

# **EXPLOITS DISCOVERY CORP.**

Condensed Interim Consolidated Financial Statements (unaudited)

For the six months ended April 30, 2022 and 2021

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.  
Condensed Interim Consolidated Statements of Financial Position (unaudited)  
Expressed in Canadian Dollars

As at	April 30, 2022	October 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 12,493,068	\$ 12,663,252
Receivables (Note 3)	251,392	933,610
Exploration advances	343,400	-
Investments (Note 4)	447,525	612,225
Prepaid expenses	7,178	26,553
<b>Total current assets</b>	<b>13,542,563</b>	<b>14,235,640</b>
<b>Equipment</b>	<b>41,672</b>	<b>46,881</b>
<b>Exploration and evaluation properties (Note 5)</b>	<b>23,418,459</b>	<b>23,417,559</b>
<b>Total assets</b>	<b>\$ 37,002,694</b>	<b>\$ 37,700,080</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 194,504	\$ 888,426
Flow through obligation (Note 6)	209,555	-
	<b>404,059</b>	<b>888,426</b>
<b>Shareholder's equity</b>		
Share capital (Note 6)	48,780,040	46,317,040
Obligation to issue shares (Note 5)	600,000	600,000
Option & warrant reserve (Note 6)	3,480,665	3,107,904
Deficit	(16,262,070)	(13,213,290)
<b>Total equity</b>	<b>36,598,635</b>	<b>36,811,654</b>
<b>Total liabilities and equity</b>	<b>\$ 37,002,694</b>	<b>\$ 37,700,080</b>

Nature of operations (Note 1)  
Subsequent events (Note 10)

Approved by the Board of Directors on June 28, 2022

Director (signed by) "Larry Short"  
Director (signed by) "Christopher Huggins"

*The accompanying notes form an integral part of these condensed interim consolidated financial statements.*

EXPLOITS DISCOVERY CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)

Expressed in Canadian Dollars

	Three months ended April 30		Six months ended April 30	
	2022	2021	2022	2021
<b>Expenses</b>	\$	\$	\$	\$
<b>Exploration &amp; evaluation expenditures (Note 5)</b>	<b>420,728</b>	677,567	<b>1,727,334</b>	1,732,570
<b>Management fees and wages</b>	<b>233,571</b>	114,381	<b>414,997</b>	241,693
<b>Share based compensation (Note 6)</b>	<b>195,398</b>	534,000	<b>345,761</b>	534,000
<b>Investor relations</b>	<b>112,749</b>	698,985	<b>200,153</b>	1,316,903
<b>Office and administrative</b>	<b>117,843</b>	49,287	<b>203,060</b>	58,411
<b>Professional fees</b>	<b>29,066</b>	34,318	<b>70,083</b>	96,255
<b>Regulatory and filing fees</b>	<b>19,390</b>	11,678	<b>67,928</b>	51,261
<b>Amortization</b>	<b>2,605</b>	-	<b>5,209</b>	-
	<b>(1,131,350)</b>	(2,120,216)	<b>(3,034,525)</b>	(4,031,093)
<b>Other income (loss)</b>				
<b>Fair value adjustment on investment (Note 4)</b>	<b>(68,500)</b>	222,500	<b>(164,700)</b>	352,500
<b>Recovery of flow through share liability premium (Note 6)</b>	<b>64,741</b>	-	<b>150,445</b>	-
<b>Interest income</b>	-	-	-	3,175
<b>Loss and comprehensive loss for the period</b>	<b>(1,135,109)</b>	(1,897,716)	<b>(3,048,780)</b>	(3,675,418)
<b>Basic and diluted loss per common share</b>	<b>\$(0.01)</b>	\$(0.03)	<b>\$(0.03)</b>	\$(0.06)
<b>Basic and diluted weighted average number of common shares outstanding</b>	<b>109,508,586</b>	68,341,401	<b>106,247,716</b>	64,030,884

*The accompanying notes form an integral part of these condensed interim consolidated financial statements.*

EXPLOITS DISCOVERY CORP.  
Condensed Interim 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
<b>Balance at October 31, 2020</b>	53,528,102	\$ 16,968,055	\$ 1,855,074	\$ 4,134,000	\$ (2,814,409)	\$20,142,720
<b>Units Shares issued for cash</b>	16,640,232	7,897,720	(140)	-	-	7,987,580
<b>Issuance costs</b>	111,111	(377,263)	81,854	-	-	(295,409)
<b>Share issued for mineral properties</b>	7,112,799	4,464,191	-	-	-	4,464,191
<b>Obligation to issue shares</b>	6,200,000	3,534,000	-	(3,534,000)	-	-
<b>Share-based compensation</b>	-	-	534,000	-	-	534,000
<b>Net loss</b>	-	-	-	-	(3,675,418)	(3,675,418)
<b>Balance at April 30, 2021</b>	83,592,244	\$ 32,486,703	\$ 2,470,788	\$ 600,000	\$ (6,489,827)	\$ 29,067,664
<b>Balance at October 31, 2021</b>	103,508,586	\$ 46,317,040	\$ 3,107,904	\$ 600,000	\$(13,213,290)	\$36,811,654
<b>Shares issued for cash</b>	6,000,000	3,000,000	-	-	-	3,000,000
<b>Allocated to flow through liability</b>	-	(360,000)	-	-	-	(360,000)
<b>Share issuance costs</b>	-	(177,000)	27,000	-	-	(150,000)
<b>Share-based compensation</b>	-	-	345,761	-	-	345,761
<b>Net loss</b>	-	-	-	-	(3,048,780)	(3,048,780)
<b>Balance at April 30, 2022</b>	109,508,586	\$ 48,780,040	\$ 3,480,665	\$ 600,000	\$(16,262,070)	\$36,598,635

*The accompanying notes form an integral part of these condensed interim consolidated financial statements.*

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

For the period ended	April 30, 2022	April 30, 2021
<b>Operating activities</b>		
Net loss	\$ (3,048,780)	\$ (3,675,418)
Items not involving cash:		
Amortization	5,209	-
Fair value adjustment on investment	164,700	(352,500)
Recognition of flow through income	(150,445)	-
Share-based compensation	345,761	534,000
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(693,922)	(346,246)
Exploration advances	(343,400)	-
Prepaid expenses	19,375	(95,536)
Receivables	682,218	(184,829)
<b>Net cash used in operating activities</b>	<b>(3,019,284)</b>	<b>(4,120,529)</b>
<b>Investing activities</b>		
Exploration and evaluation property acquisition expenditures	(900)	-
Purchase of investments	-	(175,000)
<b>Net cash used in investing activities</b>	<b>(900)</b>	<b>(175,000)</b>
<b>Financing activities</b>		
Proceeds from issuance of equity for cash, net of costs	2,850,000	7,791,514
<b>Net cash provided by financing activities</b>	<b>2,850,000</b>	<b>7,791,514</b>
<b>Net cash increase for period</b>	<b>(170,184)</b>	<b>(3,495,983)</b>
Cash at beginning of period	12,663,252	2,964,363
<b>Cash at end of period</b>	<b>\$ 12,493,068</b>	<b>\$ 6,460,346</b>

Supplemental disclosure with respect to cash flows (Note 9)

*The accompanying notes form an integral part of these condensed interim consolidated financial statements.*

## EXPLOITS DISCOVERY CORP.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the six months ended April 30, 2022

Expressed in Canadian Dollars

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### 1. Nature of operations

Exploits Discovery Corp. (“Exploits” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on May 28, 2018 as “1165847 B.C. Ltd.” The Company’s head office is at 595 Burrard St, Suite 3043, Vancouver, BC, V7X 1J1. The Company is focused on evaluating, acquiring, and exploring mineral properties, in Canada and abroad. The Company’s shares are listed on the Canadian Securities Exchange (the “Exchange” or “CSE”) under the symbol NFLD.

The condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. As at April 30, 2022, the Company had working capital of \$13,138,504 and an accumulated deficit of \$16,262,070. 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, however, management estimates working capital on hand is sufficient to fund operations for the next year.

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

### 2. Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting 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 interim consolidated financial statements should be read in conjunction with the Company’s most recent annual audited financial statements for the year ended October 31, 2021 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, 2021.

These financial statements were authorized for issue by the Audit Committee of the Company on June 28, 2022.

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 condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries; Exploits Gold Corp and 1255919 BC Ltd. Subsidiaries are fully 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 in full.

EXPLOITS DISCOVERY CORP.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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**3. Receivables and Accounts Payable**

As at April 30, 2022, receivables consisted of:

	April 30, 2022	October 31, 2021
Recovery due from vendors	\$ 97,896	\$ 114,485
Sales tax	153,496	819,125
<b>Total</b>	<b>\$ 251,392</b>	<b>\$ 933,610</b>

As at April 30, 2022, accounts payable and accrued liabilities consisted of:

	April 30, 2022	October 31, 2021
Due to vendors	\$ 194,504	\$ 716,468
Payroll remittances	-	171,958
<b>Total</b>	<b>\$ 194,504</b>	<b>\$ 888,426</b>

**4. Investments**

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. On May 18, 2022, Volatus completed a share consolidation of 1:4 resulting in the number of shares held as at April 30, 2022 being 125,000.

As at April 30, 2022, the common shares of Volatus had a value of \$22,500 (October 31, 2021 - \$45,000) and the Company recorded a fair value adjustment of \$(22,500) on its investment for the period ended April 30, 2022 (April 30, 2021 - \$(52,500)).

In November 2020, the Company acquired 250,000 units of C2C Gold Corp ("C2C") (formerly Taku Resources) for \$25,000 where each unit consisted of one share of C2C and one-half of a C2C share purchase warrant. Each whole C2C share purchase warrant has an exercise price of \$0.15 and expire on November 19, 2022. C2C is traded on the CSE under the symbol "CTOC". In addition to the shares, the Company has 125,000 C2C warrants with a fair value of \$16,925, which were valued using the Black Scholes formula with the following assumptions: an expected volatility of 140%, an expected life of 1.05 years, a dividend yield of 0% and a risk free interest rate of 0.50%.

As at April 30, 2022 the common shares of C2C had a value of \$52,500 and the Company recorded a fair value adjustment of \$(2,500) on its investment for the period ended April 30, 2022 (April 30, 2021 - \$30,000).

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" and a further 70,000 shares for \$28,275 in May 2021. In October 2021 the Company disposed of 300,000 shares for gross proceeds of \$118,905.

As at April 30, 2022, the Company owns 1,270,000 common shares of Opawica with a value of \$355,600 and the Company recorded a fair value adjustment of \$(139,700) on its investment for the period ended April 30, 2022 (April 30, 2021 - \$375,000).



## 5. Exploration and evaluation property

### 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 recorded an impairment of \$43,203 for the year ended October 31, 2020.

### Middle Ridge Property

In July 2020, the Company entered into an 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 (recorded at a fair value of \$306,000). The property is subject to a 2% NSR which the Company can repurchase 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 an additional 1,000,000 common shares upon completion of a pre-feasibility study with a fair value of \$600,000. As of April 30, 2022, 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 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 fair value of \$61,990.

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Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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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 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 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.

In August 2020, the Company acquired a 100% interest in additional mineral claims, expanding its True Grit Property, by issuing 281,081 common shares with a fair 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 6<sup>th</sup> through 20<sup>th</sup> anniversary of signing the agreement. Certain claims are subject to a 2% NSR which the Company can repurchase 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. of which \$5,067,745 is allocated to the Mt. Peyton property.

In September 2021, the Company staked additional claims at a cost of \$144,275 which are considered to be part of the Mt. Peyton property.

Gazeebow Property

In August 2020, the Company acquired a 100% interest in the Gazeebow 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% NSR which the Company can repurchase 1% for \$1,000,000.

In May 2021, the Company entered into a mineral property purchase agreement with Crest Resources Corp. (Crest) to acquire the Gazeebow North property. In connection with this proposed acquisition, the Company advanced \$200,000 towards the purchase price, however in June 2021, the agreement was terminated.

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 (paid) and 400,000 common shares (issued with a fair value of \$276,000) on the 1<sup>st</sup> anniversary; and
- \$50,000 cash and 500,000 common shares on the 2<sup>nd</sup> anniversary; and
- \$60,000 cash and 600,000 common shares on the 3<sup>rd</sup> anniversary; and
- \$70,000 cash and 1,000,000 common shares on the 4<sup>th</sup> anniversary; and
- \$10,000 in cash or common shares on the 5<sup>th</sup> to 10<sup>th</sup> anniversary; and
- \$50,000 in cash or common shares on the 11<sup>th</sup> to 20<sup>th</sup> 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 with a fair value of \$264,000. These claims are subject to a 2% NSR to one of the underlying vendors, of which 1% may be bought back for \$1,000,000.

#### 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 Jonathon'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% 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 with a fair market value of \$4,856,471 and a 2% NSR.

#### Crest 50/50 Staking Agreement

In June 2021, the Company entered into 50/50 staking syndicate with Crest Resources Inc. ("Crest") and through the staking syndicate acquired through staking a 100% interested in PB Hill property at a cost of \$412,816. Pursuant to the terms of the staking agreement, Crest is contributing geological intellectual property for the staking thesis and the Company will finance the staking costs. The Company will receive the first 1.2 times cost return on the funds financed and further benefit will be split 50/50.

#### 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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Exploration and evaluation property acquisition costs

Property	Jonathan's Pond	Mt. Peyton	Dog Bay	Middle Ridge	Great Bend	True Grit	Crest 50/50 Staking	Gazebow	Silver Dollar	Total
<b>Balance, October 31, 2020</b>	<b>\$2,533,873</b>	<b>\$5,557,400</b>	<b>\$4,304,086</b>	<b>\$2,142,735</b>	<b>\$1,366,990</b>	<b>\$1,175,913</b>	<b>\$ -</b>	<b>\$367,000</b>	<b>\$ -</b>	<b>\$17,447,997</b>
Acquisition cost – cash	-	120,275	40,000	-	-	-	412,816	-	-	573,091
Acquisition costs – share payments	4,856,471	-	540,000	-	-	-	-	-	-	5,396,471
<b>Balance, October 31, 2021</b>	<b>\$7,390,344</b>	<b>\$5,677,675</b>	<b>\$4,884,086</b>	<b>\$2,142,735</b>	<b>\$1,366,990</b>	<b>\$1,175,913</b>	<b>412,816</b>	<b>\$367,000</b>	<b>\$ -</b>	<b>\$23,417,559</b>
Staking	-	-	900	-	-	-	-	-	-	900
<b>Balance, April 30, 2022</b>	<b>\$7,390,344</b>	<b>\$5,677,675</b>	<b>\$4,884,986</b>	<b>\$2,142,735</b>	<b>\$1,366,990</b>	<b>\$1,175,913</b>	<b>\$412,816</b>	<b>\$367,000</b>	<b>\$ -</b>	<b>\$23,418,459</b>

EXPLOITS DISCOVERY CORP.

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Exploration and evaluation property expenditures

<b>Period Ended:</b>	<b>April 30, 2022</b>	<b>April 30, 2021</b>
Airborne surveys	\$ 153,857	\$ 668,404
Fieldwork and Consumables	121,367	50,170
Geological consulting	244,416	572,789
Geophysics	1,115,027	202,508
Rentals	4,725	81,090
Sampling	-	63,856
Termination of Silver Dollar Property	-	66,894
Travel	14,146	28,796
Wages	30,550	69,980
Recovery	(60,000)	(71,917)
<b>Total</b>	<b>\$ 1,624,088</b>	<b>\$ 1,732,570</b>

**6. 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 period ended April 30, 2022, the Company:***

- Completed a private placement by issuing 6,000,000 flow-through common shares at \$0.50 for a total of \$3,000,000. The Company incurred cash issuance costs of \$150,000 and issued 300,000 agent's warrants with an exercise price of \$0.50 and for two years in connection with this financing. The fair value of the agents' warrants was \$27,000 using the following Black Scholes option pricing model based on the following assumptions: expected life of 2 year, expected volatility of 100%, interest of 0.93% and a dividend yield of 0%. In connection with the flow through common shares, the Company recorded \$360,000 as a flow through obligation. The Company brought \$150,445 onto the profit and loss as the Company incurred certain qualifying exploration expenditures resulting in the flow through-obligation as at April 30, 2022 being \$209,555.

***During the year ended October 31, 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 with a fair value of \$4,586,471 and a 2% NSR.
- 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, issued 111,111 units valued at \$50,000 and issued 406,984 agent's warrants with an exercise price of \$0.67 and for two years in connection with this financing. The fair value of the agents' warrants was \$81,854 using the following Black Scholes option pricing model based on the following 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 units, the Company recorded \$189,343 as a flow through obligation, which was brought into profit and loss as the Company fully made 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 (Note 6).
- Issued 400,000 shares pursuant to the option payment for the Dog Bay project, with a fair value of \$276,000 acquiring 100% interest in the Hicks-Dog Bay properties consolidating the Dog Bay Gold Project that carries a fair value of \$264,000 (Note 6).

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- Completed a non-brokered private placement raising \$4,100,000 by issuance of 8,200,000 units at \$0.50 per unit. Each unit consists of one common share and one full warrant. Each warrant is exercisable into one share of the Company at \$0.67 per share for 24 months. The Company incurred cash share issuance costs of \$123,000.
- Completed a non-brokered private placement raising \$8,000,000 at a price of \$0.60 per unit from the issuance of 13,333,334 units. Each unit consists of one common share and one warrant, where each warrant is exercisable into one share of the Company at \$0.70 per share for three years.
- Issued 2,875,000 shares pursuant to the exercise of options for proceeds of \$1,604,700. In connection with the exercise of these options, the Company reclassified \$579,700 from reserves to share capital.
- Issued 3,309,758 shares pursuant to the exercise of warrants and broker warrants for proceeds of \$2,269,455. In connection with the exercise of these warrants, the Company reclassified \$444,465 from reserves to share capital.

Escrowed securities

In connection with the Initial Public Offering (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, 2022, 414,750 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
<b>Balance, as at October 31, 2020</b>	<b>5,288,850</b>	<b>\$0.69</b>
Exercised	(3,309,758)	\$0.69
Expired	(2,486,716)	\$0.70
Issued	30,489,911	\$0.67
<b>Balance, October 31, 2021</b>	<b>29,982,287</b>	<b>\$0.68</b>
Issued	300,000	\$0.50
<b>Balance, April 30, 2022</b>	<b>30,282,287</b>	<b>\$0.68</b>

As at April 30, 2022, warrants outstanding are as follows:

	Number of warrants outstanding	Exercise Price	Expiry date
	6,004,159	\$0.67	March 15, 2023
	2,444,794	\$0.67	March 31, 2023
	8,200,000	\$0.67	April 26, 2023
	13,333,334	\$0.70	May 17, 2023
	300,000	\$0.50	December 28, 2023
<b>Total</b>	<b>30,282,287</b>	<b>\$0.68</b>	

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c) Stock 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 April 2022, the Company granted 500,000 stock options to directors, officers and consultants with an exercise price of \$0.35 and an expiry of 3 years. The fair value of these options was estimated to be \$80,000 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 100%, risk free interest rate of 2.47% and an expected dividend yield of 0%. As of April 30, 2022, \$23,586 was recognized as an expense in connection with the vesting of these options.

In February 2022, the Company granted 275,000 stock options to directors, officers and consultants with an exercise price of \$0.45 and an expiry of 3 years. The fair value of these options was estimated to be \$71,500 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 100%, risk free interest rate of 1.43% and an expected dividend yield of 0%. As of April 30, 2022, \$50,002 was recognized as an expense in connection with the vesting of these options.

In September 2021, the Company granted 1,000,000 stock options to directors, officers and consultants with an exercise price of \$0.62 and an expiry of 5 years. The fair value of these options was estimated to be \$450,000 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%. As of April 30, 2022, \$163,213 was recognized as an expense in connection with the vesting of these options.

In June 2021, the Company granted 600,000 stock options to directors, officers and consultants with an exercise price of \$1.19 and an expiry of 3 years. The fair value of these options was estimated to be \$438,000 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%. As of April 30, 2022, \$108,960 was recognized as an expense in connection with the vesting of these options.

In May 2021, the Company granted 1,775,000 stock options to directors, officers and consultants with an exercise price of \$1.33 and an expiry of 2 years. The fair value of these options was estimated to be \$1,224,750 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%.

In March 2021, the Company granted 1,375,000 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 \$343,750 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%.

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%.

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

	Number of Options	Weighted Average Exercise Price
<b>Balance, as at October 31, 2020</b>	<b>5,330,000</b>	<b>\$0.57</b>
Granted	5,250,000	\$0.88
Exercised	(2,875,000)	\$0.56
Balance, as at October 31, 2021	7,705,000	\$0.79
Granted	775,000	\$0.39
<b>Balance, as at April 30, 2022</b>	<b>8,480,000</b>	<b>\$0.75</b>

As at April 30, 2022, stock options outstanding are as follows:

Grant Date	Number of options		Exercise Price	Expiry date
	Outstanding	Exercisable		
September 18, 2020	740,000	740,000	\$0.59	July 6, 2022
October 14, 2020	2,240,000	2,240,000	\$0.57	October 14, 2023
February 3, 2021	250,000	250,000	\$0.49	February 3, 2023
March 24, 2021	1,100,000	1,100,000	\$0.50	February 24, 2023
May 25, 2021	1,775,000	1,775,000	\$1.33	May 25, 2023
June 11, 2021	600,000	450,000	\$1.19	June 11, 2024
September 15, 2021	1,000,000	500,000	\$0.62	September 15, 2026
February 1, 2022	275,000	68,750	\$0.45	February 1, 2025
April 14, 2022	500,000	125,000	\$0.35	April 14, 2025
<b>Total</b>	<b>8,480,000</b>	<b>7,180,000</b>		

## 7. 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:

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

The Company's investments in Opiwaca, C2C and Volatus (Note 4) 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, while the warrants of C2C are classified as Level 2 and use the Black Scholes method to estimate fair value. As at April 30, 2022, 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:



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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, 2022, 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 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.

**8. 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>April 30, 2022</b>	<b>April 30, 2021</b>
Management fees and wages paid to key management and directors	\$ 309,833	\$ 177,000
Geological consulting paid to a company with common directors	30,000	-
	<b><u>\$ 339,833</u></b>	<b><u>\$ 177,000</u></b>

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**9. Supplemental disclosure with respect to cash flows**

The Company did not pay interest or dividends, nor did it receive any dividends during the period ended April 30, 2022 and 2021.

Significant non-cash financing and investing transactions for the period ended April 30, 2022 included:

- Issuance of 300,000 finder's' warrants valued at \$27,000 record as share issuance costs.

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

**10. Subsequent events**

- May 17, 2022 the shares of Volatus Capital Corp. held by the Company were rolled back 1 for 4. The Company now holds 125,000 shares of Volatus.
- June 3, 2022 the remaining 414,750 escrowed common shares became free trading. No common shares of the Company remain in escrow.