

# **EXPLOITS DISCOVERY CORP. (formerly MARINER RESOURCES CORP.)**

Interim Financial Statements

For the three and nine months ended July 31, 2020 and 2019

Expressed in Canadian Dollars

To the shareholders of Exploits Discovery Corp:

The condensed interim financial statements of Exploits Discovery Corp. (the "Company") for the three and nine months ended July 31, 2020 and 2019 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

EXPLOITS DISCOVERY CORP.  
Interim Statements of Financial Position  
Expressed in Canadian Dollars

(unaudited)

As at	July 31 2020	October 31 2019
<b>Assets</b>		
Current		
Cash	\$ 285,492	\$ 219,889
Goods and services tax receivable	9,608	1,896
	<u>295,100</u>	221,785
Exploration and evaluation property (note 3)	<u>680,782</u>	88,079
<b>Total assets</b>	<u>\$ 975,882</u>	<u>\$ 309,864</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 15,672	\$ 52,450
<b>Shareholders' equity</b>		
Share capital (note 4)	1,231,215	402,779
Option and warrant reserve	15,400	15,400
Deficit	<u>(286,405)</u>	<u>(160,765)</u>
	<u>960,210</u>	257,414
<b>Total liabilities and shareholders' equity</b>	<u>\$ 975,882</u>	<u>\$ 309,864</u>

Going Concern (note 1)

Approved by the Board of Directors

Director (signed by) "John Williamson"

Director (signed by) "Justin Bourassa"

*The accompanying notes form an integral part of these financial statements*

EXPLOITS DISCOVERY CORP.  
Interim Statements of Loss and Comprehensive Loss  
Expressed in Canadian Dollars

(unaudited)

For the	three months ended July 31		nine months ended July 31	
	2020	2019	2020	2019
<b>Expenses</b>				
Management fees	\$ 11,000	\$ 2,000	\$ 23,000	\$ 2,000
Office and administration	10,326	3,336	16,806	3,797
Regulatory and filing fees	8,355	1,398	16,555	2,499
Professional fees	11,065	2,916	28,565	17,482
Investor relations	13,154	7,360	14,934	7,360
Initial listing expense	-	51,460	-	89,085
Property evaluation expenses	27,500	-	27,500	-
	<b>(81,400)</b>	<b>(68,470)</b>	<b>(127,360)</b>	<b>(122,223)</b>
<b>Other</b>				
Interest income	504	742	1,718	759
<b>Comprehensive loss for the period</b>	<b>\$ (80,896)</b>	<b>\$ (67,728)</b>	<b>\$ (125,640)</b>	<b>\$ (121,464)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>
Basic and diluted weighted average number of common shares outstanding	<b>7,022,222</b>	<b>5,623,626</b>	<b>6,674,074</b>	<b>4,376,838</b>

The accompanying notes form an integral part of these financial statements

EXPLOITS DISCOVERY CORP.  
Interim Statement of Changes in Equity  
Expressed in Canadian Dollars

(unaudited)

	Share capital	Option and warrant reserve	Deficit	Total equity
<b>Balance at October 31, 2018</b>	<b>\$ 80,625</b>	<b>\$ -</b>	<b>\$ (27,733)</b>	<b>\$ 52,892</b>
Shares issued for cash (note 4)	412,500	-	-	412,500
Share issuance costs – cash	(78,461)	-	-	(78,461)
Net loss	-	-	(121,464)	(121,464)
<b>Balance at July 31, 2019</b>	<b>\$ 414,664</b>	<b>\$ -</b>	<b>\$ (149,197)</b>	<b>\$ (265,467)</b>
Share issuance costs – cash	3,515	-	-	3,515
Share issuance costs – non-cash (note 4)	(15,400)	15,400	-	-
Net loss	-	-	(11,568)	(11,568)
<b>Balance at October 31, 2019</b>	<b>\$ 402,779</b>	<b>\$ 15,400</b>	<b>\$ (160,765)</b>	<b>\$ 257,414</b>
Shares issued for cash (note 4)	600,000	-	-	600,000
Share issued for property	229,500	-	-	229,500
Share issuance costs –cash	(1,064)	-	-	(1,064)
Net loss	-	-	(125,640)	(125,640)
<b>Balance at July 31, 2020</b>	<b>\$ 1,231,215</b>	<b>\$ 15,400</b>	<b>\$ (286,405)</b>	<b>\$ 960,210</b>

*The accompanying notes form an integral part of these financial statements*

EXPLOITS DISCOVERY CORP.  
Interim Statement of Cash Flows  
Expressed in Canadian Dollars

(unaudited)

<b>For the nine months ended</b>	<b>July 31 2020</b>	<b>July 31 2019</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss	\$ (125,640)	(121,464)
Changes in non-cash working capital:		
Accounts receivable	-	4,550
Goods and services tax receivable	(7,712)	(5,165)
Accounts payable and accrued liabilities	(36,778)	12,693
Cash used in operating activities	<u>(170,130)</u>	<u>(109,386)</u>
<b>Investing activities</b>		
Exploration and evaluation exploration expenditures (note 3)	<u>(363,203)</u>	-
Cash used in investing activities	<u>(363,203)</u>	-
<b>Financing activities</b>		
Proceeds from private placement	600,000	412,500
Share issuance costs	(1,064)	(78,462)
Cash provided by financing activities	<u>598,936</u>	<u>334,038-</u>
<b>Net increase in cash</b>	<b>65,603</b>	<b>224,652</b>
Cash, beginning of period	<u>219,889</u>	<u>34,410</u>
<b>Cash, end of period</b>	<u><b>\$ 285,492</b></u>	<u>259,062</u>

During the period ended July 31, 2020, the Company received interest totaling \$504 (2019 – \$759) relating to operating activities.

The Company did not pay interest or dividends, nor did it receive any dividends, in the period ended July 31, 2020 or 2019.

*The accompanying notes form an integral part of these financial statements*

**1. Nature of operations and going concern**

Mariner Resources Corp. (“Mariner” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on May 28, 2018 as “1165847 B.C. Ltd.” The Company changed their name on May 29, 2018 to “Mariner Resources Corp.” The Company’s head office is at 250 Southridge, Suite 300, Edmonton, AB, T6H 4M9. The Company is focused on evaluating, acquiring, and exploring mineral properties with significant potential for advancement from discovery through to production, in Canada and abroad. On May 30, 2019, the common shares of the Company were listed on the Canadian Securities Exchange (the “Exchange” or “CSE”) and commenced trading on June 3, 2019 under the trading symbol “RNR”. On September 18, 2020, the Company changed its name to Exploits Discovery Corp. and began trading under the new symbol “NFLD”.

These condensed interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. As at July 31, 2020, the Company had working capital of \$279,428 and an accumulated deficit of \$286,705. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, and at the current stage of the Company’s development, the ability of the Company to continue as a going concern is dependent upon its ability to acquire additional means of financing. These material uncertainties related to certain adverse conditions and events that may cast significant doubt on the validity of this assumption.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses, and the classifications on the statement of financial position. Such adjustments may be material.

**2. Basis of presentation**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended October 31, 2019.

These financial statements were authorized for issue by the Audit Committee of the Company on September 29, 2020.

These financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s financial statements for the year ended October 31, 2019, unless otherwise stated.

### 3. Exploration and evaluation property

#### Silver Dollar Property

On August 14, 2018, the Company entered into an option agreement (the "Option Agreement") with Explorex Resources Inc. ("Explorex") whereby the Company was granted an option (the "Option") to acquire a 75% interest in 28 claims known as the Silver Dollar Property (the "Property"), located in the Revelstoke Mining District of British Columbia, subject to an existing 1.0% net smelter royalty held by Happy Creek Minerals Ltd, beginning upon commencement of commercial production on the Property. The Option Agreement was amended on January 21, 2019.

To exercise the Option, the Company made a cash payment of \$25,000, and additionally must:

- On or before the first anniversary of the Effective Date (June 3, 2020), incur exploration expenditures on the Property of not less than \$75,000 (completed);
- On or before the second anniversary of the Effective Date (June 3, 2021), incur additional exploration expenditures on the Property of not less than \$150,000, issue and deliver 100,000 common shares of the Company; and make a payment of \$50,000 in cash or common shares of the Company at management's discretion;
- On or before the third anniversary of the Effective Date (June 3, 2022), incur additional exploration expenditures on the Property of not less than \$350,000, issue and deliver an additional 300,000 common shares of the Company; and make an additional payment of \$100,000; and
- On or before the fourth anniversary of the Effective Date (June 3, 2023), incur additional exploration expenditures on the Property of not less than \$425,000, issue and deliver an additional 500,000 common shares of the Company; and make an additional payment of \$250,000 in cash.

All of the above payments, share issuances, and property expenditures may be accelerated at the Company's discretion. The per-share value of any common share issued as payment in lieu of cash will be equal to the five-day volume weighted average price of the common shares of the Company on the principal stock exchange on which the shares are then listed, subject to a minimum price of \$0.05 per share.

In the event that the Company exercises the Option by completing all of the above requirements and acquires a 75% interest in the Property, the Company and Explorex shall enter into a single purpose joint venture within 30 days for the purpose of proceeding with the continued exploration and, if warranted, development of the Property on a joint venture basis and the Company and Explorex will negotiate an agreement on the basis of the interest of the parties in the Property and the joint venture, which will be: the Company (75%) and Explorex (25%).

#### Middle Ridge Property

On July 8, 2020, the Company entered into an Option agreement with Crest Resources Inc. to acquire a 100% interest in the Middle Ridge Property by making a cash payment of \$240,000 and issuing 1,800,000 common shares of the Company (recorded at a fair value of \$229,500, or \$0.1275 per share). The Property is comprised of 558 mineral claims and is located in Central Newfoundland and is subject to a 2.0% Net Smelter Royalty ("NSR") of which the Company may purchase 1.0% for \$1,000,000 at any time.

Great Bend Property

On July 29, 2020, the Company staked 1,536 claims in central Newfoundland and Labrador for a total cost of \$105,000, which the Company collectively now refers to as the Great Bend Property.

Exploration and evaluation property expenditures

	Silver Dollar	Middle Ridge	Great Bend	Total
<b>Balance, October 31, 2019</b>	<b>\$ 88,079</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,069</b>
Acquisition payments	-	240,000	-	240,000
Acquisition share payments	-	229,500	-	229,500
Fieldwork	(2,488)	-	-	(2,488)
Geological consulting	20,691	-	-	20,691
Staking	-	-	105,000	105,000
<b>Balance, July 31, 2020</b>	<b>\$ 106,282</b>	<b>\$ 469,500</b>	<b>\$ 105,000</b>	<b>\$ 680,782</b>

**4. Share capital**

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
<b>Balance at October 31, 2020</b>	<b>6,500,000</b>	<b>\$ 402,779</b>
Shares issued for properties	1,800,000	229,500
Share issued in private placement	5,000,000	600,000
Share issuance costs (cash)		(1,064)
<b>Balance at July 31, 2020</b>	<b>13,500,000</b>	<b>\$ 1,231,215</b>

Escrowed Common Shares.

Upon closing of the IPO, 2,765,000 common shares of the Company outstanding at October 31, 2018 will be subject to an Escrow Agreement. Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the date the Company's common shares are listed for trading (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 1,569,000 common shares remained in escrow.

Private Placement

On July 27, 2020, the Company completed a non-brokered private placement of 5,000,000 common shares at \$0.12 per share to raise \$600,000 in gross proceeds. The proceeds from the private placement were used for the acquisition of the Middle Ridge property and general working capital purposes.

b) Warrants

A summary of the warrants outstanding and exercisable is as follows:

Exercise Price	Number of warrants	July 31, 2020 Remaining contractual life (years)	Exercise Price	Number of warrants	October 31, 2019 Remaining contractual life (years)
\$ 0.15	192,500	0.6	\$ -	-	-

5. **Financial instruments and risk management**

*Fair value of financial instruments*

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

The Company's cash and cash equivalents are classified as Level 1, whereas accounts receivable and prepayments, and accounts payable and accrued liabilities are classified as Level 2. As at July 31, 2020, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

*Financial instruments risk*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at July 31, 2020, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	<b>July 31 2020</b>	<b>October 31 2019</b>
Financial asset at amortized cost		
Cash	\$ 285,492	\$ 219,889
	<b>\$ 285,492</b>	<b>\$ 219,889</b>

Financial liabilities included in the statement of financial position are as follows:

	<b>July 31 2020</b>	<b>October 31 2019</b>
Non-derivative financial liabilities		
Accounts payable and accrued liabilities	\$ 15,672	\$ 52,450
	<b>\$ 15,672</b>	<b>\$ 52,450</b>

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

## 6. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

<b>For the nine months ended</b>	<b>July 31 2020</b>	<b>July 31 2019</b>
Management fees paid to key management and directors	\$ 23,000	\$ 2,000
Professional fees paid to a corporation controlled by key management	16,000	6,382
Investor relations paid to corporation controlled by key management	2,700	-
Rent fees paid to corporation controlled by key management	9,000	-
	<b>\$ 50,700</b>	<b>\$ 8,382</b>

## 7. Subsequent events

### Exploits Acquisition and Name Change

Subsequent to July 31, 2020, the Company completed its acquisition of a 100% interest in Exploits Gold Corp. by issuing an aggregate of 18,910,752 common shares to its shareholders via a share exchange agreement. Exploits Gold Corp. is a private company located in British Columbia, which holds numerous exploration and evaluation properties in central Newfoundland.

Effective September 18, 2020, the Company also changed its name to Exploits Discovery Corp. and began trading under the new symbol "NFLD".

### Property Acquisitions

Subsequent to July 31, 2020, the Company acquired several properties as follows:

The Company acquired a 100% interest in the True Grit and Middle Ridge Properties by issuing 7,000,000 common shares of the Company. The Properties are comprised of 614 and 1,024 mineral claims, respectively, and are located in Central Newfoundland. Certain mineral claims are subject to a 2.0% NSR.

The Company acquired a 100% interest in the Mount Peyton Property by issuing a cash payment of \$2,000 and issuing 500,000 common shares, and a further 2,500 common shares on the 6<sup>th</sup> through 20<sup>th</sup> anniversary of signing the agreement. The Property is comprised of 51 mineral claims and is located in Central Newfoundland.

The Company acquired a 100% interest in the Gazeebow Property by issuing a cash payment of \$7,000 and 600,000 common shares of the Company. The Property is comprised of 98 mineral claims located in Newfoundland. Certain mineral claims are subject to a 2.0% NSR.

EXPLOITS DISCOVERY CORP.

Notes to the Financial Statements

For the three and nine months ended July 31, 2020 and 2019

Expressed in Canadian Dollars

*(unaudited)*

---

The Company entered into an option agreement to earn 100% interest in the Dog Bay Property. To exercise the Option, the Company made a cash payment of \$30,000 and issued 1,000,000 common shares, and additionally must pay \$40,000 & issue 400,000 common shares on the first anniversary; and pay \$50,000 & issue 500,000 common shares on the second anniversary; and pay \$60,000 & issue 600,000 common shares on the third anniversary; and pay \$70,000 & issue 1,000,000 common shares on the fourth anniversary; and pay \$10,000 in cash or common shares for the fifth to tenth anniversary; and pay \$50,000 in cash or common shares for eleventh to twentieth anniversary. The property is subject to 2.0% NSR.

The Company acquired a 100% interest in 277 additional claims to consolidate the Great Bend Property by issuing 1,000,000 common shares and an obligation to issue another 1,000,000 common shares upon completion of a pre-feasibility study. The mineral claims are subject to a 2.0% NSR.

The Company acquired 100% interest in 1,426 claims to consolidate its land position surrounding the Great Bend, Mount. Peyton and True Grit Properties by issuing 1,083,300 common shares.

Private Placement

The Company completed the first tranche of a non-brokered private placement of 5,828,572 units at \$0.35 per share for gross proceeds of \$2,040,000. Each unit consisted of one common share and one-half of a common share purchase warrant of the Company. Each whole warrant is exercisable to acquire one additional common share at \$0.70 per share until September 25, 2022. The Company paid finder's fees of \$70,350 and issued 201,000 agents warrants to certain arm's length finders.