

AFR NuVenture Resources Inc.

(formerly African Metals Corporation)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements (the "Financial Statements") for AFR NuVenture Resources Inc. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards consistently applied ("IFRS"). These financial statements have been prepared on a historical cost basis with the exception of financial instruments classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

NOTICE OF NO AUDITOR REVIEW OF REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

AFR NuVenture Resources Inc.

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Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

As at	February 28 2022 \$	May 31 2021 \$
ASSETS		
Current		
Cash and cash equivalents	1,214,154	1,390,197
Other receivables	55,154	40,086
Prepaid expenses	2,202	-
	1,271,510	1,430,283
Non-current		
Exploration and evaluation assets (note 4)	500	
Reclamation bond (note 3)	31,606	31,606
Total assets	1,303,616	1,461,889
LIABILITIES		
Current		
Trade and other payables	76,353	149,159
Total current liabilities	76,353	149,159
SHAREHOLDERS' EQUITY		
Common shares, proceeds to be received, reserves and other comprehensive income (note 5)	32,150,836	31,863,346
Deficit	(30,923,573)	(30,550,616)
Total shareholders' equity	1,227,263	1,312,730
Total liabilities and shareholders' equity	1,303,616	1,461,889

Nature of operations and going concern (note 1)

Approved on behalf of the board:

(signed) "David Mason"
Director

(signed) "John O'Donnell"
Director

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

AFR NuVenture Resources Inc.

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Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	For the three months ended		For the nine months ended	
	February 28	February 28	February 28	February 28
	2022	2021	2022	2021
	\$	\$	\$	\$
Expenses				
Exploration and project evaluation (note 4)	220	-	7,549	7,329
General and administrative (note 7)	96,766	152,829	242,056	323,771
Share based compensation	-	-	120,240	-
Foreign exchange loss	-	106,423	3,112	146,735
Net loss and comprehensive loss for the period	96,986	259,252	372,957	477,835
Loss per share – basic and fully diluted	0.01	0.02	0.02	0.03
Weighted average shares outstanding – basic and fully diluted	18,038,681	14,038,682	18,038,681	14,038,682

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AFR NuVenture Resources Inc.

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Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

For the nine months ended February 28	2022	2021
	\$	\$
Operating activities		
Net loss for the period	(372,957)	(441,857)
Items not affecting cash		
Share based compensation	120,024	-
Net change in non-cash working capital balances related to operating activities:		
Other receivables	(15,068)	46,192
Prepaid expenses	(2,102)	-
Trade and other payables	(72,806)	(46,921)
Cash used in operating activities	(342,793)	(442,586)
Investing activities		
Additions to exploration and evaluation assets	(500)	-
Cash used in investing activities	(500)	-
Financing activities		
Issuance of common shares for cash, net of issuance expenses	167,250	-
Cash provided from financing activities	167,250	-
Net increase (decrease) in cash	(176,250)	(442,586)
Cash and cash equivalents, beginning of the period	1,390,197	1,842,910
Cash and cash equivalents, end of the period	1,214,154	1,400,324

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AFR NuVenture Resources Inc.

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Condensed Consolidated Interim Statements of Equity

(Expressed in Canadian dollars)

	Share Capital		Proceeds to be received	Reserves	Sub-total	Deficit	Total
	#	\$	\$	\$	\$	\$	\$
Balance, May 31, 2020	14,038,681	31,732,846	-	4,350,647	36,083,493	(34,294,761)	1,788,732
Net loss for the period	-	-	-	-	-	(441,857)	(441,857)
Balance, February 28, 2021	14,038,681	31,732,846	-	4,350,647	36,083,493	(34,736,618)	1,346,875
Private placement	4,000,000	300,000	-	-	300,000	-	300,000
Share issuance costs	-	(2,250)	-	-	(2,250)	-	(2,250)
Private placement proceeds to be received	-	-	(167,250)	-	(167,250)	-	(167,250)
Reserves transferred to deficit (note 5)	-	-	-	(4,350,647)	(4,350,647)	4,350,647	-
Net loss for the period	-	-	-	-	-	(164,645)	(164,645)
Balance, May 31, 2021	18,038,681	32,030,596	(167,250)	-	31,863,346	(30,550,616)	1,312,730
Private placement proceeds received	-	-	167,250	-	167,250	-	167,250
Share based compensation	-	-	-	120,240	120,240	-	120,240
Net loss for the period	-	-	-	-	-	(372,957)	(372,957)
Balance, February 28, 2022	18,038,681	32,030,596	-	120,240	32,150,836	(30,923,573)	1,227,263

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AFR NuVenture Resources Inc.

(formerly African Metals Corporation)

Notes to the Condensed Consolidated Interim Financial Statements

February 28, 2022

(Expressed in Canadian dollars)

1. Nature of operations, basis of presentation and going concern uncertainty

AFR NuVenture Resources Inc. (formerly African Metals Corporation) (“AFR” or the “Company”), an exploration stage company, was incorporated on May 12, 1980, in British Columbia. On November 23, 2021, the Company changed its name to AFR NuVenture Resources Inc. Its current principal business activity is the exploration and evaluation of mineral assets.

On April 26, 2019, the Company entered into an agreement whereby the Company may acquire a 51% interest in the Silver Bell - St. Lawrence Gold Project, in the Virginia City Mining District of Montana, USA (the “Project”) and on March 8, 2022, the Company entered into an agreement whereby the Company may acquire up to a 100% interest in the Edge group of properties located in southwestern New Brunswick, Canada (Note 4).

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company has presented the Financial Statements for the three and nine month periods ended February 28, 2022, and the comparative figures for the three and nine month periods ended November 30, 2021. The Financial Statements have been prepared by management and approved by the Board of Directors on April 25, 2022.

These Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. African Metals is at an early stage of development and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. As at February 28, 2022, the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. As at February 28, 2022, AFR had a working capital surplus of \$1,195,157 (a working capital surplus of \$1,281,124 as at May 31, 2021), and has incurred losses since inception resulting in an accumulated operating deficit of \$30,923,573. The Company’s ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurance that the Company will be successful in this regard, and therefore, there is substantial doubt regarding the Company’s ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These Financial Statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption were not appropriate for these Financial Statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary. 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.

2. Significant accounting policies

These Financial Statements have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The Financial Statements do not include all financial risk management information and disclosures as required in the audited annual financial statements. The Financial Statements should be read in conjunction with the audited annual financial statements for the year ended May 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods of computation remain the same as presented in the audited annual financial statements for the year ended May 31, 2021.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. The interim results for the three and nine month periods ended February 28, 2022, may not be indicative of the results for the year ending May 31, 2022.

AFR NuVenture Resources Inc.

(formerly African Metals Corporation)

Notes to the Condensed Consolidated Interim Financial Statements

February 28, 2022

(Expressed in Canadian dollars)

3. Reclamation bond

In connection with the Company's Silver Bell – St. Lawrence Gold Project, the Company posted a reclamation bond during the year ended May 31, 2020 with the State of Montana's Department of Environmental Quality in the amount of US\$25,000.

4. Exploration and evaluation assets

Silver Bell – St. Lawrence Gold Project

On April 26, 2019, the Company entered into an agreement with a related party whereby the Company may acquire a 51% interest in the Silver Bell - St. Lawrence Gold Project, in the Virginia City Mining District of Montana, USA (the "Project"). Under the agreement, the Company may earn a 51% interest in the Project by making annual US\$10,000 option payments (waived for 2020 and deferred by agreement for 2021) and spending US\$1,000,000 in exploration expenditures within four years with a minimum of \$200,000 in expenditures during the first two years.

Edge Properties

On March 8, 2022, the Company entered into an agreement with Edge Exploration Inc. ("Edge"), whereby the Company may acquire up to a 100% interest in a group of exploration properties located in southwest New Brunswick (the "Edge Properties"). Under the agreement, the Company may earn a 50% interest by paying Edge \$264,000, issue 300,000 common shares and expend \$1,800,000 in exploration expenditures by March 8, 2025. The Company can earn an additional 25% (total 75% interest, by issuing to Edge 2,000,000 common shares and expending an additional \$4,000,000 in exploration expenditures by March 8, 2027. The Company can earn an additional 25% (total 100% interest, by issuing to Edge 2,000,000 common shares and expending additional expenditures required to produce a feasibility study.

A summary of exploration and evaluation expenditures is as follows:

	For the nine months ended February 28 2022	Cumulative to November 30 2021
	\$	\$
Assays	-	13,454
Drilling	-	187,497
Geology and field operations	-	86,951
Reporting	-	36,968
Other	7,549	11,876
	7,549	336,736

Based on the expenditures up to the year ended May 31, 2021, the Company has met the minimum of US\$200,000 required with respect to the Silver Bell-St. Lawrence Gold Project. During this time period, the Company spent US\$242,382.

5. Shareholders' equity

The authorized share capital of the Company is unlimited shares without par value.

AFR NuVenture Resources Inc.

(formerly African Metals Corporation)

Notes to the Condensed Consolidated Interim Financial Statements

February 28, 2022

(Expressed in Canadian dollars)

Share capital

Share capital comprises the following:

	Number of shares	Amount \$
Balance, May 31, 2020	14,038,681	31,732,846
Private placement	4,000,000	300,000
Share issuance costs	-	(2,250)
Balance, May 31, 2021 and February 28, 2022	18,038,681	32,030,596

On May 18, 2021, the Company closed a private placement financing for gross proceeds of \$300,000. The financing consisted of the issuance of 4,000,000 common shares at \$0.075 per share. Of the gross proceeds \$167,250 was received on June 2, 2021.

Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's share capital issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares.

Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted by TSX Venture Exchange Policy) or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. All options granted under the Plan will become vested in full upon grant, except options granted to consultants performing investor relations activities, which options are subject to vesting restrictions such that one-quarter of the options shall vest every three months subsequent to the date of the grant of the options.

The following summary sets out the activity in the Plan:

	Options #	Weighted average exercise price \$
Outstanding and exercisable, May 31, 2020	650,000	0.05
Expired	(650,000)	0.05
Outstanding May 31, 2021	-	-
Granted	1,800,000	0.09
Outstanding, February 28, 2022	1,800,000	0.09

On September 1, 2021, the Company granted 1,800,000 stock options at an exercise price of \$0.09 exercisable for a period of 5 years. The options vested immediately. The fair value of the options was estimated to be \$120,240 using the Black-Scholes option pricing model with the following weighted average assumptions share price - \$0.09, dividend yield - 0%; expected volatility - 100%; risk-free interest rate - 0.94%; and an expected life - 5 years.

Reserves for stock options were transferred to deficit upon expiry of the stock options.

AFR NuVenture Resources Inc.

(formerly African Metals Corporation)

Notes to the Condensed Consolidated Interim Financial Statements

February 28, 2022

(Expressed in Canadian dollars)

6. Related party transactions

Compensation of key management and directors

Key management compensation expense includes the Chief Executive Officer, the Chief Financial Officer, and directors. Compensation for the nine months ended February 28, 2022 was \$188,000 (February 28, 2021 - \$176,000). Balances owing at February 28, 2022 were \$23,500 (May 31, 2021 - \$15,170) and are included in accounts payable.

7. General and administrative expenses

For the nine months ended February 28	2022	2021
	\$	\$
Consulting, management and directors' fees	188,000	176,000
Professional fees (legal & audit)	29,986	83,102
Shareholder communications, advertising and promotion	20,351	25,399
Rent	18,895	19,800
Other	(15,176)	(16,508)
	242,056	287,793

8. Capital management

The mineral properties of the Company are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the issuance of share and debt instruments. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods of these financial statements. The Company is not subject to any externally imposed capital requirements.

9. Financial instrument risk management

a) Fair value of financial instruments

The carrying value of cash, trade and other payables and due to related party approximates fair value due to the short-term nature of these financial instruments.

As of February 28, 2022, except for cash, none of the Company's financial instruments are recorded at fair value in the statements of financial position. Cash is classified as level 1 fair value.

b) Risk management

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

AFR NuVenture Resources Inc.

(formerly African Metals Corporation)

Notes to the Condensed Consolidated Interim Financial Statements

February 28, 2022

(Expressed in Canadian dollars)

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash and short-term investments. As at February 28, 2022, the Company has \$1,214,154 in cash and current liabilities of \$76,353. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Foreign currency risk

The Company's functional currency is the Canadian Dollar. There were minimal operational expenses and expenditures incurred by the Company in US Dollars. The assets and liabilities of the Company are recorded in Canadian Dollars.

The following summarizes the Canadian dollar amount of assets and liabilities denominated in other currencies

	\$
Cash	1,095,860

Based on the foreign currency exposure noted above, a 10% change in the exchange rate against the Canadian dollar would result in an increase/decrease of \$109,500 in net income.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Interest rate risk

Aside from cash and cash equivalents, the Company has no interest-bearing assets or debts. The Company excess cash balance earns interest in the accounts holding cash. The Company reviews its interest rate exposure periodically, considering potential renewals of existing positions and alternative financial investments. The Company is not exposed to significant interest rate risk.

Price Risk

The Company has no operating revenue, as a result the market price of the commodities it is exploring for does not have a material effect on the financial results of the Company.

Title and rights

The Company has investigated title to all of its exploration properties and, to the best of its knowledge, title to all of its properties, and properties that it has the right to acquire or earn an interest in are in good standing; however, the Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties.

COVID-19

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The

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Notes to the Condensed Consolidated Interim Financial Statements

February 28, 2022

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Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested that its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, along with restrictions on access which may be imposed by Aboriginal/First Nations communities associated with the Company's properties in response to COVID-19, could impact, the Company's ability to access its exploration properties and conduct its exploration programs and business in a timely manner. The Company is evaluating the best way to move its exploration and other business activities forward during this pandemic and when the emergency measures are lifted.

10. Contingencies

On May 31, 2020, the Company abandoned its inactive subsidiaries KMR and LME. There were no assets or liabilities associated with these companies and as such, the gain on the abandonment of KMR and LME was \$1,198,348 which represented the accumulated other comprehensive income reclassified to profit and loss. KMR and LME were legally dissolved on June 1, 2020. Should the DRC government and other vendors attempt to claim past dues, there is a risk the Company would be liable for these funds. The Company believes that the risk is remote.

11. Subsequent events

On March 8, 2022, the Company entered into an agreement with Edge Exploration Inc. ("Edge"), whereby the Company may acquire up to a 100% interest in a group of exploration properties located in southwest New Brunswick (the "Edge Properties"). Under the agreement, the Company may earn a 50% interest by paying Edge \$264,000, issue 300,000 common shares and expend \$1,800,000 in exploration expenditures by March 8, 2025. The Company can earn an additional 25% (total 75% interest, by issuing to Edge 2,000,000 common shares and expending an additional \$4,000,000 in exploration expenditures by March 8, 2027. The Company can earn an additional 25% (total 100% interest, by issuing to Edge 2,000,000 common shares and expending additional expenditures required to produce a feasibility study.