

AFR NuVenture Resources Inc.
Formerly African Metals Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended May 31, 2022
(Expressed in Canadian Dollars)

**AFR NuVenture Resources Inc.
(formerly African Metals Corporation)
Management's Discussion and Analysis**

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of AFR NuVenture Resources Inc. (formerly African Metals Corporation) ("AFR" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion dated September 28, 2022 should be read in conjunction with the Company's the audited annual financial statements for the years ended May 31, 2022 and 2021, together with the notes thereto. Results are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company trades on the TSX Venture Exchange under the symbol "AFR". Further information about the Company and its operations can be obtained from the offices of the Company or from the Company's filings on www.sedar.com.

This MD&A contains "forward-looking information" (within the meaning of applicable Canadian securities laws) and "forward-looking statements" (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995). Such statements or information are identified with words such as "anticipate", "believe", "expect", "plan", "intend", "potential", "estimate", "propose", "project", "outlook", "foresee" or similar words suggesting future outcomes or statements regarding an outlook. Such statements include, among others, those concerning, the Company's exploration and expenditure plans. Such forward-looking information or statements are based on a number of risks, uncertainties and assumptions which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. Assumptions have been made regarding, among other things, management's expectations regarding its ability to initiate and complete future exploration work as expected and acquire and finance other projects. Actual results could differ materially due to a number of factors, including, without limitation, operational risks in the completion of the Company's future exploration work, technical, safety or regulatory issues, social and market conditions related to the COVID-19 global pandemic as more fully discussed below; and the potentially worldwide geopolitical and economic uncertainties resulting from the current widely followed crisis in Ukraine. Although the Company believes that the expectations reflected in the forward-looking information or statements are reasonable, prospective investors in the Company's securities should not place undue reliance on forward-looking statements because the Company can provide no assurance that such expectations will prove to be correct. Forward-looking information and statements contained in this MD&A are as of the date of this MD&A and the Company assumes no obligation to update or revise this forward-looking information and statements except as required by law.

DESCRIPTION OF BUSINESS

AFR NuVenture Resources Inc. (formerly African Metals Corporation) was incorporated on May 12, 1980 in British Columbia, Canada and is focused on the acquisition, exploration and development of mineral resources. On November 23, 2021, the Company changed its name to AFR NuVenture Resources Inc. The Company's initial project was the Silver Bell - St. Lawrence Gold Project, in the Virginia City Mining District of Montana, U.S.A. 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. The Company continues to look for other major projects and businesses to acquire with a view to enhancing shareholder value.

MINERAL PROPERTIES

On April 26, 2019, the Company announced that it has entered into an agreement whereby the Company may acquire a majority interest in the Silver Bell - St. Lawrence Gold Project, in the Virginia City Mining District of Montana, U.S.A. from Frederick Private Equity Corporation, which in turn acquired its interest from Peloton Minerals Corporation. Under the Agreement, the Company may initially earn a 51% interest in the Project by making annual US\$10,000 option payments and spending US\$1,000,000 in exploration expenditures within four years with a minimum of \$200,000 in expenditures during the first year. The

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Project comprises a 390-acre claim package located about 4 miles southwest of Virginia City in Madison County, Montana, and about 50 miles southeast of Butte, Montana. There is also an area of interest around the Project.

The Project hosts two past producing gold-silver mines, the Silver Bell Mine on the west and the St. Lawrence Mine on the east. Both mines operated in the early 1900s and the St. Lawrence was reactivated and operated in the early 1980s. Historical production records are incomplete but available information suggests that historical production at the St. Lawrence was approximately 0.22 ounces per ton (“opt”) gold and 3.8 opt silver. Smelter receipts for small shipments from the St. Lawrence indicate that some ore with much higher grades was shipped. For example, a smelter receipt from October 30, 1964 states that 8.027 tons were received grading 0.76 opt gold and 20.0 opt silver. Historical production at the Silver Bell averaged approximately 0.2 opt gold and 15.1 opt silver. The shafts for each of the former mines are located 3,600 feet apart and the exploration hypothesis is that the two mines shared mineralized systems that may in part be contiguous. Surface mapping and geophysical surveying by the Company support this initial hypothesis and indicate an offset extension of the vein system farther east along strike from the St. Lawrence mine.

A 2,112-foot core drilling program was conducted in late 2019 on this property. A total of 12 holes were drilled in addition to surface sampling of veins, wall rocks and dumps. The 2019 drilling tested the gold vein system in and around the St. Lawrence mine.

On January 4, 2022, the Company completed a geophysical program at the Silver Bell-St. Lawrence project. The program included magnetic and resistivity/induced polarization (IP) surveys. The purpose of the program is to attempt to identify and define additional sulfide-bearing veins or other mineralization and establish drill targets. We have delivered the data received from Big Sky Geophysics to our independent geophysical consultant for analysis and recommendations. Further interpretive work is being completed to ascertain potential drill targets.

Based on the expenditures up to the year ended May 31, 2021, the Company has met the minimum of US\$200,000 required pursuant to its option agreement with respect to the Silver Bell-St. Lawrence gold project. During this time period, the Company spent US\$294,000.

Effective February 23, 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. An initial diamond drill program has been completed on the Utopia property. Assays were received on September 28, 2022 with no significant results. The Company is expecting to commence an auger drilling program on the Mactaquac property imminently.

A summary of exploration and evaluation expenditures is as follows:

	Balance May 31 2020	For the year ended May 31 2021	Balance May 31 2021	For the year ended May 31 2022	Balance May 31 2022
	\$	\$	\$	\$	\$
Silver Bell					
Assays	13,454	-	13,454	-	13,454
Drilling	187,497	-	187,497	-	187,497
Geophysics	-	-	-	69,002	69,002

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Geology and field operations	86,951	-	86,951	-	86,951
Reporting	-	36,968	36,968	-	36,968
Other	5,664	-	5,664	-	5,664
	293,566	36,968	330,534	69,002	399,536
Edge					
Drilling	-	-	-	45,136	45,136
Geology and field operations	-	-	-	70,700	70,700
Other	-	-	-	1,681	1,681
	-	-	-	117,517	117,517
Total	-	-	-	186,519	517,053

SELECTED ANNUAL INFORMATION

Year ended May 31	2022	2021	2020
	\$	\$	\$
Net income (loss) for the year	(657,964)	(606,502)	660,381
Cash flow used in operating activities	598,659	583,213	931,112
Cash flow from (used in) investing activities	(11,588)	-	-
Cash flow from (used in) financing activities	167,250	130,500	-
Total assets ⁽¹⁾	1,071,348	1,461,889	1,972,195
Loss per share (basic and diluted)	0.04	0.04	0.05

(1) As at May 31

SUMMARY OF QUARTERLY RESULTS

For the eight most recent quarters:

	May 31 2022	February 28 2022	November 30 2021	August 31 2021
	\$	\$	\$	\$
Net income (loss) for the period	(286,124)	(96,986)	(211,487)	(63,367)
Net income (loss) per share (basic and diluted)	(0.02)	(0.01)	(0.01)	(0.00)
	May 31 2021	February 28 2021	November 30 2020	August 31 2020
	\$	\$	\$	\$
Net income (loss) for the period	(146,656)	(259,252)	(73,599)	(126,995)
Net income (loss) per share (basic and diluted)	(0.00)	(0.02)	(0.01)	(0.01)

RESULTS OF OPERATIONS

The Company's net loss for the year ended May 31, 2022, 2022 was \$687,964 or \$0.04 per share (net loss of \$606,502 or \$0.04 per share for the year ended May 31, 2021). Net loss for the period results from general and administration expenditures of \$367,493, exploration and project evaluation \$186,519, share based compensation \$120,240 and foreign exchange gain of \$16,288.

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General and administrative expenses of \$367,493 for the year ended May 31, 2022 (\$455,922 for the year ended May 31, 2021) included costs associated with the promotion, financing and regulatory compliance activities of the Company, and the Company's overhead, as noted below.

For the years ended May 31	2022	2021
	\$	\$
Consulting, management and directors' fees	258,500	223,000
Professional fees (legal & audit)	51,935	167,101
Shareholder communications, advertising and promotion	32,130	30,521
Rent	25,134	24,500
Insurance	990	10,800
Write off of trade and other payables	(1,196)	-
	367,493	455,922

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2022 and September 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 May 31, 2022, the Company had a working capital surplus of \$899,062 (a working capital surplus of \$1,281,124 as at May 31, 2021), and has an accumulated operating deficit of \$31,208,580. During the year ended May 31, 2021, the Company completed a financing for gross proceeds of \$300,000. 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 assurances 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. If the going concern assumption is not appropriate, 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.

FINANCIAL INSTRUMENTS

The carrying amount of financial instruments approximates fair value. The Company's financial assets include cash, cash equivalents, and accounts receivable. The Company does not consider these assets to be subject to credit risk or interest rate risk.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

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

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 year ended May 31, 2022 was \$258,500 (May 31, 2021 - \$223,000). Balances owing at May 31, 2022 were \$23,962 (May 31, 2021 - \$19,000) and are included in accounts payable.

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SHAREHOLDERS' EQUITY

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

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 May 31, 2022 and September 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. Although the Company is permitted to grant stock options with an exercise price of the discounted market price, the Company does not generally grant stock options with an exercise price less than the market price without discount.

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, May 31, 2022 and September 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

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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.

Fully diluted share capital

As of May 31, 2022 and September 28, 2022, the Company had 18,038,681 and 1,800,000 common share stock options outstanding. The number of common shares outstanding, on a fully-diluted basis is 19,838,681.

SUBSEQUENT EVENTS

There are no subsequent events.

TRENDS, RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration, and potential development of resource properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Nature of Resource Exploration

Resource exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even if resources are discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves of targeted minerals, or of discoveries or development of commercial operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to applicable environmental regulations. 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. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, and which have been caused by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability.

Permits, Laws and Regulations

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of resource properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in resource operations may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Additional Funding Requirements

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As discussed, the Company's projects to date have been in exploration stage only. The Company has no source of operating cash flow and will need to raise additional funds to undertake projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms, if at all. The development of exploration properties by the Company would depend on the ability of the Company to obtain financing through debt financing, equity financing, or other means. If exploration programs undertaken by the Company are successful, additional funds will be required to develop projects. The only source of future funds presently available to the Company is the sale of equity capital. 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 on 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 on satisfactory terms. If additional financing is raised by the issuance of shares from the treasury of the Corporation, control of the Company may change, and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce its scope, eliminate one or more exploration related activity, or relinquish rights to interests it may hold. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations.

Prices for Commodities

The profitability of the Company's operations will be dependent upon the market price of commodities. Energy prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, and political developments. The price of commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition, and result of operations.

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.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on such parties in the future. Substantial expenditures are required to develop exploration infrastructure at a remote site, to establish reserves through sampling and drilling, and to carry out environmental and social impact assessments. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a materially adverse effect on the Company.

Conflicts of Interest

A number 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. Further, certain of the directors and officers are involved in other enterprises involved in resource exploration. As a result, conflicts of interest may arise, and officers and directors cannot devote 100% of their time to the Company.

Internal Controls

The Company has invested resources to document and analyze its system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. A control system, no matter how well designed and operated,

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can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

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

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

APPROVAL

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

DATED: September 28, 2022

ON BEHALF OF THE BOARD OF DIRECTORS OF AFR CORPORATION

"John F. O'Donnell"

John F. O'Donnell
President and CEO, Director