

EXPLOITS DISCOVERY CORP. (formerly MARINER RESOURCES CORP.)

Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended April 30, 2021 and 2020

Expressed in Canadian Dollars

Notice to Reader

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

The accompanying unaudited condensed interim consolidated 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 condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

EXPLOITS DISCOVERY CORP. (FORMERLY MARINER RESOURCES CORP.)
Consolidated Statements of Financial Position (unaudited)
Expressed in Canadian Dollars

| As at | April 30, 2021 | October 31, 2020 |
|--|----------------------|----------------------|
| | | Restated – Note 10 |
| Assets | | |
| Current assets | | |
| Cash | \$ 6,460,348 | \$ 2,964,363 |
| Receivables | 302,135 | 117,306 |
| Investment (Note 3) | 632,500 | 105,000 |
| Prepaid expenses | 276,366 | 180,830 |
| Total current assets | 7,671,349 | 3,367,499 |
| Mineral properties (Note 4) | 21,912,189 | 17,447,997 |
| Total assets | \$ 29,583,538 | \$ 20,815,496 |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 326,531 | \$ 672,776 |
| Flow through obligation (Note 5) | 189,343 | - |
| Total current liabilities | 515,874 | 672,776 |
| Shareholder's equity | | |
| Share capital (Note 5) | 32,486,703 | 16,968,055 |
| Obligation to issue shares | 600,000 | 4,134,000 |
| Option & warrant reserve (Note 5) | 2,470,788 | 1,855,074 |
| Deficit | (6,489,827) | (2,814,409) |
| Total equity | 29,067,664 | 20,142,720 |
| Total liabilities and equity | \$ 29,583,538 | \$ 20,815,496 |

Nature of operations and going concern (Note 1)
Subsequent events (Note 9)

The accompanying notes form an integral part of these financial statements

EXPLOITS DISCOVERY CORP.
Consolidated Statements of Loss and Comprehensive Loss (unaudited)
Expressed in Canadian Dollars

| For the three months ended | Three months ended April 30 | | Six months ended April 30 | |
|---|-----------------------------|--------------------|---------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | | Restated – Note 10 | | Restated – Note 10 |
| Expenses | | | | |
| Investor relations | \$ 698,985 | \$ 600 | \$ 1,316,903 | \$ 1,780 |
| Exploration & evaluation expenditures (Note 4) | 677,567 | 1,239 | 1,732,570 | 7,254 |
| Management fees | 114,381 | 6,000 | 241,693 | 12,000 |
| Office and administrative | 49,287 | 3,171 | 58,411 | 6,480 |
| Professional fees | 34,318 | 14,500 | 96,255 | 17,500 |
| Regulatory and filing fees | 11,679 | 5,542 | 51,262 | 8,200 |
| Stock-based compensation (Note 5) | 534,000 | - | 534,000 | - |
| | (2,120,216) | (31,052) | (4,031,093) | (53,214) |
| Other income (loss) | | | | |
| Fair value adjustment on investment (Note 3) | 222,500 | - | 352,500 | - |
| Interest income | - | 510 | 3,175 | 1,214 |
| Comprehensive loss | \$ (1,897,716) | \$ (30,542) | \$ (3,675,418) | \$ (52,000) |
| Basic and diluted loss per common share | \$ (0.03) | \$ (0.00) | \$ (0.06) | \$ (0.01) |
| Basic and diluted weighted average number of common shares outstanding | 68,341,401 | 6,500,000 | 64,030,884 | 6,500,000 |

The accompanying notes form an integral part of these financial statements

EXPLOITS DISCOVERY CORP.
Consolidated Statement of Changes in Equity (unaudited)
Expressed in Canadian Dollars

| | Shares outstanding | Share capital | Option and warrant reserve | Obligation to issue shares | Deficit | Total equity |
|---|-----------------------|----------------------|----------------------------------|----------------------------------|-----------------------|----------------------|
| Balance at October 31, 2019 (Restated – Note 13) | 6,500,000 | \$ 402,779 | \$ 15,400 | \$ - | \$ (223,844) | \$ 194,335 |
| Shares issued for cash | 15,134,050 | 4,130,831 | (10,724) | - | - | 4,120,107 |
| Share issued for mineral properties | 31,894,052 | 12,569,768 | 290,000 | - | - | 12,859,768 |
| Share issuance costs | - | (135,323) | 45,198 | - | - | (90,125) |
| Share-based compensation | - | - | 1,515,200 | - | - | 1,515,200 |
| Obligation to issue shares | - | - | - | 4,134,000 | - | 4,134,000 |
| Net loss | - | - | - | - | (2,590,565) | (2,590,565) |
| Balance at October 31, 2020 | 53,528,102 | \$ 16,968,055 | \$ 1,855,074 | \$ 4,134,000 | \$ (2,814,409) | \$ 20,142,720 |
| Units and shares issued for cash | 16,640,232 | 7,897,720 | (140) | - | - | 7,987,580 |
| Issuance costs | 111,111 | (377,263) | 81,854 | - | - | (295,409) |
| Share issued for mineral properties | 7,112,799 | 4,464,191 | - | - | - | 4,464,191 |
| Obligation to issue shares | 6,200,000 | 3,534,000 | - | (3,534,000) | - | - |
| Share-based compensation | - | - | 534,000 | - | - | 534,000 |
| Net loss | - | - | - | - | (3,675,418) | (3,675,418) |
| Balance at April 30, 2021 | 83,592,244 | \$ 32,486,703 | \$ 2,470,788 | \$ 600,000 | \$ (6,489,827) | \$ 29,067,664 |

The accompanying notes form an integral part of these financial statements

EXPLOITS DISCOVERY CORP.
Consolidated Statement of Cash Flows (unaudited)
Expressed in Canadian Dollars

| For the period ended | April 30, 2021 | April 30, 2020 |
|---|----------------|--------------------|
| | | Restated – Note 10 |
| Cash provided by (used in): | | |
| Operating activities | | |
| Net loss | \$ (3,675,418) | \$ (52,000) |
| Items not involving cash: | | |
| Fair value adjustment on investment | (352,500) | - |
| Share-based compensation | 534,000 | - |
| Changes in non-cash working capital: | | |
| Receivables | (184,829) | (3,849) |
| Prepaid expenses | (95,536) | - |
| Accounts payable and accrued liabilities | (346,246) | (31,158) |
| Net cash used in operating activities | (4,120,529) | (87,008) |
| Investing activities | | |
| Purchase of investments | (175,000) | - |
| Net cash used in investing activities | (175,000) | - |
| Financing activities | | |
| Proceeds from issuance of units | 8,008,923 | - |
| Issuance costs | (295,409) | - |
| Net cash provided by financing activities | 7,791,514 | - |
| Net cash increase for period | (3,495,983) | (87,008) |
| Cash at beginning of period | 2,964,363 | 219,889 |
| Cash at end of period | \$ 6,460,346 | \$ 132,881 |

The accompanying notes form an integral part of these financial statements

1. Nature of operations and going concern

Exploits Discovery Corp. (“Exploits” or the “Company”) (formerly Mariner Resources Corp.) was incorporated under the Business Corporations Act (British Columbia) on May 28, 2018. The Company changed its name on September 18, 2020, when it began trading under the symbol ‘NFLD’ (note 4). The Company’s head office is at 595 Howe St, Suite 1100, Vancouver, BC, V6C 2T5. The Company is focused on evaluating, acquiring, and exploring mineral properties. The Company’s common shares trade on the Canadian Securities Exchange (the “Exchange” or “CSE”) and commenced trading on June 3, 2019.

The condensed consolidated 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. 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.

Since November 1, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of presentation

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting* and do not include all of the information required for full annual financial statements using International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These Condensed consolidated interim financial statements should be read in conjunction with the Company’s most recent annual audited financial statements for the year ended October 31, 2020 and the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual audited consolidated financial statements for the year ended October 31, 2020.

These financial statements were authorized for issue by the Audit Committee on June 28, 2021.

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.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries; Exploits Gold Corp. and 1255919 BC Ltd (“1255919”). Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. All inter-company transactions and balances are eliminated.

3. Investment

Pursuant to the Company's acquisition of Exploits Gold, the Company acquired 500,000 common shares of Volatus Capital Corp ("Volatus") with a fair value of \$180,000 in September 2020. Volatus is traded on the CSE under the symbol "VC" and is related by way of a common director.

As at April 30, 2021, the common shares of Volatus had a value of \$52,500 and the Company recorded a fair value adjustment of (\$52,500) on its investment for the six month period ended April 30, 2021.

In November 2020, the Company acquired 250,000 shares of C2C Gold Corp ("C2C") (formerly Taku Resources) for \$25,000. C2C is traded on the CSE under the symbol "CTOC". As at April 30, 2021 the common shares of C2C had a value of \$55,000 and the Company recorded a fair value adjustment of \$30,000 on its investment for the six month period ended April 30, 2021.

In December 2020, the Company acquired 1,500,000 shares of Opawica Explorations ("Opawica") for \$150,000. Opawica is traded on the CSE under the symbol "OPW". As at April 30, 2021 the common shares of Opawica had a value of \$525,000 and the Company recorded a fair value adjustment of \$375,000 on its investment for the six month period ended April 30, 2021.

4. Mineral properties

Silver Dollar Property

In August 2018, the Company entered into an option agreement whereby the Company was granted an option (the "Option") to acquire a 75% interest in the Silver Dollar Property ("Silver Dollar"), located in the Revelstoke Mining District of British Columbia, subject to an existing 1% net smelter royalty ("NSR"). The Option Agreement was amended in January 2019.

To exercise the Option, the Company made a cash payment of \$25,000, and additionally must incur a cumulative \$1,000,000 in exploration expenditures on Silver Dollar (\$75,000 completed), issue and deliver cumulative of 900,000 common shares of the Company and make cash payments of \$400,000 in stages through June 2023.

In November 2020, the Company terminated this option agreement and paid \$66,894 as consideration for the termination. As a result of the termination, the Company wrote down its interest in the Silver Dollar property and recorded an impairment of \$43,203 for the year ended October 31, 2020.

Middle Ridge Property

In July 2020, the Company entered into a property purchase and sale agreement 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 value of \$306,000). The property is subject to a 2% NSR which the Company can repurchase half (1%) for \$1,000,000.

In July 2020, the Company acquired a 100% interest in additional mineral claims, expanding its Middle Ridge property and True Grit property, by issuing 6,850,000 common shares (with a fair value of \$2,534,500), allocated on the basis of land size, being \$1,596,735 to Middle Ridge Property and \$937,765 to True Grit Property.

Great Bend Property

In July 2020, the Company staked certain 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.

In August 2020, the Company acquired a 100% interest in additional mineral claims, expanding the Great Bend property, by issuing 1,000,000 common shares (with a fair value of \$600,000). The Company will issue additional

1,000,000 common shares upon completion of a pre-feasibility study (with a fair value of \$600,000). As of October 31, 2020, 1,000,000 common shares are recorded as obligation to issue shares. These mineral claims are subject to a 2% NSR which the Company can repurchase half (1%) for \$1,000,000.

In August 2020, the Company acquired a 100% interest in additional mineral claims, expanding its Great Bend Property, by issuing 103,316 common shares (with a value of \$61,990).

True Grit Property

In July 2020, the Company acquired a 100% interest in the True Grit property by issuing 150,000 common shares (with a fair value of \$55,500) and payment of \$14,000 to settle an underlying agreement. Certain mineral claims are subject to a 2% NSR of which half (1%) can be repurchased by the Company for \$1,000,000.

In July 2020, the Company acquired a 100% interest in additional mineral claims, expanding its Middle Ridge property and True Grit property, by issuing 6,850,000 common shares (of \$2,534,500), allocated on the basis of land size, being \$1,596,735 to Middle Ridge Property and \$937,765 to True Grit Property.

In August 2020, the Company acquired a 100% interest in additional mineral claims, expanding its True Grit Property, by issuing 281,081 common shares of the Company (recorded at a value of \$168,648).

Mount Peyton Property

In August 2020, the Company acquired a 100% interest in the Mt. Peyton property by issuing a cash payment of \$2,000 and issuing 500,000 common shares (with a fair value of \$185,000). In addition, the Company must issue a further 5,000 common shares on the 6th through 20th anniversary of signing the agreement. Certain claims are subject to a 2% NSR which the Company can repurchase half (1%) for \$750,000.

In August 2020, the Company acquired a 100% interest in additional mineral claims, expanding its Mt. Peyton property, by issuing 504,426 common shares of the Company (with a fair value of \$302,655).

In September 2020, the Company expanded its Mt. Peyton property with additional claims through its acquisition of Exploits Gold Corp. (Note 4) of which \$5,067,745 is allocated to the Mt. Peyton property.

Gazebow Property

In August 2020, the Company acquired a 100% interest in the Gazebow property by issuing a cash payment of \$7,000 and issuing 600,000 common shares (with a fair value of \$360,000). These mineral claims are subject to a 2.0% NSR which the Company can repurchase half (1%) for \$1,000,000.

Dog Bay Property

In August 2020, the Company entered into an option agreement to acquire a 100% interest in the Dog Bay property by making a cash payment of \$30,000 and issuing 1,000,000 common (with a fair value of \$600,000). In addition, the Company must issue further payments as follows:

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- \$40,000 cash and 400,000 common shares on the 1st anniversary; and
- \$50,000 cash and 500,000 common shares on the 2nd anniversary; and
- \$60,000 cash and 600,000 common shares on the 3rd anniversary; and
- \$70,000 cash and 1,000,000 common shares on the 4th anniversary; and
- \$10,000 in cash or common shares on the 5th to 10th anniversary; and
- \$50,000 in cash or common shares on the 11th to 20th anniversary.

Fulfillment of the payments up to the 4th anniversary will complete the option and result in the Company acquiring ownership of the property. Payments on or after the 5th anniversary will be in lieu of advance royalty payments. In addition, payments on or after the 5th anniversary may be made in cash or common shares at the discretion of the Company, where the value of any common shares issued will be at the 30 day volume weighted average price. The property is subject to a 2% NSR which the Company can purchase half (1%) for \$4,000,000; the Company also has a right of first refusal on any sale or transfer of the NSR.

In August 2020, the Company acquired a 100% interest in additional mineral claims, expanding its Dog Bay property, by issuing 194,477 common shares (with a fair value of \$116,686).

In October 2020, the Company acquired all of the issued and outstanding shares of 1255919 for 6,200,000 shares of the Company. The only asset of 1255919 was a 100% interest in certain claims that have been allocated to the Dog Bay property. The acquisition was closed with the consideration valued at \$3,534,000, which was recorded as obligation to issue shares. In November 2020, 6,200,000 shares were issued. 1255919 had no other assets or liabilities and the full amount of the consideration has been allocated to the Dog Bay property acquired.

In March 2021 the Company acquired a 100% interest in additional claims in the 'Hicks-Dog Bay' area, issuing 550,000 shares of the Company (with a fair value of \$264,000). These claims are subject to a 2% NSR to one of the underlying vendors, of which 1.0% may be bought back for \$1 million.

Jonathan's Pond Property

In September 2020, the Company acquired Jonathan's Pond property, comprising of 127 claims, through its acquisition of Exploits Gold Corp. of which \$2,533,873 is allocated to the Jonathan's Pond property. In December 2020, the company acquired an additional comprising of 45 mineral claims (11.25 square kilometers) surrounding the core of its 100-per-cent-owned Jonathan's Pond (JP) gold project located in the Exploits subzone gold belt, Newfoundland and Labrador. As consideration the Company issued 6,562,799 common shares to New Found Gold and a 2% NSR.

Exploits Discovery/Crest Resources Staking Syndicate

On June 3, 2021 Exploits Discovery Corp. entered into a 50/50 staking syndicate agreement with Crest Resources Inc. whereby Crest provided the Geological Intellectual Property for the staking thesis, and Exploits funded the staking expenses of \$412,815. The syndicate acquired through staking, 4 properties all within the Exploits subzone gold belt of Newfoundland. Under the staking syndicate agreement Exploits will receive the first 1.2 times cost return on investment and further benefit will be divided on a 50/50 per-cent basis.

Other

In October 2020, the Company entered into a royalty and geological consulting services agreement with GoldSpot Discoveries, whereby GoldSpot Discoveries received a 0.5% NSR on all of the Company's Newfoundland Claims with an option to acquire a further 0.5% NSR for a one-time cash payment of \$1,000,000.

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Expressed in Canadian Dollars

Exploration and evaluation property acquisition costs

| Property | Dog Bay | Gazeebow | Great Bend | Jonathon's Pond | Middle Ridge | Mt. Peyton | Silver Dollar | True Grit | Total |
|------------------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------|---------------------|---------------------|
| Balance, October 31, 2019 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,000- | \$ - | \$ 25,000 |
| Acquisition cost – cash | 30,000 | 7,000 | - | - | 240,000 | 2,000 | - | 14,000 | 293,000 |
| Acquisition Share Payments | 4,250,686 | 360,000 | 1,261,990 | 2,533,873 | 1,902,735 | 5,555,400 | - | 1,161,913 | 17,026,597 |
| Staking | 23,400 | - | 105,000 | - | - | - | 18,203 | - | 146,603 |
| Impairment | - | - | - | - | - | - | (43,203) | - | (43,203) |
| Balance, October 31, 2020 | \$ 4,304,086 | \$ 367,000 | \$ 1,366,990 | \$ 2,533,873 | \$ 2,142,735 | \$ 5,557,400 | \$ - | \$ 1,175,913 | \$17,447,997 |
| Acquisition costs – share payments | 264,000 | - | - | 4,200,191 | - | - | - | - | 4,464,191 |
| Balance, April 30, 2021 | \$ 4,568,086 | \$ 367,000 | \$1,366,990 | \$6,734,064 | \$2,142,735 | \$5,557,400 | \$- | \$ 1,175,913 | \$21,912,188 |

Mineral property expenditures

| Six Months Ended: | April 30, 2021 | April 30, 2020 |
|---------------------------------------|-----------------------|-----------------------|
| Airborne surveys | \$668,404 | \$ - |
| Fieldwork and consumables | 50,170 | (2,488) |
| Geological consulting | 572,789 | 9,742 |
| Geophysics | 202,508 | - |
| Rentals | 81,090 | - |
| Sampling | 63,856 | - |
| Termination of Silver Dollar Property | 66,894 | - |
| Travel | 28,796 | - |
| Wages | 69,980 | - |
| Recovery | (71,917) | - |
| Total | \$ 1,732,570 | \$ 7,254 |

5. 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.

During the year ended October 31, 2020, the Company:

- Completed a private placement of 5,000,000 common shares at \$0.12 per share for gross proceeds of \$600,000. The Company incurred share issuance costs of \$1,064 in connection with this financing.
- Completed a private placement of 10,000,000 units at \$0.35 per unit for gross proceeds of \$3,500,000. Each unit consisted of one common share and one warrant entitling the holder to acquire one additional common share at an exercise price of \$0.70 for 1 year. The Company paid share issuance costs of \$89,061 and issued 230,400 agents' warrants with an exercise price of \$0.70 and an expiry of 12 months. The fair value of the agents' warrants was \$45,198 using the following Black Scholes assumptions: expected life of 1 year, expected volatility of 100%, interest of 0.23% and a dividend yield of 0%.
- Issued 134,050 common shares pursuant to the exercise of warrants for cash proceeds of \$20,107. A total of \$30,831 was reallocated from reserves to share capital in connection with the exercise of these warrants.
- Issuance of 18,910,752 common shares with a value of \$7,278,789 as consideration for the acquisition of Exploits Gold (Note 4).
- Issuance of 12,983,300 common shares with a value of \$5,290,979 pursuant to various mineral property acquisition agreements (Note 6).
- As of October 31, 2020, the acquisition with 1255919 was closed with the consideration valued at \$3,534,000, which was recorded as obligation to issue shares (Note 6).
- As of October 31, 2020, the Company recorded an obligation to issues shares with a value of \$600,000 pertaining to the acquisition of the Great Bend Property.

During the six months ended April 30, 2021, the Company:

- Entered into agreement with New Found Gold to acquire additional claims in the Jonathon's Pond property and as consideration the Company issued 6,562,799 common shares to New Found Gold (valued at \$4,200,191) and a 2% NSR.
- Issued 1,750 shares for proceeds of \$263 pursuant to the exercise of agents' warrants.
- Completed a private placement by issuing 3,704,911 units at \$0.45 and 4,733,490 flow-through units at \$0.49 for a total of \$3,986,620. Each unit (flow through and non-flow through) has a full warrant exercisable at \$0.67 for a period of two years. The Company incurred cash issuance costs of \$172,409, 111,111 units valued at \$50,000 and issued 406,984 agent's warrants with an exercise price of \$0.67 and a term of two years in connection with this financing. The fair value of the agents' warrants was \$81,854 using the following Black Scholes assumptions: expected life of 2 year, expected volatility of 100%, interest of 0.20% and a dividend yield of 0%. In connection with the flow through shares issued as part of the flow through units, the Company has recorded \$189,343 as a flow through obligation, which will be brought into income as the Company makes qualifying exploration expenditures.
- Issued 550,000 shares to acquire 100% interest in the Hicks-Dog Bay properties to consolidate the Dog Bay Gold Project with a value of \$264,000.
- Completed a non-brokered private placement raising \$4,100,000 from Eric Sprott and one associate investor by issuing 8,200,000 units at \$0.50. Each unit will consist of one common share and one full warrant. Each warrant exercisable into one share of the company at \$0.67 for 24 months. The Company incurred cash share issuance costs of \$123,000 in connection with this financing.

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Escrowed securities

In connection with the IPO, 2,765,000 common shares of the Company were subject to a time release escrow where shares are released in stages over 3 years. As of April 30, 2021, 1,244,250 common shares remained in escrow.

b) Warrants

A summary of the Company's warrant activity is as follows:

| | Number of Warrants | Weighted average Exercise Price |
|--|--------------------------|---------------------------------------|
| Balance, as at October 31, 2019 | 192,500 | \$0.15 |
| Issued | 5,000,000 | \$0.70 |
| Issued – agents' warrants | 230,400 | \$0.70 |
| Exercised | (134,050) | \$0.10 |
| Balance, as at October 31, 2020 | 5,288,850 | \$0.69 |
| Exercised | (1,750) | \$0.15 |
| Issued | 16,749,593 | \$0.67 |
| Issued – agents' warrants | 406,984 | \$0.67 |
| Balance, April 30, 2021 | 22,443,677 | \$0.68 |

As at April 30, 2021, warrants outstanding are as follows:

| | Number of warrants outstanding | Exercise Price | Expiry date |
|--------------|-----------------------------------|----------------|--------------------|
| | 56,700 | \$0.15 | May 30, 2021 |
| | 2,914,286 | \$0.70 | September 25, 2021 |
| | 201,000 | \$0.70 | September 25, 2021 |
| | 2,085,714 | \$0.70 | October 13, 2021 |
| | 29,400 | \$0.70 | October 13, 2021 |
| | 6,022,315 | \$0.67 | March 15, 2023 |
| | 361,252 | \$0.67 | March 15, 2023 |
| | 2,527,278 | \$0.67 | March 30, 2023 |
| | 45,732 | \$0.67 | March 30, 2023 |
| | 8,200,000 | \$0.67 | April 26, 2023 |
| Total | 22,443,677 | \$0.68 | |

c) Options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding common shares. These options may be granted for a maximum of 10 years from the date of grant and vest as determined by the board of directors.

In March 2021, the Company granted 1,600,000 stock options to directors, officers and consultants with an exercise price of \$0.50 and an expiry of 2 years. The fair value of these options was estimated to be \$384,000 using the following Black Scholes assumptions: expected life of 2 years, expected volatility of 100%, risk free interest rate of 0.20% and an expected dividend yield of 0%.

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In February 2021, the Company granted 500,000 stock options to directors, officers and consultants with an exercise price of \$0.49 and an expiry of 3 years. The fair value of these options was estimated to be \$150,000 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 100%, risk free interest rate of 0.20% and an expected dividend yield of 0%.

In October 2020, the Company granted 4,330,000 stock options to directors, officers and consultants with an exercise price of \$0.57 and an expiry of 3 years. The fair value of these options was estimated to be \$1,515,200 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 100%, risk free interest rate of \$0.23% and an expected dividend yield of 0%.

Pursuant to the acquisition of Exploits Gold, the Company granted 1,000,000 options with an exercise price of \$0.59 and an expiry of July 6, 2022, with a value of \$290,000. The fair value of the options was determined using the Black-Scholes model with the following assumptions: expected life of 1.8 years, expected volatility of 85% to 100%, risk free interest of 0.24% and a dividend yield of 0%.

A summary of the Company's stock option activity is as follows:

| | Number of Options | Weighted average Exercise Price |
|---|----------------------|--|
| Balance, as at October 31, 2019 | - | \$ - |
| Granted | 5,330,000 | \$0.57 |
| Balance, as at October 31, 2020 | 5,330,000 | \$0.57 |
| Granted | 2,100,000 | \$0.50 |
| Balance, as at October 31, 2020 and January 31, 2021 | 7,430,000 | \$0.57 |

As at April 30, 2021, stock options outstanding are as follows:

| Grant Date | Number of options Outstanding and Exercisable | Exercise Price | Expiry date |
|--------------------|--|----------------|-------------------|
| September 18, 2020 | 1,000,000 | \$0.59 | July 6, 2022 |
| October 14, 2020 | 4,330,000 | \$0.57 | October 14, 2023 |
| February 3, 2021 | 500,000 | \$0.49 | February 3, 2023 |
| March 24, 2021 | 1,600,000 | \$0.50 | February 24, 2023 |
| Total | 7,430,000 | \$0.55 | |

6. 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:

- i. Level 1 - Quoted prices in active markets for identical assets or liabilities;
- ii. 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
- iii. Level 3 - Inputs for the asset or liability that are not based on observable market data.

The Company's investment in Volatus Capital Corp, C2C Gold Corp, and Opawica Gold Corp (Note 3) are classified as fair value through profit and loss and consist of common shares in a publicly traded entity and are classified as Level 1. As at April 30, 2021, the Company believes that the carrying values of cash, receivables and 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 April 30, 2021 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.

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 inventors 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. There has been no change in the Company's approach to capital management.

7. Related party transactions

The Company incurred and paid fees to directors and officers for management and professional services as follows:

| | For the six months ended April 30, | |
|--|---------------------------------------|-----------------|
| | 2021 | 2020 |
| Management fees paid to key management and directors | \$177,000 | \$ 12,000 |
| Professional fees paid to a corporation controlled by key management | - | 6,000 |
| Investor relations paid to corporation controlled by key management | - | 1,500 |
| Rent fees paid to corporation controlled by key management | - | 6,208 |
| | \$177,000 | \$25,708 |

The Company's acquisition of 1255919 in October 2020 also included certain shareholders of 1255919, who had common directors with the Company at the time.

Accounts payable

As at April 30, 2021, \$35,849 (April 30, 2020 - \$21,291) included in accounts payable is due to related parties and the amounts are non-interest bearing, unsecured and due on demand.

8. Supplemental disclosure with respect to cash flows

During the period ended April 30, 2021, the Company received interest totaling \$3,175 (2019 – \$1,691) relating to operating activities.

The Company did not pay interest or dividends, nor did it receive any dividends during the period ended January 31, 2021 and 2020.

Significant non-cash financing and investing transactions for the period ended April 30, 2021 included:

- Entered into agreement with New Found Gold to acquire additional claims in the Jonathon's Pond property. As consideration the Company issued 6,562,799 common shares to New Found Gold at a value of \$4,200,191).
- Issued 1,750 common shares pursuant to the exercise of agents' warrants.
- Issued 111,111 units with a value of \$50,000 and 406,984 agents' warrants with a value of \$81,851 were recorded as share issuance costs.

9. Subsequent events

Subsequent to April 30, 2021, the Company:

- May 14, 2021 completed a non-brokered private placement raising \$8,000,000 from Eric Sprott (\$4mm) and New Found Gold (\$4mm) of 13,333,334 non flow-through units at \$0.60. Each unit consists of one common share and one full warrant exercisable at \$0.70 for a term of 24 months.
- May 25, 2021 granted to certain of its directors, officers, employees and consultants incentive stock options to purchase up to an aggregate of 1,775,000 common shares exercisable on or before May 25, 2023, at a price of \$1.33 per share.

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- June 3, 2021 the Company has entered into a 50/50 staking syndicate agreement with Crest Resources Inc. and acquired through staking the 100-per-cent-owned PB Hill property located in prospective siliciclastic sediments of the Exploits subzone gold belt, Newfoundland. The Crest/Exploits staking syndicate is a 50/50-per-cent syndicate agreement where Crest has provided the geological intellectual property for the staking thesis, and Exploits has financed the staking expenses. Exploits will receive the first 1.2 times cost return on investment and further benefit will be divided on a 50/50-per-cent basis.
- June 11, 2021 the Company granted to certain directors, officers, employees and consultants incentive stock options to purchase up to an aggregate of 600,000 common shares, exercisable on or before June 10, 2024, at a price of \$1.19 per share.

10. Change in Accounting Policy

Mineral properties

The Company has adopted a new accounting policy with respect to exploration and evaluation expenditures. In prior years, the Company's policy was to capitalize all costs directly related to the exploration and evaluation of mineral properties classified as exploration and evaluation assets. The Company has changed this accounting policy to expense exploration and evaluation expenditures as incurred, effective with the presentation of these financial statements on a retrospective basis. The Company has determined that this change in accounting policy enhances the reliability and relevance of the financial statements for users.

The accounting policies in note 3 to the audited consolidated financial statements for the year ended October 31, 2020 have been applied in these condensed consolidated interim financial statements for period ended January 31, 2021, the comparative information for the period ended January 31, 2020. The change in accounting policy has no impact on the opening statement of financial position as of November 1, 2018.

In preparing its statement of financial position, the Company has adjusted amounts reported previously in the financial statements. An explanation of how the transition from the amounts previously reported has affected the Company's financial position, financial performance and cash flows is set out below.

Statement of Financial Position as at April 30, 2020

| | As previously reported | Effect of change in accounting policy | As restated under new accounting policy |
|-----------------------------------|------------------------|---------------------------------------|---|
| Non-current assets | | | |
| Exploration and evaluation assets | \$ 95,333 | \$ (70,833) | \$ 25,000 |
| Equity | | | |
| Accumulated deficit | \$ (205,511) | \$ (70,033) | \$ (275,844) |

Exploration and evaluation assets decreased by \$70,333, representing \$70,033 of net exploration and evaluation expenditures previously capitalized which have been charged to deficit.

EXPLOITS DISCOVERY CORP. (FORMERLY MARINER RESOURCES CORP.)
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Expressed in Canadian Dollars

Statement of Operations and Comprehensive Loss for the six month period ended April 30, 2020

| | As previously reported | Effect of change in accounting policy | As restated under new accounting policy |
|---|------------------------|---------------------------------------|---|
| Expenses | | | |
| Exploration and evaluation expenditures | \$ 0 | \$ 7,254 | \$ 7,254 |
| Net loss for the period | \$ 44,746 | \$ 7,254 | \$ 52,000 |
| Basic and diluted comprehensive loss per common share | \$ 0.00 | | \$ 0.00 |

Exploration and evaluation expenditures increased by \$7,254, previously capitalized to exploration and evaluation assets.

Statement of Cash Flows for the period ended April 30, 2020

| | As previously reported | Effect of change in accounting policy | As restated under new accounting policy |
|---|------------------------|---------------------------------------|---|
| Cash provided by (used in): | | | |
| Operating activities | | | |
| Net loss | \$ (44,476) | \$ (7,254) | \$ (52,000) |
| Investing activities: | | | |
| Exploration and evaluation expenditures | (7,254) | 7,254 | - |
| Change in cash, end of period | \$ (87,008) | \$ - | \$ (87,008) |

Net cash used in operating activities increased by \$7,254 as net loss increased \$7,254 for the amounts previously capitalized as exploration and evaluation assets.