

# **EXPLOITS DISCOVERY CORP.**

(the "Company" or "Exploits")

**Form 51-102F1**

## **MANAGEMENT'S DISCUSSION and ANALYSIS FOR THE NINE MONTHS ENDED July 31, 2022**

The following Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the unaudited financial statements of the Company and the notes thereto for the nine months ended July 31, 2022 and 2021 (the "Financial Statements"). Consequently, the following discussion and analysis of the results of operations and financial condition of Exploits should be read in conjunction with the Financial Statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. This MD&A has been prepared based on information known to management as of September 27, 2022.

### **Forward-Looking Statements**

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation, which include all statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. These include, without limitation:

- the Company's anticipated results and developments in the Company's operations in future periods;
- planned exploration and development of its mineral properties;
- planned expenditures and budgets;
- evaluation of the potential impact of future accounting changes;
- estimates concerning share-based compensation and carrying value of properties; and
- other matters that may occur in the future.

These statements relate to analyses and other information that are based on expectations of future performance and planned work programs.

With respect to forward-looking statements and information contained herein, the Company has made a number of assumptions with respect to, including among other things, the price of gold and other metals, economic and political conditions, and continuity of operations. Although the Company believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information contained or incorporated by reference herein will prove to be accurate.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation:

- fluctuations in mineral prices;
- the Company's dependence on a limited number of mineral projects;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues;
- the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programs;
- governmental regulations and specifically the ability to obtain necessary licenses and permits;
- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- changes in environmental laws and regulations which may increase costs of doing business and restrict the Company's operations;
- risks related to the Company's dependence on key personnel; and
- estimates used in the Company's financial statements proving to be incorrect.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Should one or more

of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

**Description of Business**

Exploits Discovery Corp. (formerly Mariner Resources Corp.) was incorporated under the *Business Corporations Act* (British Columbia) on May 28, 2018. The Company's head office is at 800 West Pender St., Suite 1020, Vancouver, BC, V6C 2V6. 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 trade under the trading symbol "NFLD".

The Company's principal property interests are its gold exploration properties located in the Exploits Subzone in Newfoundland and Labrador, as pictured below:

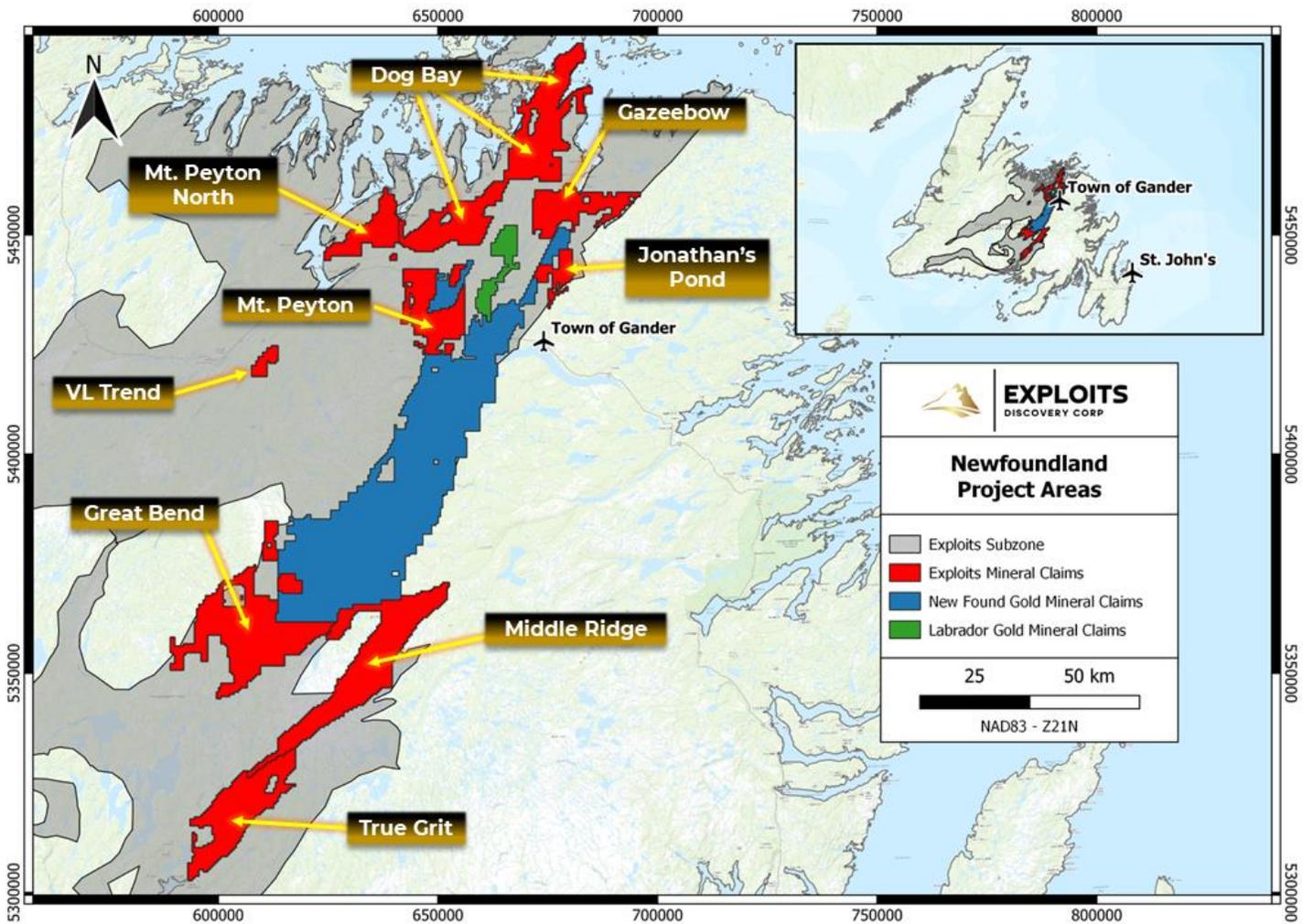


Figure 1: Exploits Discover Corp. mineral claims overview. Claims are located within the prospective Exploits Subzone throughout central Newfoundland; (Exploits Subzone Outline modified from C.G Squires 2005 and Newfoundland Geologic Survey regional detailed geology).

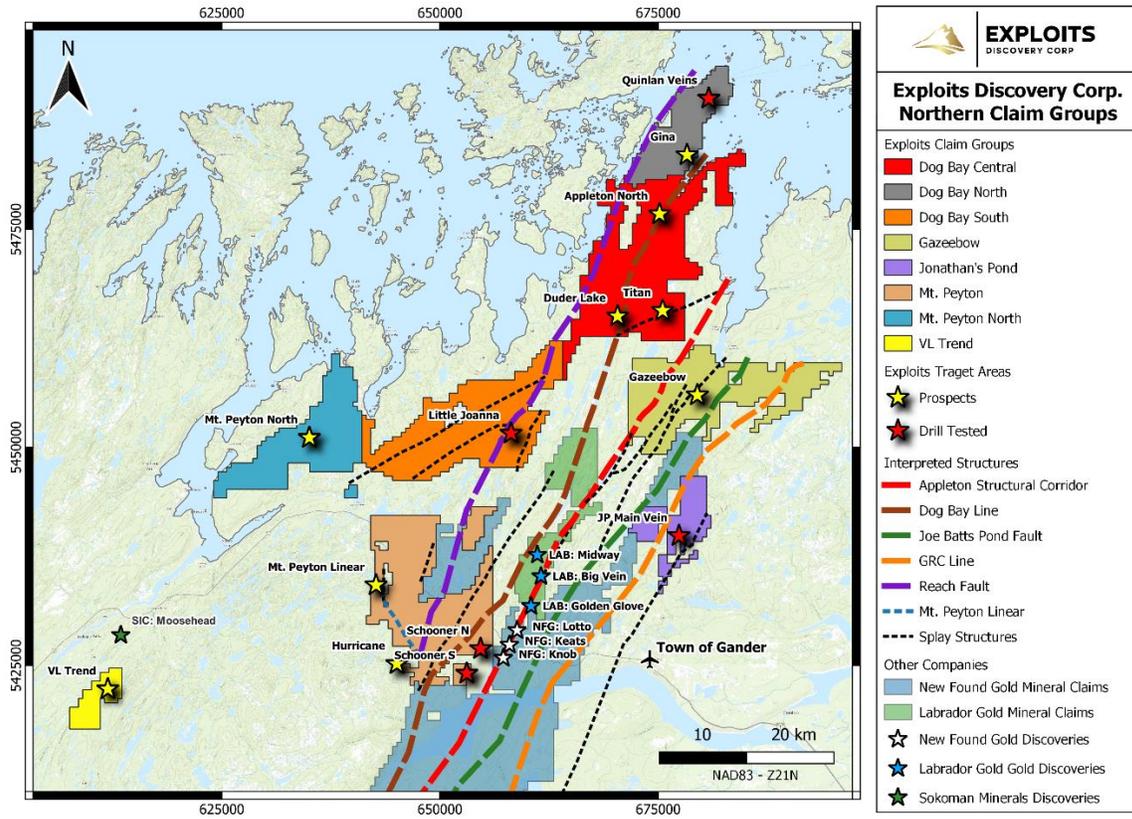


Figure 2: Exploits Discovery Corp. northern mineral claim areas and prospects located in central Newfoundland.

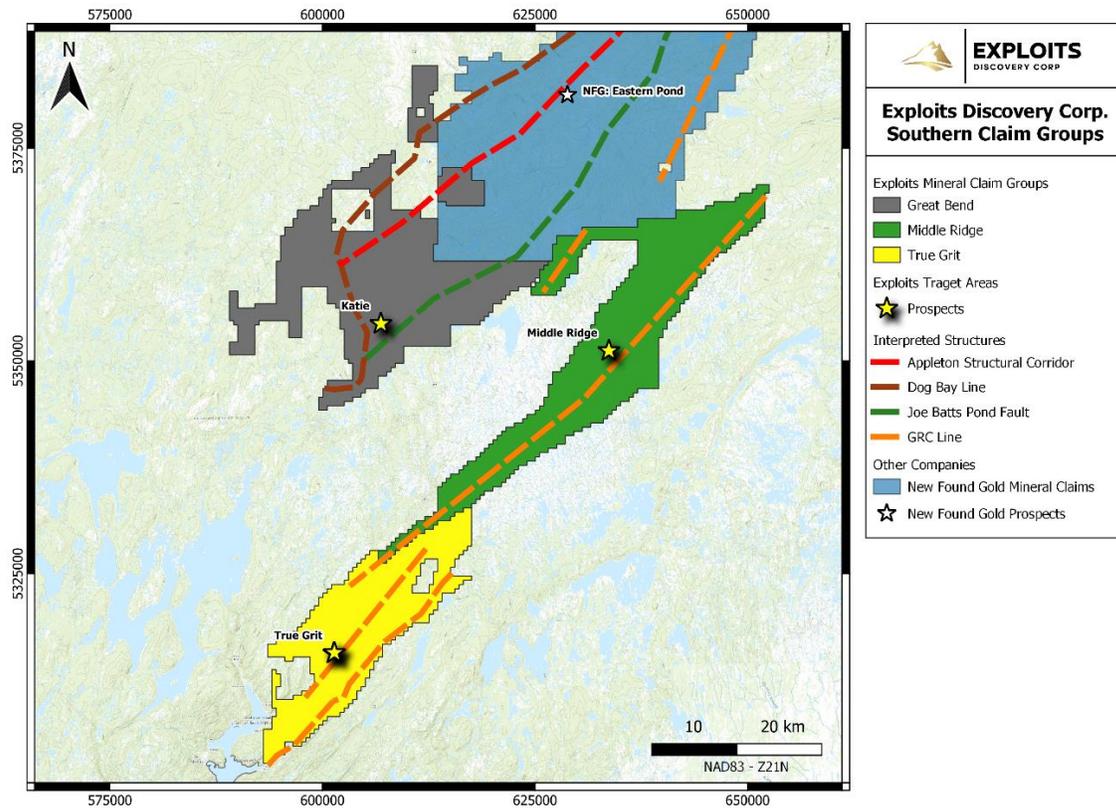


Figure 3: Exploits Discovery Corp. southern mineral claim areas and prospects located in central Newfoundland.

### Acquisition of Exploits Gold Corp.

On September 18, 2020, the Company acquired a 100% interest in Exploits Gold Corp., a private company focused on gold exploration in the Exploits Subzone of central Newfoundland and Labrador. Under the terms of the agreement, the Company issued an aggregate of 18,910,752 common shares and 1,000,000 options to the shareholders of Exploits Gold Corp. via a share exchange agreement. Exploits Gold Corp. held the Jonathan's Pond property and additional claims surrounding the Company's Mount Peyton property, and as a result of this acquisition both of these properties were added to the Company's portfolio.

### **Property Acquisitions**

*(more information on the property acquisitions can be found under the heading "Mineral Properties")*

### **Overall Performance**

As a junior mining issuer, the Company is highly subject to the cycles of the mineral resource sector and the financial markets as they relate to junior companies. The Company's financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict, and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of the Company.

### **Summary of Quarterly Results**

The following table summarizes financial data for the most recently completed quarters:

Quarter ended	Jul 31, 2022	Apr 30, 2022	Jan 31, 2022	Oct 31, 2021	Jul 31, 2021	Apr 30, 2021	Jan 31, 2021	Oct 31, 2020
Total Revenue	Nil							
Net loss (\$)	(1,657,558)	(1,135,109)	(1,913,671)	(2,817,123)	(3,906,340)	(1,897,716)	(1,777,702)	(2,464,924)
Basic and diluted net loss per common share	(0.02)	(0.01)	(0.02)	(0.03)	(0.04)	(0.03)	(0.12)	(0.17)

The net loss for Q3 2022 decreased from the Q3 2021 due to the targeted marketing campaign in prior years quarter and vesting of share-based compensation expense. The Company is focused on operations in connection with its Newfoundland projects.

## Results of Operations

### The three months ended July 31, 2022

The Company incurred a net loss of \$1,657,558 for the three months ended July 31, 2022 ("Current Quarter") compared to a net loss of \$3,906,340 for the three months ended July 31, 2021 ("Prior Quarter"), a difference of \$2,248,782, primarily related to the Company's decrease in investor relations expenses and vesting of share-based compensation expense. The Company is focused on operations in connection with its Newfoundland projects. Specific variances include:

- Share based compensation, a non-cash expense was \$114,700 in the Current Quarter compared to \$1,390,257 in Prior Quarter, due to options vesting;
- Mineral and Property Evaluation expenses decreased by \$1,754,224 in the Current Quarter (\$512,760 when compared to Prior Quarter \$2,266,984). The decrease is due to the Company's exploration activities in the Exploits Subzone in Newfoundland;
- Investor relations expense decreased by \$62,211 in the Current Quarter, \$147,518 over prior years quarter \$209,729 due to a reduction in the Company's targeted marketing campaign;
- Management fees and wages increased by \$369,797 in the Current Quarter, \$524,297 over prior years quarter \$154,500 due to additions to the executive team and related recruitment fees.
- Fair value adjustment on investment decreased by \$317,625 due to the revaluation of investments.
- Recovery of flow through share liability premium decreased by \$134,866 due to as the Company incurred certain qualifying exploration expenditures resulting in the flow through-obligation as at July 31, 2022 being reduced by \$54,477.

### The nine months ended July 31, 2022

The Company incurred a net loss of \$4,706,338 for the nine months ended July 31, 2022 ("Current Quarter") compared to a net loss of \$7,581,767 for the nine months ended July 31, 2021 ("Prior Quarter"), a difference of \$2,875,429, primarily related to the Company's decrease in investor relation expenses and vesting of share-based compensation expense. The Company is still focusing on operations in connection with its Newfoundland projects. Specific variances include:

- Share based compensation, a non-cash expense was \$460,461 in the Current Quarter compared to \$1,924,257 in Prior Quarter, due to options vesting;
- Mineral and Property Evaluation expenses decreased by \$1,759,460 in the Current Quarter (\$2,240,094 when compared to Prior Quarter \$3,999,554). The decrease is due to the Company's exploration activities in the Exploits Subzone in Newfoundland;
- Investor relations expense decreased by \$1,178,961 in the Current Quarter, \$347,671 over prior years quarter \$1,526,632 due to a targeted market campaign aimed at increasing shareholder awareness in the Company as well as the Exploits Subzone of Newfoundland in the Prior Quarter;
- Management fees and wages increased by \$543,101 in the Current Quarter, \$939,294 over prior years quarter \$396,193 due to additions to the executive team and related recruitment fees.
- Fair value adjustment on investment decreased by \$834,825 due to the revaluation of investments.
- Recovery of flow through share liability premium increased by \$15,579 due to as the Company incurred certain qualifying exploration expenditures resulting in the flow through-obligation as at July 31, 2022 being reduced \$204,922.

## Financial instruments and risk management

### *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, 2022, the Company's financial liabilities consist of its accounts payable and accrued liabilities and, 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 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.

## Related party transactions

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

<b>For the period ended</b>	<b>July 31, 2022</b>	<b>July 31, 2021</b>
Management fees and wages paid to key management and directors	\$ 500,442	\$ 330,250
Geological consulting paid to a company with common directors	45,000	
	<u>\$ 545,442</u>	<u>\$ 177,000</u>

## Accounts payable

As at July 31, 2022, \$Nil (July 31, 2021 - \$18,900) included in accounts payable is due to related parties and the amounts are non- interest bearing, unsecured and due on demand.

## Liquidity, Capital Resources and Going Concern

The 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. The continuing operations of the Company are dependent upon its ability to obtain adequate financing in the future. Working capital at July 31, 2022 was \$11,598,250.

The Company's cash resources may be sufficient to meet its working capital and mineral property requirements for the pursuing year, however, the Company has no source of revenue and therefore management will continue to seek new sources of capital to maintain its operations and to further the development and acquisition of its mineral properties.

## Subsequent Events

Subsequent to July 31, 2022, the Company:

- Completed a non-brokered private placement by issuing 8,335,550 flow-through common shares at \$0.18 for a total of \$1,500,399.
- Acquired a 100-per-cent interest in the Gazeebow North property. The Property was acquired from a third party in consideration for the forgiveness of debt in the amount of approximately \$45,000.

## Outstanding Share Data

The following table summarizes the Company's outstanding share capital as of the date hereof:

Common Shares Outstanding:			117,844,136
Warrants	Mar 2023	\$0.67	8,318,482
Warrants	Apr 2023	\$0.67	8,200,000
Warrants	May 2023	\$0.70	13,333,334
Agent warrants	Mar 2023	\$0.67	130,471
Agent warrants	Dec 2023	\$0.50	300,000
Stock options	Feb 2023	\$0.50	1,100,000
Stock options	Oct 2023	\$0.57	2,240,000
Stock options	Feb 2024	\$0.49	250,000
Stock options	May 2023	\$1.33	1,775,000
Stock options	Jun 2024	\$1.19	600,000
Stock options	Sep 2026	\$0.62	1,000,000
Stock options	Feb 2025	\$0.45	275,000
Stock options	Apr 2025	\$0.35	500,000
Stock options	July 2025	\$0.25	450,000
<b>Fully diluted</b>			<b>156,316,423</b>

## Securities held in escrow

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. June 3, 2022 the remaining shares were released from escrow.

## Mineral Properties

### Dog Bay Property Group – Dog Bay North, Dog Bay Central, Dog Bay South

The Dog Bay property group consists of 1,857 mineral claims totaling 465 km<sup>2</sup> and is subdivided into Dog Bay North, Dog Bay Central, and Dog Bay South areas. The property encompasses mineral claims from the east side of the town of Lewisporte extending to the tip of the Port Albert Peninsula, Newfoundland.

#### Exploration Activities

The Dog Bay Property group was covered by Exploits 2021 extensive VTEM airborne geophysical survey. The airborne VTEM survey was conducted by Geotech Ltd. covering 3,173 line-km flown at 100 to 150 m spaced lines.

On May. 9<sup>th</sup>, 2022, Exploits commissioned Geotech Ltd. (“Geotech”) to fly proprietary VTEM surveys over additional areas that were not covered during the 2021 campaign. Survey areas include a gap between Dog Bay Central and Dog Bay South, the Titan prospect, and the eastern extent of the Dog Bay Central claim group. This new electromagnetic data will be processed and stitched into the contiguous data-set generated by Geotech in 2021.

On April. 20<sup>th</sup>, 2022, a local service-provider, Planet-X Exploration, was commissioned to undertake a substantial soil sample collection and processing contract valued at approximately \$400,000. This campaign was designed by Exploits to provide metals-content (or ‘signature’) information for the bedrock within a central block of the Dog Bay Project that overlays the northern projection of the Dog Bay Line (potential gold mineralization conduit in the region). Technicians were instructed to collect B-Horizon soil material (the leaching layer within a soil profile), at 50 m intervals along East-West grid lines spaced at 100 m intervals. Their sampling density was increased to ‘tighter’ 25 m spacing where the grid lines overlay the anticipated structural trends. Field work commenced April. 28<sup>th</sup> and continued at a steady pace throughout the summer. Workers endeavored to record accurate location-control (via hand-held GPS), topographic and soil characteristics, etc. at each collection point. Samples were submitted for multi-metal ICP geochemistry analysis to SGS Minerals’ mobile preparation facilities in Grand Falls, NL. Technicians followed Exploits’ guideline for Quality Assurance – inserting 100 g packets of; 1) certified reference material (via ‘OREAS’) and 2) blanks (NIL metal content) composed of white ‘play sand’ (via Shaw Resources). As of July 31<sup>th</sup>, a total of 7,650 samples had been collected by Planet X, representing 70% of the contracted volume.

To expedite turnaround times for assaying our samples, Exploits is sending soil and rock samples to the SGS Canada’s Mobile Sample Preparation Unit (“MSPU”). The MSPU is being established in Grand Falls (Newfoundland) for processing and shipped to SGS’s analytical laboratory in Burnaby (British Columbia) for multi-metal analysis.

#### Geology & Structure

The Dog Bay property group is situated within the Exploits Subzone and encompass a variety of siliciclastic sediments, volcanics, and intrusions that strike in a general northeast-southwest orientation.

Structurally, the property is divided by the interpreted northeast-southwest trending Dog Bay Line and parts of the property are transected by the similarly trending interpreted Reach Fault. The Dog Bay Line represents a major regional scale structure within the Exploits Subzone which is believed to be spatially associated with significant gold mineralization in the region.

### Dog Bay North – Quinlan Veins

The Quinlan Veins showing is located approximately 2.5 km southwest from the community of Port Albert, adjacent to Highway 335.

#### Property Highlights

- Visible gold bearing quartz veins at surface, with historic grabs of up to 61.26 g/t Au
- 2021 drilling intercepted 8.69 g/t Au over 0.45 m

- Possible mineralized trend remains open and untested to the north

#### Exploration Activities

The Quinlan Veins target was covered by Exploits 2021 extensive VTEM survey. A ground magnetic geophysical survey was also conducted at the Quinlan Vein prospect, following up on sample results taken in late 2020. This grid covered an area of 4 km<sup>2</sup> and comprised of approximately 70 line-km walked at 50 m line spacings

13 drill holes were completed at the Quinlan Veins Prospect in 2021, these drill holes tested the down dip extension of quartz veining observed in outcrop.

#### Geology & Structure

The property is underlain by Early to Late Silurian siliciclastic sediments and felsic-volcanics. The Quinlan Veins showing consists of a discontinuous visible gold bearing quartz vein system.

#### Dog Bay North – Gina Showing

The Gina showing is situated on the Port Albert Peninsula and is located 500 m west from the community of Stoneville.

#### Property Highlights

- Exploits assays received to date include up to 1.94 g/t Au from grab samples
- Historic sampling yielded up to 3.6 g/t Au in grab samples, and up to 3.6 g/t Au over 1.1 m from channel sampling (Cornerstone Resources Inc. – 2003 - 2004)

#### Exploration Activities

The Gina showing was covered by Exploits' 2021 extensive VTEM survey.

2022 exploration activities include prospecting, mapping, and chip sampling programs over the Gina main showing, as well as prospecting of the area around the showing. To date 23 rock/chip samples have been collected.

#### Geology & Structure

The showing consists of a series of five porphyritic felsic dykes hosted in Paleozoic siliciclastic sediments. The system is moderately silicified and contains spotty sericite alteration with arsenopyrite and pyrite mineralization.

Structurally, the property lies between the interpreted Dog Bay Line and Reach Fault.

#### Dog Bay Central – Appleton North

The Appleton North Property is located on the Port Albert Peninsula and spans between Southwest Pond and First Pond, approximately 9 km southwest from the community of Horwood.

#### Property Highlights

- The project is fully permitted for diamond drilling and additional exploration activities
- Overlies the Dog Bay Line, a major regional scale structure within the Exploits Subzone which is believed to be spatially associated with significant gold mineralization in the region
- Historic grab samples yielded assay results of up to 233.4 g/t Au from an unsourced quartz boulder (Quinlan – 2017)
- Historic drilling intercepts of up to 9.45 g/t Au over 1 m, and trenching with up to 5.00 g/t Au over 4 m (Noranda – 1989)

## Exploration Activities

The Appleton North area was covered by Exploits' 2021 extensive VTEM survey.

Exploits' 2022 exploration activities include extensive prospecting and mapping, as well as a large-scale soil sampling program. To date one rock grab samples has been collected in this area.

## Geology & Structure

The property is primarily underlain by Early Ordovician to Early Silurian mélanges and siliciclastic marine sediments. Southwestern portions of the property are underlain by Silurian non-marine siliciclastic sediments.

Structurally, the property is transected by the interpreted northeast-southwest trending Dog Bay Line. The Dog Bay Line represents a major regional scale structure within the Exploits Subzone which is believed to be spatially associated with significant gold mineralization in the region.

### Dog Bay Central – Duder Lake

The Duder Lake property is located approximately 40 km north from the town of Gander, just outside the community of Birchy Bay.

## Property Highlights

- The project is fully permitted for diamond drilling and additional exploration activities
- Overlies the Dog Bay Line, a major regional scale structure within the Exploits Subzone which is believed to be spatially associated with significant gold mineralization in the region
- Historic drilling intercept of 9.4 g/t Au over 1.05 m (Noranda 1990)
- Historical garb samples have yielded values up to 2.2 g/t Au and 26.2% Sb (Gander Exploration Inc. – 2013)

## Exploration Activities

The Duder Lake area was covered by Exploits' 2021 extensive VTEM survey.

Exploits' 2022 exploration activities include extensive prospecting and mapping, as well as a large-scale soil sampling program. To date 212 rock samples have been collected in the area.

## Geology & Structure

The Duder Lake property is underlain by Early to Late Silurian siliciclastic sediments and Ordovician mélanges. The sedimentary rocks are intruded by several fine to medium-grained gabbro dykes and sills.

Structurally, the property is transected by the interpreted northeast-southwest trending Dog Bay Line. The Dog Bay Line represents a major regional scale structure within the Exploits Subzone which is believed to be spatially associated with significant gold mineralization in the region.

### Dog Bay Central – Titan

The Titan property is located approximately 40 km north-northwest from the town of Gander, and 8 km southwest from the community of Wings Point.

## Property Highlights

- The project is fully permitted for diamond drilling and additional exploration activities
- Historic drilling intercept of up to 10.22 g/t Au over 3.35 m and 6.26 g/t Au over 1.55 m (Crosshair Exploration – 2004)

- Correlation between historic mineralized drilling intercepts and the high-resolution Alpha-IP survey data have identified numerous highly prospective 2022 drill targets
- Grab samples collected by Exploits' in 2021 yielded results of up to 57.48 g/t Au
- Historic grab and channel samples collected proximal to planned 2022 drilling area yielded assay values including 41.89 g/t Au, 12.37 g/t Au, and 12.03 g/t Au (Quinlan Exploration – 2004)

#### Exploration Activities

Exploits' management commissioned Simcoe Geoscience, to utilize their proprietary high-definition, time-domain Alpha IP technology to 'map-out' the structurally complex stratigraphy underlying the Titan claims. Exploits budgeted \$100,000 for this work-programme. Alpha IP is a "green" wireless survey procedure, that is capable of delineating subtle responses to electromagnetic current passing through both conductive (metals-bearing) and resistive (silicified) bedrock to approximately 450 metres penetration below surface. The acquired 2D data can be quickly modeled and imaged into high-definition 3D blocks for easier interpretation. The geophysical data acquisition for this project was completed over a period of 14 days (May 25 - June 7, 2022); data was accumulated and plotted into 9 vertical profiles, totalling 7.75-line km of IP data was acquired using 'pole-dipole' configuration with 25-50 m station spacings. Simcoe's comprehensive 3D imaging in June-July provided Exploits with at least 4 separate geophysical zones/trends that could potentially host gold-bearing structures tracking across the Titan claims. These subtle responses plan to be tested with a campaign of results-driven diamond drilling scheduled for August.

Historic drilling has tested the mineralized trend at Titan over a strike length of approximately 250 m and to a vertical depth of 65 m. Exploits is excited to identify the potential for deeper and more extensive mineralization from the results of the 2022 high-definition Alpha IP survey.

An airborne infill VTEM geophysical survey is planned to cover the Titan area in late-fall of 2022.

Additional prospecting and geological mapping have also been completed in 2022. To date 379 rock samples have been collected.

#### Geology & Structure

The Titan property is underlain by Early to Late Silurian siliciclastic marine sediments and Late Ordovician black shales. Gold mineralization at Titan is associated with quartz-veining hosted within iron-carbonate altered northeast-trending gabbro dykes that intrude laminated and cross-bedded sediments.

#### Dog Bay South – Little Joanna

The Little Joanna showing is situated approximately 30 km northwest from the town of Gander and 8 km south from the community of Loon Bay.

#### Property Highlights

- Quartz veining in sub-crop with visible gold and grab samples of up to 194 g/t Au

#### Exploration Activities

A ground magnetic geophysical survey was completed in 2021 at the Little Joanna prospect following up on late 2020 outcrop sampling results. The grid covered an area of 5 km<sup>2</sup>, consisting of approximately 85 line-km walked at 50 m line spacings.

6 drill holes were completed at the Little Joanna Prospect in 2021. These drill holes tested the down dip extension of quartz veining observed in outcrop.

## Geology & Structure

The Little Joanna showing is a gold bearing quartz-carbonate vein system hosted in Early Ordovician to Early Silurian siliciclastic sediments and mélange.

The Little Joanna showing is located proximal to the interpreted Reach Fault.

### **Gazebow Property**

The Gazebow property consists of 603 mineral claims over an area of 151 km<sup>2</sup> and is located approximately 30 km north from the town of Gander, Newfoundland. The property is situated approximately 35 km to the northeast of New Found Gold's Queensway discoveries.

#### Property Highlights

- Transected by the interpreted Appleton Fault Corridor and underlain by the Davidsville Group sediments; the same structural corridor and lithology group that hosts significant high-grade gold discoveries made by New Found Gold
- Gazebow is a high-priority target for ongoing exploration programs

#### Exploration Activities

A VTEM airborne geophysical survey was completed over the Gazebow property in 2021 totaling 1,050 line-km. The survey commenced in Q3-2021 and was completed in Q4.

Exploits' 2022 exploration activities include extensive prospecting and mapping, as well as a localized till sampling. SSAF Prospecting Inc. initiated the till sample campaign on July 25<sup>th</sup> within the prospective 'Mega Vein' area on the company's Gazebow property. Approximately twenty, 5 foot deep test 'pits' would be hand-dug at uniform spacing within a 2000 x 2000 m block overlying the northeastern projection of the Appleton Structural Corridor. Workers were instructed to dig downwards specifically to the C Horizon (accumulation layer within the soil profile) and to bag up to 10 kg of the soil material. Accurate GPS locations and soil profile photographs were documented at each site and these large sample volumes were systematically reduced by mechanical panning/concentration in order to expedite shipping-analysis. The labor-intensive collection phase of the campaign was completed by mid-August, without incident. Overburden Drilling Management was engaged in August to provide further reduction/fractionation of the samples, and subsequent gold-grain analysis (visual and laboratory) and interpretation.

As of July 31, 915 rock samples and 57 till samples have been collected.

An infill airborne VTEM geophysical survey and localized high-resolution LiDAR survey is planned for late-fall of 2022.

## Geology & Structure

The property is underlain by Early to Late Ordovician marine facies sediments including turbidites and minor conglomerates. Lithologies are characterized by isoclinal folding and penetrative axial planar cleavage.

The property is transected by the highly prospective interpreted Appleton Fault Corridor and Joe Batts Pond Fault, known to host significant high-grade gold mineralization within the Exploits Subzone. The property is also bound by the interpreted Dog Bay Line to the west and GRC Line to the east.

### **Jonathan's Pond Property**

The Jonathan's Pond property consists of 198 mineral claims and encompasses a land area totaling 50 km<sup>2</sup>.

#### Property Highlights

- Situated around the GRC Line, a deep-seated structure which is believed to be spatially associated with significant gold mineralization in the region
- Potential mineralized trend identified from 2020 trenching and 2021 drilling remains open to the west and is largely untested
- Historic Noranda HMC (Heavy Metal Concentrate) till samples returned values of up to up to 410,000 ppb Au on the

property

- Grab samples collected by Exploits' along the margin on the 'Main Vein' contained visible gold and yielded assays of up to 28.8 g/t Au

#### Exploration Activities

2021 exploration at Jonathan's Pond consisted of a VTEM airborne geophysical survey, a ground magnetic geophysical survey, a soil sampling grid, and drilling. The airborne VTEM survey was conducted by Geotech Ltd. with 674 line-km of flying conducted at 75 m spaced lines. One ground magnetic survey was conducted to provide higher resolution data over a highlighted "demagnetized" fault zone seen in the airborne geophysical results. The ground magnetic geophysical grid covered an area of 4.5 km<sup>2</sup> and consisted of approximately 80 line-km walked at 50 m line spacings. A small soil sample grid was completed over the demagnetized fault zone, 44 samples were taken. 21 drill holes were completed at the Main Vein in 2021 targeting the down-dip extension of outcropping quartz veining, located adjacent to the 'Main Vein', which produced grab samples containing visible gold and returned fire assays of up to 28.00 g/t Au. Drilling also targeted areas displaying anomalous Au trends defined by SGH sampling completed in 2020.

#### Geology & Structure

The Jonathan's Pond project is situated around the GRC Line, a regional scale trans-compressional thrust fault marked by a discontinuous belt of ophiolitic rocks that forms the easternmost boundary of the Exploits Subzone. In the western portion of the property the GRC Line is unconformably overlain by Early to Late Ordovician siliciclastic sediments. Gold deposition in the Exploits Subzone is found in secondary and tertiary structures crosscutting siliciclastic sediments bounded by the GRC line.

#### **Mt. Peyton Property**

The Mt. Peyton property consists of 722 mineral claims and encompass a land area of 181 km<sup>2</sup>. This area is accessible by traveling west on the Trans-Canada Highway 15 km past the town of Glenwood, Newfoundland.

#### Property Highlights

- Anomalous Au, As, and Sb, in till and soil samples located along approximately 15 km strike-length of the interpreted Mt. Peyton Linear trend
- Historic sampling includes up to 11.40 g/t Au collected from subcrop along the Mt. Peyton Linear trend (Quinlan Exploration – 2004)
- Historic drill intercepts of up to 8.83 g/t Au over 0.7 m at the Hurricane showing (Rubicon Mineral Corp. – 2007)

#### Exploration Activities

2021 exploration at the Mt. Peyton Property consisted of a property wide VTEM airborne geophysical survey, local ground geophysics surveys, soil sampling grids, prospecting, and drilling. The airborne VTEM survey was conducted by Geotech Ltd. with 2,183 line-km of flying conducted at 100 m spaced lines. Two ground based magnetic geophysical surveys were completed at Schooner North and South to delineate the structural components of the drilling target areas. The surveys consisted of approximately 125 line-km over an area of 6 km<sup>2</sup>. Two soil sampling grids were completed over the same area as the ground magnetic survey, 106 samples were taken. 22 rock/float grab samples were collected during prospecting. Drilling was completed at both Schooner North and South in 2021 (10 holes at Schooner North, 8 holes at Schooner South). 2022 exploration on the Mt. Peyton property has consisted of additional prospecting and geological mapping. As of July 31, 25 rock samples have been collected.

#### Geology & Structure

The property is predominantly underlain by the Silurian to Devonian aged Mt. Peyton Intrusive Suite rocks, and lesser Late Ordovician to Silurian siliciclastic sediments. Diorite, monzonite, and gabbro phases of the intrusive suite occur throughout the property. Locally these phases are crosscut by narrow aplite and tonalite dykes.

### **Mt. Peyton North**

The Mt. Peyton North property consists of 384 mineral claims and encompasses a land area totaling 96 km<sup>2</sup>.

#### Property Highlights

- Soil samples collected by Exploit's at Mt. Peyton North yielded anomalous assays of up to 75 and 33 ppb Au
- Terrain in this area is challenging and has been relatively underexplored

#### Exploration Activities

2021 exploration at Mt. Peyton North consisted of prospecting and soil sampling. A total of 47 rock grab samples and 479 soil samples were collected.

#### Geology & Structure

The Mt. Peyton North property is primarily underlain by Early to Late Silurian siliciclastic sediments.

### **Valentine Lake ("VL") Trend Property**

The VL Trend property consists of 93 mineral claims and encompasses a land area totaling 23 km<sup>2</sup>.

#### Property Highlights

- The property is located proximal to the interpreted Valentine Lake Fault extension
- The property is situated approximately 6 km to the south of Sokoman Minerals Moosehead project

#### Exploration Activities

The VL Trend mineral claims were acquired by Exploits Discovery Corp. in July 2022.

#### Geology & Structure

The VL Trend property is primarily underlain by Late Ordovician to Early Silurian siliciclastic sediments. The property is located proximal to the interpreted Valentín Lake Fault extension and situated approximately 6 km to the south of Sokoman Minerals Moosehead project.

### **Great Bend Property**

The Great Bend Property consists of 1,800 mineral claims encompassing a land area of 450 km<sup>2</sup>. The heart of the property can be accessed by traveling 76 km south from the town of Bishops Falls on the Bay d'Espoir Highway.

#### Property Highlights

- Convergence of three highly prospective regional scale interpreted faults known to host significant gold mineralization within the Exploits Subzone
- Historic drilling completed at The Katie Prospect identified a volcanogenic massive sulphide (VMS) target with results up to 10.7% Zn, 0.38% Pb, 0.196% Cu, 33.4 g/t Ag, and 1.13 g/t Au over 1.26m (Alterra Resources – 2009)
- Exploit's inhouse desktop studies on historical geologic and geophysical data in the area has identified secondary and tertiary structures that could potentially host higher gold mineralization than previously discovered on the property.

## Exploration Activities

A VTEM airborne geophysical survey was completed in 2021 over the Great Bend and western Middle ridge properties totaling 6,839 line-km. The survey commenced in Q3 and was completed in Q4. Soil sampling grids, totaling 386 samples, were conducted over interpreted structures identified from VTEM geophysical analysis. A total of 33 rock/float grab samples were also collected on the Great Bend claims.

## Geology & Structure

The Great Bend property is underlain by Cambrian to Ordovician ophiolitic ultramafic rocks, Ordovician felsic to intermediate island-arc volcanics and siliciclastic sediments, as well as Ordovician marine siliciclastic sediments. The southwest property margin contains the northeast edge of the Early Ordovician Partridgeberry Hills granite which truncates the ophiolite and siliciclastic packages.

Structurally, the property is transected by the interpreted southwest extension of the Appleton Fault Corridor, Dog Bay Line, and Joe Batts Pond Fault. These structures are known to host significant high-grade gold mineralization within the Exploits Subzone.

### **Middle Ridge Property**

The Middle Ridge property consists of 1,536 mineral claims covering an area of approximately 384 km<sup>2</sup>. The property is accessible by traveling south from the town of Bishop's Falls on the Bay d'Espoir Highway for 75 km where the property can be accessed by a network of forest service roads.

#### Property Highlights

- Transected by the GRC Line offset, which is believed to be spatially associated with significant gold mineralization in the region
- Gold deposition in the Exploits Subzone is found in secondary and tertiary structures crosscutting siliciclastic sediments bounded by the GRC line
- A combined airborne magnetic and electromagnetic survey completed by McPhar Geophysics Ltd in 1969 on behalf of Noranda Exploration Ltd. defined discrete conductive zones
- A combined airborne magnetic and electromagnetic survey in 1969 completed by McPhar Geophysics Ltd, on behalf of Noranda Exploration Ltd., defined discrete conductive zones (Noranda Exploration, 1971) within these secondary and tertiary structures that warrant further exploration.

## Exploration Activities

Exploration at the Middle Ridge Property was conducted in February and early March 2021. Exploration consisted of the completion of the VTEM airborne geophysical survey conducted by Geotech Ltd. totaling 3,344 line-km.

## Geology & Structure

The property is primarily underlain by Early to Late Ordovician sediments intruded by various mafic to felsic units. Structurally, the property is transected by the interpreted southward continuation of the GRC Line offset, a regional scale trans-compressional thrust fault marked by a discontinuous belt of ophiolitic rocks that forms the south easternmost boundary of the Exploits Subzone.

### **True Grit Property**

The True Grit property consists of 1,030 mineral claims covering approximately 258 km<sup>2</sup>. The property is accessible by traveling north from the town of Bay d'Espoir.

#### Property Highlights

- Historic drilling returned 0.60 g/t Au over 117 m including a 26 m wide section grading 0.83 g/t Au (Moynow Mines

Inc. – 2003)

- Significant historic trenching assays returned grades of 18 g/t Au over 0.5 m, 15.6g/t Au over 1 m, 9.8 g/t Au over 1 m, and 6.5 g/t Au over 0.5 m (Teck Resources – 1990)
- Transected by the GRC Line offset, which is believed to be spatially associated with significant gold mineralization in the region
- Gold deposition in the Exploits Subzone is found in secondary and tertiary structures crosscutting siliciclastic sediments bounded by the GRC line

#### Exploration Activities

Exploration at the True Grit Property was conducted in February and early March 2021. Exploration consisted of the completion of the VTEM airborne geophysical survey conducted by Geotech Ltd. totaling 2,830 line-kms.

#### Geology & Structure

The project is underlain by Ordovician siliciclastic and metasedimentary rocks. Ophiolites and intrusions occur on the western portion of the property.

Structurally, the property is transected by the interpreted southward continuation of the GRC Line offset, a regional scale trans-compressional thrust fault marked by a discontinuous belt of ophiolitic rocks that forms the south easternmost boundary of the Exploits Subzone.

The Company's mineral property expenditures by property for the period ended July 31, 2022 consists of:

Period Ended:	Middle Ridge	Great Bend	True Grit	Mt. Peyton (North and South)	Gazebow	Dog Bay	Jonathan's Pond	General	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Airborne surveys	-	-	-	-	-	109,720	-	153,857	263,577
Fieldwork and Consumables	-	-	-	33	-	1,542	795	179,523	181,893
Geological consulting	-	-	12,600	18,273	-	4,900	-	359,415	395,188
Assays	-	-	-	-	-	-	-	690,775	690,775
Drilling	-	-	-	-	-	-	-	619,386	619,386
Geophysics	-	-	-	-	-	8,620	5,750	24,473	38,843
Rentals	-	-	-	75	-	825	1,125	22,121	24,146
Travel	-	-	1,683	575	-	-	-	40,929	43,187
Wages	-	8,500	500	5,500	-	15,850	-	12,750	34,600
Recovery	-	-	-	-	-	-	-	(60,000)	(60,000)
<b>Total</b>	-	<b>8,500</b>	<b>14,783</b>	<b>24,456</b>	-	<b>141,457</b>	<b>7,670</b>	<b>2,043,228</b>	<b>2,240,094</b>

#### Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.

Regulatory risks include possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company and include increased fees for filings as well as the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

#### *Competition*

The mineral exploration and mining business is competitive in all of its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive exploration and evaluation properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present Property, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

#### *Price Volatility and Lack of Active Market*

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

#### *Key Executives*

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives.

#### *Potential Conflicts of Interest*

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

#### *Dividends*

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

#### *Nature of the Securities*

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

### *Comparative Properties*

This MD&A contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties.

### **Off-Balance Sheet Transactions**

The Company has not entered into any significant off-balance sheet arrangements or commitments.

### **Critical Accounting Estimates**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The preparation of these financial statements requires the Company to make judgements regarding the going concern of the Company and discussed in Note 1 of the audited financial statements.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include:

#### *Exploration and evaluation assets*

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

#### *Share-based compensation*

The fair value of stock options and non-cash compensation are subject to limitations in Black-Scholes option pricing and fair value estimates that incorporate market data involving uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model has subjective assumptions, including the volatility of share prices, which can materially affect the fair value estimate.

#### *Income taxes*

The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, management interprets tax legislation in Canada and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, the deferral and deductibility of certain items and the interpretation of the treatment for tax purposes for exploration and development activities. The Company is subject to assessment by Canadian tax authorities, which may interpret legislation differently which may affect the final amount or timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

### **Proposed Transactions**

None.

**Outlook**

The Company is presently in the planning and executing stages of its exploration program on its Newfoundland properties in the Exploits Subzone. These exploration programs include soil sampling, rock sampling, trenching and channel sampling, airborne and ground geophysics, diamond drilling and regional anomaly identification.

**Qualified Person**

The technical content disclosed in this MD&A report regarding the Company's exploration activities has been reviewed and approved by Ken Tylee, P. Geo., a Qualified Person as defined under National Instrument 43-101. Mr. Tylee certifies that this MD&A report fairly and accurately represents the information for which he is responsible.

**Approval**

The Audit Committee on behalf of the Board of Directors of the Company approved the disclosures contained in this MD&A.

**Other Information**

Additional information related to the Company and risk factors is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).