company will monitor the development of the relevant IFRS and change its accounting policies accordingly. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2019 or later periods. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 16, Leases ("IFRS 16") was issued in January 2016. It replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. IFRS 16 is effective from January 1, 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 Revenue from Contracts.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

New accounting standards

During 2018 and 2017, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These include IAS 7 and IAS 12. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments were effective for annual periods beginning on or after January 1, 2018.

IFRS 9, Financial Instruments ("IFRS 9") was issued July 2014 and introduced new requirements for financial assets. This standard addresses; classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. A new general hedge accounting standard, which aligns hedge accounting more closely with risk management also forms part of IFRS 9. The mandatory effective date is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. The amendments were effective for annual periods beginning on or after January 1, 2018.

IFRS 15 - Effective January 1, 2017, the Company elected to early adopt IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), issued in May 2014. The standard outlines a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers. It supersedes current revenue recognition guidance including IAS 18 Revenues, IAS 11 Construction Contracts and related interpretations. IFRS 15 specifies how and when the entity should recognize revenue and additional disclosure requirements

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

Estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements for the three months ended March 31, 2018 are as follows:

Significant judgments in applying accounting policies

The areas which require management to make significant judgments in applying the Company's accounting policies in determining carrying values include, but are not limited to:

(i) Impairment of exploration and evaluation properties

While assessing whether any indications of impairment exist for exploration and evaluation properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation properties. Internal sources of information include the manner in which exploration and evaluation properties are being used or are expected to be used and indications of expected economic performance of the assets.

(ii) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

(iii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Significant accounting estimates and assumptions

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Mineral reserve estimates

The figures for mineral reserves and mineral resources are determined in accordance with NI 43-101, issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

Disclosure Controls and Procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, is made known to the Chief Executive Officer and the Chief Financial Officer by others within those entities.

The Chief Executive Officer and Chief Financial Officer have certified that they have designed disclosure controls and procedures (or caused them to be designed under their supervision) and they are operating effectively to provide reasonable assurance that material information relating to the issuer is made known to them as of March 31, 2018.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Risk Factors

Investing in the Company involves risks that should be carefully considered. The business of the Company is speculative due to the high-risk nature of Lithium mining and exploration in Namibia. Investors should be aware that there are various risks, that could have a material adverse effect on, among other things, title to the projects, permitting, the operating results, earnings, business and condition (financial or otherwise) of the Company.

Exploration and Mining Risks

The Company is engaged in mineral exploration and development activities. Mineral exploration and development involves a high degree of risk and few properties, which are explored and ultimately developed into producing mines.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of the Company's exploration programs, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labour disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation.

The Company may become subject to liability for pollution, cave-ins or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position. The Company relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

Financing Risks

The Company is limited in both financial resources, and sources of operating cash flow and has no assurance that additional funding will be available to us for further exploration and development of our projects or to fulfill our obligations under any applicable agreements. There can be no assurance that we will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of our projects with the possible loss of such properties.

Regulatory Requirements

Even if the Company's mineral properties are proven to host economic reserves of mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits. The Company may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect our business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company has currently decided not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

No Assurance of Titles

It is possible that any of our properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

Permits and Licenses

The Company's exploration and development activities require licenses, permits and approvals from various governmental authorities and are subject to extensive federal, departmental and local laws and regulations. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. The Company will be required to obtain additional licenses and permits from various governmental authorities to continue and expand its exploration and development activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to carry out exploration, development and mining operations at our projects will be granted.

Competition

The mineral industry is intensely competitive in all its phases. We compete with many companies possessing greater financial resources and technical facilities than the Company, for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Company may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing our investment capital.

Environmental Regulations

Our operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving 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 officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

Stage of Development

The Company is in the business of exploring for, with the ultimate goal of producing, mineral resources from our mineral exploration properties. None of our properties have commenced commercial production and we have no history, earnings or cash flows from our operations. As a result of the foregoing, there can be no assurance that we will be able to develop any of our properties profitably or that our activities will generate positive cash flow. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of our management in all aspects of the development and implementation of our business activities.

Markets for Securities

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

Reliance on Key Individuals

Our success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Geopolitical risks

All of the Company's operations are in Namibia, and as a result, the operations of the Company may be exposed to various levels of political, economic and other risks and uncertainties associated with operating in Namibia, including approval of acquisitions by local authorities, regulation of the mining industry and licenses of the Company, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits and licenses, opposition to mining from environmental and other non-governmental organizations, expropriation of property, nullification of existing or future concessions and contracts, ownership of assets, war, terrorism, political boundary disputes, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company cannot be predicted. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and profitability of the Company.

Current Global Financial Conditions

Financial markets have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Government debt and deficits are at an all-time high. Access to financing has been negatively impacted by liquidity crises and the state of government finances throughout the world. If these increased levels of volatility and market turmoil continue, the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Litigation

Legal proceedings may arise from time to time in the course of the Company's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort and the resolution of any particular legal proceeding, to which the Company or one or more of its subsidiaries may become subject could have a material effect on the Company's financial position and results of operations.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Outstanding Share Data

As at the date of this MD&A, the Company has:

a) 47,180,437 common shares outstanding;
b) 4,368,793 stock options outstanding with expiry dates ranging from October 25, 2021 to February 26, 2023 with exercise prices ranging from CAD$0.20 to CAD$1.82. If exercised, 4,368,793 shares would be issued for proceeds of CAD$3,513,997; and
c) 8,712,424 warrants outstanding, see note 12 in the condensed interim consolidated financial statements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Desert Lion certain information contained herein constitutes forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; the Rubicon lithium project, the future price of Lithium minerals; the Company's ability to new assets; the Company's investment in Desert Lion Energy (Pty) Ltd., timing and possible outcome of pending litigation and regulatory matters; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as ''plans'', ''expects'' or ''does not expect'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''intends'', ''anticipates'' or ''does not anticipate'', or ''believes'', or variations of such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', ''might'' or ''will be taken'', ''occur'' or ''be achieved''. Forward-looking information is based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Desert Lion to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during construction, expansion and start-up; variations in mineral grade and recovery rates; delay or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of Lithium; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.