

AFR NuVenture Resources Inc.
CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended February 28, 2025
and February 29, 2024
(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 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.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at	February 28 2025 \$	May 31 2024 \$
ASSETS		
Current		
Cash	26,001	55,478
Other receivables	9,242	23,256
Prepaid expenses	504	15,677
Total assets	35,747	94,411
LIABILITIES		
Current		
Trade and other payables	245,172	67,924
Total current liabilities	245,172	67,924
SHAREHOLDERS' EQUITY		
Common shares and reserves (note 4)	32,196,634	32,150,836
Deficit	(32,406,059)	(32,124,349)
Total shareholders' equity	(209,425)	26,487
Total liabilities and shareholders' equity	35,747	94,411

Nature of operations, basis of presentation 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.

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 29	February 28	February 29
	2025	2024	2025	2024
	\$	\$	\$	\$
Expenses				
General and administrative (note 5 and 6)	97,517	96,112	281,712	275,033
Net loss and comprehensive loss for the period	97,517	96,112	281,712	275,033
Loss per share – basic and fully diluted	0.00	0.01	0.01	0.02
Weighted average shares outstanding basic and fully diluted	22,038,681	18,038,681	19,357,362	18,038,681

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

AFR NuVenture Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

For the nine months ended February 28	2025	2024
	\$	\$
Operating activities		
Net loss for the period	(281,712)	(275,033)
Net change in non-cash working capital balances related to operating activities:		
Other receivables	14,014	(3,148)
Prepaid expenses	15,173	8,576
Trade and other payables	177,248	(13,557)
Cash used in operating activities	(75,277)	(283,162)
Financing activities		
	50,000	-
Share issue expenses	(4,200)	-
Cash used in financing activities	(45,800)	-
Net decrease in cash	(29,477)	(283,162)
Cash, beginning of the period	55,478	440,596
Cash, end of the period	26,001	157,434

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

AFR NuVenture Resources Inc.

Condensed Consolidated Interim Statements of Shareholders' Equity

(Expressed in Canadian dollars)

	Share Capital		Reserves	Sub-total	Deficit	Total
	#	\$	\$	\$	\$	
Balance, May 31, 2023	18,038,681	32,030,596	120,240	32,150,836	(31,749,648)	401,188
Net loss for the period	-	-	-	-	(275,033)	(275,033)
Balance, February 29, 2024	18,038,681	32,030,596	120,240	32,150,836	(32,022,681)	128,155
Net loss for the period	-	-	-	-	(101,668)	(101,668)
Balance, May 31, 2024	18,038,681	32,030,596	120,240	32,150,836	(32,124,349)	26,487
Issuance of common shares	5,000,000	50,000	-	50,000	-	50,000
Share issue expense	-	(4,200)	-	(4,200)	-	(4,200)
Net loss for the period	-	-	-	-	(281,712)	(281,712)
Balance, February 28, 2025	23,038,681	32,076,396	120,240	32,196,636	(32,406,061)	(209,425)

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

AFR NuVenture Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

February 28, 2025

(Expressed in Canadian dollars)

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

AFR NuVenture Resources Inc. (“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 1, 2025 the Company executed the definitive agreement for the option of the Massey Nickel/Copper project, situated in Timmins, Ontario

On January 9, 2024, the Company announced the acquisition of a Mineral Exploration License called Mary Ann’s Lake, situated in Richmond County, Nova Scotia on Cape Breton Island.

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, 2025, and the comparative figures for the three and nine-month periods ended February 29, 2024. The Financial Statements have been prepared by management and approved by the Board of Directors on April 29, 2025.

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. AFR 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, 2025, 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, 2025, AFR had a working capital deficit of \$209,425 (a working capital surplus of \$26,487 as at May 31, 2024), and has incurred losses since inception resulting in an accumulated operating deficit of \$32,406,059. 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 its cash obligations for at least the next 12 months.

2. Material 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, 2024, 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, 2024.

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, 2025, may not be indicative of the results for the year ending May 31, 2025.

AFR NuVenture Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

February 28, 2025

(Expressed in Canadian dollars)

3. Exploration and evaluation assets

Massey Project

On April 1, 2025, the Company executed the definitive agreement to option a 100% interest in the Massey Nickel/Copper Project, consisting of 94 claims covering approximately 2,000 hectares. The terms of the option agreement are as follows:

In order to earn a 100% interest in the Property, the Company is required to:

- a) pay a total cash consideration of \$325,000 as follows:
 - i. \$40,000 upon the date of execution of the Definitive Agreement (paid)
 - ii. \$60,000 on the first anniversary date of the Definitive Agreement
 - iii. \$75,000 on the second anniversary date of the Definitive Agreement
 - iv. \$150,000 on the third anniversary date of the Definitive Agreement

- b) Issue a total of 9,500,000 common shares of the Company (the "Consideration Shares") as follows:
 - i. 1,000,000 upon the date of execution of the Definitive Agreement (issued)
 - ii. 2,000,000 on the first anniversary date of the Definitive Agreement
 - iii. 3,000,000 on the second anniversary date of the Definitive Agreement
 - iv. 3,500,000 on the third anniversary date of the Definitive Agreement

- c) grant a 2.0% net smelter returns royalty ("NSR") on the Property with an option for AFR to re-purchase 50% of the NSR at any time at a price of \$1,000,000.

Mary Ann's Lake

On January 9, 2024, the Company announced the acquisition of a Mineral Exploration License called Mary Ann's Lake, consisting of 14 claims situated in Richmond County, Nova Scotia on Cape Breton Island. This property was transferred to the Company by a director and related party, for no additional consideration. . . The property has subsequently been expanded in size. The Company has been granted two separate Mineral Exploration Licences through its director and Qualified Person (QP), Doug Hunter, to exercise the right to search and prospect for all minerals saving and excepting coal, uranium and geothermal resources to extract minerals for test purposes and to apply for a mineral lease for all or part of the area held under the exploration licence, for a period not exceeding 24 months from the dates hereof, within that area of ground situated in Richmond County, Nova Scotia, described as Mary Ann's Lake near the historic Stirling (Mindamar) Mine in Cape Breton Island, Nova Scotia. The property comprising 20 claims, each claim being 16 ha for a total area of 320 ha (790 acres), captured a blind mineralized zone that had been discovered more than 30 years ago during a drilling program by a prior claim holder. This altered mineralized zone intersected by two short drill holes is up to 80 meters in width and contains very anomalously high silver assays for the local area, with associated copper and lead. The geologic setting is remarkably similar to that of the former operating Stirling Mine.

Silver Bell – St. Lawrence Gold Project

On April 26, 2019, the Company entered into an agreement with a related party (who is a director and officer of the Company) 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"). On February 17, 2025, by mutual consent, the option agreement was terminated.

4. Shareholders' equity

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

AFR NuVenture Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian dollars)

Share capital

Share capital comprises the following:

	Number of shares	Amount \$
Balance, May 31, 2023, May 31, 2024	18,038,681	32,030,596
Issuance of common shares	5,000,000	50,000
Share issuance expenses	-	(4,200)
Balance, February 28, 2025	23,038,681	32,076,396

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, 2023, May 31, 2024 and February 28, 2025	1,800,000	0.09

All outstanding stock options expire on August 31, 2026 if not previously exercised.

5. Related party transactions

Compensation of key management and directors

Key management includes the Chief Executive Officer, the Chief Financial Officer, and directors.

Compensation to key management for the nine months ended February 28, 2025 was \$211,500 (February 29, 2024 - \$211,500). A total of \$190,375 was owing as at February 28, 2025 (May 31, 2024 - \$nil).

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Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian dollars)

6. General and administrative expenses

For the nine months ended February 28/29	2024 \$	2024 \$
Consulting, management and directors' fees (note 5)	211,500	211,500
Professional fees (legal & audit)	22,425	23,424
Shareholder communications, advertising and promotion	8,597	9,465
Rent	20,388	18,939
Insurance	10,881	11,119
Other	576	585
	281,712	275,033

7. Financial instrument risk management

a) Fair value of financial instruments

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

As of February 28, 2025, 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's maximum exposure to credit risk is the carrying amount of cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

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, 2025, the Company has \$26,001 in cash and current liabilities of \$245,172. 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 no significant transactions incurred by the Company in foreign currencies.

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

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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.

8. Segmented Information

The Company operates in one reportable segment, being the exploration and evaluation of mineral assets in North America.

9. Subsequent events

On April 1, 2025, the Company completed a non-brokered private placement of securities of the Company, consisting of 1,171,430 common shares of the Company at a price of \$0.035 per share for aggregate gross proceeds of \$41,000.

On April 1, 2025, the Company executed the definitive agreement to option a 100% interest in the Massey Nickel/Copper Project, with the initial payment of \$40,000 and the issuance of 1,000,000 common shares.